

ERHVERVSINVEST

Erhvervsinvest IV K/S
Jægersborg Alle 4, 5th floor
2920 Charlottenlund
Central Business Registration No 38 39 46 49

Annual report for the financial year
1 January – 31 December 2019

The General Meeting adopted the annual report on 28 January 2020

Chairman of the General Meeting

Henrik Danmark

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Company details

Limited Partnership

Erhvervsinvest IV K/S

Jægersborg Alle 4, 5th floor

DK-2920 Charlottenlund

Central Business Registration No: 38 39 46 49

Registered in: Gentofte

Founded: 06.02.2017

Financial year: 01.01.2019 – 31.12.2019

General Partner

EIK IV ApS

Statement by the General Partner on the annual report

The General Partner has today considered and approved the annual report of Erhvervsinvest IV K/S for the financial year 01.01.2019 – 31.12.2019.

The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 – 31.12.2019.

In my opinion, the management commentary contains a fair review of the development of the Company's business and financial matters, the results for the year and of the Company's financial position as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Charlottenlund, 28 January 2020

General Partner

EIK IV ApS

Thomas Marstrand

CEO

Independent auditor's report

To the General Partner and Limited Partners of Erhvervsinvest IV K/S

Opinion

We have audited the financial statements of Erhvervsinvest IV K/S for the financial year, 01.01.2019 – 31.12.2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 – 31.12.2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements of the Danish Financial Statements Act. 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements of the Danish Financial Statements Act., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act., and for such internal control as the General Partner 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, the General Partner is responsible for assessing the Company'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 the General Partner either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 ISA 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 the General Partner.
- Conclude on the appropriateness of the General Partner'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 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.

Independent auditor's report

Statement on the Management commentary

The General Partner 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 Danish Financial Statements Act.

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 the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28 January 2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Michael Thorø Larsen
State Authorised Public Accountant
MNE nr. mne35823

Management commentary

Primary activities

Erhvervsinvest IV K/S is a private equity Company that invests in small and medium-sized Danish based companies with the purpose of developing these commercially.

Particular risks

It is Erhvervsinvest IV K/S' object to invest in well-established businesses with a growth or development potential, causing the primary risk factor to be changes in the value of the investments made.

As described in the Summary of significant accounting policies, the value of investments in portfolio businesses is measured at fair value.

Development in activities and finances

The statement of comprehensive income of the Limited Partnership for 2019 shows a comprehensive profit of MDKK 33 and the balance sheet of the Limited Partnership shows equity of MDKK 917 at 31 December 2019.

In 2019 the Limited Partnership has acquired shares in CC Investment A/S.

Uncertainty relating to recognition and measurement

When preparing the Company's annual report, the General Partner, in accordance with legislative provisions, makes accounting judgements and estimates which form the basis of the annual report. The accounting judgement and estimates made by the General Partner are described in the paragraph "Investments in portfolio companies" under accounting policies to which we refer. Such estimates are primarily relating to the measurement of investments in portfolio companies made on the basis of assumptions which the General Partner considers reasonable and realistic, but which are uncertain by nature.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Statement of comprehensive income

	Notes	2019 DKK'000	2018 DKK'000
Income from investments in portfolio companies	3	57,840	77,500
Share of fees		695	80
Other operating expenses		(25,263)	(25,209)
Profit/loss for the year		<u>33,272</u>	<u>52,372</u>
 Other comprehensive income		 <u>0</u>	 <u>0</u>
 Total comprehensive profit for the year		 <u><u>33,272</u></u>	 <u><u>52,372</u></u>

Statement of financial position

	Notes	2019 DKK'000	2018 DKK'000
Assets			
Investments in portfolio companies	3	<u>916,882</u>	<u>666,660</u>
Fixed asset investments		<u>916,882</u>	<u>666,660</u>
Non-current assets		<u>916,882</u>	<u>666,660</u>
Pre-paid expenses and other receivables		<u>12,715</u>	<u>12,597</u>
Receivables		<u>12,715</u>	<u>12,597</u>
Cash		<u>1</u>	<u>4,000</u>
Current assets		<u>12,715</u>	<u>16,597</u>
Assets		<u>929,598</u>	<u>683,257</u>

Statement of financial position

	<u>Notes</u>	2019 DKK'000	2018 DKK'000
Equity and liabilities			
Limited Partners' contributions	5	854,354	641,417
Retained Earnings		<u>62,453</u>	<u>29,182</u>
Equity		<u>916,808</u>	<u>670,599</u>
Trade payables		<u>12,790</u>	<u>12,659</u>
Current liabilities		<u>12,790</u>	<u>12,659</u>
Liabilities		<u>12,790</u>	<u>12,659</u>
Equity and liabilities		<u>929,598</u>	<u>683,257</u>

Statement of changes in equity

	Limited partners' contribution DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2019	641,417	29,181	670,599
Contributions from Limited Partners	212,937	0	212,937
Comprehensive profit for the year	<u>0</u>	<u>33,272</u>	<u>33,272</u>
Equity at 31 December 2019	<u>854,354</u>	<u>62,453</u>	<u>916,808</u>

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 605 million at 31 December 2019.

