

Saga VII GP III ApS

c/o Plesner

Amerika Plads 37

2100 Copenhagen Ø

Registration no. 40 08 28 75

Annual Report **1 October 2022 – 30 September 2023**

Approved at the Company's Annual General Meeting

On 29 January 2024

Chairman

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Company details

Name	Saga VII GP III ApS
Address, Zip code, city	c/o Plesner Amerika Plads 37 DK-2100 Copenhagen Ø
Registration no.	40 08 28 75
Established	11 December 2018
Registered office	Copenhagen
Financial year	1 October – 30 September
Management Board	John Danielsen Peter Thellufsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg Denmark

Statement by the Management Board

The Management Board have today discussed and approved the Annual Report of Saga VII GP III ApS for the financial year 1 October 2022 – 30 September 2023.

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 Company's financial position at 30 September 2023 and of the results of its operations for the financial year 1 October 2022 - 30 September 2023.

Furthermore, in our opinion, the Management's review includes a fair review of the developments in the Company's activities and financial matters.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 11 January 2024

Management Board:

John Danielsen

Peter Thellufsen

Independent auditor's report

To the shareholder of Saga VII GP III ApS

Opinion

We have audited the financial statements of Saga VII GP III ApS for the financial year 1 October 2022 – 30 September 2023, which comprise accounting policies, income statement, balance sheet and notes. 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 Company at 30 September 2023, and of the results of the Company's operations for the financial year 1 October 2022 – 30 September 2023, 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 partnership in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the 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 Alternative Investment Fund Managers, etc. 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 Company'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 Company 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 Company'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 Company'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 Company 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 Statement 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 11 January 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised
Public Accountant
mne33748

Bjørn Würtz Rosendal
State Authorised
Public Accountant
mne40039

Management's review

Operating review

Principal activities of the company

Saga VII GP III ApS' main activity is to invest in a fund-of-funds with a geographical focus on investments in Northern America. Investments are mainly made in micro, small and mid-market buy-out funds.

Performance in the financial year

In 2022/23 Saga VII GP III ApS realised a profit of DKK 50,995. This year's result is in line with management's expectations.

At 30 September 2023, the equity amounted to DKK 2,562,268 of total assets of DKK 2,644,401.

The company has assumed the general partner obligation in one limited partnership. The obligation as of 30 September 2023 amounts to DKK 0.8 billion. As the limited partners in the partnership are well reputable investors, the general partner obligation is not considered a significant risk.

Recognition and measurement uncertainties

Investments in portfolio funds are measured at fair value. The measurement includes accounting estimates and is, therefore, subject to uncertainty. Reference is made to note 1 for further information on measurement of portfolio funds.

Special risk

Financial risk

The objective of Saga VII GP III ApS is to supply risk capital to the portfolio fund, and also to its investments in competitive companies in the Northern American micro, small and mid-market. The highest factor of risk is therefore the changes in the value of the companies in which Saga VII GP III ApS portfolio funds invest in, which to a significant extent depend on the valuations of comparable listed companies on the quoted market.

Foreign exchange currency risk

Saga VII GP III ApS' investments have been made in USD. As the capital in Saga VII GP III ApS is in DKK, Saga VII GP III ApS is influenced by currency fluctuations in USD. The currency risk is therefore considered as material. Saga VII GP III ApS does not hedge its exposure toward currency rate fluctuations.

Events after the end of the accounting period

There have been no events after the end of the financial year that are considered of significance to the annual report.

Financial statements for the period 1 October 2022 – 30 September 2023

Accounting policies

The Annual Report of Saga VII GP III ApS has been prepared in accordance with the Danish Financial Act for a reporting class B entity.

The accounting policies applied are consistent with those of last year.

The annual report has been prepared in DKK.

General

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortization, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Income Statement

Gains/losses on portfolio funds' investments etc.

Gains/losses in portfolio fund investments include income from investments (dividend and interest), realised and unrealised revaluations or depreciations of investments in portfolio funds as well as realised and unrealised exchange rate profit margins and losses related to the investment in portfolio funds etc..

External administration expenses

External administration expenses include expenses relating to the administration of the company including expenses to auditor and legal services.

Financial income and expenses

Financial income and expenses include interest.

Tax for the year

Tax for the year comprises current tax for the year, changes in deferred tax and adjustment to tax relating to previous years.

