

Odin Equity Partners K/S
Central Business Registration No 28485239

Annual report 2014

The Annual General Meeting adopted the annual report on 12. maj 2015

Chairman of the General Meeting

Name: Marianne Philip

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Entity details

Entity

Odin Equity Partners K/S
Avderødvej 27C
2980 Kokkedal

Central Business Registration No: 28485339
Registered in: Fredensborg
Financial year: 01.01.2014 - 31.12.2014

Board of Directors

Jesper Wadum Nielsen, Chairman
Bernd Petersen
Esben Bay Jørgensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Statement by Management on the annual report

The Board of Directors has today considered and approved the annual report of Odin Equity Partners K/S for the financial year 01.01.2014 – 31.12.2014.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the financial statements give a true and fair view of the Limited Partnership's financial position at 31.12.2014 and of the results of its operations and cash flows for the financial year 01.01.2014 – 31.12.2014.

In our opinion, the management commentary contains a fair review of the development of the Limited Partnership's business and financial matters, the results for the year and of its financial position, together with a description of the principal risks and uncertainties that the Limited Partnership faces.

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

Copenhagen, 22.04.2015

Board of Directors

Jesper Wadum Nielsen
Chairman

Bernd Petersen

Esben Bay Jørgensen

Independent auditor's reports

To the limited partners of Odin Equity Partners K/S Report on the financial statements

We have audited the financial statements of Odin Equity Partners K/S for the financial year 01.01.2014 - 31.12.2014, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of 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 International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Limited Partnership's financial position at 31.12.2014 of the results of its operations and cash flows for the financial year 01.01.2014 - 31.12.2014 in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of 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 further 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, 22.04.2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Bill Haudal Pedersen
State Authorised
Public Accountant

Management commentary

	2014	2013	2012	2011	2010
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Financial highlights					
Key figures					
Operating profit/(loss)	20,070	(93,954)	25,504	258,967	86,875
Net financials	(822)	1,080	(356)	(347)	5,379
Profit/loss for the year	19,248	(92,874)	25,148	258,620	92,254
Total assets	545,315	519,277	650,502	1,187,169	898,113
Equity	541,966	516,908	648,285	1,185,684	897,127
Key ratios					
Return on equity (%)	3.6	(15.9)	2.7	24.8	12.0
Solvency ratio (%)	99.4	99.5	99.7	99.9	99.9

Primary activities

The object of the Limited Partnership is to invest in entities by means of capital infusions or contributions of temporary loan capital to holding companies of such entities as well as all business deemed related thereto in the opinion of the Board of Directors.

Odin General Partner ApS acts as limited partner for the Entity.

Development in activities and measurement

The gain for the period amounts to DKK 19,248 thousand, which equals the expectations.

Outlook

The outlook for the Limited Partnership is directly derived from the results in the subsidiaries.

An increase in the value of investments depends on their financial performance as well as on the general development in the valuation of unquoted equity holdings, which is indirectly affected by the development in the valuation of listed companies. It is, therefore, difficult to establish well-founded expectations for the Limited Partnership's financial performance for 2015.

Particular risks

Except for the valuation of investments in group enterprises as mentioned above, no particular risks for the Limited Partnership are identified. Please refer to the annual reports of the subsidiaries for a description of individual, identified particular risks.

Management commentary

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 interim report.

Statement of comprehensive income

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Fair value adjustments of other investment assets	3	30,625	(83,420)
Administrative expenses	4	<u>(10,555)</u>	<u>(10,534)</u>
Operating profit/loss		20,070	(93,954)
Financial income		97	1.736
Financial expenses		<u>(919)</u>	<u>(656)</u>
Profit/(loss) for the year and total comprehensive gain for the year		<u>19,248</u>	<u>(92,874)</u>

Balance sheet

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Investments in group enterprises		536,373	508,406
Fixed asset investments		<u>536,373</u>	<u>508,406</u>
Fixed assets		<u>536,373</u>	<u>508,406</u>
Receivables from group enterprises		8,509	8,388
Other short-term receivables		0	1,600
Receivables		<u>8,509</u>	<u>9,988</u>
Cash		<u>433</u>	<u>883</u>
Current assets		<u>8,942</u>	<u>10,871</u>
Assets		<u>545,315</u>	<u>519,277</u>

