

# PENM IV GP ERF Fonden

c/o Bech-Bruun

Langelinie Allé 35

2100 København Ø

CVR no. 36 90 78 35

## Annual report 2021

Approved on 7. juni 2022

Chairman:



Michael Rude Mortensen

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### Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of PENM IV GP ERF Fonden for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

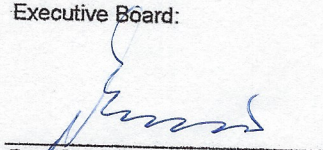
In our opinion, the financial statements give a true and fair view of the financial position of the Fund at 31 December 2021 and of the results of the Fund's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

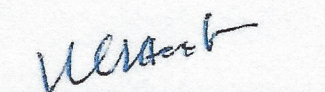
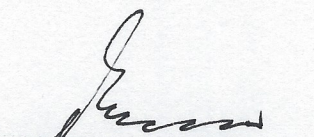
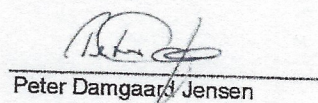
We recommend that the annual report be approved at the meeting.

Hellerup, 7. juni 2022

Executive Board:

  
Bent Pedersen  
Director

Board of Directors:

  
David Richard Hexter  
Chairman  
Bent Pedersen  
Peter Damgaard Jensen



## **Independent auditor's report**

### **To the limited partners of PENM IV GP ERF Fonden**

#### **Opinion**

We have audited the financial statements of PENM IV GP ERF Fonden for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund at 31 December 2021 and of the results of the Fund's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7. juni 2022  
EY GODKENDT REVISIONSPARTNERSELSKAB  
CVR no. 30 70 02 28



Rasmus Berntsen  
State Authorised  
Public Accountant  
mne35461

## Management's review

### Fund details

Name	PENM IV GP ERF Fonden
Address, Postal code, City	c/o Bech-Bruun, Langelinie Allé 35 DK-2100 København Ø
CVR no.	36 90 78 35
Establishment	29. May 2015
Registered office	København
Financial year	1 January – 31 December
Board of directors	David Richard Hexter, chairman Bent Pedersen, Peter Damgaard Jensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250 2000 Frederiksberg

### Primary activities

PENM IV GP ERF Fonden is a foundation with the objective to act as General Partner for Private Equity New Markets IV K/S, which is a Danish Limited Partnership that invests in companies in Vietnam through a German entity.

### Development in activities and finances

In 2021, the Company's revenue amounted to DKK 656,120 against DKK 605,760 last year. The income statement for 2021 shows a profit of DKK 15,577 and the balance sheet at 31 December 2021 shows equity of DKK 408,730. The result is affected by normal operations.

Management consider the Company's financial performance in the year satisfactory.

### Events after the balance sheet date

No events materially affecting the Company's position have occurred subsequent to the financial year-end.

## Management's review

Recommendation		The foundation complies	The foundation explains <sup>1</sup>		Not applicable
			why	how	
1. Transparency and communication					
1.1 It is <b>recommended</b> that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.		The Foundation complies with this recommendation.			
2. Tasks and responsibilities of the board of directors					
2.1 Overall tasks and responsibilities					
2.1.1 It is <b>recommended</b> that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.		The Foundation complies with this recommendation.			
2.1.2 It is <b>recommended</b> that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.		The Foundation complies with this recommendation.			
2.2 Chairman and vice-chairman of the board of directors					
2.2.1 It is <b>recommended</b> that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.		The Foundation complies with this recommendation.			

<sup>1</sup> In case of lack of compliance with a recommendation, the foundation must explain *why* this recommendation was not followed and *how* the foundation has acted differently. An adequate explanation answers both questions and categorises the answer as being in compliance with the recommendation. It is therefore important that the foundation answer both questions in its explanation.

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>1</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.2.2</b> It is <b>recommended</b> that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.</p>		The Foundation does not use the chairman of the Board to conduct other special operational tasks for the foundation and does not wish to do so in the future.		
<b>2.3 Composition and organisation of the board of directors</b>				
<p><b>2.3.1</b> It is <b>recommended</b> that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.</p>	The Foundation complies with this recommendation.			
<p><b>2.3.2</b> It is <b>recommended</b> that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.</p>	The Foundation complies with this recommendation			
<p><b>2.3.3</b> It is <b>recommended</b> that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.</p>	The Foundation complies with this recommendation			



Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>1</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.3.4</b> It is <b>recommended</b> that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:</p> <ul style="list-style-type: none"> <li>• the name and position of the member,</li> <li>• the age and gender of the member,</li> <li>• date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,</li> <li>• any special competences possessed by the member,</li> <li>• other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,</li> <li>• whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,</li> <li>• whether the member has been appointed by authorities/providers of grants etc., and</li> <li>• whether the member is considered independent.</li> </ul>	The Foundation complies with this recommendation			
<p><b>2.3.5</b> It is <b>recommended</b> that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.</p>	The Foundation complies with this recommendation			
<b>2.4 Independence</b>				

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>1</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<p><b>2.4.1</b> It is <b>recommended</b> that an appropriate proportion of the board of directors be independent.</p> <p>If the board of directors (excluding employee representatives) is composed of</p> <ul style="list-style-type: none"> <li>• up to four members, at least one member should be independent,</li> <li>• between five and eight members, at least two members should be independent, or</li> <li>• nine to eleven members, at least three members should be independent, and so on.</li> </ul> <p>To be considered independent, this person may not, for example:</p> <ul style="list-style-type: none"> <li>• be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,</li> <li>• within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,</li> <li>• within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,</li> <li>• be or within the past three years have been employed or partner at the external auditor,</li> <li>• have been a member of the board of directors or executive board of the foundation for more than 12 years,</li> </ul>	The Foundation complies with this recommendation			

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>1</sup>		Not applicable
		<i>why</i>	<i>how</i>	
<ul style="list-style-type: none"> <li>be a close relative of, or in some other way be especially close to, persons who are not considered independent,</li> <li>be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or</li> <li>be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.</li> </ul>				
<b>2.5 Appointment period</b>				
<b>2.5.1</b> It is <b>recommended</b> that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.	The Foundation complies with this recommendation. Members are elected semi-annually but can be reelected.			
<b>2.5.2</b> It is <b>recommended</b> that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.		The Foundation has chosen not to set an age limit for the board members.		
<b>2.6 Evaluation of the performance of the board of directors and executive board</b>				
<b>2.6.1</b> It is <b>recommended</b> that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.		The Foundation has not determined specific procedures however, performance and results are discussed regularly.		
<b>2.6.2</b> It is <b>recommended</b> that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.		The Foundation has not determined specific procedures however, performance and results are		

Recommendation	The foundation <u>complies</u>	The foundation <u>explains</u> <sup>1</sup>		Not applicable
		<i>why</i>	<i>how</i>	
		discussed regularly.		
<b>3. Remuneration of management</b>				
<b>3.1.1</b> It is <b>recommended</b> that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.	The Foundation complies with this recommendation.			
<b>3.1.2</b> It is <b>recommended</b> that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore, there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.		The management is remunerated by the partnership's investment manager. Remuneration to the board of directors and the board of executives is not a part of this annual report.		

### **David Hexter**

Formand for bestyrelsen for:  
*Chairman of the Supervisory Board of:*  
PENM IV GP ERF Fonden

Formand for revisionsudvalget for,  
*Chairman of the Audit Committee, of:*  
Bank Zachodny WBK, Poland  
Bank Piraeus, Greece

David er 72 år og blev valgt til bestyrelsen i forbindelse med stiftelsen af fonden i 2015. David er senest genvalgt i 2021 for en toårig periode. David anses som et uafhængigt medlem.  
*David is 72 years old and was elected to the board of directors in connection with the establishment of the fund in 2015. David has been reelected in 2021 for a two-year period. David is considered an independent board member.*

### **Bent Pedersen**

Medlem af bestyrelsen for:  
*Member of the Supervisory Board of:*  
PENM IV GP ERF Fonden

Bent er 79 år og blev valgt til bestyrelsen i forbindelse med stiftelsen af fonden i 2015. Bent er senest genvalgt i 2021 for en toårig periode. Bent anses som et uafhængigt medlem.  
*Bent is 79 years old and was elected to the board of directors in connection with the establishment of the fund in 2015. Bent has been reelected in 2021 for a two-year period. Bent is considered an independent board member.*

### **Peter Damgaard Jensen**

Formand for bestyrelsen for:  
*Chairman of the board of directors of:*  
AIP Management P/S  
Climate Investment Coalition F.m.b.a.

