K III Denmark K/S

c/o Private Equity Administrators ApS Gydevang 39-41,
3450 Allerød

CVR no. 32 07 44 72

Annual report 2015

Godkendt på selskabets ordinære generalforsamling, den 18/5/ 2016

Dirigent:

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Statement by the Board of Directors

The Board of Directors has today discussed and approved the annual report of K III Denmark K/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the general meeting.

Copenhagen, 18 May 2015
Board of Directors:

Hans Eric Karlander	Peter Toyberg

Independent auditors' report

To the shareholders of K III Denmark K/S

Independent auditors' report on the financial statements

We have audited the financial statements of K III Denmark K/S for the financial year 1 January – 31 December 2015, which comprise statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Company. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in 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 additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines 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 Company'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 Company'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 qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Independent auditors' report - continued

Statement on the Management's review

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

Copenhagen, 18 May 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Eskild Jakobsen
State Authorised Public Accountant

Management's review

Company details

Name	K III Denmark K/S
Address, zip code, city	c/o Private Equity Administrators ApS, Gydevang 39-41, 3450 Allerød
CVR no.	32 07 44 72
Registered office	Allerød, Denmark
Financial year	1 January - 31 December
Limited partners	European Investment Fund Finnish Industry Investment Ltd Nordea Bank Denmark A/S KGJ Investments SA Sicav-SIF GSP Invest II AS HAKA Norway AS PARI Norway AS Blaatind AS
General partner	Karnell ApS
Board of Directors	Hans Eric Karlander Peter Toyberg
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bank	Nordea

Management's review

Principal activities of the Company

The Company's objective is - directly or indirectly - to make investments and carry on related activities.

Financial review

The income statement for 2015 shows a profit of EUR 6,953,503 against a loss of EUR 6,505,782 last year, and the balance sheet at 31 December 2015 shows equity of EUR 20,425,718.

Events after the balance sheet date

No events have occurred after the financial year end, which could significantly affect the Company's financial position.

Financial statements for the period 1 January – 31 December

Statement comprehensive income

Note	EUR	2015	2014
	Revenue	-	-
	Other external costs	-122,058	-836,398
	Gross profit/loss	-122,058	-836,398
4	Net gain or loss on financial assets	6,232,279	-6,504,370
	Operating profit/loss	6,110,221	-7,340,768
5	Financial income	845,056	835,070
6	Financial expenses	-1,774	-84
	Profit/loss for the year and total comprehensive income for the year (Other comprehensive income EUR 0 (2014:EUR 0)	6,953,503	-6,505,782

Financial statements for the period 1 January – 31 December

Statement of financial position

Note	EUR	31 December 2015	31 December 2014
	ASSETS		
	Non-current assets		
	Financial assets		
7+9	Investments in subsidiaries	12,220,824	7,219,941
8+9	Investments in associates	-	5,805,500
	Receivables from subsidiaries	6,138,939	8,614,915
	Receivables from associates	-	1,464,030
	Total non-current assets	18,359,763	23,104,386
	Current assets		
	Receivables		
	Receivables from subsidiaries	2,048,010	2,314,655
	Receivables from associates	-	524,872
	Receivables from group enterprises	55,214	-
	Other receivables	3,246	3,246
		2,106,470	2,842,773
	Cash in bank	917,135	33,944
	Total current assets	3,023,605	2,876,717
	TOTAL ASSETS	21,383,368	25,981,103

Financial statements for the period 1 January – 31 December

Statement of financial position

Note	EUR	31 December 2015	31 December 2014
	EQUITY AND LIABILITIES		
	Equity		
11	Limited partnership capital	31,983,718	30,942,330
	Retained earnings	-11,558,000	-5,062,168
	Total equity	20,425,718	25,880,162
	Current liabilities		
	Trade payables	106,906	95,985
	Payables to investors	850,744	-
	Payables to subsidiaries	-	4,956
	Total liabilities	957,650	100,941
	TOTAL EQUITY AND LIABILITIES	21,383,368	25,981,103