Financial statements for the period 1 October 2022 – 30 September 2023

Accounting policies

Balance sheet

Investment assets

Investments in portfolio funds are measured in accordance with the IPEV Valuation Guidelines or similar guidelines depending on the country of domicile of the portfolio funds, according to which investments are measured at the fair value. Revaluations are included in the profit and loss account.

Investments in unlisted private equity funds are valued on the basis of the latest reporting received from the respective sub-funds. The reports from the funds contain a valuation of the private equity fund, including a valuation of each individual portfolio company. The value of a private equity fund consists of the sum of the values of the portfolio companies in which the fund has invested in, and the value of other net assets.

Outstanding investment commitments at the balance sheet date are disclosed as contingent liabilities in the notes.

Cash and cash equivalents

Cash and cash equivalents include cash funds in open accounts.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is recognised using the current tax rate on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax assets are recognised if they can in all probability be utilised.

Liabilities

Liabilities are measured at amortised cost which is usually equivalent to nominal value.

Foreign currency translation

Transactions in foreign currency are translated into DKK according to the currency exchange rate at the transaction date.

Investments, accounts receivable and accounts payable in foreign currency are translated into DKK according to the currency rate at the balance sheet date.

Financial statements for the period 1 October 2022 – 30 September 2023

Income statement

Note	DKK	1/10 2022 - 30/9 2023	1/10 2021 - 30/9 2022
1	Gains/losses on portfolio funds' investments	-14,080	501,562
	Profit/loss in portfolio funds etc.	-14,080	501,562
2	External administration expenses	-20,827	-20,710
	Operating profit/loss	-34,907	480,852
	Financial income	696	0
	Financial expenses	0	-8,500
	Profit/loss before tax	-34,211	472,352
	Tax for the year	85,206	-111,125
	PROFIT/LOSS	<u>50,995</u>	<u>361,227</u>
 PROPOSED DISTRIBUTION OF THE PROFIT/LOSS			
	Transferred to retained earnings	50,995	361,227
	TOTAL RETAINED EARNINGS	<u>50,995</u>	<u>361,227</u>

Financial statements for the period 1 October 2022 – 30 September 2023

Balance sheet

Note	DKK	<u>30/9/2023</u>	<u>30/9/2022</u>
	ASSETS		
	FIXED ASSETS		
	Investment assets		
1	Investments in portfolio funds	<u>2,281,143</u>	<u>1,928,406</u>
	Total investment assets	<u>2,281,143</u>	<u>1,928,406</u>
	Total Fixed assets	<u>2,281,143</u>	<u>1,928,406</u>
	CURRENT ASSETS		
	Cash and cash equivalent	<u>363,258</u>	<u>749,456</u>
	Total current assets	<u>363,258</u>	<u>749,456</u>
	TOTAL ASSETS	<u><u>2,644,401</u></u>	<u><u>2,677,862</u></u>
	EQUITY AND LIABILITIES		
	EQUITY		
	Share capital	210,000	210,000
	Premium at issue	1,840,000	1,840,000
	Retained earnings	<u>512,268</u>	<u>461,273</u>
	Total equity	<u>2,562,268</u>	<u>2,511,273</u>
	LIABILITIES		
	SHORT-TERM LIABILITIES		
	Other liabilities	16,375	15,625
	Tax payable	0	25,256
	Deferred tax	<u>65,758</u>	<u>125,708</u>
	Total short-term liabilities	<u>82,133</u>	<u>166,589</u>
	Total liabilities	<u>82,133</u>	<u>166,589</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>2,644,401</u></u>	<u><u>2,677,862</u></u>
3	Contingent liabilities		

Financial statements for the period 1 October 2022 – 30 September 2023

Notes

1 Investments in portfolio funds

DKK	30/9 2023	30/9 2022
Cost at 1 October	1,349,137	692,693
Additions in the year	366,817	704,969
Disposals in the year	0	-48,525
Cost at 30 September	1,715,954	1,349,137
Revaluations at 1 October	579,269	148,557
Revaluations on disposals in the year	0	-70,850
Revaluation in the year	-14,080	501,562
Revaluations at 30 September	565,189	579,269
Carrying amount at 30 September	2,281,143	1,928,406
Specification of revaluations in the year		
Realised gains/losses on investments	24,985	26,616
Unrealised gains/loss on investments	117,122	195,127
	142,107	221,743
Exchange gains/losses on investments	-156,187	279,819
Gains/losses on investments	-14,080	501,562

Investments in portfolio funds

The company has through investments in portfolio funds ownership of mainly unquoted investments. The company has no controlling or significant influence on the portfolio funds in which the partnership has invested.

