
Erhvervsinvest IV K/S

Jægersborg Alle 4, 5th floor,
DK-2920 Charlottenlund

Annual Report for 2018

CVR No 38 39 46 49

The Annual Report
was presented and
adopted at the
Annual General
Meeting of the
Limited Partnership
on 24/1 2019

Henrik Danmark
Chairman

Contents

| | <u>Page</u> |
|--|-------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 1 |
| Independent Auditor's Report | 2 |
| Review | |
| Company Information | 5 |
| Review | 6 |
| Financial Statements | |
| Statement of Comprehensive Income | 7 |
| Balance Sheet at 31 December | 8 |
| Statement of Changes in Equity | 9 |
| Cash Flow Statement | 10 |
| Notes to the Annual Report | 11 |

Management's Statement

The General Partner has today considered and adopted the Annual Report of Erhvervsinvest IV K/S for the financial year 1 January - 31 December 2018.

The Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further Danish disclosure requirements.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2018 and of the results of the Limited Partnership operations and cash flows for 2018.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Charlottenlund, 24 January 2019

General Partner
EIK IV ApS

Thomas Marstrand
CEO

Independent Auditor's Report

To the Limited Partners of Erhvervsinvest IV K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further disclosure requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Erhvervsinvest IV K/S for the financial year 1 January - 31 December 2018, which comprise statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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 International Financial Reporting Standards (IFRS) as adopted by the EU and further disclosure requirements in 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 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 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 about 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 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.

Hellerup, 24 January 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Erik Stener Jørgensen
State Authorised Public Accountant
mne9947

Company Information

Limited Partnership

Erhvervsinvest IV K/S
Jægersborg Alle 4, 5th floor
DK-2920 Charlottenlund

CVR No: 38 39 46 49
Financial period: 6 February - 31 December
Founded: 6 February 2017
Municipality of registered office: Gentofte

General Partner

EIK IV ApS

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Review

Main activity

The activity of the Limited Partnership comprises investments in small and medium-sized primarily Danish enterprises.

Development in the year

The statement of comprehensive income of the Limited Partnership for 2018 shows a comprehensive profit of DKK 52,372k and the balance sheet of the Limited Partnership shows equity of DKK 670,599k at 31 December 2018.

In 2018 the Limited Partnership has acquired shares in Arminox Investment A/S, DYKON Investment A/S and Robco Engineering Investment A/S.

The past year

The financial results of the Limited Partnership for 2018 are realized as expected.

Employees

The Limited Partnership has not had any employees during the year.

Consolidated financial statements

The Company meets the definition of an investment enterprise and has therefore opted not to prepare consolidated financial statements. See note 1 under Accounting Policies for further information.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Statement of Comprehensive Income

| | Note | 1/1-31/12 2018 DKK | 6/2-31/12 2017 DKK |
|--|------|--------------------------|--------------------------|
| Fair value adjustments from equity investments | 3 | 77,500,000 | 0 |
| Share of fees | | 80,690 | 0 |
| Other external expenses | | -25,209,096 | -23,190,073 |
| Gross profit/loss | | 52,371,594 | -23,190,073 |
| Net profit/loss for the year | | 52,371,594 | -23,190,073 |
| Other comprehensive income | | 0 | 0 |
| Comprehensive income/loss for the year | | 52,371,594 | -23,190,073 |

Balance Sheet at 31 December

| | <u>Note</u> | <u>2018</u> DKK | <u>2017</u> DKK |
|---|-------------|--------------------|--------------------|
| Assets | | | |
| Equity investments | 3 | 666,660,000 | 404,660,000 |
| Fixed asset investments | | 666,660,000 | 404,660,000 |
| Fixed assets | | 666,660,000 | 404,660,000 |
| Prepayments | | 12,597,043 | 12,550,463 |
| Receivables | | 12,597,043 | 12,550,463 |
| Cash at bank and in hand | | 4,000,455 | 0 |
| Current assets | | 16,597,498 | 12,550,463 |
| Assets | | 683,257,498 | 417,210,463 |
| Liabilities and Equity | | | |
| Cash contributions made by limited partners | | 641,417,389 | 427,763,823 |
| Retained earnings | | 29,181,521 | -23,190,073 |
| Equity | | 670,598,910 | 404,573,750 |
| Trade payables | | 12,658,588 | 12,636,713 |
| Short-term debt | | 12,658,588 | 12,636,713 |
| Debt | | 12,658,588 | 12,636,713 |
| Liabilities and equity | | 683,257,498 | 417,210,463 |