Financial statements for the period 1 January – 31 December

Statement of changes in equity

EUR	Limited partnership capital	Retained earnings	Total
Equity at 1 January 2014	30,138,893	1,443,614	31,582,507
Capital increase	803,437	-	803,437
Comprehensive income			
Profit/loss for the year	-	-6,505,782	-6,505,782
Other comprehensive income	-	-	-
Total comprehensive income	-	-6,505,782	-6,505,782
Equity at 31 December 2014	30,942,330	-5,062,168	25,880,162
Equity at 1 January 2015	30,942,330	-5,062,168	25,880,162
Capital increase	1,041,388		1,041,388
Distributions to investors		-13,449,335	-13,449,335
Comprehensive income			
Profit/loss for the year	-	6,953,503	6,953,503
Other comprehensive income	-	-	-
Total comprehensive income	-	6,953,503	6,953,503
Equity at 31 December 2015	31,983,718	-11,558,000	20,425,718

Financial statements for the period 1 January – 31 December

Cash flow statement

Note	EUR	2015	2014
	Profit/loss for the year	6,953,503	-6,505,782
	Adjustments to reconcile profit/loss for the year to net cash flows:		
	Fair value adjustment of investments assets	600,180	5,223,855
	Impairment of receivables from subsidiaries	853,871	1,280,515
	Dividend revenue	-7,686,330	-
	Financial income	-845,056	-835,070
	Financial expenses	1,774	84
	Changes in working capital		
	Changes in receivables	-55,214	-434,354
	Change in accounts payables	10,921	-14,549
	Other changes in working capital	-4,956	4,956
		-171,307	-1,280,345
	Interest paid	-1,677	-84
	Cash flows from operating activities	-172,984	-1,280,429
	Investments in subsidiaries and associates	-34,993	-269,200
	Divestments in subsidiaries	239,333	22,606
	Dividends received	7,686,330	-
	Receivables from subsidiaries	1,888,750	-420,194
	Receivables from associates	1,988,902	-
	Interest received	845,056	835,070
	Cash flows from investing activities	12,613,378	168,282
	Capital increase	1,041,388	803,437
	Dividends distributions paid to shareholders	-12,598,858	-
	Cash flows from financing activities	-11,557,470	803,437
	Net cash flows from operating, investing and financing activities	883,191	-308,710
	Cash in banks at 1 January	33,944	342,654
	Cash in banks at 31 December	917,135	33,944

Financial statements for the period 1 January – 31 December

Note summary

1. Accounting policies
2. Significant accounting judgements, estimates and assumptions
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10. Fair value of assets and liabilities
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12. Financial risks
13. Related party disclosures

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

Corporate information

The financial statements of K III Denmark K/S for the financial year 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2016. K III Denmark K/S is a limited liability partnership incorporated and domiciled in Denmark and whose shares are privately held. The registered office is located at c/o Private Administrators ApS, Gydevang 39-41, 3450 Allerød, Denmark.

The Company's investment policy details its objective to make controlling equity investments and equity-related investments in the Nordic region.

Basis of preparations

The financial statements of K III Denmark K/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for reporting class B enterprises. All approved, mandatory standards and bases for conclusion, having become effective at 31 December 2015, have been applied in the financial year.

Exception to the consolidation rule

These financial statements are separate financial statements. K III Denmark K/S meets the definition of an investment entity required to measure all of its subsidiaries at fair value through profit loss. Accordingly, the Company is subject to the exemption to the consolidation rule and hence exempted from consolidating its subsidiaries and from preparing consolidated financial statements.

Standards issued but not yet effective

The standards and interpretations relevant to K III Denmark K/S that are issued, but not yet effective, up to the date of issuance of these financial statements are disclosed below:

- IFRS 9 Financial instruments – not yet endorsed by the EU (effective date not yet known)
- Amendment to IFRS 9, IFRS 7 and IFRS 39 (effective date not yet known)
- Annual improvements to IFRS 2010-2012 cycle (endorsed by EU, however, effective for financial statements beginning on or after 1 July 2014)
- Annual improvements to IFRS 2011-2013 and 2012-2014 cycle (endorsed by EU, however, effective for financial statements beginning on or after 1 July 2014).

Foreign currency

The Company's functional currency is SEK because this is the currency that best reflects the economic substance of the underlying events and circumstances for the Company.

The Company's financial statements are presented in EUR.

Transactions and balances

Transactions denominated in foreign currencies are translated into EUR at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into EUR at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Translation from functional currency to presentation currency

In the translation to the presentation currency from the functional currency, SEK, the statement of comprehensive income is translated into EUR at average exchange rates, and the assets and liabilities are translated at the exchange rates at the balance sheet date. Exchange differences arising from such translation are recognised directly in other comprehensive income and presented in a separate reserve in equity.