Balance sheet

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Contributed capital		486,586	480,776
Retained earnings		<u>55,380</u>	<u>36,132</u>
Equity		<u>541,966</u>	<u>516,908</u>
Debt to group enterprises		3,212	2,294
Other payables		<u>137</u>	<u>75</u>
Current liabilities other than provisions		<u>3,349</u>	<u>2,369</u>
Liabilities other than provisions		<u>3,349</u>	<u>2,369</u>
Equity and liabilities		<u><u>545,315</u></u>	<u><u>519,277</u></u>

Statement of changes in equity for 2014

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity 01.01.2014	480,776	36,132	516,908
Increase of capital	5,810	0	5,810
Profit/(loss) for the year	0	19,248	19,248
Equity 31.12.2014	486,586	55,380	541,966

Cash flow statement

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Operating profit/(loss)		20,070	(93,954)
Working capital changes	8	1,538	669
Other adjustments		<u>(27,918)</u>	<u>83,420</u>
Cash flow from ordinary operating activities		<u>(6,310)</u>	<u>(9,865)</u>
Financial income received		97	1,736
Financial income paid		<u>(919)</u>	<u>(656)</u>
Cash flows from operating activities		<u>(7,132)</u>	<u>(8,785)</u>
Acquisition of enterprises		(50)	(4,356)
Disposal of enterprises		<u>0</u>	<u>50,347</u>
Cash flows from investing activities		<u>(50)</u>	<u>45,991</u>
Incurrence of debt to group enterprises		922	656
Repayment of debt to group enterprises		0	(1,755)
Cash increase of capital		10,365	17,373
Cash decrease of capital		<u>(4,555)</u>	<u>(56,280)</u>
Cash flows from financing activities		<u>6,732</u>	<u>(40,006)</u>
Increase/decrease in cash and cash equivalents		(450)	(2,800)
Cash and cash equivalents 01.01.2014		<u>883</u>	<u>3,683</u>
Cash and cash equivalents 31.12.2014		<u>433</u>	<u>883</u>

Notes

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Notes

1. Accounting policies

The 2014 annual report of Odin Equity Partners K/S is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (medium) enterprises, see the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act. Odin Equity Partners K/S is a limited partnership registered in Denmark.

In 2013, the Limited Partnership presented its financial statements in accordance with the accounting provisions of the Danish Financial Statements Act, but has in 2014 opted for IFRS, which has not caused any changes in the figures recognised.

The annual report is presented in Danish kroner (DKK), which is the Limited Partnership's functional currency.

Except for loans and investments in portfolio companies which are measured at fair value, the annual report is presented on a historical cost basis.

Report on the omission of preparation of consolidated financial statements

Odin Equity Partners 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 funds solely for returns from capital appreciation, investment income, or both".

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

- 1) The Limited Partnership has more than one portfolio investment.
- 2) The Limited Partnership has more than one investor, and its investors are not related parties. Please refer to the description in note 10 and 12 to the financial statements.
- 3) The Limited Partnership's investments in portfolio companies take the form of equity instruments or similar investments.

Standards and Interpretations not yet in force

All the new and amended Standards and Interpretations which are relevant to Odin Equity Partners K/S and which came into force with effect for financial years beginning 1 January 2014 have been applied when preparing the financial statements.

At the date of the issue of these financial statements, a number of new or amended Standards and Interpretations, including IFRS 9 in particular, have not yet entered into force. Management believes that they will not impact significantly on the financial statements for the coming financial years.

Notes

1. Accounting policies (continued)

Significant accounting policies and judgements

As part of the preparation of the financial statements, Management makes a number of accounting judgements which form the basis of presentation, recognition and measurement of the Limited Partnership's assets and liabilities. The most significant accounting judgements are evident from note 2 to the financial statements.

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

Purchase 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 Limited Partnership has a legal or constructive obligation as a result of an event before or on the balance sheet date, and it is probable that future economic benefits will flow out of the Limited Partnership, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

On initial recognition, assets and liabilities are measured at cost, however, investment assets are measured at fair value on initial recognition, typically equalling cost exclusive of directly incurred expenses. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Allowance is made for events occurring from the balance sheet date to the date of presentation of the annual report, and which 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.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the transaction date exchange rate.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Notes

1. Accounting policies (continued)

Statement of total gains and losses

Income from investments in portfolio companies

Income from investments in portfolio companies consists of unrealised fair value adjustments, dividends received and profit or loss from the disposal of portfolio companies.

Income realised from the disposal of portfolio companies is calculated as the difference between net selling price and cost at the time of acquisition. Previous, unrealised fair value adjustments related to portfolio companies disposed of during the year are recycled to the effect that, in net terms, profit for the year is affected by the difference between the selling price and the fair value at the beginning of the financial year.

