

PENM IV GP ERF Fonden

c/o Bech-Bruun

Langelinie Allé 35

2100 København Ø

CVR no. 36 90 78 35

Annual report 2019

Approved on 27 May 2020

Chairman:

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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 2019.

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 2019 and of the results of the Fund's operations for the financial year 1 January - 31 December 2019.

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, 27 May 2020

Executive Board:

Bent Pedersen
Director

Board of Directors:

David Richard Hexter
Chairman

Bent Pedersen

Carl Jørgen Dan Jensen

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 2019, 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 2019 and of the results of the Fund's operations for the financial year 1 January – 31 December 2019 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, 27 May 2020

ERNST & YOUNG
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, Carl Jørgen Dan Jensen Peter Damgaard Jensen
Auditors	Ernst & Young 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 2019, the Company's revenue amounted to DKK 667,590 against DKK 646,090 last year. The income statement for 2019 shows a profit of DKK 15,564 and the balance sheet at 31 December 2019 shows equity of DKK 377,599.

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

Events after the balance sheet date

In March 2020, The World Health Organization declared COVID-19 a pandemic. As a result, businesses around the world have experienced a significant disruption.

PENM IV GP ERF Fonden considered the impact of COVID-19 on the assumptions and estimates used in evaluating our assets and liabilities.

We determined that there were no material adverse impacts on the PENM IV GP ERF Fonden's results of operations after year end 2019.

Management's review

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
1. Åbenhed og kommunikation / Openness and communication		
<p>1.1. Det anbefales, at bestyrelsen vedtager retningslinjer for ekstern kommunikation, herunder hvem, der kan, og skal udtale sig til offentligheden på den erhvervsdrivende fonds vegne, og om hvilke forhold. Retningslinjerne skal imødekomme behovet for åbenhed og interessenterne behov og mulighed for at opnå relevant opdateret information om fondens forhold.</p> <p>It is recommended that the board of directors adopt guidelines for external communication, including who can make public statements on behalf of the foundation and on what matters. The guidelines should address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	
2. Bestyrelsens opgaver og ansvar / The board of directors' tasks and responsibilities		
2.1 Overordnede opgaver og ansvar / Overall tasks and responsibilities		
<p>2.1.1 Det anbefales, at bestyrelsen med henblik på at sikre den erhvervsdrivende fonds virke i overensstemmelse med fondens formål og interesser mindst en gang årligt tager stilling til fondens overordnede strategi og uddelingspolitik med udgangspunkt i vedtægten.</p> <p>It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
2.2 Formanden og næstformanden for bestyrelsen / The chairman and deputy chairman of the board of directors		
<p>2.2.1 Det anbefales, at bestyrelsesformanden organiserer, indkalder og leder bestyrelsesmøderne med henblik på at sikre et effektivt bestyrelsesarbejde og skabe de bedst mulige forudsætninger for bestyrelsesmedlemmernes arbejde enkeltvis og samlet.</p> <p>It is recommended that the chairman of the board of directors organize, 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.</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	
<p>2.2.2 Det anbefales, at hvis bestyrelsen – ud over formandshvervet – undtagelsesvis anmoder bestyrelsesformanden om at udføre særlige driftsopgaver for den erhvervsdrivende fond, bør der foreligge en bestyrelsesbeslutning, der sikrer, at bestyrelsen bevarer den uafhængige overordnede ledelse og kontrolfunktion. Der bør sikres en forsvarlig arbejdsdeling mellem formanden, næstformanden, den øvrige bestyrelse og en eventuel direktion.</p> <p>It is recommended that if, in addition to the position as chairman, in exceptional circumstances, the chairman of the board of directors is requested to perform specific operating functions for the commercial foundation, a board resolution be passed which ensures that the board of directors retains its independent, overall 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>		<p>Fonden anvender ikke bestyrelsesformanden til at udføre særlige driftsopgaver for fonden og ønsker heller ikke at gøre det i fremtiden.</p> <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.</p>
2.3 Bestyrelsens sammensætning og organisering / The composition and organisation of the board of directors		
<p>2.3.1 Det anbefales, at bestyrelsen løbende vurderer og fastlægger, hvilke kompetencer bestyrelsen skal råde over for bedst muligt at</p>	<p>Fonden følger.</p>	

