MAJ INVEST EQUITY 4 K/S

ANNUAL REPORT 2015

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STATEMENTS

STATEMENT BY MANAGEMENT

The board of directors has today discussed and approved the annual report for Maj Invest Equity 4 K/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the limited partnership's assets, liabilities and financial position at 31 December 2015 and of the results of the limited partnership's operations and cash flows for the financial year 1 January - 31 December 2015.

We believe that the Management commentary includes a fair review of the development in the limited partnership's activities and financial position, the result for the year and the limited partnership's financial position as a whole.

We recommend the annual report 2015 for adoption at the annual general meeting.

Copenhagen, 1 March 2016

General partner:
Fonden Maj Invest Equity General Partner
Board of directors:

Bjarne Thorup (chairman) *Erik Holm* *Niels Kristian Agner*

The annual report is presented and approved at the annual general meeting.

on 7 / 4 2016

Chairman: _____

STATEMENTS

Independent auditors' report

To the limited partners in Maj Invest Equity 4 K/S

Independent auditors' report on the financial statements

We have audited the financial statements of Maj Invest Equity 4 K/S for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management dertermines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the limited partnership's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the limited partnership's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the financial statements give a true and fair view of the limited partnership's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management commentary

Pursuant to the Danish Financial Statements Act, we have read the Management commentary. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management commentary is consistent with the financial statements.

Copenhagen, 1 March 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Per Gunslev
State Authorised
Public Accountant

Ole Karstensen
State Authorised
Public Accountant

MANAGEMENT COMMENTARY

Fund information

The limited partnership	Maj Invest Equity 4 K/S c/o Bech-Bruun Langelinie Allé 35 DK-2100 Copenhagen Denmark
Contact information	E-mail: kontakt@majinvest.com Website: www.majinvest.com
CVR no.	33 88 76 20
Financial year	1 January - 31 December
Registered office	Copenhagen
General partner	Fonden Maj Invest Equity General Partner
Board of directors in Fonden Maj Invest Equity General Partner	Bjarne Thorup, chairman Erik Holm Niels Kristian Agner
Manager	Maj Invest Equity A/S
Depositary	Private Equity Administrators Depositary Services ApS
Auditors	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 DK-2000 Frederiksberg

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 DKK	2015	2014	2013	2011/12 (16 months)
Key figures				
Profit/loss				
Value adjustment of investments in portfolio companies	130,120	70,414	-	-
Operating profit/loss	111,708	52,647	(25,674)	(20,765)
Profit/loss for the year	111,033	51,167	(26,810)	(21,455)
Balance sheet				
Investments in portfolio companies	832,230	549,015	214,919	42,109
Total assets	836,872	554,258	219,590	46,891
Equity	827,707	553,764	217,165	44,712
Financial resources				
Cash	264	843	292	480
Remaining commitment	470,111	662,888	948,320	897,483
Total financial resources	470,375	663,731	948,612	897,963
Cash flow				
Cash flows from operating activities	(8,795)	(17,371)	(26,093)	(24,731)
Cash flows from investing activities	(163,324)	(266,906)	(172,810)	(42,109)
Cash flows from financing activities	171,540	284,827	198,715	67,320
Net change in cash	(579)	551	(188)	480
Ratios				
Equity ratio	99%	100%	99%	95%
Paid-in capital to committed capital (%)	61%	45%	22%	7%

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Maj Invest Equity 4 K/S

The private equity fund Maj Invest Equity 4 K/S was established on 31 August 2011 as a limited partnership and is owned by a number of Danish institutional investors and one international investor. The investors have entered into a limited partnership agreement.

Maj Invest Equity 4 K/S had at first closing a total capital commitment of DKK 801 million. The fund had final closing on 28 February 2013 with a total commitment of DKK 1,214 million.

Investment policy and value creation philosophy

Maj Invest Equity 4 K/S (Maj Invest Equity 4) acts as active owners and is both minority and majority owners. Maj Invest Equity 4 invests in Danish business entities with growth potential and expansion possibilities, primarily in entities with revenues between DKK 100 million and DKK 1,000 million at the time of investment, primarily in industry, trade, service trades and technology.

Investment policy

Maj Invest Equity 4's investment policy focuses on investments in small and medium-sized Danish companies in which long-term operational value can be created either following a generation change or through growth capital. The investment policy is based on some fundamental investment criteria:

- Considerable potential for long-term industrial and operational value creation.
- Strong, flexible management and an organisation with a proactive approach to change.
- Established market position in an established market.
- Focus and competencies designed to create a distinct competitive edge.
- Effective performance of the existing business model.
- Owners' and management's interests, expectations, strategy and business plan are aligned.
- Maj Invest Equity 4 has potential for exercising influence and creating value.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

- Reliable financial reporting.

Maj Invest Equity 4's approach is that one investor in the portfolio company must always assume the primary owner-related initiative and responsibility; that there is a close dialogue and agreement between owners and management in respect of focus and targets; and that the competencies and resources required are always available. Maj Invest Equity 4 must as active owners - either alone or in collaboration with co-owners - formulate clear objectives in respect of ownership and ensure that an optimal framework is always provided for the company to develop and realise its full potential.

CSR policy

Maj Invest Equity 4 adheres to Socially Responsible Investments (SRI) and intends to promote SRI in connection with investments by demanding that the portfolio companies adopt SRI or CSR policies. Maj Invest Equity 4 will demand that portfolio companies without SRI or CSR policies at the time of the initial investment subsequently develop and aim to comply with said policies.