Dividend from investments in portfolio companies is recognised when unconditional entitlement to such dividend arises. This is typically the date on which the general meeting adopts distribution from the relevant enterprise.

Other external expenses

Other external expenses comprise expenses arising from the Limited Partnership's primary activities, including management fees, audit fees and due diligence costs related to the acquisition and sale of portfolio companies.

Financial expenses

Other financial expenses comprise interest expenses.

Interest income and interest expenses are stated on an accruals basis using the principal and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future payments related to the financial asset or the financial liability in order for the present value of such asset or liability to match their carrying amount.

Income taxes

The Limited Partnership is not an independent taxpayer as its profit or loss is taken to the taxable income of the Limited Partner and the General Partner.

Notes

1. Accounting policies (continued)

Balance sheet

Investments in portfolio companies

Investments recognised in non-current assets consist of portfolio companies held for trading which are measured, on initial recognition, at fair value equivalent to cost, and subsequently measured at fair value with current recognition of fair value adjustments through profit or loss.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, IPEV valuation guidelines and accepted valuation techniques, including multiple analysis/benchmarking, DCF or other relevant method, which is considered to provide the best estimate of fair value.

Receivables

Receivables are measured in the balance sheet at amortised cost usually equalling nominal value less write-downs for bad debts.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities comprise other payables and are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

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

Cash flows from operating activities are calculated as the operating profit or loss, adjusted for non-cash operating items and working capital changes which are attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of portfolio companies.

Cash flows from financing activities comprise changes in the Limited Partnership's contributed capital and related costs as well as the raising and repayment of loans and repayments of interest-bearing debt.

Notes

1. Accounting policies (continued)

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Key ratios		Calculation formula	Ratios reflect
Return on equity (%)	=	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Notes

2. Critical accounting judgements, assumptions and key sources of estimation uncertainty

Odin Equity Partners K/S invests in unlisted equity investments, the market price of which depends both on entity-specific affairs and conditions, including growth potential, earnings, risks, etc, and market conditions, including liquidity in the market, interest-rate level, demand for the industry in question, etc. As a result, the unrealised value adjustments and the fair value of investments are subject to estimation and uncertainty.

This uncertainty may be higher during periods of high volatility in the financial markets, and economic trends affect earnings of the underlying companies as well. The methods applied in and the assumptions underlying the determination of the fair value of investments in unlisted portfolio companies are described in note 9 to the financial statements.

	2014 DKK'000	2013 DKK'000
3. Fair value adjustments of other investment assets		
Realised value adjustments of financial assets	0	0
Recycling of unrealised gains from prior years	<u>0</u>	<u>0</u>
Earnings impact for the year of portfolio companies sold	0	0
Value adjustment of receivable	2,709	0
Unrealised value adjustments of financial assets	<u>27,916</u>	<u>(83,420)</u>
	<u>30,625</u>	<u>(83,420)</u>
4. Administrative expenses		
Management fee	10,365	10,365
Other administrative expenses	<u>191</u>	<u>169</u>
	<u>10,556</u>	<u>10,534</u>
5. Investments in portfolio companies		
Fair value at 1 January	508,406	586,219
Additions for the year	50	5,606
Disposals for the year	0	0
Fair value adjustments for the year of unrealised portfolio companies	<u>27,917</u>	<u>(83,419)</u>
Fair value at 31 December	<u>536,373</u>	<u>508,406</u>

Notes

5. Investments in portfolio companies (continued)

	<u>Registered in</u>	<u>Corporate form</u>	<u>Equity interest %</u>	<u>Equity DKK'000</u>	<u>Profit/loss DKK'000</u>
Subsidiaries					
Anpartsselskabet af 2. marts 2006	Fredensborg	ApS	99,00	1	(13)
Anpartsselskabet af 15. marts 2006	Fredensborg	ApS	99,00	64,775	(9,905)
Anpartsselskabet af 26. juni 2006	Fredensborg	ApS	99,00	3,650	124
Anpartsselskabet af 1. november 2006	Fredensborg	ApS	99,00	71,079	(37)
Anpartsselskabet af 30. marts 2012	Fredensborg	ApS	99,00	(1,132)	(1,228)
Anpartsselskabet af 28. marts 2007	Fredensborg	ApS	99,00	4,804	(29,613)
Anpartsselskabet af 7. juni 2007	Fredensborg	ApS	99,00	76,120	(23)
Anpartsselskabet af 31. oktober 2007	Fredensborg	ApS	99,00	45,906	(57,082)
Anpartsselskabet af 4. juli 2008	Fredensborg	ApS	99,00	116,256	1,229
Anpartsselskabet af 20. oktober 2014	Fredensborg	ApS	99,00	-	-

Consistently with the accounting policies, the Limited Partnership regularly adjusts the value of the portfolio companies to fair value. This means that the proportionate share of profit or loss of the portfolio companies is not recognised in profit or loss of Odin Equity Partners K/S. Instead, the value adjustment of each portfolio company's fair value is taken to profit or loss of Odin Equity Partners K/S.