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
<p>kunne udføre de opgaver, der påhviler bestyrelsen.</p> <p>It is recommended that the board of directors regularly assess and stipulate the competences that the board of directors is to possess in order to perform the tasks incumbent upon the board of directors as well as possible.</p>	<p>The Foundation complies with this recommendation.</p>	
<p>2.3.2 Det anbefales, at bestyrelsen med respekt af en eventuel udpegningsret i vedtægten sikrer en struktureret, grundig og gennemskuelig proces for udvælgelse og indstilling af kandidater til bestyrelsen.</p> <p>It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors ensure a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	
<p>2.3.3 Det anbefales, at bestyrelsesmedlemmer udpeges på baggrund af deres personlige egenskaber og kompetencer under hensyn til bestyrelsens samlede kompetencer, samt at der ved sammensætning og indstilling af nye bestyrelsesmedlemmer tages hensyn til behovet for fornyelse – sammenholdt med behovet for kontinuitet – og til behovet for mangfoldighed i relation til bl.a. erhvervs- og uddelingserfaring, alder og køn.</p> <p>It is recommended that members of the board of directors be 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 be weighed against the need for continuity and the need for diversity be considered in relation to commercial and grant experience, age and gender.</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	
<p>2.3.4 Det anbefales, at der årligt i ledelsesberetningen, og på den erhvervsdrivende fonds eventuelle hjemmeside, redegøres for sammensætningen af bestyrelsen, herunder for mangfoldighed, samt at der gives følgende oplysninger om hvert af bestyrelsens medlemmer:</p>	<p>Fonden følger. The Foundation complies with this recommendation.</p>	

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
<ul style="list-style-type: none"> den pågældendes navn og stilling, den pågældendes alder og køn, dato for indtræden i bestyrelsen, hvorvidt genvalg af medlemmet har fundet sted, og udløb af den aktuelle valgperiode, medlemmets eventuelle særlige kompetencer, den pågældendes øvrige ledelseshverv, herunder poster i direktioner, bestyrelser og tilsynsråd, inklusive ledelsesudvalg, i danske og udenlandske fonde, virksomheder, institutioner samt krævende organisationsopgaver, hvilke medlemmer, der er udpeget af myndigheder/tilskudsyder m.v., og om medlemmet anses for uafhængigt. <p>It is recommended that, in the management review in the annual report and on the commercial foundation's website, there be an account of the composition of the board of directors, including its diversity, and that the following information be provided on each board member:</p> <ul style="list-style-type: none"> the name and position of the member; the age and gender of the member; date of original appointment to the board, whether the member has been re-elected, and expiry of the current election period; any special competences possessed by the member; 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 organization tasks; 		

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
<ul style="list-style-type: none"> whether the member has been appointed by authorities/providers of grants etc.; and whether the member is considered independent. 		
<p>2.3.5 Det anbefales, at flertallet af bestyrelsesmedlemmerne i den erhvervsdrivende fond ikke samtidig er medlemmer af bestyrelsen eller direktionen i fondens dattervirksomhed(-er), medmindre der er tale om et helejet egentligt holdingselskab.</p> <p>It is recommended that the majority of the members of the board of directors of the commercial foundation not also be members of the board of directors or executive board of the foundation's subsidiary or subsidiaries, unless it is a fully owned actual holding company.</p>	<p>Fonden følger.</p> <p>The Foundation complies with this recommendation.</p>	
2.4 Uafhængighed / Independence		
<p>2.4.1 Det anbefales, at en passende del af bestyrelsens medlemmer er uafhængige.</p> <p>Består bestyrelsen (eksklusiv medarbejdervalgte medlemmer) af op til fire medlemmer, bør mindst ét medlem være uafhængigt. Består bestyrelsen af mellem fem til otte medlemmer, bør mindst to medlemmer være uafhængige. Består bestyrelsen af ni til elleve medlemmer, bør mindst tre medlemmer være uafhængige og så fremdeles.</p> <p>Et bestyrelsesmedlem anses i denne sammenhæng ikke for uafhængig, hvis den pågældende:</p> <ul style="list-style-type: none"> er, eller inden for de seneste tre år har været, medlem af direktionen eller ledende medarbejder i fonden eller en væsentlig dattervirksomhed eller associeret virksomhed til fonden, inden for de seneste fem år har modtaget større vederlag, herunder uddelinger eller andre ydelser, fra fonden/koncernen eller en dattervirksomhed eller associeret virksomhed til fonden i anden egenskab end som medlem 	<p>Fonden følger.</p> <p>The Foundation complies with this recommendation.</p>	

