

DANSKE PRIVATE EQUITY A/S

c/o Danske Bank A/S
Holmens Kanal 2-12
1060 Copenhagen K, Denmark

Company reg. [CVR] no. 27 42 56 07

FT no. 23.026

Annual report 2021

The annual report was presented and adopted by the shareholders
at the Company's annual general meeting
on

19 April 2022

Chairman

A handwritten signature in blue ink, appearing to be 'Tim', is written over a horizontal line. The signature is stylized and extends to the right.

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Management's Report

Activity

The principal activity of Danske Private Equity A/S' (the "Company") is to offer small & mid market buyout fund-of-funds and co-investments products to investors in and outside Denmark ("Danske PEP").

Danske PEP pays the Company a fixed management fee and a carried interest if returns on the products exceed a pre-agreed level (preferred return).

The Company is a licensed Alternative Investment Fund Manager (AIFM). The Company is wholly owned by Danske Bank A/S.

Events in 2021

During the year 2021 the Company continued to focus on our investing activity for PEP 2018. During the year the Company continued to focus on sourcing potential investments to Danske PEP 2018, both primary commitments to private equity funds and co-invest opportunities. A number of new investments has been made during 2021 and the main fund was fully allocated ahead of the closing of the investment period.

Several cost reduction initiatives have been made during 2021 which reduces the Company's administrative costs. Ongoing initiatives to streamline the operations have continued to be identified during the 2022.

Financial performance in 2021

The Company reported a pre-tax profit of DKK 18.3 million (2020: pre-tax profit of DKK 56.1 million) and a profit after tax of DKK 14.1 million (2020: profit of DKK 43.7 million after tax).

In the financial year, the Company received and recognised DKK 93.0 million in carried interest from previously managed funds. The Company's share of this amount was DKK 32.5 million. DKK 55.5 million of the received and recognised carried interest amount relates to external parties and has been recognised as a fees and commissions expense according to the accounting policies. The Company is under an obligation to settle DKK 168.7 million of the received and recognised amount at a later date, why such amount is recognised as a provision. Furthermore a warehouse facility provision of DKK 3.5 million, in relation to the launch of PEP 2018 has been reversed through fees and commissions expense (note 3).

The Company's administrative expenses and staff costs amounted to DKK 25.5 million, which was DKK 41 million lower than in 2020, primarily because of lower employees' share of the carried interest.

The positive results in 2021 is therefore mainly attributable to carried interest received in 2021.

The financial performance for the year is consistent with previous guidance when taking the financial impact of the carried interest received into consideration. The financial performance for the year has not been impacted by the COVID-19 situation and is considered satisfactory and in line with expectations.

The Board of Directors proposes that a dividend of DKK 14.1 million is to be paid in respect of 2021. The profit for the year is appropriated as shown in the income statement.

Risks and uncertainties

The Company's income from the offered fund-of-funds products is based on developments in the management fee base. The base is correlated with the amount of investor commitments and, during the realisation period, with the reduction of the value of the investment portfolio due to the performance and exit activity of the portfolio funds.

Management's report

Outlook for 2022

In 2022, the financial performance of the Company will depend on the development of the vintage PEP funds and the increase in asset under management from expected launch of new fund products.

For 2022, the Company expects to receive a carried interest amount from the former managed Danske PEP entities that is on par or potential higher than what was received in 2021.

The Company's administrative expenses and staff costs are generally expected to be on a level with 2021 when adjusted for staff costs related to carried interest.

Profit for 2022 is expected to be on level with or higher than the previous year.

Events after the balance sheet date

No events have occurred between 31 December 2021 and the date of the signing of the financial statements that, in the opinion of the management, will materially affect the Company's financial position.

Remuneration

The Company's remuneration policy reflects its goals of having a well-regulated governance process as well as sustained and long-term value creation for the shareholder. The policy further ensures that

- the Company can attract, develop and retain high-performing and motivated employees in a competitive market,
- that the employees are encouraged to create sustainable results, and
- that there is a correlation between the best interests of the shareholder, the alternative investment funds managed by the Company and the investors and the employees.

Further, the policy focuses especially on ensuring sound and effective risk management.