Næstformand:  
*Deputy chairman of the board of directors of:*  
Fonden World Climate Foundation

Medlem af bestyrelsen for:  
*Member of the Supervisory Board/board of directors of:*  
Private Equity New Markets III K/S, PENM IV GP ERF Fonden  
Investeringsforeningen Maj Invest  
Nordic Impact Bridge ApS

Peter er 67 år og blev valgt til bestyrelsen i henhold til fondens fundats i 2020. Peter er senest genvalgt i 2021 for en toårig periode. Peter anses som et uafhængigt medlem.  
*Peter is 67 years old and was elected to the board of directors with reference to the fund's charter in 2020. Peter has been reelected in 2021 for a two-year period. Peter is considered an independent board member.*



### **Statement of the Funds's distribution policy**

The statutory statement of the Fund's distribution policy as set out in Article 77 b of The Danish Financial Statements Act is set out in this section of the management report.

Grants are made out at the discretion of the Board of Directors and are used in accordance with the Articles of the Foundation with the objective to support established non-profit organizations or institutions, schools, projects and companies working within the social area in a broad sense and which also receive or have previously received support from PENM IV Founding Partner ApS.

The Management Board is free to estimate the use of the available funds available, including whether all the Fund's free reserves or only part of the Fund is to be distributed in a given year. In the latter case, the remaining amounts available shall be transferred to the following financial year.

The Board of Directors aims to pool appropriate funds for the distribution for each purpose, in order to achieve an economy to support the intended purposes in an adequate manner.

PENM IV GP ERF Fonden's funds can at no time go back to founder PENM IV Founding Partner ApS.

No grants have been made in 2021.

## Financial statements 1 January – 31 December

### Income statement

Note	DKK	2021	2020
	Revenue	656,120	605,760
2	Administrative expenses	-632,435	-582,579
	<b>Gross loss</b>	23,685	23,181
	Financial expenses	-3,685	-3,181
	<b>Profit before tax</b>	20,000	20,000
	Tax on profit	4,423	4,446
	<b>Profit for the year</b>	15,577	15,554
	<b>Recommended appropriation of profit</b>		
	Retained earnings	15,577	15,554
		15,577	15,554

## Financial statements 1 January – 31 December

### Balance sheet

Note	DKK	2021	2020
	<b>ASSETS</b>		
	<b>Current assets</b>		
	<b>Receivables</b>		
	Other receivables	55,300	54,831
		55,300	54,831
	<b>Cash</b>	355,843	372,014
	<b>Total current assets</b>	411,143	426,844
	<b>TOTAL ASSETS</b>	411,143	426,844
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Contributed capital	300,000	300,000
	Retained earnings	108,730	93,153
	<b>Total equity</b>	408,730	393,153
	<b>Current liabilities</b>		
	Income tax payable	2,413	2,441
	Other payables	0	31,250
	<b>Total current liabilities</b>	2,413	33,691
	<b>Total liabilities</b>	2,413	33,691
	<b>TOTAL EQUITY AND LIABILITIES</b>	411,143	426,844

- 1 Accounting policies  
3 Contingencies

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
<b>Equity at 1 January 2020</b>	300,000	77,599	377,599
Transfers of profit/loss	0	15,554	15,554
<b>Equity at 1 January 2021</b>	300,000	93,153	393,153
Transfers of profit/loss	0	15,577	15,557
<b>Equity at 31 December 2021</b>	300,000	108,730	408,730

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of PENM IV GP ERF Fonden for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities, such as statement of changes in equity.

The financial statements have been prepared in accordance with the same accounting policies as last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Revenue consists of fees from Private Equity New Markets IV K/S. Net revenue are recognized excluding VAT and are measured as fair value of the fixed remuneration.

#### Administrative expenses

Administrative expenses comprise fees to the operating company and other costs including audit fees.

#### Financial expenses

Financial expenses comprise interest income and expense, realised and unrealised currency losses on prepayments, payables and other monetary items in foreign currency and on transactions in foreign currency.

#### Tax on profit for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.



## **Financial statements 1 January – 31 December**

### **Notes**

#### **Balance sheet**

##### **Other receivables**

Other receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

##### **Income tax payable**

Current tax payable is recognised in the balance sheet, states as tax calculated on the year's taxable income, adjusted for prepaid tax.

##### **Other payables**

Other payables are measured at amortised cost, which usually corresponds to nominal value.

## **2 Administrative expenses**

PENM IV GP ERF Fonden has no employees besides the Executive Board who do not receive remuneration.

## **3 Contingencies**

### **Other contingencies**

As a General Partner PENM IV GP ERF Fonden is liable for all obligations of Private Equity New Markets IV K/S. The overall commitment in Private Equity New Markets IV K/S is USD 112 million (DKK 734,9 million) as of 31 December 2021. The full commitment of Private Equity New Markets IV K/S has been drawn.