Statement of comprehensive income

Other external expenses

Other external expenses include the year's expenses, including expenses relating to management fees, investment advisor fees, administration, accounting, etc.

Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets designated upon initial recognition at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and reversal of previous period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Dividend revenue

Dividend revenue is recognised in the date on which the investment when the Company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes.

Financial income

Interest income for all interest-bearing financial instruments is included on an accrual basis using the effective interest method. When there is reasonable doubt that due financial income will actually be received, such income is accrued until it is clear that its receipt is probable.

Financial expenses

Financial expenses concerning loans payable and are recognised in the statement of comprehensive income using the effective interest rate method.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Statement of financial position

Financial instruments designated as fair value through profit or loss upon initial recognition

(i) Classification

The Company classifies its investments in subsidiaries and associates as financial assets at fair value through profit or loss. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which is managed and performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

- Investment in subsidiaries: In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Company does not consolidate subsidiaries in the financial statements. Investments in subsidiaries are accounted for as financial instruments at fair value through profit or loss.
- Investment in associates: In accordance with the exemption within IAS 28 Investments in Associates and Joint Ventures, the Company does not account for its investment in associates using the equity method. Instead, the Company has elected to measure its investments in associates at fair value through profit or loss.

(ii) Recognition

The Company recognises a financial asset when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets are recognised at fair value through profit or loss in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

For financial assets where the fair value at initial recognition does not equal the transaction price, the Company recognises the difference in the statement of comprehensive income, unless specified otherwise.

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments, which are classified at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recognised in net gain or loss on financial assets at fair value through profit or loss.

Interest and dividend earned on these instruments are recorded separately in interest finance income or expense and dividend revenue.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- the Company has transferred substantially all the risks and rewards of the asset , or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Fair value measurement

The Company measures its investments in subsidiaries and associates at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value of financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Loans and receivables

(i) Classification

The Company classifies unquoted debt as loans and receivables. Loans and receivables are generally accounted for at amortised cost using the effective interest method except where there is deemed to be impairment in value which indicates that a provision should be made.

(ii) Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the right to receive cash flows from the investments has expired or the Company has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Loans and receivables are initially measured at their fair value plus any direct attributable incremental cost of acquisition or issue.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial assets or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(iv) Impairment of financial assets

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as 'credit loss expense'.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the company. If a previous write-off is later recovered, the recovery is credited to the 'credit loss expense'.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Other receivables

Other receivables are initially measured at fair value and subsequently measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by impairment losses.

Cash in banks

Cash in the statement of financial position comprise cash in banks.

Dividend distributions

Dividends to the Company's shareholders are accounted for as a deduction from retained earnings. A final and interim dividend is recognised as a liability in the period in which it is approved by the general meeting of shareholders.

Other liabilities

Other financial liabilities are on initial recognition measured at the proceeds received net of transaction costs. On subsequent recognition, liabilities are measured at amortised cost corresponding to the nominal unpaid debt.

Cash flow statement

The cash flow statement shows the Company's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid net financials.

Cash flows from investing activities comprise payments in connection with purchase and sale of investments in subsidiaries and associates and payment and repayment of loans and receivables to subsidiaries and associates, which are part of investment activities.

Cash flows from financing activities comprise dividends paid to shareholders and capital increases and reductions.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

Accounting policies (continued)

2 Significant accounting judgements, estimates and assumptions

In preparing the financial statements, Management makes various accounting judgements and estimates and define assumptions, which form the basis of recognition, measurement and presentation of the Company's assets and liabilities.

The estimates and assumptions applied are based on historical experience, the most recent information available at the reporting date, and other factors that Management considers reasonable under the circumstances.

The basis for judgement and information can by nature be inaccurate or incomplete, and the Company is subject to uncertainties, which can result in an actual outcome that deviates from the estimates and defined assumptions. In the future, it may be necessary to change previous estimates and judgements as a result of supplementary information, additional knowledge and experience of subsequent events.

In applying the Company's accounting policies described in note 1, Management has exercised the following critical accounting judgements and estimates, which significantly influence on the amounts recognised in the financial statements:

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services
- An entity that commits to its investors that its business purpose is to invest solely for the returns from capital appreciation, investment income or both
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company's investment policy details its objective to make controlling equity investments and equity-related investments in the Nordic region.