	Limited partners' contribution DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2018	427,764	(23,190)	404,574
Contributions from Limited Partners	213,654	0	213,654
Comprehensive profit for the year	<u>0</u>	<u>52,372</u>	<u>52,372</u>
Equity at 31 December 2018	<u>641,417</u>	<u>29,181</u>	<u>670,599</u>

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.

Statement of cash flows

	<u>Notes</u>	2019 DKK'000	2018 DKK'000
Operating profit/loss (EBIT)		33,272	52,372
Fair value adjustments equity investments		(57,840)	(77,500)
Working capital changes	6	<u>(13)</u>	<u>(25)</u>
Cash flows from operating activities		<u>(24,643)</u>	<u>(25,153)</u>
Investments in portfolio companies		(192,382)	(184,500)
Cash flows from investing activities		<u>(192,382)</u>	<u>(184,500)</u>
Contributions from Limited Partners		<u>212,937</u>	<u>213,654</u>
Cash flows from financing activities		<u>212,937</u>	<u>213,654</u>
Increase/decrease in cash and cash equivalents		(3,999)	4,000
Cash and cash equivalents at 1 January		<u>4,000</u>	<u>0</u>
Cash and cash equivalents at 31 December		<u><u>1</u></u>	<u><u>4,000</u></u>

Notes to the financial statements

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Notes

1. Accounting policies

The financial statements of Erhvervsinvest IV K/S are prepared in accordance with International Financial Reporting Standards as approved by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises. Erhvervsinvest IV K/S is a Limited Partnership based in Denmark.

The financial statements are presented in DKK, which is the functional currency of the Company.

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

The Fund's investments are portfolio companies which are not subject to IFRS 9. The Fund has no material assets or liabilities subject to IFRS 9.

The Fund's income consists of fair value changes, on investments in portfolio companies, and the Fund has no contracts subject to IFRS 15.

The Fund's has not entered into any leasing agreements subject to IFRS 16.

The financial statements are presented based on historical costs apart from investments in portfolio companies, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for the assets. Judgements made by the General Partner in the application of IFRSs that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

Report on the omission of preparation of consolidated financial statements

Erhvervsinvest IV K/S has omitted to prepare consolidated financial statements under the provisions of IFRS 10 and IAS 27 as the Limited Partnership qualifies as an investment entity. The definition is as follows:

"An investment entity is defined as an entity which commits to its investors that its business purpose is to invest Companies solely for returns from capital appreciation, investment income, or both".

In view of the circumstances described below, the General Partner believes that the Limited Partnership satisfies the definition of an investment entity:

- 1) The Limited Partnership has more than one portfolio investment (portfolio companies).
- 2) The Limited Partnership has more than one investor, and its investors are not related parties.
- 3) The Limited Partnership's investments in portfolio companies take the form of equity instruments or similar investments (portfolio companies).
- 4) The investments are measured and evaluated on a fair value basis.

Notes

1. Accounting policies (continued)

As a result the General Partner has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

Similarly, Erhvervsinvest IV K/S holds investments in portfolio companies, which meet the definition of an associate over which the Company has significant influence. Such investments are also accounted for at fair value through profit or loss whereby all investments are treated as investments in group companies no matter the ownership share at fair value through profit or loss.

Standards and interpretations not yet effective

All the new and amended Standards and Interpretations which are relevant to the Company and which came into force with effect for financial years beginning 1 January 2019 have been applied when preparing the financial statements.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have significant impact on the financial statements as well as they haven't been implemented before time.

Significant accounting policies and estimates

When preparing the financial statements, the General Partner makes several accounting estimates forming the basis for the presentation, recognition and measurement of the Company's assets and liabilities. The most significant accounting estimates and assessments are presented in note 3.

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 Company, and the value of the asset can be measured reliably. Assets are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow to the Company.

Acquisition and sale of financial assets and liabilities are recognised in the balance sheet at the commitment date.

Liabilities are recognised in the balance sheet when the Company 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 Company, and the value of the liability can be measured reliably. Liabilities are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow out of the Company.

On initial recognition, assets and liabilities are measured at cost; however, on initial recognition, investment assets are measured at fair value, ordinarily corresponding to cost less direct expenses incurred. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Notes

1. Accounting policies (continued)

Consideration is made for events occurring during the period from the balance sheet date until the presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date.