Value creation philosophy

The value creation principles in respect of the companies in which Maj Invest Equity 4 invests are based on operational value creation, a long-term approach to ownership and the involvement of experienced business executives in order to realise the principles which may be summarised as follows:

- Prioritised focus on long-term industrial and operational value creation.
- Focus on managed, profitable organic development and acquisitive growth.
- Moderate gearing.
- Ensuring long-term thinking and perspective.
- Involving experienced and competent business executives in the exercise of ownership (through the board) to ensure operational value creation focus.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Maj Invest Equity 4 emphasises that each individual investment is to be supported by a well-crafted strategy and business plan for the business entity and that owners and management agree on such strategy and plan. Maj Invest Equity 4 primarily focuses on operational value creation. Companies will not be indebted at a level that would prevent optimal strategic development or which would otherwise jeopardise their financial flexibility.

One of the fundamentals of the investment policy is that management in each portfolio company invests together with Maj Invest Equity 4.

Investment activities also draw on the expertise of Maj Invest Equity's broad network of business executives. This network is expanded continually to include highly qualified people in all relevant lines of business and fields of expertise.

Maj Invest Equity 4's use of business executives stretches from the identification and analysis of an investment opportunity via ad-hoc assignments in the portfolio companies in relation to strategic development, major acquisitions or other initiatives and to the running of such companies through active board membership. Typically, the business executives are selected as board members and co-invest in the portfolio companies in which they are involved.

Maj Invest Equity 4 is entitled to appoint board members in the individual portfolio companies. A partner and an investment manager from Maj Invest Equity A/S (the Manager) will participate in the work of the board of directors of each individual portfolio company, either as a board member or as an observer. The strategic and operational management of the particular portfolio company is handled through the board of directors and the executive management and there is thus a clear delegation of responsibilities between the owners, the board of directors and the executive management. Often a partner and one of the Manager's investment managers will assist the management of the particular portfolio company in connection with acquisitions or divestments, negotiations with and handling

MANAGEMENT COMMENTARY

BUSINESS REVIEW

of relations with finance partners, the recruitment of key management personnel and the identification and selection of specialists, advisers and consultants for special assignments in the particular portfolio company.

Maj Invest Equity 4 closely monitors investments and contributes to the development of the portfolio companies to ensure that their value potential is realised. Exit possibilities and exit strategy are also continuously monitored and assessed in order to execute exits as optimally as possible.

Maj Invest Equity Organisation

At year-end 2015, Maj Invest Equity consisted of six partners, one senior investment manager, four investment managers and two associates involved in investments as well as seven back-office staff involved in finance, legal matters and administrative duties.

The Maj Invest Equity management group includes:

Erik Holm, CEO, Managing Partner

Erik holds an MSc in Economics and Business Administration. He has been the CEO and Managing Partner of Maj Invest Equity since spring 2011. He was the CEO and Group Managing Director of Dyrup A/S from 2006 to 2011, the CEO and Group Managing Director of Louis Poulsen A/S from 1996 to 2006 and was recruited by the Louis Poulsen group back in 1981.

Jan Hove Sørensen, Partner

Jan holds a degree in engineering and a Graduate Diploma in Business Administration (HD). He has been a partner in Maj Invest Equity since 2006. From 2003 to 2006 he was employed by the PA Consulting Group and was engaged in strategy, M&A and business development; in Oracle Corporation (1999-2003); in F.L. Smidth A/S (1991-98) and in Landis & Gyr A/S (1989-91).

MANAGEMENT COMMENTARY

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Mads Andersen, Partner

Mads holds an MSc in Economics and Business Administration. He has been employed with Maj Invest Equity since 2008. He was appointed a partner of Maj Invest Equity in 2013. He worked for the FL Group investment company from 2006 to 2007, and with FIH (M&A) from 2004 to 2006 and in KPMG Corporate Finance from 1999 to 2004.

Niels Retbøll, Partner

Niels is a CFA Charterholder and holds an MSc in Economics and Business Administration. He has been employed with Maj Invest Equity since 2006 and been a partner since 2010. He was previously a chief investment officer in Arkitekternes Pensionskasse (2000-06), a portfolio manager in BG Invest (1999-00), and he has investment banking experience from Nykredit (1998-99) and Bjørnskov & Co. Børsmæglerselskab A/S (1992-98). His last position in this company was as head of equities.

Niels Toft, Partner

Niels holds an MSc in Economics and Business Administration and has been employed with Maj Invest Equity since 2005. He was involved in setting up Maj Invest Equity and has been a partner of Maj Invest Equity since 2008. From 1998 to 2005 he was engaged by Bain & Company in Stockholm and involved in strategy consulting in the form of strategy and business development, operational improvement projects and commercial due-diligence.

Per Høholt, Partner

Per holds a business degree in Financial and Credit. He has been employed by Maj Invest Equity since 2009 and was appointed a partner of Maj Invest Equity in 2013. He used to be a partner in Ernst & Young responsible for Danish M&A activities (2002-09). Before that he worked for over 10 years in the financial sector with M&A, share and bond issues, structured finance, syndicated loans and acquisition finance.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Reference is made to the website, www.majinvest.com, for a presentation of other Maj Invest Equity staff.

Ownership

Maj Invest Equity 4 is owned by a number of professional and institutional investors holding a stake of 98.3%. Maj Invest Equity Management and staff involved in investments as well as two of the external members of the fund's Investment Committee have all invested as special limited partners in Maj Invest Equity 4. Any profits earned by such special limited partners are subject to tax under current Danish tax rules. The special limited partners do not pay management fees and partnership formation costs to the fund.