The Company reports to its investors via quarterly investor information and to Management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's financial statements.

The Board of Directors has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the investment is predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Board of Directors has concluded that the Company meets the characteristics of an investment entity. These conclusions will be reassessed on an annual basis, if any of these characteristic changes.

Fair value of investments at fair value through profit and loss

The Company's investments in subsidiaries and associate are classified as fair value through profit and loss, and valued accordingly, as disclosed in note 1 – accounting policies.

The key source of estimation uncertainty is on the valuation of unquoted equity investments. In reaching its valuation of the unquoted equities the key judgements the Board of Directors has to make relate to the selection of the multiples and the discount factors used in the valuation models.

Reference is made to note 10.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

2 Significant accounting judgements, estimates and assumptions (continued)

Loans and receivables

Certain investments are classified as loans and receivables, and valued accordingly, as disclosed in note 1 – accounting policies. The key estimations the Board of Directors has to make relates to the impairment review.

Reference is made to note 12.

3 Events after the balance sheet date

No events have occurred after the financial year end, which could significantly affect the Company's financial position.

4 Net gain or loss on financial assets

	2015			2014		
Net gain or loss on financial assets at fair value through profit and loss . EUR	Realised	Unrealised	Total	Realised	Unrealised	Total
Investments in subsidiaries	-246,822	5,286,720	5,039,898	-	-1,978,650	-1,978,650
Investments in associates	-	-5,640,078	-5,640,078	-	-3,245,205	-3,245,205
	-246,822	-353,358	-600,180	-	-5,223,855	-5,223,855
Impairment of receivables						
Receivables from subsidiaries	-	-853,871	-853,871	-	-1,280,515	-1,280,515
Receivables from associates	-	-	-	-	-	-
	-	-853,871	-853,871	-	-1,280,515	-1,280,515
Dividends from investments						
Investments in subsidiaries	-	-	-	-	-	-
Investments in associates	7,686,330	-	7,686,330	-	-	-
	7,686,330	-	7,686,330	-		
	7,439,508	-1,207,229	6,232,279	0	6,504,370	6,504,370

EUR	2015	2014
5 Financial income		
Interest receivable, subsidiaries	744,698	707,627
Interest receivable, associates	59,680	127,443
Other financial income	40,678	-
	845,056	835,070

Financial statements for the period 1 January – 31 December

Notes to the financial statements

EUR	2015	2014
6 Financial expenses		
Other financial expenses	1,774	84
	1,774	84

7 Investments in subsidiaries

Financial assets at fair value through profit or loss

Kasthall Group AB	6,286,109	1,322,509
Silva Group AB	558,743	1,656,168
Nordic Vehicle Conversion AB	-	-
Wermland Mechanics Group AB	5,228,883	4,241,264
Iris Group AB	147,089	-
	12,220,824	7,219,941

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries, but rather recognises them as investments at fair value through profit and loss.

EUR	2015	2014
Cost at 1 January	7,518,923	7,272,329
Purchases in the year	17,310	269,201
Disposals in the year	-450,236	-22,607
Transfer from investments in associates	147,089	-
Cost at 31 December	7,233,086	7,518,923
Fair value adjustment at 1 January	-298,982	1,679,668
Fair value adjustment	5,286,720	-1,978,650
Fair value adjustment at 31 December	4,987,738	-298,982
Carrying amount at 31 December	12,220,824	7,219,941

Summary of unconsolidated subsidiaries

Name and registered office	Legal form	Domicile	Percentage of ownership rights, 2015	Percentage of ownership rights, 2014	Equity	Profit/ loss
Struktur Nordic Office AB	AB	Sweden	-			
Kasthall Group AB	AB	Sweden	63,25	63.78	2,040,268	989,877
Silva Group AB	AB	Sweden	60,33	62.46	1,713,103	-320,418
Nordic Vehicle Conversion AB	AB	Sweden	55,60	65.75	191,336	-1,478,884
Wermland Mechanics Group AB	AB	Sweden	54,40	54.70	23,895,713	13,473,953
Iris Group AB	AB	Sweden	54,08	49,97	9,049,731	11,395,397

Financial statements for the period 1 January – 31 December

Notes to the financial statements

7 Investments in subsidiaries (continued)

Restrictions

The Company receives income in the form of dividends and interest from its investments in unconsolidated subsidiaries. For subsidiaries with senior debt, approval is needed from the respective credit institutions providing this debt to pay out dividends. There are no other significant restrictions on the transfer of funds from these subsidiaries to the Company.