Statement of Changes in Equity for 2018 and 2017

2018

| | Cash contributions made by limited partners DKK | Retained earnings DKK | Total DKK |
|------------------------------|---|-----------------------------|--------------------|
| Equity at 1 January | 427,763,823 | -23,190,073 | 404,573,750 |
| Cash capital increase | 213,653,566 | | 213,653,566 |
| Net profit/loss for the year | | 52,371,594 | 52,371,594 |
| Equity at 31 December | 641,417,389 | 29,181,521 | 670,598,910 |

The limited partners are liable for the part of the capital of the limited partnership that has not been paid up, which amounts to DKK 818 million at 31 December 2018.

2017

| | Cash contributions made by limited partners DKK | Retained earnings DKK | Total DKK |
|------------------------------|---|-----------------------------|--------------------|
| Equity at 6 February | 0 | 0 | 0 |
| Cash capital increase | 427,763,823 | 0 | 427,763,823 |
| Net profit/loss for the year | 0 | -23,190,073 | -23,190,073 |
| Equity at 31 December | 427,763,823 | -23,190,073 | 404,573,750 |

The limited partners are liable for the part of the capital of the limited partnership that has not been paid up, which amounts to DKK 1,031 million at 31 December 2017.

Cash Flow Statement

| | Note | 1/1-31/12 2018 | 6/2-31/12 2017 |
|---|------|---------------------|---------------------|
| | | DKK | DKK |
| Net profit/loss for the year | | 52,371,594 | -23,190,073 |
| Fair value adjustments equity investments | | -77,500,000 | 0 |
| Change in working capital | 5 | -24,705 | 86,250 |
| Cash flows from operating activities | | -25,153,111 | -23,103,823 |
| Purchase of fixed asset investments etc | | -184,500,000 | -404,660,000 |
| Cash flows from investing activities | | -184,500,000 | -404,660,000 |
| Cash capital increase | | 213,653,566 | 427,763,823 |
| Cash flows from financing activities | | 213,653,566 | 427,763,823 |
| Change in cash and cash equivalents | | 4,000,455 | 0 |
| Cash and cash equivalents at 1 January / 6 February | | 0 | 0 |
| Cash and cash equivalents at 31 December | | 4,000,455 | 0 |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 4,000,455 | 0 |
| Cash and cash equivalents at 31 December | | 4,000,455 | 0 |

Note 1. Accounting Policies

Basis of Preparation

The Annual Report of Erhvervsinvest IV K/S for the period 1 January to 31 December 2018 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further Danish disclosure requirements in the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2018 are presented in Danish kroner.

The company has implemented the standards and interpretations that has come to force in 2018. This includes IFRS 9 Financial Instruments, Recognition and measurement, and IFRS 15, income from contract with customers.

The company's equity investments are investments in subsidiaries and thus are not comprised by IFRS 9. The company has no material assets and liabilities comprised by IFRS 9.

In all material aspects the company's income comprise of revaluations of investments, and the company has no material contracts comprised by IFRS 15.

As a consequence implementation of the new standards has had no effect on recognition and measurement.

New standards, amendments and interpretations not yet adopted

There are no IFRS standards or IFRIC interpretations not yet in force which are expected to have a material impact on the Company's accounting policies.

Option not to prepare consolidated financial statements

Erhvervsinvest IV K/S has a number of independent investors and a number of investments in subsidiaries and, therefore, the Company meets the conditions for being an investment enterprise, cf. IFRS 10. In the assessment, Management has placed particular emphasis on the fact that:

- a) the Company receives funds from one or more investors for the purpose of carrying out investment portfolio management for the/these investor(s);
- b) the Company is committed towards its investors only to make investments with a view to obtaining capital gains, investment returns or both; and
- c) the Company measures and evaluates the results of all material investments at fair value.