The Board of Directors will in 2022 still be remunerated on a fixed fee basis if not employed in the Danske Bank Group. Any adjustment of the fee will depend on factors such as the level of activity in the Company. Remuneration of The Executive Board in 2021 was based on a fixed and variable fee structure and a share of carried interest.

The Executive Board will continue to be remunerated on a fixed fee basis in 2022 and it will also have the opportunity to earn a variable fee. The fee is expected to be adjusted with due consideration to the level of activity in the Company, general wage developments in society and individually determined targets. The Executive Board will also be able to earn a share of carried interest related to certain funds.

The remuneration of other material risk takers will still be on a fixed fee basis, and specific risk takers will have the opportunity to earn a variable fee and a share of carried interest related to certain funds. Any variable remuneration will be made with due consideration to individually determined targets. Certain other material risk takers earned share of carried interest in 2021.

Individual remuneration of the Executive Management and the Board of Directors can be found on Danske Private Equity A/S' website, danskeprivateequity.com.

Diversity and inclusion

Danske Private Equity A/S follows Danske Bank Group's sustainability policy including gender distribution in the management. Information regarding the Group's sustainability policies can be found in Danske Bank's Group Financial Statement for 2021. 25% of employees in Danske Private Equity are female.

Knowledge resources

The Company's activities are carried out by the Company's employees, and great attention is given at all times to retaining and strengthening employees' skills, as the employees' knowledge resources are subject to demanding specialist requirements due to the nature of the activities. The Company's compliance function has been outsourced to Asset Management Tribe, a division of Danske Bank A/S. The Company's risk management function has been outsourced to Danske Invest Management A/S, a subsidiary of Danske Bank A/S. Final responsibility for tasks performed by these collaborative partners rests with the Company.

Management's report

Directorships

Lars Eigen Møller, Chairman
Executive Vice President, Danske Bank A/S

Member of the board of directors of:
Danske Private Equity A/S (chairman)
Danske Invest Management A/S
Danske Invest PCC Limited

Christoffer Kanstrup
Executive Vice President, Danske Bank A/S
Chief Risk Officer within Large Corporates & Institutions (LC&I)

Member of the board of directors of:
Danske Private Equity A/S

Paul Martin Gregory
Executive Vice President, Danske Bank A/S
Global Head of Corporate & Institutional Banking

Member of the board of directors of:
Danske Private Equity A/S
Danske Markets Inc. (chairman)

Thomas Otbo
Chief Investment Officer, Danske Bank A/S

Member of the board of directors of:
Danske Private Equity A/S

Claus Heimann Larsen, CEO
The Company's CEO does not hold other managerial positions.

Financial statements for the year ended December 31

Income statement

DKK'000

Note		2021	2020
2	Fees and commissions income	98,322	208,445
3	Fees and commissions expenses	<u>-52,138</u>	<u>-122,513</u>
	Fees and commissions (net)	46,184	85,932
4	Staff costs and administrative expenses	<u>-25,482</u>	<u>-29,551</u>
	Profit/loss before net financials	20,702	56,381
	Financial income	0	0
5	Financial expenses	<u>-2,394</u>	<u>-303</u>
	Profit/loss before tax	18,308	56,078
6	Tax	<u>-4,234</u>	<u>-12,338</u>
	Profit/loss for the year	<u>14,074</u>	<u>43,740</u>
	Proposed appropriation of profit/loss		
	Dividend	14,074	43,740
	Retained earnings	<u>0</u>	<u>0</u>
	Total amount appropriated	<u>14,074</u>	<u>43,740</u>
	Comprehensive income		
	Profit for the year	14,074	43,740
	Other comprehensive income	<u>0</u>	<u>0</u>
	Comprehensive income for the year	<u>14,074</u>	<u>43,740</u>

Financial statements for the year ended December 31

Balance sheet

DKK'000

Note	2021	2020
ASSETS		
Receivables		
Fees and commissions receivable	673	0
6 Deferred tax assets	49	54
Other receivables	57	372
Total receivables	779	426
7 Cash	280,425	258,456
Total assets	281,204	258,882
EQUITY AND LIABILITIES		
Equity		
Share capital	6,000	6,000
Retained earnings	48,693	48,693
Proposed dividend	14,074	43,740
Total equity	68,767	98,433
Provisions		
Other provisions	168,648	115,443
Total provisions	168,648	115,443
Liabilities		
Current tax liabilities	1,477	11,560
Other payables	42,312	31,471
9 Deferred income	0	1,975
Total liabilities	43,789	45,006
Total equity and liabilities	281,204	258,882
8 Tier 1 capital		
10 Contingent assets		
11 Collateral security and contingent liabilities		
12 Related party transactions		
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Pernco dokumentnøgle: PY0HN-QVAZY-L45B5-HNQPG-U7AEE-0LT8Q