EUR	2015	2014
8 Investments in associates		
Iris Group AB	-	5,805,500
	-	5,805,500
Cost at 1 January	1,653,756	1,653,756
Purchases in the year	17,683	-
Disposals in the year	-36,016	-
Transfer to investments in subsidiaries	-1,635,423	-
Cost at 31 December	0	1,653,756
Fair value adjustment at 1 January	4,151,744	7,396,949
Fair value adjustment	-5,640,078	-3,245,205
Transfer to investments in subsidiaries	1,488,334	-
Fair value adjustments at 31 December	0	4,151,744
Carrying amount at 31 December	0	5,805,500

Name and registered office	Legal form	Domicile	Percentage of ownership rights, 2015	Percentage of ownership rights, 2014
Iris Group AB	AB	Sweden	54,08	49,97

Summarised financial information for Iris Group AB for 2014:

EUR	2014
Revenue	35,834,530
Profit of loss and other comprehensive income	-525,907
Non-current assets	5,981,709
Current assets	7,268,351
Shareholders' equity	5,049,472
Non-current liabilities	4,182,774
Current liabilities	4,017,815

Financial statements for the period 1 January – 31 December

Notes to the financial statements

8 Investments in associates (continued)

Restrictions

The Company receives income in the form of dividends and interest from its investments in unconsolidated associates, and there are no significant restrictions on the transfer of funds from this associate to the Company.

EUR	2015	2014
9 Financial assets and financial liabilities at fair value through profit or loss		
Financial assets at fair value through profit or loss		
Investment in subsidiaries	12,220,824	7,219,941
Investment in associates	-	5,805,500
Total financial assets designated at fair value through profit or loss	12,220,824	13,025,441

10 Fair value of assets and liabilities

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Recurring fair value measurement of assets and liabilities

Financial assets, EUR	Level 1	Level 2	Level 3	2015 Total
Investments in subsidiaries	-	-	12,220,824	12,220,824
Investments in associates	-	-	-	-
	-	-	12,220,824	12,220,824

Financial assets, EUR	Level 1	Level 2	Level 3	2014 Total
Investments in subsidiaries	-	-	7,219,941	7,219,941
Investments in associates	-	-	5,805,500	5,805,500
	-	-	13,025,441	13,025,441

Financial statements for the period 1 January – 31 December

Notes to the financial statements

10 Fair value of assets and liabilities (continued)

Valuation techniques

Unlisted equity investments

The Company invests in private equity companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Company uses a market-based valuation technique for these positions.

The Company's investment manager determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified.

The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure.

The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Company classifies the fair value of these investments as Level 3.

Valuation process for Level 3 valuations

Valuations are the responsibility of the Board of Directors of the Company.

The valuation of unlisted equity is performed on a quarterly basis by the valuation department of the investment manager and reviewed by the investment committee of the investment manager. On a quarterly basis, the valuation department of the investment manager will review equity valuations and inputs for significant changes and will consult with an external valuer if considered appropriate.

The valuations are also subject to quality assurance procedures performed within the valuation department. The valuation department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the four preceding quarters as well as with the valuations of the two preceding annual periods. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by the investment committee.

On a quarterly basis, after the checks above have been performed, the investment committee presents the valuation results to the Board of Directors. This includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments and investments with fair value changes outside of the relevant thresholds set out above.

The investment committee considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Company's Board of Directors.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

10 Fair value of assets and liabilities (continued)

Materiel unobservable inputs for Level 3 hierarchy

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 subsidiaries and associates consist of multiples and future earnings expectations for the respective subsidiaries and associates. Management believes that the multiples applied are on level with the market for comparable businesses. In addition, allowance is made for net interest-bearing debt of the investments in subsidiaries and associates when making the valuation.

	2015	2014
Range for multiples applied	6.5-8.0	6.5-8.0

The significant analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

EUR	2015	2014
1 percent-point change in average multiple	314,000	263,000

The fair value of the Company's investments in subsidiaries and in associates is affected by developments in the multiples applied and future earnings expectations. Significant increase (decrease) in the average multiples for comparable companies in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in the discount to average multiples in isolation would result in significant (lower) higher fair value measurement.