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
<p>af fondens bestyrelse eller direktion,</p> <ul style="list-style-type: none"> • inden for det seneste år har haft en væsentlig forretningsrelation (f.eks. personlig eller indirekte som partner eller ansat, aktionær, kunde, leverandør eller ledelsesmedlem i selskaber med tilsvarende forbindelse) med fonden/koncernen eller en dattervirksomhed eller associeret virksomhed til fonden, • er, eller inden for de seneste tre år har været, ansat eller partner hos ekstern revisor, • har været medlem af fondens bestyrelse eller direktion i mere end 12 år, • er i nær familie med eller på anden måde står personer, som ikke betragtes som uafhængige, særligt nær, • er stifter eller væsentlig gavegiver, hvis fonden har til formål at yde støtte til disses familie eller andre, som står disse særligt nær, eller • er ledelsesmedlem i en organisation, en anden fond eller lignende, der modtager eller gentagne gange inden for de seneste fem år har modtaget væsentlige donationer fra fonden. <p>It is recommended that an appropriate proportion of the board of directors be independent.</p> <p>If the board of directors (excluding employee representatives) is composed of up to four members, at least one member should be independent. If the board of directors is composed of between five and eight members, at least two members should be independent. If the board of directors is composed of nine to eleven members, at least three members should be independent, and so on.</p>		

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
<p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past three years have been a member of the executive board or senior employee in the foundation or a subsidiary or associated company to the foundation; • 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 another capacity than as a member of the board of directors or executive board of the foundation; • within the past year have had a significant business relationship (e.g. personal or indirectly as a 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 of the foundation; • be or within the past three years have been employed or have been a partner of the external auditor; • have been a member of the board of directors or executive board of the foundation for more than 12 years; • be close relatives with persons who are not considered as independent; • 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 • be a member of the management of an organization, another foundation or similar which receives or repeatedly within the 		

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
past five years has received significant donations from the foundation.		
2.5 Udpegningsperiode / appointment period		
2.5.1 Det anbefales, at bestyrelsens medlemmer som minimum udpeges for en periode på to år, og maksimalt for en periode på fire år. It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.	Fonden følger. Medlemmer vælges to år af gangen, men kan genvælges. The Foundation complies with this recommendation.	
2.5.2 Det anbefales, at der for medlemmerne af bestyrelsen fastsættes en aldersgrænse, som offentliggøres i ledelsesberetningen eller på fondens hjemmeside. It is recommended that an age limit for members of the board of directors be set which is published in the management review or on the foundation's website.		Fonden har ikke ønsket at fastsætte en aldersgrænse for bestyrelsesmedlemmerne. The Foundation has chosen not to set an age limit for the board members.
2.6 Evaluering af arbejdet i bestyrelsen og i direktionen / Evaluation of the board of directors and the management board's work		
2.6.1 Det anbefales, at bestyrelsen fastlægger en evalueringsprocedure, hvor bestyrelsen, formanden og de individuelle medlemmers bidrag og resultater årligt evalueres, og at resultatet drøftes i bestyrelsen. It is recommended 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.		Fonden har ikke fastlagt en decideret procedure, dog drøftes indsats og resultater løbende. The Foundation has not determined specific procedures, however, performance and results are discussed regularly.
2.6.2 Det anbefales, at bestyrelsen én gang årligt evaluerer en eventuel direktion og/eller administrators arbejde og resultater efter forud fastsatte klare kriterier. It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator		Fonden har ikke fastlagt en decideret procedure, dog drøftes arbejde og resultater løbende.

Anbefaling/ recommendation	Fonden følger The foundation complies	Fonden forklarer The foundation explains
(where relevant) in accordance with predefined clear criteria.		The Foundation has not determined specific procedures, however, performance og results are discussed regularly.
3. Ledelsens vederlag / The managements fee		
<p>3.1.1 Det anbefales, at medlemmer af bestyrelsen i erhvervsdrivende fonde aflønnes med et fast vederlag, samt at medlemmer af en eventuel direktion aflønnes med et fast vederlag, eventuelt kombineret med bonus, der ikke bør være afhængig af regnskabsmæssige resultater. Vederlaget bør afspejle det arbejde og ansvar, der følger af hvervet.</p> <p>It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a possible executive board 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.</p>	<p>Fonden følger.</p> <p>The Foundation complies with this recommendation.</p>	
<p>3.1.2 Det anbefales, at der i årsregnskabet gives oplysning om det samlede vederlag, hvert medlem af bestyrelsen og en eventuel direktion modtager fra den erhvervsdrivende fond og fra andre virksomheder i koncernen. Endvidere bør der oplyses om eventuelle andre vederlag som bestyrelsesmedlemmer, bortset fra medarbejderrepræsentanter i bestyrelsen, modtager for varetagelsen af opgaver for fonden, dattervirksomheder af fonden eller tilknyttede virksomheder til fonden.</p> <p>It is recommended that the annual report provide information about the full remuneration received by each member of the board of directors and executive board (if relevant) from the commercial foundation and from other enterprises in the group. Furthermore, there should be information on any other remuneration which members of the board of directors, except for employee representatives, have received for performing tasks for the foundation, subsidiaries of the foundation or enterprises in the same group as the foundation.</p>		<p>Ledelsen aflønnes af partnerskabets investment manager. Vederlag til bestyrelse og direktionen oplyses ikke i denne årsrapport.</p> <p>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.</p>