Financial statements for the year ended December 31

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020	6,000	48,693	-	54,693
Profit/loss for the year	-	43,740	-	43,740
Other comprehensive income	-	-	-	-
Comprehensive income for the year	-	43,740	-	43,740
Dividends distributed	-	-	-	-
Proposed dividend	-	-43,740	43,740	-
Equity at 1 January 2021	6,000	48,693	43,740	98,433
Profit/loss for the year	-	14,074	-	14,074
Other comprehensive income	-	-	-	-
Comprehensive income for the year	-	14,074	-	14,074
Dividends distributed	-	-	-43,740	-43,740
Proposed dividend	-	-14,074	14,074	-
Equity at 31 December 2021	6,000	48,693	14,074	68,767

The Company's share capital, which is not divided into share classes, is divided into 1 share of TDKK 5,000 and 1 share of TDKK 1,000.

The company is a wholly-owned subsidiary of Danske Bank A/S, Copenhagen and is included in the consolidated financial statements of Danske Bank A/S. The consolidated financial statements of Danske Bank A/S are available from the company on request.

Notes

1. Accounting policies

The annual report for 2021 is presented in accordance with the provisions of the Danish Alternative Investment Fund Managers etc. Act, including the FSA's Executive Order on financial reports presented by credit institutions, investment companies, etc.

The accounting policies applied in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in DKK.

The presentation of the income statement and balance sheet and the designation of accounting items have been adjusted to reflect the Company's activity as an alternative investment fund manager.

Translation of foreign currency

Assets and liabilities in foreign currencies are translated into Danish kroner on the basis of the rates of exchange published by Danmarks Nationalbank at the balance sheet date. Income and expenses denominated in foreign currency are translated into Danish kroner using the exchange rates prevailing at the time of transaction.

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs are also recognised, including amortisation, depreciation and impairment losses.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company, and the value of the liability can be measured reliably.

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

Fees and commissions income

Fees and commissions income comprise income generated by the small & mid market buy out fund-of-funds contracts offered by the Company in the form of regular management fees and gross carried interest. Gross carried interest are recognised when their realisation is considered likely, which is assessed to be in connection with payment. The employees' share of carried interest is recognised as staff costs.

Fees and commissions expenses

Fees and commissions expenses comprise payments for mediation regarding the fund-of-funds contracts offered by the Company and advisers, external managers and others' share of carried interest.

Notes

Note 1. Accounting policies (continued)

Staff costs and administrative expenses

The items includes salaries and other remuneration that the Company expects to pay for work carried out during the year. These include salaries, share of carried interest, pension costs, holiday allowance and financial services employer tax, etc. The item also includes costs incurred during the year for office premises, IT, travel costs and other costs associated with the Company's operations.

Financial income and expenses

Financial items include interest received on cash accounts, etc.

Tax

Calculated current and deferred tax on the profit for the year and adjustments of tax charges for previous years are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. Provision is made for bad debts at the net realisable value.

Deferred tax

Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is recognised in the balance sheet under "Deferred tax assets" or "Provisions for deferred tax". Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax.

Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Provisions

Provisions comprise of carried interest bonus and are recognised when the Company has a legal or constructive obligation that arises from past events and it is probable that an outflow of financial resources will be required to settle the obligation. When provisions are recognised the payment date is undetermined.

Provisions are measured at net realisable value.

Liabilities

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

Deferred income relates to fees and commissions received in advance and management fees which still do not meet the criteria for recognition as income.

Principles for transactions between group entities

The Company is part of the Danske Bank Group, which consists of a number of separate legal entities. Related party transactions are settled on market terms. Expenses incurred centrally are billed to the individual group entities as calculated unit prices based on consumption and activity in accordance with the rules on transfer pricing or at market prices if such prices exist.