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

Statement of comprehensive income

Income from investments in portfolio companies

Income from investments in portfolio companies comprises gains/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments. Gains/losses from divestment of investments in portfolio companies are stated as the difference between the selling price or disposal consideration and the carrying amount of the portfolio companies at the time of sale or disposal, respectively.

Dividends from investments in portfolio companies are recognised as income when final entitlement to the dividends is obtained, which is usually at the time of the approval of the declaring dividends by the group enterprise.

Other operating expenses

Administrative expenses and other operating expenses include general costs, investment costs relating to incomplete investments and management fee to the management company.

Income taxes

Under current Danish law governing the Company, it is not independently taxable because the Company's profit/loss for the year is included in the Limited Partner's taxable income.

Balance sheet

Investments in portfolio companies

Investments in portfolio companies comprise equity investments in portfolio companies measured at fair value through profit or loss.

The fair value of the unlisted investments is determined in accordance with IPEV's Valuation Guidelines, according to which the fair value – depending on the type and maturity of the investment – is determined to be equal to cost (typically applied for new investments), multiple-based calculations based on industry benchmarks.

Receivables

Receivables, typically representing pre-paid expenses, are measured at amortised cost.

Cash

Cash comprise cash in bank deposits.

Notes

1. Accounting policies (continued)

Other financial liabilities

Other financial liabilities comprise accounts payable, accrued expenses and other liabilities.

Statement of cash flows

The statement of cash flows is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented as the operating profit/loss adjusted for non-cash operating items including fair value adjustments of investments in portfolio companies and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with investments, including follow-up investments, proceeds from divestment of portfolio companies and changes to provisions for capital contributions to group enterprises.

Cash flows from financing activities comprise cash flows from payments to and from the limited partners.

Notes

2. Financial risks and financial instruments

The Company adheres to an investment strategy approved by the investors. As a result of its investments in portfolio companies, the Company is directly exposed to changes in liquidity, credit, interest and currency risks.

Operating risks

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

Currency risks

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

Interest risks

The Company itself does not have access to a credit facility.

Credit risks

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

Capital risks

The cash position in the Company is not bigger than the payables, but the Company can draw commitment from the Limited Partners when relevant. The liquidity risk is considered insignificant. No indication of the limited partners ability to contribute the remaining Company commitment occurs.

Financial Risk Management

The General Partner is ultimately responsible for the overall risk management within the Company, but has delegated the responsibility to the Company Manager.

The Company pursues an investment strategy approved by the Limited partners and invests in small and medium-sized primarily Danish based companies with the purpose of developing these commercially

The Company's risk management processes includes identification, measurement, monitoring, reporting and mitigation of the identified risks to minimize the potential negative effects at Company level.

There are none key financial risk factors and exposures in financial statements besides investments in portfolio companies.

Notes

	2019	2018
	<u>DKK'000</u>	<u>DKK'000</u>
3. Investments in portfolio companies		
Cost at beginning of year	589,160	404,660
Additions	192,382	184,500
Disposal	<u>-</u>	<u>-</u>
Cost at end of year	<u>781,542</u>	<u>589,160</u>
Revaluations at beginning of year	77,500	0
Revaluations	57,840	77,500
Reversal regarding disposals	<u>-</u>	<u>-</u>
Revaluation at end of year	<u>135,340</u>	<u>77,500</u>
Carrying amount at end of year	<u>916,882</u>	<u>666,660</u>

The Company Manager regularly and at least on a quarterly basis reviews the fair value of its portfolio companies in connection with its non-public reporting to its Limited Partners and in connection with the preparation of the financial statements.

The Company's portfolio companies are not classified as investment companies. They are engaged in doing business in trading and development, etc. The Company has no limitations concerning the potential reception of dividends or having loans etc. repaid from the portfolio companies, apart from the fact that distribution from the portfolio companies can only take place if it is considered proper and prudent.

Methods and assumptions for determining fair values in unlisted portfolio companies

The fair value for each unlisted group enterprise is determined based on methods which best reflect the individual investment's potential and risk.

In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as multiple analysis/benchmarking, most recent transaction multiple and other relevant methods.

Upon initial investment, cost of the investment is generally determined to represent the fair value.

Notes

3. Investments in portfolio companies (continued)

In connection with the use of this method, the Company assesses which multiples are applicable as well as assesses the determination of the applicable earnings to be used in the calculation of the deemed fair value.

The fair value is determined in the functional currency of the group enterprise, which is then translated to euro at the exchange rate at the balance sheet date, and any exchange rate adjustment is included in the fair value adjustment of the investment in profit or loss.