Note 1. Accounting Policies

Given that the Company meets the above conditions, the Company is exempt from consolidating its subsidiaries and exempt from preparing consolidated financial statements. Instead, the controlled investments are measured as financial assets at fair value through profit and loss.

Comprehensive income

Fair value adjustments from equity investments

Value adjustments of equity investments comprise value adjustments realised on sale and unrealised value adjustments relating to any revaluation or impairment of investments in subsidiaries at fair value. Moreover, dividends from investments are included.

Other external expenses

Other external expenses comprise operating expenses, including expenses for management fee, audit, legal advisers and other external expenses.

Tax on profit/loss for the year

Erhvervsinvest IV K/S is not an independent taxpayer and, therefore, the Financial Statements do not include tax on the Limited Partnership's operating profit/loss.

Balance Sheet

Equity investments

Equity investments are measured at fair value at the balance sheet date. Fair value adjustments are recognised through the profit and loss statement.

The Company's investments comprise investments in unlisted portfolio enterprises that are valued by using traditional measurement methods.

The General Partner has chosen to introduce different valuation models depending on the individual portfolio company. The General Partner has introduced a valuation model using market multiples for EBITDA and sales in respect of investments showing considerable and stable cash flows or earnings. The Company has chosen to apply a DCF valuation model in respect of investments showing considerable fluctuations in future earnings or where other factors are considered to affect the usability of a valuation model based on market multiples.

The Company values portfolio companies at the stated sales proceeds in case of an impending sale of investments where the sales proceeds are known.

When determining fair value, the General Partner is often dependent on financial data from investment portfolio companies and must rely on Management estimates in order to obtain knowledge about the future development.

Note 1. Accounting Policies

Consequently, fair value estimates presented in the Financial Statements are not necessarily an expression of amounts that are realisable by Management in an actual transaction scenario. Future events have an impact on the fair value estimation. The effect that such events might have on the deemed fair value, including the ultimate disposal of investments, may be material to the Financial Statements.

We refer to note 3 for further descriptions and details on the valuation process etc.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which corresponds to nominal value.

Prepayments

Prepayments comprise expenses relating to the next financial year.

Financial debts

Debts are measured at amortised cost, corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Limited Partnership's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Limited Partnership's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from payments to and from the Limited Partners.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits.

The cash flow statement cannot be immediately derived from the published financial records.

Note 1. Accounting Policies

Significant accounting estimates and assessments

Erhvervsinvest IV K/S make accounting estimates and assumptions, that effect the recognised assets and liabilities within the coming financial year. Estimates and assumptions are continuously evaluated. These are based on experience and other factors including expectations towards future events, which seem reasonable under the given circumstances. The estimates and assumptions, that have a significant risk of material adjustments of the recognised value of assets and liabilities within the coming financial year, are described in note 3.

Note 2. Financial risks and financial instruments

The object of the Company is to make equity investments primarily in Danish unlisted enterprises.

Consequently, the Company's activities are subject to a number of financial risks: operating, market, foreign exchange, interest rate and credit risks.

Material operating, market and credit risks

Operating risks

The most important risk factor is changes to the values of the investments made in portfolio enterprises.

Market risks

The Company's investment adviser, Erhvervsinvest Management A/S, assists the General Partner and the Company by providing investment recommendations. The adviser's recommendations are considered and approved by the General Partner before investment decisions are implemented. In order to manage the market price risk, the investment adviser examines the results of the portfolio companies on a current basis according to agreement with the General Partner. The adviser is moreover in frequent contact with the managements of the portfolio companies with respect to strategic, business and operational issues. All relevant findings resulting from these examinations are communicated to the General Partner.

The investment portfolio is diversified among industries and segments. Investments are made primarily in Danish enterprises, and a number of the enterprises operate across borders. As a result of the focus on Danish enterprises, any negative events in the Danish capital market will probably affect the possibilities of disposing of the investments and the related values.

Foreign exchange risks

Given that the Company operates primarily within its functional currency, the Company is not exposed to any foreign exchange risks.

Interest rate risks

The Company does not have any material interest-bearing assets and liabilities.