Investors	Commitment DKKm	Interest in per cent
Dansk Vækstkapital and Pension Funds (Danish)	580.0	47.79%
Financial institutions (Danish)	25.0	2.06%
Other professional investors (Danish)	500.1	41.20%
Other professional investors (Foreign)	50.0	4.12%
Maj Invest Holding (Danish)	37.4	3.08%
Management and staff in Maj Invest Equity (Danish)	19.3	1.59%
Investment Committee (Danish)	2.0	0.16%
	1,213.8	**100.00%**

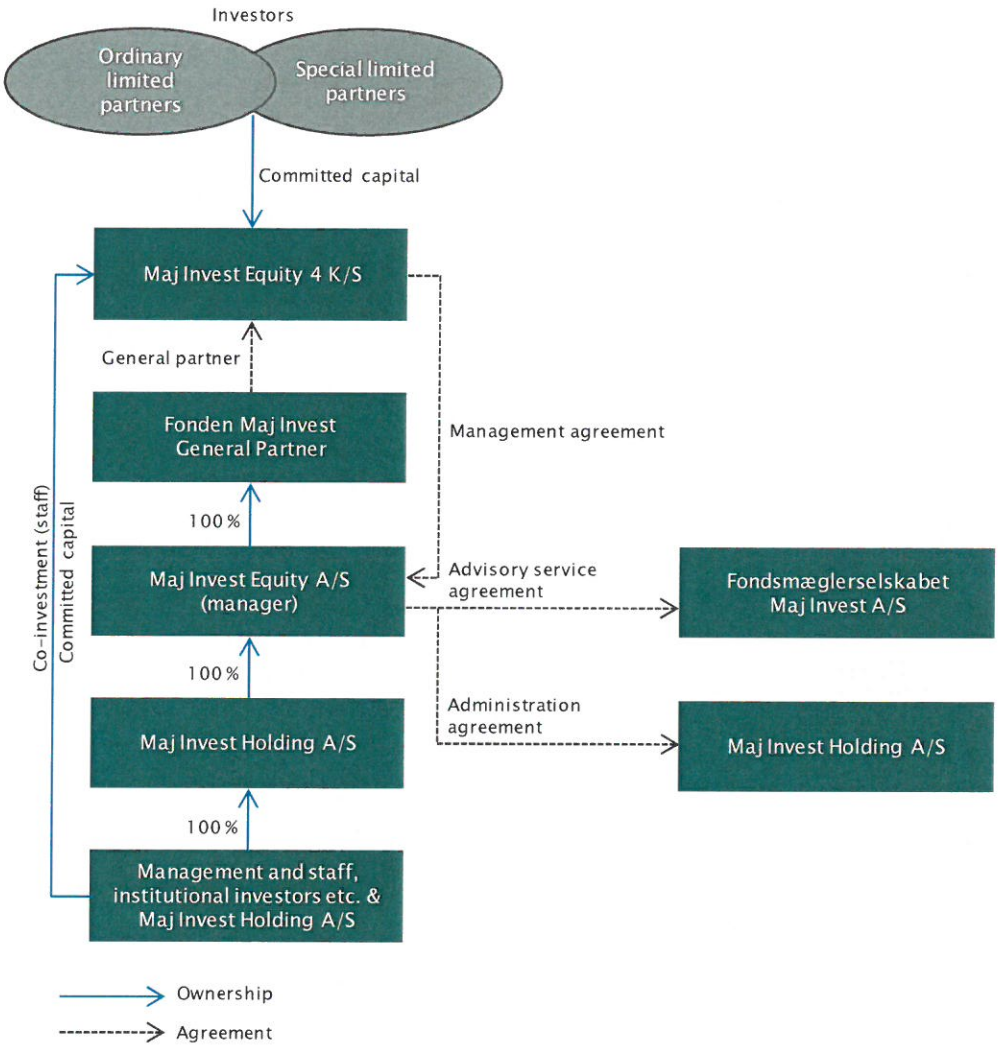
Legal structure

Maj Invest Equity 4 is a Danish limited partnership with a commercial foundation as general partner. The general partner is managed by a board of directors consisting of three members. The general partner is responsible for management and also signs for Maj Invest Equity 4 and has together with Maj Invest Equity 4 entered into a management agreement with the Manager. The general partner's board of directors is disclosed in note 12.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Legal structure of Maj Invest Equity 4



Under a management agreement, the Manager handles all investment-related and administrative tasks for Maj Invest Equity 4. Consequently, Maj Invest Equity 4 has no staff employed. The Manager has made an advisory service agreement with Fondsmæglerselskabet Maj Invest A/S (MI) in respect of some of the investment-related tasks and an agreement with Maj Invest Holding A/S (Maj Invest Holding) in respect of administrative tasks.