The methods applied by the Limited Partnership to measure investments are evident from note 9 to the financial statements.

The Limited Partnership's portfolio companies are not classified as investment entities because they are all engaged in trading or manufacturing etc. There are no restrictions on the Limited Partnership's right to receive dividend from or have loans etc repaid by subsidiaries, except that distributions from current operating activities of the portfolio companies must be made allowing for debt servicing by such companies.

The Limited Partnership has not provided its subsidiaries with financial support during the financial year outside the contractual basis.

Notes

6. Limited partnership capital

The limited partnership capital has not been divided into classes.

7. Other payables

The carrying amount of payables relates to other payables such as legal fees, auditor's fees, management fees, etc. The amount recognised is equal to the fair value of the liabilities.

	2014 DKK'000	2013 DKK'000
8. Change in working capital		
Increase/decrease in receivables	1,600	669
Increase/decrease in trade payables etc.	(62)	0
	1,538	669

9. Financial risks and financial instruments

Categories of financial instruments:

Investments in portfolio companies	536,373	508,406
Receivables from group enterprises	8,509	8,388
Short-term receivables	0	1,600
Financial assets measured at fair value through profit or loss	544,882	518,394
Cash	433	883
Other payables	137	75
Amount owed to group enterprise	3,212	2,294
Financial liabilities measured at amortised cost	3,349	2,369

All financial liabilities are due for payment within 12 months.

Notes

9. Financial risks and financial instruments (continued)

Currency risks

The Limited Partnership's expenses are settled in Danish kroner, and it is only slightly affected by exchange rate fluctuations.

The Limited Partnership's investment and loan commitments are denominated in Danish kroner, and all of its investments are made in Danish kroner, for which reason it is not directly exposed to currency risks. The Limited Partnership is indirectly exposed to currency risks through its investments in portfolio companies because the development in exchange rates can affect their earnings.

At 31 December 2014, no contracts had been entered into for the sale or purchase of foreign currency related to assets and liabilities recognised.

Liquidity risks

Maturity dates for financial liabilities are specified below by time interval. The amounts specified represent the amounts falling due.

	Less than 1 year DKK'000	Between 1 and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	<u>137</u>	<u>0</u>	<u>0</u>	<u>137</u>
31.12.2014	<u>137</u>	<u>0</u>	<u>0</u>	<u>137</u>

The Limited Partnership's liquidity risk is related to insufficient liquidity in the event that its investors cannot pay up the committed capital as and when the Limited Partnership calls in the capital contribution. This liquidity risk is considered insignificant because the investors of the Limited Partnership are estimated to have the capital and liquidity required.

Credit risks

The Limited Partnership is not exposed to any major risks from a single counterparty at 31 December 2014.

The maximum credit risk related to receivables equals the carrying amount.

Interest-rate risk

With respect to the Limited Partnership's floating rate bank loans, a 1 percentage-point increase compared to the balance sheet date interest rate would have an immaterial adverse effect on profit for the year and equity. A similar fall in the interest rate level would have an immaterial positive effect on profit for the year and equity.

Notes

9. Financial risks and financial instruments (continued)

The interest-rate risk is also related to the fact that the portfolio companies work with borrowed capital and are therefore affected by the levels of interest rates. An increase in interest rates represents a potential risk to the fair value of investments.

Methods applied in and assumptions underlying the determination of fair values of portfolio companies Investments in portfolio companies

The fair value of each portfolio company has been determined applying methods that best reflect the risks, lifecycle and trade conditions of each investment. The valuation techniques applied to the individual investments are stated below, followed by more details about the techniques applied. In general, the fair value is determined in accordance with IPEV valuation guidelines and accepted valuation techniques, including multiple analysis/benchmarking or other relevant method, which is described in more detail below:

All investments in portfolio companies have been stated at fair value based on one of the multiple methods below.