The portfolio funds in which the company has invested all use common accepted guidelines for measuring the fair value. The measuring of the fair value of the investments in underlying portfolio companies are made by the managers of the portfolio funds.

Usually, the company has no or very little information about specific methods and assumptions used by the managers of the portfolio funds when measuring the fair value of the underlying portfolio companies.

The manager's valuation committee will assess and if considered necessary adjust the valuation of the underlying portfolio companies. At the assessment of the fair value of the underlying portfolio companies reported by the managers, information about the market conditions, company specific information as well as information received through dialog with the managers of the portfolio funds are used.

The value of a private equity fund is measured as the fair value of each investment in portfolio companies owned by the fund with addition of other net assets in the fund. The valuation of a portfolio company in a private equity fund is based on the industry, market position and earnings capacity, and the (i) the peer group multiple, i.e. the market value of comparable listed companies,

Financial statements for the period 1 October 2022 – 30 September 2023

Notes

1 Investments in portfolio funds (continued)

(ii) transaction multiple in recent M&A transactions involving comparable companies, (iii) value indications from potential buyers of the portfolio company, (iv) market value if the portfolio company is publicly traded or (v) future expected proceeds if there is a concluded agreement on the sale of the portfolio company.

The company invests in buy-out funds. The investments made by the portfolio funds are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs based upon quoted priced for identical assets and liabilities in active markets.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

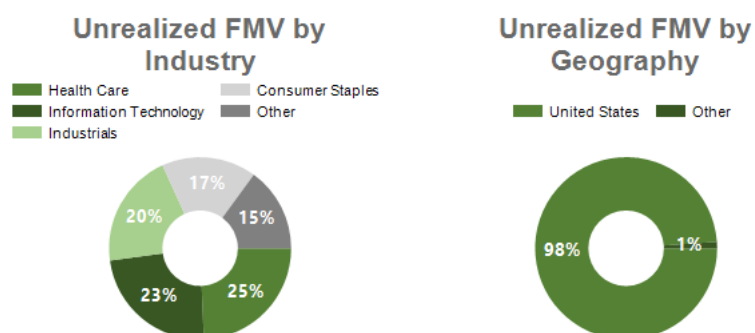
Level 3 – Unobservable input

Fair market value measurements as of 30 September 2023

DKK	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3	Total
Investments in portfolio funds	0	0	2,281,143	2,281,143
Total	0	0	2,281,143	2,281,143

Fair market value measurements as of 30 September 2022

DKK	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3	Total
Investments in portfolio funds	0	0	1,928,406	1,928,406
Total	0	0	1,928,406	1,928,406



Financial statements for the period 1 October 2022 – 30 September 2023

Notes

2 External administration expenses

The Management board did not receive salaries. The company has no employees except for the Management board.

3 Contingencies, etc.

The company's contingent liabilities consist of the company's general partner obligation in Saga VII USD K/S. As of 30 September 2023 the obligation amounts to DKK 0.8 billion.

Investment obligations

DKK	Commitment		Outstanding commitment	
	USD	DKK	USD	DKK
Commitment, USD	<u>400,000</u>	<u>2,707,393</u>	<u>130,000</u>	<u>915,070</u>
Total commitment		<u>2,707,393</u>		<u>915,070</u>

The company has no other contingent liabilities as of 30 September 2023.

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“By my signature I confirm all dates and content in this document.”

John Danielsen

Management

On behalf of: General Partner

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Peter Thellufsen

Management

On behalf of: General Partner

Serial number: 67d7b4ea-38b2-4e77-807e-bf84cab93365

IP: 195.215.xxx.xxx

2024-01-12 13:01:03 UTC



Thomas Hjortkjær Petersen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 88470239-a9a6-49b5-95ab-0d41bd03fd33

IP: 147.161.xxx.xxx

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Bjørn Würtz Rosendal

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 45926bc2-a486-4b6c-94ec-47340da60bda

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2024-01-12 13:41:18 UTC



Mads Kjellerup Dambæk

Chairman

On behalf of: General Partner

Serial number: 44f98279-3abb-48aa-b70f-0e8b79a0ca62

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