Notes

DKK'000

	2021	2020
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Note 2. Fees and commissions income

Fees and commissions income may be specified as follows to the managed limited partnerships and other clients:

Danske PEP 2018 (6 limited partnerships)	5,344	6,692
Carried interest from previously managed funds	92,978	201,753
Total	<u>98,322</u>	<u>208,445</u>

Note 3. Fees and commissions expenses

Fees and commissions expenses may be specified as follows to the limited partnerships managed:

Danske PEP 2018	-109	-2,026
Reversal of provisions related to warehouse facility from 2019	3,500	0
Costs relating to carried interest received from previously managed entities	-55,529	-120,487
Total	<u>-52,138</u>	<u>-122,513</u>

Notes

DKK'000	2021	2020
Note 4. Staff costs and administrative expenses		
Staff costs	-18,198	-24,432
Administrative expenses	-7,284	-5,119
Total	<u>-25,482</u>	<u>-29,551</u>
Staff costs:		
Salaries	15,011	21,359
Pension	852	841
Other expenses for financial services employer tax and social security costs	2,126	1,909
Other staff costs	<u>209</u>	<u>323</u>
Total	<u>18,198</u>	<u>24,432</u>
Average number of full-time employees during the year	<u>7</u>	<u>6</u>
Board of Directors		
Fixed remuneration	0	240
Variable remuneration	<u>0</u>	<u>0</u>
Total amount earned	<u>0</u>	<u>240</u>
Number of individuals	<u>4</u>	<u>3</u>

In line with Danske Bank Group's remuneration policy, no fee was paid to the Board of Director members in 2021 as all board members are employed in the Danske Bank Group.

Remuneration of other material risk takers

In 2021, the Company paid remuneration totalling TDKK 6,200 for 3 material risk takers other than the Executive Board. (2020: TDKK 12,167 for 3 material risk takers other than the Executive Board). The remuneration consists of a fixed remuneration of TDKK 4,920, a variable remuneration of TDKK 1,280 (2020: TDKK 10,887, TDKK 1,280).

Notes

DKK'000	2021	2020
Note 5. Financial expenses		
Interest to group entities	-1,885	-303
Interest regarding corporation tax	<u>-509</u>	<u>0</u>
Total	<u><u>-2,394</u></u>	<u><u>-303</u></u>
Note 6. Tax		
Tax charged on the profit for the year	4,135	12,330
Adjustment of deferred tax	5	8
Prior-year tax adjustments	<u>94</u>	<u>0</u>
Total	<u><u>4,234</u></u>	<u><u>12,338</u></u>
Reconciliation of tax expense for the year:		
22.0% of profit/loss before tax for the year (2020: 22.0%)	4,028	12,338
22.0% of permanent deviations and interest premium (2020: 22.0%)	112	0
Prior-year tax adjustments	<u>94</u>	<u>0</u>
	<u><u>4,234</u></u>	<u><u>12,338</u></u>
Deferred tax asset at year-end relates to:		
Property, plant and equipment	25	32
Provisions	0	0
Prepayments and costs payable, etc.	<u>24</u>	<u>22</u>
Total	<u><u>49</u></u>	<u><u>54</u></u>

Notes

December 31
DKK'000

2021

2020

Note 7. Cash

Demand deposits with credit institution

280,425

258,456

Total

280,425

258,456

Of this amount TDKK 17,200 has been deposited in a special account to cover capital requirements under the Danish AIFM Act.

Note 8. Tier 1 capital

Equity

68,767

98,437

Proposed dividend

-14,074

-43,740

Deferred tax assets

-49

-54

Tier 1 capital

54,644

54,639

Capital base

54,644

54,639

Capital requirement

7,635

5,460

At 1 January 2022, the capital requirement is TDKK 4.888.

Note 9. Deferred income

Management fees received in advance

0

1,975

Total

0

1,975

Note 10. Contingent assets

The Company's share of allocated carried interest in current and previously managed entities is estimated to DKK 813 million at 31 December 2021. The size of the amount and the time of disbursement are subject to significant uncertainty. Because of this uncertainty, carried interest is not recognised until at the time of disbursement.