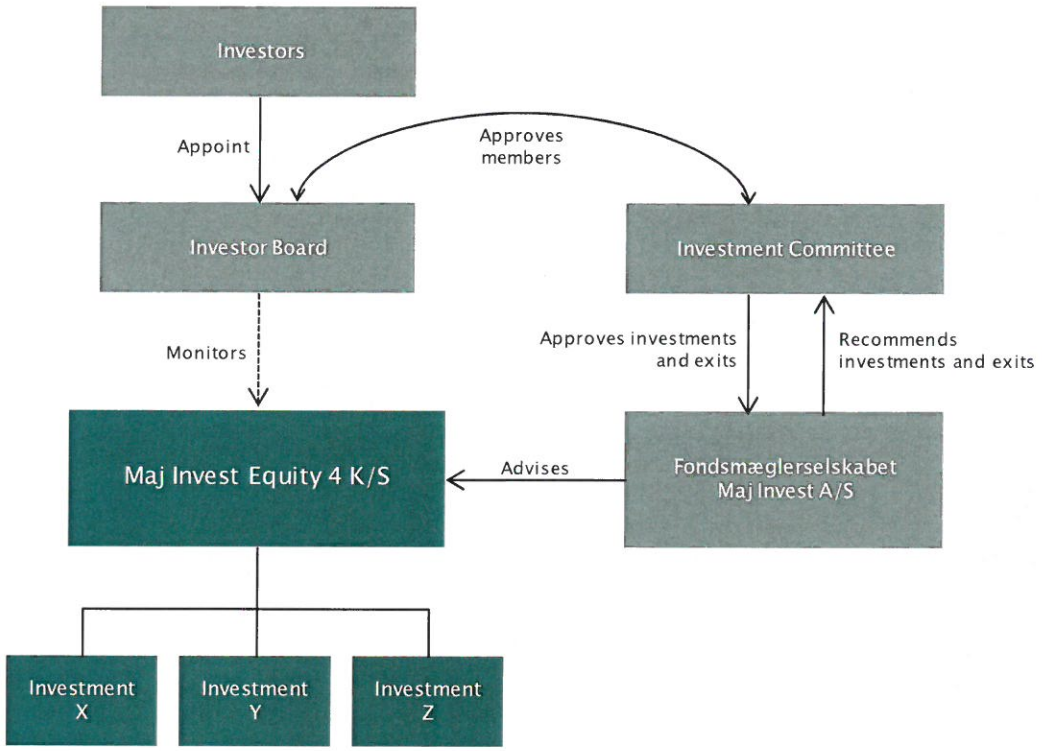
MANAGEMENT COMMENTARY

BUSINESS REVIEW

Decision structure

The investors in Maj Invest Equity 4 have set up an Investor Board with representatives appointed by the investors. The Investor Board acts as a supervisory body and continuously monitors developments in the fund.

Decision structure in Maj Invest Equity 4



Maj Invest Equity 4 has established an investment committee. The Investment Committee is responsible for deciding any investments in or divestments of portfolio companies in Maj Invest Equity 4 following a recommendation by the Maj Invest Equity partner group.

The Investment Committee consists of seven members, namely the CEO of MI, four Equity partners and two experienced business executives. Reference is made to note 12, which shows any other executive functions or directorships held by investment committee members.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

License as manager with the Danish FSA

The Manager has received a license as manager (in Danish: forvalter) with the Danish FSA (in Danish: Finanstilsynet) and the Manager is under financial regulation and the Danish FSA supervision.

Maj Invest Equity 4 has appointed a depositary in accordance with the provisions in FAIF.

Carried interest

Maj Invest Equity 4 has been established with a management fee structure which is normal in relation to the private equity industry. This means that the Manager receives a fixed management fee as well as a carried interest depending on the investors' returns on their investments.

Carried interest is payable if the returns on investments net of fees exceed a predetermined hurdle rate of 8% p.a. The carried interest is calculated as 20% of investor returns exceeding hurdle rate.

No carried interest had been allocated or paid as at 31 December 2015.

Reporting

One of the things governed by the limited partnership agreement is the aspect of reporting on fund activities, its development and financial position in relation to investors. The fund is obliged to report to its investors on a current basis:

- Quarterly reports on the financial situation, the development in individual portfolio companies and investment returns.
- Memoranda on new investments.
- Memoranda on exits.
- Annual reports.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

- Semi-annual investor meetings.
- Replies to investor queries.

The quarterly reports to investors will be prepared in compliance with the international guidelines in respect of "best practices" as stipulated in the International Private Equity and Venture Capital Investor Reporting Guidelines. Investments are valued at their fair values and in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Maj Invest Equity also acceded to the "Guidelines for Responsible Ownership and Corporate Governance in Capital Venture Funds in Denmark" drawn up by the DVCA.

Development in activities and the financial position

2015 has been characterised by high activity and an improved financial performance in most of the portfolio companies. The transactions multiples in the Danish market in terms of EV/EBITDA have continued the trend from 2014 with steady increases in general. Maj Invest Equity 4 also observes a wider dispersion in the valuations.

Investments

In 2015, Maj Invest Equity 4 has made a new investment in Svendsen Sport A/S.

Profit/loss for the year

The bottom-line for 2015 is a profit of DKK 111 million (against a profit in 2014 of DKK 51 million). The result is as expected. 2015 has been affected by positive unrealised value adjustment of investments of net DKK 120 million (2014: DKK 67 million).

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Development in portfolio companies in 2015

The fund has invested in seven portfolio companies since inception.

Vega Sea A/S

The primary activity of Vega Sea Group is processing and trading of salmon products. The main products are smoked and fresh salmon, and Vega Sea is one of the largest processor of smoked as well as fresh salmon located in Scandinavia. The company has processing facilities in Denmark, Sweden and Germany. Customers are mainly retailers, wholesalers and food service companies in Europe and overseas markets. The 2014/15 revenue and earnings have improved compared to last year due to higher focus on overseas markets. Management expects revenue and operating profit in 2015/16 to be in line with 2014/15.