Each investment is owned through a holding structure. The equity interest represents the Company's ownership before dilution of incentive programmes provided to management in the respective portfolio companies and before any effect of different share classes which may be present in the holding structures, such as preference shares.

<u>Investment</u>	<u>Corporate form</u>	<u>Registered in</u>	<u>Equity interest %</u>
Bogballe Investment	A/S	Charlottenlund	96%
Gasa Investment	A/S	Charlottenlund	98%
Robco Engineering Investment	A/S	Charlottenlund	96%
DYKON Investment	A/S	Charlottenlund	78%
Arminox Investment	A/S	Charlottenlund	95%
CC Investment	A/S	Charlottenlund	98%

Each investment has been valued using the valuation techniques listed below.

Fair value hierarchy for determining fair value for investments in portfolio companies

IFRS has established a fair value hierarchy for certain assets measured at fair value:

- Quoted prices in active markets for identical instruments (level 1)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (level 2)
- Valuation techniques under which any material inputs are not based on observable market data (level 3).

The measurement of investments in portfolio companies classified according to level 3 is based on measurement methods, in which material non-observable inputs are included such as assessment of which method best reflects fair value, assessment of the performance of each group enterprise, determination of multiples and future earnings, and assessment of whether a pervasive negative development should result in the recognition of impairment write-downs.

The fair value of the Company's portfolio companies is impacted by the development in applied multiples as well as expected future earnings and development in each group enterprise.

Notes

3. Investments in portfolio companies (continued)

A decrease or increase in the above mentioned material non-observable inputs may have a direct effect on the measurement of the portfolio companies, just as the fair value of the Company's portfolio companies is impacted by the development in macroeconomic conditions.

The classification of financial instruments measured at fair value can be summarised as follows:

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2019				
Portfolio companies	<u>0</u>	<u>0</u>	<u>916.882</u>	<u>916.882</u>
Asset investments, measured at fair value	<u>0</u>	<u>0</u>	<u>916.882</u>	<u>916.882</u>
	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2018				
Portfolio companies	<u>0</u>	<u>0</u>	<u>666.660</u>	<u>666.660</u>
Asset investments, measured at fair value	<u>0</u>	<u>0</u>	<u>666.660</u>	<u>666.660</u>

Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable inputs.

Material unobservable assumptions used in the valuation of unlisted investments in portfolio companies consist of multiples and future earnings expectations for the portfolio companies. Management believes that the multiples applied are on a par with the market for comparable Danish businesses. In addition, allowance is made for net interest-bearing debt of the portfolio companies when making the valuation.

	2019	2018
Range for multiple applied	3.5 – 6.9	6.9
Fair value of assets using multipel model (TDKK)	666.882	666.660
Range for WACC applied	8%	8%
Fair value of assets using DCF model (TDKK)	250.000	0

Sensitivity analysis

The fair value of the Limited Partnership's portfolio companies is affected by developments in the multiples applied and future earnings expectations for these companies. A decline or increase in the material unobservable inputs stated above would have a direct effect on the valuation of the portfolio companies, and the fair value of the Limited Partnership's portfolio companies is affected by changes in macroeconomic conditions. Changes in the average weighted multiple is considered the most material unobservable input of the Company.

Notes

3. Investments in portfolio companies (continued)

A change in the multiples applied (EBITDA and Sales) and DCF (WACC) would have the following effect on the fair value of portfolio companies:

	2019 DKK'000	2018 DKK'000
5 percentage change in multiple	51.030	18.196
5 percentage change in WACC	13.162	18.401

4. Investor relations

The Company has registered the following limited partners that hold at least 5% of the voting right 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
 C. W. Obel A/S
 SNB Private Equity IV K/S

5. Contributions from Limited Partners

The Limited Partnership is owned by the Limited Partners in proportion to their contributed capital, which is arranged in different capital classes. One of the classes is tied to a preference return agreement when the return of the company exceeds a predefined minimum return on investment (hurdle rate).

Notes

	2019 <u>DKK'000</u>	2018 <u>DKK'000</u>
6. Working capital changes		
Change in receivables	(118)	(47)
Change in other liabilities	<u>131</u>	<u>22</u>
	<u>(13)</u>	<u>(25)</u>

7. Related party transactions

Related parties with control

The Limited Partnership is managed by the company Erhvervsinvest Management A/S ("the investment advisor"). Under the management agreement dated 6 February 2017, 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 2019, the fee amounted to DKK 17.7 million (2018: DKK 17.7 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 2019, the fee amounted to DKK 7.4 million (2018: DKK 7.4 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 2019, the fee to the General Partner amounted to DKK 30k (2018: DKK 30k).