

**Private Equity New Markets K/S**  
**Central Business Registration No**  
**29426910**  
**Tranegårdsvej 20**  
**2900 Hellerup**

**Annual report 2015**

The Annual General Meeting adopted the annual report on

*26 Maj 2016*

**Chairman of the General Meeting**

*Linda á Dunga Brøndum*

Name: Linda á Dunga Brøndum

## Contents

|  | <u>Page</u> |
|--|-------------|
| Entity details                               | 1           |
| Statement by Management on the annual report | 2           |
| Independent auditor's reports                | 3           |
| Accounting policies                          | 4           |
| Income statement for 2015                    | 7           |
| Balance sheet at 31.12.2015                  | 8           |
| Statement of changes in equity for 2015      | 10          |
| Notes  | 11          |

## Entity details

### Entity

Private Equity New Markets K/S  
Tranegårdsvej 20  
2900 Hellerup

Central Business Registration No: 29426910

Registered in: Hellerup

Financial year: 01.01.2015 - 31.12.2015

Internet: [www.penmpartners.com](http://www.penmpartners.com)

E-mail: [info@penmpartners.com](mailto:info@penmpartners.com)

### Board of Directors

David Hexter, Chairman

Bent Pedersen, Vice-chairman

Dan Jensen

### Executive Board

Penm Partners GP I ApS

### Bank

Spar Nord Bank A/S

Østerågade 12

9000 Aalborg

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Private Equity New Markets K/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 27.04.2016

### Executive Board

Penm Partners GP I ApS

### Board of Directors



David Hexter  
Chairman



Bent Pedersen  
Vice-chairman



Dan Jensen

## Independent auditor's reports

### To the owners of Private Equity New Markets K/S

#### Report on the financial statements

We have audited the financial statements of Private Equity New Markets K/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### Opinion

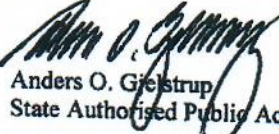
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Hellerup, 27.04.2016

#### Deloitte

Statsautoriseret Revisionspartnerselskab

  
Bill Haudal Pedersen  
State Authorised Public Accountant

  
Anders O. Gjelstrup  
State Authorised Public Accountant

CVR-nr. 33963556

## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Presentation of the income statement and the balance sheet as well as the description of items has been adjusted to the Entity's special activity as a private equity partnership.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, while costs are recognised by the amounts attributable to this financial year.

### **Management's significant accounting judgments and estimates**

In preparing the annual report, it is required that Management makes a number of accounting estimates and assumptions that form the basis of presentation, recognition and measurement of the Entity's assets and liabilities.

The accounting estimates and judgments concern particularly the Entity's investments in unlisted portfolio companies, which include equity contributions to growth-oriented companies. Management has appraised the value of these investments by estimating the portfolio companies' commercial development and divestment opportunities.

## **Accounting policies**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial items.

Exchange rate differences on financial fixed assets are recognised in the income statement as income from portfolio companies.

### **General**

The Entity is managed by a supervisory board (designated "Board of Directors") and a general partner (designated "Executive Board").

### **Income statement**

#### **Fair value adjustment of other investment assets and related financial liabilities**

Income from portfolio companies includes realisations and value adjustments of equity investments, dividends and other portfolio expenses.

#### **Administrative expenses**

Administrative expenses include administration fees and other expenses.

#### **Other operating income**

Other operating income comprises reimbursed administration and management fees.

#### **Other financial income**

Other financial income comprises interest income, realised and unrealised currency gains on receivables, payables and other monetary items in foreign currency and on transactions in foreign currencies.

#### **Other financial expenses**

Other financial expenses comprise interest expenses, realised and unrealised currency losses on receivables, payables and other monetary items in foreign currency and on transactions in foreign currencies.

### **Balance sheet**

#### **Other investments**

Securities are recognised at fair value pursuant to section 38 of the Danish Financial Statements Act, and value adjustments are recognised in the income statement under income from portfolio companies.

## **Accounting policies**

The valuation of the unlisted portfolio companies are based on appraised fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines).

### **Receivables**

Receivables are measured at amortised cost usually equaling nominal value less provisions for bad and doubtful debts.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Equity**

The statement of changes in equity for 2015 is presented according to the contribution method. Retained earnings consist of retained earnings and distributions.

### **Other financial liabilities**

Financial liabilities are measured at amortised cost, which usually corresponds to the nominal value.

### **Dividend**

Ordinary dividend paid represents distributions paid out during the year.

**Income statement for 2015**

|   | <u>Notes</u> | <u>2015<br/>DKK'000</u> | <u>2014<br/>DKK'000</u> |
|---|--------------|-------------------------|-------------------------|
| Fair value adjustments of other investment assets |              | -197.890                | 43.347                  |
| <b>Gross profit/loss</b>                          |              | <b>-197.890</b>         | <b>43.347</b>           |
| Administrative costs                              | 2            | -2.508                  | -2.897                  |
| Other operating income                            |              | 2.453                   | 2.775                   |
| <b>Operating profit/loss</b>                      |              | <b>-197.945</b>         | <b>43.225</b>           |
| Other financial income                            |              | 7                       | 91                      |
| Other financial expenses                          |              | -3.067                  | -4                      |
| <b>Profit/loss for the year</b>                   |              | <b>-201.005</b>         | <b>43.312</b>           |
| <b>Proposed distribution of profit/loss</b>       |              |                         |                         |
| Retained earnings                                 |              | -201.005                | 43.312                  |
|   |              | <b>-201.005</b>         | <b>43.312</b>           |