Sticks 'N' Sushi A/S

Sticks 'N' Sushi is a Danish-based restaurant group serving high-quality fresh food based on a combination of traditional sushi and yakitori sticks from the grill. The company has 10 restaurants in the Copenhagen area and four restaurants in the London area and employs approx. 800 employees. 2014/15 revenue and earnings have been on a higher level compared to last year, mainly driven by new restaurant openings and organic growth in the existing restaurants. Management expects continued positive growth in revenue and earnings in 2015/16.

PF Group A/S

PF Group designs, manufactures and sells gratings, steps and related products in steel, aluminium and stainless steel mainly in Northern Europe. The products are sold to a diversified customer portfolio consisting of contractors, industrials and rental companies and for various applications within the construction, oil & gas, energy and drainage sectors. In 2015, PF Group achieved revenues and earnings on the same level as last year and thus expectations for 2015 were not met. The decrease was caused by generally soft demand in the first half of 2015 as well as a significant drop in the Norwegian market as a

result of the oil price development. Management expects positive growth in revenue and earnings in 2016.

Godt Smil Holding ApS

Godt Smil Holding is a minority shareholder of Godt Smil, which is a Danish dental chain with 15 clinics across the country and more than 65 dental chairs. Godt Smil operates its own dental laboratory that produces high-quality dental crowns and supplies to its own clinics solely. The chain employs more than 200 employees and has more than 75,000 patients of which a large share is recurring patients. Revenue and earnings for 2015 have improved compared to last year and management expects revenue and earnings to grow further in 2016.

Muuto A/S

Muuto is a Scandinavian design company focusing on three product categories: furniture, lightning and accessories within the luxury segment. The company sells its products through two sales channels: wholesale and contract, in more than 50 international markets through more than 1,400 wholesale doors. The financial performance in 2015 is at higher level than last year, and above expectations. In 2016, management expects continuous growth in revenue and earnings.

ProLøn A/S

ProLøn provides payroll services to small Danish businesses based on industry-specific payroll solutions and standard solutions that can be used by all Danish entities regardless of industry and size. The company employs 20 employees and serves approx. 11,000 customers. In the financial year 2014/15, ProLøn achieved a slight increase in revenue and operating profit compared to the previous year. Management expects an increase in revenue in 2015/16 while earnings are expected to see a slight drop as a result of increased operating costs to enable future growth.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Svendsen Sport A/S

Svendsen Sport is a fishing tackle equipment company which markets a wide range of fishing brands and products in all European countries. The products are sold through a distribution network which includes own sales forces in Sweden, Germany, Benelux, France, Norway, Poland, Czech republic and Great Britain. In the rest of the European countries and certain overseas markets the company's products are distributed through local distributors and agents. Svendsen Sport employs more than 120 employees. In 2015 Svendsen Sport grew both revenue and earnings, and the expectations for 2016 is to continue growing revenue and earnings.

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Capital resources

Maj Invest Equity 4 is able to finance investments from the time of investment and up to six months through bridge financing loan from financial institutions. A bridge loan must be repaid in connection with a capital call from investors.

As mentioned above, Maj Invest Equity 4 has a total capital commitment of DKK 1,214 million. At 31 December 2015, investors had paid DKK 744 million, or 61% of their capital commitments. The remaining capital commitment is DKK 470 million (DKK 663 million at 31 December 2014). Maj Invest Equity 4's equity amounted to DKK 828 million at 31 December 2015, matching an equity ratio of 99%.

Financial risks

The objective of Maj Invest Equity 4 is to invest in portfolio companies and create value in such companies. The major risk factor is therefore the failure to create value in the underlying portfolio companies. Changes in the macroeconomic environment, financing opportunities and interest levels have a tremendous impact on the potential for value crea-

tion in the portfolio companies and consequently also the future value of Maj Invest Equity 4's investments.

Uncertainties relating to recognition and measurement in the financial statements

Interests in portfolio companies are valued at their fair values, according to Accounting policies. The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty.

Events after the balance sheet day

In January 2016, Maj Invest Equity 4 has via MIE4 Holding 8 ApS acquired a majority stake in DK-FOOD'S A/S which is a manufacturer of pepperoni, chorizo and salami used on frozen and chilled pizzas. The investment is financed by capital call from the investors.

There have been no other events after the balance sheet day and to date that materially affect the assessment of the annual report.

Outlook for 2016

At the beginning of 2016, the overall outlook for the seven portfolio companies are generally strong and improving, and for the fund Maj Invest Equity 4 expects growth in both top line and earnings.

For 2016, continued value creation is expected for the portfolio companies, first and foremost driven by a range of company specific initiatives launched to create growth in revenue, capture market shares and improve efficiency. Maj Invest Equity 4 will continue the efforts in the search for new platform investments within the expiry of the investment period in August 2016.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

Maj Invest Equity 4 has voluntarily chosen to present the financial statements in accordance with the provisions of the Danish Financial Statements Act for reporting class A entities with the adoption of a cash flow statement and with the necessary adjustments considering that the company is a limited partnership, whose activity is private equity. Investments in portfolio companies are recognised in compliance with the International Private Equity and Venture Capital Valuation Guidelines, drawn up by the IPEV Board.

As the private equity business carried on by Maj Invest Equity 4 is structured so that investing activities are the principal activity of each entity, the limited partnership measures investments and related financial liabilities at their fair values in accordance with section 38 of the Danish Financial Statements Act.

In order to achieve a true and fair view of the operations of the limited partnership, the presentation of the income statement has been changed compared with the reporting form shown in schedule 2 of the Danish Financial Statements Act. Value adjustment of investments in portfolio companies is presented as an item under operating profit/loss.