David Hexter

Formand for bestyrelsen for:

Chairman of the Supervisory Board of:

Private Equity New Markets III K/S, PENM IV GP ERF Fonden

Medlem af bestyrelsen samt medlem af revisions-, og risikoudvalget,

Member of the board of directors and member of the Audit and Risk Committee, of:

Bank Zachodny WBK Poland

Medlem af bestyrelsen samt medlem af revisions-, risiko-, udnævnelses, vederlags- samt strategiudvalget, for:

Member of the board of directors and member of the Audit, the Risk Committee, the Nominations Committee, the Remuneration Committee and the Strategy Committee of::

Bank Piraeus, Greece

David er 71 år og blev valgt til bestyrelsen i forbindelse med stiftelsen af fonden i 2015. David anses som et uafhængigt medlem.

David is 71 years old and was elected to the board of directors in connection with the establishment of the fund in 2015. David is considered an independent board member.

Bent Pedersen

Medlem af bestyrelsen for:

Member of the Supervisory Board of:

Private Equity New Markets III K/S, PENM IV GP ERF Fonden

Bent er 77 år og blev valgt til bestyrelsen i forbindelse med stiftelsen af fonden i 2015. Bent anses som et uafhængigt medlem.

Bent is 77 years old and was elected to the board of directors in connection with the establishment of the fund in 2015. Bent is considered an independent board member.

Jørgen Dan Jensen

Medlem af bestyrelsen for:

Member of the Supervisory Board of:

Private Equity New Markets III K/S, PENM IV GP ERF Fonden

Jørgen Dan er 77 år og blev valgt til bestyrelsen i forbindelse med stiftelsen af fonden i 2015.

Jørgen Dan anses som et uafhængigt medlem.

Jørgen Dan is 77 years old and was elected to the board of directors in connection with the establishment of the fund in 2015. Jørgen Dan 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 66 år og blev valgt til bestyrelsen i henhold til fondens fundats i 2020. Peter anses som et uafhængigt medlem.

Peter is 66 years old and was elected to the board of directors with reference to the fund's charter in 2020. 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 2019.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2019	2018
	Revenue	667,590	646,090
2	Administrative expenses	-643,108	-622,550
	Gross loss	24,482	23,540
	Financial expenses	-4,482	-3,540
	Profit before tax	20,000	20,000
	Tax on profit	-4,436	-4,415
3	Profit for the year	<u>15,564</u>	<u>15,585</u>
	Recommended appropriation of profit		
	Retained earnings	<u>15,564</u>	<u>15,585</u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Current assets		
	Receivables		
	Other receivables	56,032	55,090
		56,032	55,090
	Cash	358,766	341,610
	Total current assets	414,808	396,700
	TOTAL ASSETS	414,808	396,700

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	300,000	300,000
	Retained earnings	77,599	62,035
	Total equity	377,599	362,035
	Current liabilities		
	Income tax payable	5,959	3,415
	Other payables	31,250	31,250
	Total current liabilities	37,209	34,665
	Total liabilities	37,209	34,665
	TOTAL EQUITY AND LIABILITIES	414,808	396,700

1 Accounting policies

4 Contingencies

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	300,000	46,450	346,450
Transfers of profit/loss	0	15,585	15,585
Equity at 1 January 2019	300,000	62,035	362,035
Transfers of profit/loss		15,564	15,564
Equity at 31 December 2019	300,000	77,599	377,599

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of PENM IV GP ERF Fonden for 2019 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.

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

DKK	2019	2018
Fee	611,558	591,000
Other costs	31,550	31,550
	<u>643,108</u>	<u>622,550</u>

PENM IV GP ERF Fonden has no employees.

3 Tax on profit/loss for the year

Current tax	<u>4,436</u>	<u>4,415</u>
	<u>4,436</u>	<u>4,415</u>

4 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 112.5 million (DKK 751.1 million) as of 31 December 2019. The residual liability as of 31 December 2019 amounts to USD 25.1 million (DKK 167.4 million).