**Balance sheet at 31.12.2015**

|  | <u>Notes</u> | <u>2015<br/>DKK'000</u> | <u>2014<br/>DKK'000</u> |
|--|--------------|-------------------------|-------------------------|
| Other investments                      |              | 136.228                 | 378.344                 |
| <b>Fixed asset investments</b>         | 3            | <u>136.228</u>          | <u>378.344</u>          |
| <b>Fixed assets</b>                    |              | <u>136.228</u>          | <u>378.344</u>          |
| Other short-term receivables           |              | 3.435                   | 0                       |
| Receivables from owners and management |              | 1.168                   | 1.405                   |
| <b>Receivables</b>                     |              | <u>4.603</u>            | <u>1.405</u>            |
| <b>Cash</b>                            |              | <u>628</u>              | <u>1.269</u>            |
| <b>Current assets</b>                  |              | <u>5.231</u>            | <u>2.674</u>            |
| <b>Assets</b>                          |              | <u>141.459</u>          | <u>381.018</u>          |

**Balance sheet at 31.12.2015**

|  | <u>Notes</u> | <u>2015<br/>DKK'000</u>      | <u>2014<br/>DKK'000</u>      |
|--|--------------|------------------------------|------------------------------|
| Contributed capital                              | 4            | 362.000                      | 362.000                      |
| Retained earnings                                |              | -221.709                     | 17.536                       |
| <b>Equity</b>                                    |              | <u><b>140.291</b></u>        | <u><b>379.536</b></u>        |
| Bank loans                                       |              | 0                            | 56                           |
| Other payables                                   |              | 1.168                        | 1.426                        |
| <b>Current liabilities other than provisions</b> |              | <u><b>1.168</b></u>          | <u><b>1.482</b></u>          |
| <b>Liabilities other than provisions</b>         |              | <u><b>1.168</b></u>          | <u><b>1.482</b></u>          |
| <b>Equity and liabilities</b>                    |              | <u><u><b>141.459</b></u></u> | <u><u><b>381.018</b></u></u> |
| Events after the balance sheet date              | 1            |                              |                              |
| Main activity                                    | 5            |                              |                              |

**Statement of changes in equity for 2015**

|                           | <b>Contributed<br/>capital<br/>DKK'000</b> | <b>Retained<br/>earnings<br/>DKK'000</b> | <b>Total<br/>DKK'000</b> |
|---------------------------|--|--|--------------------------|
| Equity beginning of year  | 362.000                                    | 17.536                                   | 379.536                  |
| Ordinary dividend paid    | 0  | -38.240                                  | -38.240                  |
| Profit/loss for the year  | 0  | -201.005                                 | -201.005                 |
| <b>Equity end of year</b> | <b>362.000</b>                             | <b>-221.709</b>                          | <b>140.291</b>           |

## Notes

### 1. Events after the balance sheet date

The fund originally expires as of 29.02.2016, but has been extended.

### 2. Administrative expenses

|                                      | 2015<br>DKK'000 | 2014<br>DKK'000 |
|--------------------------------------|-----------------|-----------------|
| Management fees                      | 2.454           | 2.775           |
| Other costs                          | 55              | 121             |
| <b>Total administrative expenses</b> | <b>2.509</b>    | <b>2.897</b>    |

### 3. Fixed asset investments

The Entity has more than 20% ownership in the investment listed below. Due to lack of significant influence, it is not an associate.

| Name, legal form and jurisdiction | Ownership | Equity     | Profit  |
|-----------------------------------|-----------|------------|---------|
| Eurowindow JSC, Hanoi, Vietnam    | 30%       | bVND 1,310 | bVND 94 |

### 4. Contributed capital

|                                  | 2015<br>DKK'000 | 2014<br>DKK'000 |
|----------------------------------|-----------------|-----------------|
| General Partner                  | -               | -               |
| Limited Partners                 | 362.000         | 362.000         |
| <b>Total contributed capital</b> | <b>362.000</b>  | <b>362.000</b>  |

The total committed capital amounts to 423.450.000 DKK, where as 362.000.000 DKK is paid in.

#### Paid in capital:

2011: 362.050.000 DKK

2012: 362.000.000 DKK

## Notes

2013: 362.000.000 DKK

2014: 362.000.000 DKK

2015: 362.000.000 DKK

### Carried interest

Since carried interest is a matter between the partners in the limited partnership, carried interest is not provided for in the balance sheet. At 31 December 2015, the Entity has not reached a return on its investments in excess of the prescribed threshold (hurdle rate) for initiation of carried interest.

### 5. Main activity

Private Equity New Market K/S was founded in 2006 with the following investment strategy:

- to invest in unlisted companies in Africa, Central and Southeast Asia, focusing on Danida's Program Countries
- to focus on selected industries with a high growth potential
- to contribute significant know how to portfolio companies and take active part in preparation and implementation of business plans
- to be a minority shareholder (10-40 per cent shareholding) through partnership agreements.

In 2008, Private Equity New Market K/S decided to focus solely on Vietnam and Egypt.