The accounting policies are the same as last year.

Recognition and measurement

All income and expenses relating to the financial year are recognised in the income statement regardless of time of payment. Value adjustments in respect of investments in portfolio companies, which are measured at fair value, are also recognised in the income statement.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the limited partnership, and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the limited partnership, and the value of such liabilities 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.

Recognition and measurement of assets and liabilities have taken into account

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

any information available after the balance sheet date but before the presentation of the financial statements, either affirming or not affirming conditions existing on the balance sheet date.

Foreign currency translation

Transactions in foreign currencies are translated into Danish kroner using the exchange rates applicable on the transaction date. Assets and liabilities in foreign currencies are translated into Danish kroner using the rates on the balance sheet date.

INCOME STATEMENT

Value adjustment of investments in portfolio companies

Gains/losses on investments and value adjustments of investments in and receivables from portfolio companies are recognised in the income statement. Interest received on loans to and dividends received from portfolio companies are also recognised under "Value adjustment of investments in portfolio companies".

Administrative expenses

Administrative expenses mainly consist of management fees, broken deal costs, partnership formation costs and other administrative expenses.

Financial income and expenses

Financial income and expenses include interest on bank deposits, interest on bridge loans and interest on loans provided by the general partner "Fonden Maj Invest Equity General Partner".

Tax

Maj Invest Equity 4 is not an independent entity liable to pay tax, and consequently, no provision for tax on profits has been made in the financial statements.

BALANCE SHEET

ASSETS

Investments in portfolio companies

On initial recognition, investments in portfolio companies are measured at cost, with the addition of transaction costs. On subsequent recognition, investments are measured at fair value. Value adjustments are recognised in the income statement.

The fair value of investments in portfolio companies are measured at the most recent market price, for instance in the form of an expansion of capital or a partial

ACCOUNTING POLICIES

sale based on the values of comparable companies or through the use of traditional valuation methods, such as EV/EBITDA, P/E, EV/EBIT, P/B.

If the fair value assessment is not reliable, investments will be measured at cost, with the addition of transaction costs.

Receivables
Receivables from portfolio companies in the form of loans are recognised as receivables and measured at fair value.

Other receivables are measured at the lower of amortised cost or net realisable value, which usually corresponds to the nominal value less write-downs for bad debts. Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments
Prepayments recognised under assets mainly consist of prepaid management fees.

Cash
Cash includes deposits with financial institutions.

LIABILITIES
Financial liabilities
Bank loans regarding bridge financing are measured at fair value.

Other liabilities are measured at amortised cost, usually corresponding to the nominal value.

CASH FLOW STATEMENT
Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as the year's movements in cash flows and the limited partnership's cash at the beginning and end of the year.

Cash flows from operating activities
Cash flows from operating activities include the net profit or loss for the year, adjusted for changes in working capital and non-cash operating items, such as value adjustments of investments in portfolio companies and provisions. The working capital includes current assets less short-term liabilities, exclusive of items included in cash and bank loans.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Cash flows from investing activities
Cash flows from investing activities include payments in respect of acquisitions or divestments of portfolio companies.

Cash flows from financing activities
Cash flows from financing activities include payments to and from limited partners as well as any changes in bank loans.

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INCOME STATEMENT

'000 DKK	Note	2015	2014
Value adjustment of investments in portfolio companies	1	130,120	70,414
Administrative expenses		(18,412)	(17,767)
Operating profit/loss		**111,708**	**52,647**
Financial income	2	-	-
Financial expenses	3	(243)	(1,480)
Profit/loss before tax		**111,465**	**51,167**
Withholding tax		(432)	-
Profit/loss for the year		**111,033**	**51,167**
Proposed distribution of net profit/loss			
Retained earnings		111,033	51,167
		111,033	**51,167**

FINANCIAL STATEMENTS

BALANCE SHEET

'000 DKK	Note	31/12/2015	31/12/2014
ASSETS			
Investments in portfolio companies	4	758,659	465,859
Receivables from portfolio companies	5	73,571	83,156
Total investments		**832,230**	**549,015**
Total non-current assets		**832,230**	**549,015**
Prepayments		4,379	4,401
Total receivables		**4,379**	**4,401**
Cash		**264**	**843**
Total current assets		**4,643**	**5,244**
Total assets		**836,872**	**554,258**
EQUITY AND LIABILITIES			
Paid-in capital		743,639	550,862
Distributions		(29,868)	-
Retained earnings		113,935	2,902
Total equity	6	**827,707**	**553,764**
Debt to general partner		300	300
Total long-term liabilities	7	**300**	**300**
Debt to banks		8,631	-
Debt to general partner		120	120
Other payables		115	74
Total short-term liabilities		**8,866**	**194**
Total liabilities		**9,166**	**494**
Total equity and liabilities		**836,872**	**554,258**
Contingent liabilities etc.	10		
Other notes	11-12		

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

'000 DKK	Note	2015	2014
Profit/loss for the year		111,033	51,167
Adjustments	8	(119,217)	(65,710)
Change in working capital	9	64	(1,348)
Cash flows from operating activities before net financials		**(8,120)**	**(15,891)**
Financial income		-	-
Financial expenses		(243)	(1,480)
Paid withholding tax		(432)	-
Cash flows from operating activities		**(8,795)**	**(17,371)**
Purchase of investments in portfolio companies		(174,609)	(183,750)
Sale of shares in portfolio companies		1,700	-
Changes in loan to portfolio companies		9,585	(83,156)
Cash flows from investing activities		**(163,324)**	**(266,906)**
Paid-in capital from limited partners		192,777	285,432
Distributions to limited partners		(29,868)	-
Changes in bank loans		8,631	(605)
Cash flows from financing activities		**171,540**	**284,827**
Cash flows for the year, net		**(579)**	**551**
Cash at the beginning of the year		843	292
Cash at the end of the year		**264**	**843**