Note 11. Collateral security and contingent liabilities

The Company is jointly taxed with all entities in the Danske Bank Group and are jointly and separately liable for their Danish income tax, withholding tax, etc. The Company is registered jointly with all major Danish subsidiaries of the Danske Bank Group for financial services employer tax and VAT, for which it is jointly and severally liable.

The Company has no rent commitments.

Other than this, the Company has no contingent liabilities or collateral security.

Notes

DKK'000

Note 12. Related party transactions

The Company has had the following transactions with Danske Bank Group. Related party transactions are settled on an arm's-length basis and according to contractual agreement between the undertakings, unless the transactions are insignificant.

	2021	2020
Fee and commissions expenses	-3,391	2,026
Various costs of administrative functions	4,856	3,249
Expenses for premises	345	533
Interest on bank deposits	1,885	303
Other receivables	57	372
Bank deposits, year-end	280,425	258,456
Other payables	27,120	6,427

Note 13. Financial risks

The Company's income from the fund-of-funds product offered depends on developments in the management fee base, which mainly relies on the original investor commitments and, to some extent, on the reduction in the value of the investment portfolio due to price developments in financial markets and the exit activity in the underlying portfolio funds.

The Board of Directors regularly discusses the Company's capital requirement and risks, most recently at the board meeting held on 25 February 2021.

Notes

DKK'000

Note 14. Financial highlights

Key figures	2021	2020	2019	2018	2017
Fees and commissions receivable and management fees	98,322	208,445	4,805	81,311	71,729
Staff costs and administrative expenses	25,482	29,551	21,038	34,616	60,002
Profit before net financials	20,702	56,381	-16,792	46,695	11,727
Profit/loss for the year	14,074	43,740	-13,449	36,194	8,863
Equity	68,767	98,433	54,693	75,388	39,194
Total assets	281,204	258,882	70,276	100,884	65,544
Key figures					
Total capital ratio 1)	7,16	10,01	6,16	4,46	3,27
Return on equity before tax [%] 2)	22	73	-27	81	26
Return on equity after tax [%] 2)	17	57	-21	63	20
Average number of full-time employees	7	6	9	11	15
Number of fund-of-funds (Danske PEP) under management	1	1	1	6	6
Number of legal entities (not section 195) under management	6	6	5	7	7
Total number of legal entities under management	6	6	5	23	23
Assets under management in DKK millions 3)	2,468	2,253	1,999	2,117	2,445

1) It has only been considered relevant to calculate the total capital ratio from the time when the AIFM Act came into force in 2014.

2) Return on equity is calculated as profit/loss for the year before/after tax relative to average equity at the beginning and end of the year.

3) Calculated pursuant to the AIFM Act and therefore only considered relevant to calculate from the time when the AIFM Act came into force in 2014 and for funds not comprised by section 195 of the AIFM Act.

	2021	2020
Note 15. Audit fee		
Fee for statutory audit	103	98
Assurance engagements	123	0
Tax advice	0	0
Other services	0	0
Total	226	98

Statement by Management

The Board of Directors and the Executive Board (The management) have considered and approved the annual report of Danske Private Equity A/S for 2021.

The financial statements have been prepared in accordance with the provisions of the Danish Alternative Investment Fund Managers etc. act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities, total equity and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 2021. Moreover, in our opinion, the Management's report includes a fair review of developments in the Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Company.

The management will submit the annual report to the general meeting for approval.

Copenhagen, 25 February 2022

Executive Board

Claus Heimann Larsen
CEO

Board of Directors

Lars Eigen Møller
Chairman

Christoffer Kanstrup

Paul Martin Gregory

Thomas Otbo

Perneo dokumentnøgle: PY0HN-QVAZY-L45B5-HNQPG-U7AEE-0LT8Q

Independent auditor's report

To the shareholders of Danske Private Equity A/S

Opinion

We have audited the financial statements of Danske Private Equity A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

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 this auditor's report. We are independent of the Company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc., 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about whether the financial statements 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

We did not identify any material misstatement of the management commentary.

Copenhagen, 25 February 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No (CVR) 33963556

Bill Haudal Pedersen
State-Authorised Public Accountant
MNE-no.: 30131

Christian Kåre Lundrup Jeppesen
State-Authorised Public Accountant
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