Note 2. Financial risks and financial instruments

Credit risks

The Company does not have any material receivables and, consequently, credit risks are at a minimum.

Capital risks

The Company capital consists of net assets attributable to the partners. The Company's portfolio management objective is to ensure the possibility of continuing as a going concern in order to generate returns to the partners and to maintain a strong capital base to support the development of the Company's investment activities. With the aim of maintaining or adjusting the capital structure, the General Partner may obtain unfunded liabilities from the limited partners or distribute funds to the limited partners.

Note 3. Equity investments

Valuation process

The valuations are prepared by the investment advisor who presents reports and advice to the General Partner. The valuations are prepared using generally accepted methods and techniques within the industry.

The Company apply two valuation models – market multiples and DCF.

As a starting point, marketbased multiples based on the value of comparable listed companies, are use for the valuation of the investments in the companies. Valuations based on the DCF model are applied and assessed as a chross check.

Valuations based on market multiples

Marketbased multiples are set based on comparable listed companies from the following factors: industry, size, revenue stream and strategy.

The multiples are adjusted with a discount based on assessments of non-liquidity and other factors and differences between the portfolio companies and listed companies in the peer group.

Based on the above EBITDA respectively sales are multiplied with the applied multiples appropriately weighted.

Valuation based on DCF model

DCF model are prepared based on the expected future free cash flows for the portfolio companies. Fluctuations in activity level in the budget period are taken into account when estimating a normalised earnings as basis for determining the free cash flow and growth in the terminal period.

Note 3. Equity investments

The WACC applied in the valuations is based on data from comparable listed companies as well as marketbased data.

The present value of the discounted cash flow are adjusted with a discount based on assessments of non-liquidity and other factors and differences between the portfolio companies and listed companies in the peer group.

Fair value hierarchy financial instruments

According to International Financial Reporting Standards (IFRS) Erhvervsinvest IV K/S are to classify and present the fair value measurement using a fair value hierarchy:

1. Level 1 is observable prices in active markets for identical instruments;
2. Level 2 are other observable input comprising: a) Listed prices for similar instruments in active markets, b) Listed prices for similar instruments in markets that are not active, c) a valuation model based on observable market data, for example interest and exchange rates and the implied volatility that can be observed in the market;
3. Level 3 are all other valuation methods.

The below table shows the classification of investments measured at fair value according to the fair value hierarchy:

| 2018 | Level 1 DKK | Level 2 DKK | Level 3 DKK | Total DKK |
|----------------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Unlisted equity inv. | 0 | 0 | 666.660.000 | 666.660.000 |
| Investments at fair value | 0 | 0 | 666.660.000 | 666.660.000 |
| 2017 | Level 1 DKK | Level 2 DKK | Level 3 DKK | Total DKK |
| Unlisted equity inv. | 0 | 0 | 404.660.000 | 404.660.000 |
| Investments at fair value | 0 | 0 | 404.660.000 | 404.660.000 |

Note 3. Equity investments

Key non-observable input at level 3

Investments classified in level 3 are measured based on key non-observable input. Since listed market prices are not available for these investments, the General Manager has used valuation models to determine the fair value. In order to determine the valuation for investments in level 3, the investment advisor examines the portfolio companies financial numbers and performance. The investment advisor are, on a regular basis, in contact with the managements of the portfolio companies in order to assess financial and operational conditions in the valuation process. Further the investment advisor compare multiples and other assumptions with comparable companies.

Applied key non-observable input at level 3

Below the key assumption in the valuation models are presented.

| Valuation models based on market multiples | Fair value of assets using multiple model | EV/EBITDA Interval for multiples *) |
|---|--|--|
| | DKK | DKK |
| Multiples 2018 | 482,160,000 | 6,9 |
| Multiples 2017 | 0 | - |

*) Calculated as expected EBITDA / booked value of the equity investments

| Værdiansættelsesmodeller baseret på DCF | Fair value of assets using DCF model | Interval for WACC |
|--|---|--------------------------|
| | DKK | DKK |
| Anvendt WACC 2018 | 0 | 8% |
| Anvendt WACC 2017 | 0 | - |

Newly acquired equity investments:

In 2018 the company has acquired equity investments totalling DKK 184.5 million (2017: DKK 404.7 million). These as measured at cost at 31 December which is assessed the best proxy for fair value.