FINANCIAL STATEMENTS

NOTES

'000 DKK	2015	2014
NOTE 1 Value adjustment of investments in portfolio companies		
Dividends received from portfolio companies	3,000	-
Interest on loans to group companies	7,228	3,224
Unrealised value adjustments	119,892	67,190
	130,120	**70,414**
NOTE 2 Financial income		
Other financial income	-	-
	-	-
NOTE 3 Financial expenses		
Financial expenses, general partner	120	120
Other financial expenses	123	1,360
	243	**1,480**

NOTE 4 Investments in portfolio companies	31/12/2015	31/12/2014
Cost at 01/01	398,669	214,919
Additions during the year	174,609	183,750
Disposals during the year	(1,700)	-
Cost at 31/12	571,578	398,669
Value adjustments at 01/01	67,190	-
Value adjustments during the year	119,892	67,190
Value adjustments at 31/12	187,082	67,190
Carrying amount at 31/12	**758,659**	**465,859**

'000 DKK

NOTE 4 Investments in portfolio companies (continued)

Name of investments in portfolio companies	Registered office	Ownership interest	Share capital	Equity	Profit for the year
Subsidiaries *)					
MIE4 Holding 1 ApS *(Vega Sea)*	Copenhagen	98.5%	90	39,878	(860)
MIE4 Holding 2 ApS *(Sticks 'N' Sushi)*	Copenhagen	100%	90	59,909	(11)
MIE4 Holding 3 ApS *(PF Group)*	Copenhagen	100%	90	112,837	7
MIE4 Holding 4 ApS *(Godt Smil)*	Copenhagen	100%	60	65,698	(52)
MIE4 Holding 5 ApS *(Muuto)*	Copenhagen	100%	**)	**)	**)
MIE4 Holding 6 ApS *(Proløn)*	Copenhagen	94.6%	60	67,988	(12)
MIE4 Holding 7 ApS *(Svendsen Sport)*	Copenhagen	100%	**)	**)	**)
MIE4 Holding 8 ApS	Copenhagen	100%	**)	**)	**)

Share capital, equity and profit for the year are from the annual report 2014 or 2014/15 which is the latest annual report published.

*) The portfolio company is listed in parantheses after the subsidiary's name.
**) Newly established holding companies which have not yet presented the first annual report.

'000 DKK	31/12/2015	31/12/2014
NOTE 5 Receivables from portfolio companies		
Cost at 01/01	83,156	-
Additions during the year	16,328	83,724
Disposals during the year	(25,913)	(568)
Cost at 31/12	73,571	83,156
Value adjustments at 01/01	-	-
Value adjustments during the year	-	-
Value adjustments at 31/12	-	-
Carrying amount at 31/12	**73,571**	**83,156**
NOTE 6 Equity		
Equity at beginning of year	553,764	217,165
Paid-in capital from limited partners	192,777	285,432
Distributions to limited partners	(29,868)	-
Retained earnings	111,033	51,167
Equity at end year	**827,707**	**553,764**
The limited partners are liable for their share of the remaining commitment	470,111	662,888

NOTE 7 Long-term liabilities

Debt to general partner is an instalment-free loan to Maj Invest Equity 4 for the full term of Maj Invest Equity 4.

	2015	2014
NOTE 8 Cash flow statement - adjustments		
Financial income	-	-
Financial expenses	243	1,480
Withholding tax	432	-
Unrealised value adjustments in portfolio companies	(119,892)	(67,190)
	(119,217)	**(65,710)**
NOTE 9 Cash flow statement - change in working capital		
Change in receivables	22	(22)
Change in other short-term liabilities	42	(1,326)
	64	**(1,348)**

'000 DKK

NOTE 10 Contingent liabilities etc.

Contingent liabilities

Maj Invest Equity 4 has entered into a management agreement with Maj Invest Equity for the Manager's administration of Maj Invest Equity 4 as well as the provision of investment advisory services to Maj Invest Equity 4. On termination, Maj Invest Equity 4 may in certain circumstances be obliged to pay management fees for up to a 12 month period plus a share of a return exceeding a predefined level of return. At 31 December 2015, the fee amounted to app. DKK 17 million (at 31 December 2014 app. DKK 17 million).

The fund has provided two financial guarantees to a portfolio company's bank. The first guarantee is maximised to DKK 35 million and expires on March 31, 2016. The second guarantee is maximised to DKK 8 million and expires on March 15, 2016.

Furthermore, the fund has provided a financial guarantee to a bank of DKK 50 million. The guarantee expires no later than March 31, 2016.

In some cases, Maj Invest Equity 4's underlying holding companies are obliged to buy additional equities or options in the portfolio companies. In such cases, the limited partners may be required to contribute capital.

NOTE 11 Related parties

No related parties have controlling interest on Maj Invest Equity 4.

Related parties include the general partner "Fonden Maj Invest Equity General Partner" and also the board of directors of the general partner. The director Erik Holm is via Erik Holm Holding ApS special limited partner in Maj Invest Equity 4.

In addition to this, no limited partners have significant influence.