Peer group multiple

The peer group multiple method uses comparable entities for which the market value and earnings are known. Based on this, a market level is calculated for EV/EBITDA for the comparable entities.

The calculated EV/EBITDA is then capitalised based on normalised EBITDA for each portfolio company, which then, having been adjusted for net interest-bearing debt, produces the value of the investments.

When using this method, the Limited Partnership estimates what multiples may be applied and estimates normal earnings for the portfolio companies, which includes assessing the sensitivity of values to changes in the variables of the model.

Transaction multiple

At the transaction date, a transaction multiple is determined based on the transaction amount and earnings at the transaction date (EBITDA). The multiple changes as and when changes occur in the environment of the entities, for example, trade conditions, microeconomic and macroeconomic conditions estimated to be of a long-term nature. The Limited Partnership's estimated earnings are adjusted regularly based on underlying budgets, and any anticipated increase in future earnings will increase the valuation of the portfolio companies.

In a transaction multiple analysis, comparable business transactions are in some cases assessed too to determine which multiples would be relevant in a hypothetical sale of the Limited Partnership's portfolio companies at financial period-end.

Noter

9. Financial risks and financial instruments (continued)

Description of the valuation process

The valuation process takes place as part of the preparation of internal reports to investors and as part of the preparation of the Limited Partnership's annual report. In this valuation, the portfolio investments are estimated at financial period-end and are to reflect the fair value of each portfolio company, based on fair valuation techniques and assumptions.

The investments are assessed individually. As a rule, investments made in portfolio companies within the last 12 months up to financial period-end are maintained at cost. Investments made in portfolio companies more than 12 months prior to financial period-end are in most cases assessed on the basis of the market situation as follows: Determination of Enterprise Value estimated from a hypothetical sale of the investment at the relevant point in time, applying one or more of the above valuation techniques. Then the value of the equity investment is calculated by adjusting the Enterprise Value for net interest-bearing debt, other financial instruments and cash and cash equivalents.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- 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 input are not based on observable market data (Level 3).

	Level 1	Level 2	Level 3	Total
	DKK'000	DKK'000	DKK'000	DKK'000
2014				
Unlisted shares, investments in portfolio companies	<u>0</u>	<u>0</u>	<u>536,373</u>	<u>536,373</u>
Financial assets measured at fair value through profit or loss	<u>0</u>	<u>0</u>	<u>536,373</u>	<u>536,373</u>
2013				
Unlisted shares, investments in portfolio companies	<u>0</u>	<u>0</u>	<u>508,406</u>	<u>508,406</u>
Financial assets measured at fair value through profit or loss	<u>0</u>	<u>0</u>	<u>508,406</u>	<u>508,406</u>

Notes

9. Financial risks and financial instruments (continued)

It is the Limited Partnership's policy to incorporate the classification of financial assets in the financial statements if their classification changes during the financial year. Management assesses the classification as part of the preparation of financial statements. There have not been any transfers between the levels during the financial year.

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.

Range for multiple applied, 2014	4 to 10
Range for multiple applied, 2013	4 to 8

A material unobservable assumption related to other receivables is the subjective assessment of credit risk.

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.

A change in the multiples applied would have the following effect on the fair value of portfolio companies:

	2014
	<u>DKK'000</u>
1 percentage-point change in average multiple	<u>137.3</u>

Notes

10. Related parties

Related parties with a controlling interest

The Limited Partnership has no investors or related parties with a controlling interest.

	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Related party transactions		
Payment of a risk premium to the general partner		
The general partner is paid a risk premium for the obligations involved in being a general partner of Odin Equity Partners K/S.	<u>918</u>	<u>655</u>
Management fee		
Fee for administration and management	<u>10,365</u>	<u>10,365</u>

11. Assets charged etc

The Limited Partnership has no assets charged.

12. Investors

The Limited Partnership has registered the following limited partners as holding more than 5% of the voting rights or nominal value of the contributed capital:

PKA A/S, Hellerup, Denmark
 Industriens Pensionsforsikring, Copenhagen, Denmark
 PenSam Liv Forsikringsaktieselskab, Farum, Denmark
 SamPension Private Equity K/S, Hellerup, Denmark
 AP Pension, Copenhagen, Denmark
 MP Pension, Gentofte, Denmark.

13. 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.

14. Authorisation of the annual report for issue

At the meeting held on 22 April 2015, Management authorised this annual report for issue on 13 May 2015. The annual report will be submitted to the Limited Partnership's limited partners for adoption at the Annual General Meeting on 12 May 2015.