Sensitivity analysis

The fair value of the Company's portfolio companies are effected by the development in the applied multiples and WACC. A material change in the key non-observable assumptions will have an effect on the value of the Company's portfolio companies. Further general macro economic conditions will affect the fair value of the companies.

Note 3. Equity investments

Fair value based on market based multiples / DCF

An increase or reduction of the applied multiples (EBITDA and Sales) and DCF (WACC) of 5 % will have the following effect on the assets of the Company measured at fair value based on multiples (in TDKK):

| | |
|---|---------|
| Change in the multiples by +5 % on assets measured at fair value 2018 | 18,196 |
| Change in the multiples by -5 % on assets measured at fair value 2018 | -18,196 |
| Change in the WACC by +5 % on assets measured at fair value 2018 | -16,641 |
| Change in the WACC by -5 % on assets measured at fair value 2018 | 18,401 |

| | 2018 | 2017 |
|------------------------------------|--------------------|--------------------|
| | DKK | DKK |
| Cost at 1 January | 404,660,000 | 0 |
| Additions for the year | 184,500,000 | 404.660,000 |
| Cost at 31 December | 589,160,000 | 404.660,000 |
| Value adjustments at 1 January | 0 | 0 |
| Fair value adjustment for the year | 77,500,000 | 0 |
| Value adjustments at 31 December | 77,500,000 | 0 |
| Fair value at 31 December | 666,660,000 | 404.660,000 |

Equity investments are specified as follows (amounts in DKK '000):

| Name | Registered office | Share capital | Voting rights and ownership | Equity | Net profit/loss for the year |
|---------------------------|-------------------|---------------|-----------------------------|--------|------------------------------|
| Bogballe Investment A/S* | Charlottenlund | 1,005,500 | 96% | - | - |
| Gasa Investment A/S* | Charlottenlund | 1,000,000 | 78% | - | - |
| Robco Engineer. Inv. A/S* | Charlottenlund | 1,000,000 | 94% | - | - |
| DYKON Investment A/S* | Charlottenlund | 1,000,000 | 78% | - | - |
| Arminox Investment A/S* | Charlottenlund | 1,000,000 | 95% | - | - |

* The companies were established in 2017 or 2018 and have not yet published their first annual reports.

Note 4. Investor relations

The Company has registered the following limited partners that hold at least 5% of the voting rights relating to the share capital:

Danica Pension, Livsforsikringsaktieselskab

Argentum NPEP AS

AP Pension Livsforsikringsaktieselskab

Crown Europe Small Buyouts IV Public Limited Company

Nykredit Realkredit A/S

HAEK Securitisation S.à r.l

AKF Invest CPH A/S

Note 5. Cash flow statement – changes in working capital

| | 2018 | 2017 |
|------------------------------|----------------|---------------|
| | DKK | DKK |
| Change in receivables | -46,580 | -12,550,463 |
| Change in trade payables etc | 21,875 | 12,636,713 |
| Cost at 31 December | -24,705 | 86,250 |

Note 6. Transactions with related parties

Management and administration fee's

The Limited Partnership is managed by the company Erhvervsinvest Management A/S ("the investment advisor"). Under the management agreement dated 11 September 2007, the Company appointed the company Erhvervsinvest Management A/S to act as investment advisor and provide management services to the Limited Partnership.

Erhvervsinvest Management A/S receives a investment advisor fee which is paid semi-annually based on investment commitments made by the Limited Partners. In 2018, the fee amounted to DKK 17.7 million (2017: DKK 15.9 million).

The Limited Partnership has concluded an agreement with the company Erhvervsinvest Management A/S to the effect that Erhvervsinvest Management A/S undertakes the management of the Company. The fee is a fixed amount. In 2018, the fee amounted to DKK 7.4 million (2017: DKK 6.7 million).

The agreements are valid until the date of completion of the Partnership's last disposal.

Fee to the General Partner

According to the limited partnership agreement, the Company pays a fee to the fully liable partner EIK IV ApS. In 2018, the fee to the General Partner amounted to DKK 30k (2017: DKK 30k).