NOTE 12 Board of directors and Investment Committee

Board of directors of the general partner:

Bjarne Thorup (Chairman)
Director of:
Thorup ApS.
Chairman of:
Sæbefabrikken A/S.
Board member of:
Bo-Hus A/S, Core Bolig IV Kommanditaktieselskab, Core Bolig IV Investoraktieselskab nr. 1, Core Bolig IV Investoraktieselskab nr. 2, Core Bolig IV Investoraktieselskab nr. 3, Core Bolig IV Investoraktieselskab nr. 4, Core Bolig IV Investorkommanditaktieselskab nr. 6, Kapitalforeningen Wealth Invest, Kapitalforeningen SEBInvest II, Kapitalforeningen SEB kontoførende, Kapitalforeningen SEB Institutionel, Investeringsforeningen Wealth Invest, Investeringsforeningen SEBInvest, Investeringsforeningen Alternativ Invest, Fonden MIFIF II GP, Fonden MIE 5 GP and Bruger - Hjælpe Formidlingen A/S.

NOTE 12 Board of directors and Investment Committee (continued)

Erik Holm
CEO of:
Maj Invest Equity A/S.
Director of:
Fondsmæglerselskabet Maj Invest A/S, Maj Invest Holding A/S and Erik Holm Holding ApS. In addition, CEO, managing director or directorship of various holding companies and underlying portfolio companies owned by LD Equity 2 K/S and Maj Invest Equity 4 K/S.
Vice Chairman of:
Arvid Nilssons Fond, SP Group A/S and SP Moulding A/S.
Board member of:
Brødrene A. & O. Johansen A/S, AO Invest A/S and Maj Invest Equity A/S.
Member of Investment Committee of:
LD Equity 1 K/S, LD Equity 2 K/S, LD Equity 3 K/S, LD Invest Vietnam K/S and Maj Invest Equity Southeast Asia II K/S.

Niels Kristian Agner
Director of:
Pigro Management ApS.
Chairman of:
SP Moulding A/S, SP Group A/S and D.F. Holding, Skive A/S.
Board member of:
Fonden MIE 5 GP, Fonden LDE 2 GP, Fonden LDE 3 GP, Fonden MIFIF II GP, G.E.C. Gads Forlag Aktieselskab af 1994, C.E. Gads Fond (kommitteret), Aktieselskabet Schouw & Co, Direktør Hans Hornsyld og Hustru Eva Hornsylds Legat and Direktør Svend Hornsylds Legat.

Investment Committee:

Carsten Dilling
Director of:
CDI Consult ApS.
Board member of:
Dansk Industri and Scandinavian Airlines System.

Henrik Andersen
Board member of:
Godt Smil Holding ApS and Vestas Wind Systems A/S.

NOTE 12 Board of directors and Investment Committee (continued)

Jeppe Christiansen
CEO of:
Fondsmæglerselskabet Maj Invest A/S.
Director of:
Maj Invest Holding A/S, Maj Invest Equity A/S, Emlika ApS and Det Kgl. Vajsenhus.
Vice Chairman of:
Haldor Topsøe A/S, Novo Nordisk A/S and Maj Bank A/S.
Board member of:
Kirkbi A/S, Symphogen A/S, Novo A/S, Maj Invest Equity A/S and JKLE Holding ApS.
Member of Investment Committee of:
LD Invest Vietnam K/S, Maj Invest Equity Southeast Asia II K/S, Maj Invest Financial Inclusion Fund II K/S and Danish Microfinance Partners K/S.

Erik Holm
CEO of:
Maj Invest Equity A/S.
Director of:
Fondsmæglerselskabet Maj Invest A/S, Maj Invest Holding A/S and Erik Holm Holding ApS. In addition, CEO, managing director or directorship of various holding companies and underlying portfolio companies owned by LD Equity 2 K/S and Maj Invest Equity 4 K/S.
Vice Chairman of:
Arvid Nilssons Fond, SP Group A/S and SP Moulding A/S.
Board member of:
Brødrene A. & O. Johansen A/S, AO Invest A/S and Maj Invest Equity A/S.
Member of Investment Committee of:
LD Equity 1 K/S, LD Equity 2 K/S, LD Equity 3 K/S, LD Invest Vietnam K/S and Maj Invest Equity Southeast Asia II K/S.

Jan Hove Sørensen
Director of:
Hove & Company ApS, LDE 2 ApS and LDE 3 ApS. In addition, managing director or directorship of various holding companies and underlying portfolio companies owned by LD Equity 2 K/S and LD Equity 3 K/S.
Chairman of:
Fonden LDE 3 GP (general partner of LD Equity 3 K/S) and Ellegaard Göttingen Minipigs A/S.
Board member of:
Ellegaard Göttingen Holding A/S.
Member of Investment Committee of:
LD Equity 3 K/S.

Niels Retbøll
Director of:
LDE 1 ApS (general partner of LD Equity 1 K/S) and Boomerang Holding ApS. In addition, managing director or directorship of various holding companies and underlying portfolio companies owned by LD Equity 1 K/S, LD Equity 2 K/S and Maj Invest Equity 4 K/S.

NOTE 12 Board of directors and Investment Committee (continued)

Niels Toft
Director of:
LDE 1 ApS (general partner of LD Equity 1 K/S), LDE 2 ApS, LDE 3 ApS and Maks ApS. In addition, managing director or directorship of various holding companies and underlying portfolio companies owned by LD Equity 2 K/S, LD Equity 3 K/S and Maj Invest Equity 4 K/S.
Chairman of:
Fonden LDE 2 GP (general partner of LD Equity 2 K/S).

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