11 Limited partnership capital

Analysis of the Company's limited partnership capital, EUR 30,942,330:

EUR	2015	2014
Limited partnership capital	31,983,718	30,942,330
	31,983,718	30,942,330
16,000 class A-share(s) of EUR 1,00 each	16,000	16,000
43,984,000 class B-share(s) of EUR 1,00 each	43,984,000	43,984,000
	44,000,000	44,000,000
Cash calls (not called)	12,016,282	13,057,670

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Limited partnership capital (continued)

The A and B partnership interest is owned by the general partner and the limited partners, respectively.

The limited partners and the general partner are entitled to a share of all distributions from the Company, including distributions in case of liquidation of the Partnership in accordance with directions set forth in the Company's articles of association.

The general partner assumes unlimited liability for all obligations of the Company. The liability of a limited partner is limited to the limited partner's share of the Company's capital.

12 Financial risks

The Group's financial risks are managed by the Board of Directors. The Company has identified financial risks, but follows a policy, where Management continually monitors the following defined risks: liquidity risk, interest rate risk, credit risk.

Liquidity risk

The Company's capital resources comprise receivables with investments in subsidiaries and associates and cash placed in short-term deposit accounts.

The Company's liquidity risk is limited to the special case, where the limited partners (LP) are not able to pay the cash calls sent out by the Company. This risk is deemed to be very limited as the LPs all are expected to have the necessary capital and liquidity. Further, reference is made to note 11 – Limited partnership capital.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

EUR	Falling due within 1 year	Falling due between 1-5 years	Falling duc after 5 years	Total	Carrying amount
2015					
Trade payables	107,173	-		107,173	107,173
Payables to investors	850,477	-		850,477	850,477
Payables to subsidiaries	-	-	-	-	-
	957,650	-	-	957,650	957,650
2014					
Trade payables	95,985	-	-	95,985	95,985
Payables to subsidiaries	4,956	-	-	4,956	4,956
	100,941	-	-	100,941	100,941

Financial statements for the period 1 January – 31 December

Notes to the financial statements

12 Financial risks (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The majority of interest rate exposure arises on the Company's investments in receivables from subsidiaries and associates. Most of the Company's investments in receivables from subsidiaries and associates carry fixed interest rates and mature within five years.

The following table analyses the Company's interest rate risk exposure. The Company's assets are included at amortised cost:

EUR	0-3 months	3-6 months	6 months – 1 year	1-5 years	Total
2015					
Variable rate assets					
Cash	917,135				917,135
Fixed rate assets					-
Receivables from subsidiaries			2,048,010	6,138,939	8,186,949
Receivables from associates	-	-	-	-	-
Total interest bearing assets	917,135	-	2,048,010	6,138,939	9,104,084
2014					
Variable rate assets					
Cash	33,944	-	-		33,944
Fixed rate assets					
Receivables from subsidiaries	-	-	2,314,655	8,614,915	10,929,570
Receivables from associates	-	-	524,872	1,464,030	1,988,902
Total interest bearing assets	33,944	-	2,839,527	10,078,945	12,952,416

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations.

At each reporting date, an impairment analysis is performed on an individual basis for the Company's subsidiaries and associates. The Company accounted for an impairment loss of receivables from subsidiaries of EUR 853,871 and EUR 1,280,515 in 2015 and 2014, respectively.

The carrying value of receivables from subsidiaries and associates, other receivables and cash and cash equivalents, as disclosed in the statement of financial position represents the maximum credit exposure, hence, no separate disclosure is provided.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

13 Related party disclosures

The following parties are considered related parties of the Company:

General Partner – Karnell ApS

Karnell ApS operates as K III Denmark K/S general partner and is compensated with a service fee. Total service fee amounted to EUR 15,000 and EUR 30,000 for 2015 and 2014, respectively.

Mangement fee – KIII Sweden AB

KIII Sweden AB is entitled to receive a management fee for its respective services in terms of the management agreement entered between the parties. Total management fee amounted to EUR 77,977 and EUR 788,437 for 2015 and 2014, respectively.

Board of Directors

The Board of Directors is not remunerated by the Company, but indirectly remunerated via the Company's management fee to K III Sweden AB.

Subsidiaries

The following are the transactions and balances with the Company's subsidiaries:

EUR	2015	2014
Loan and accumulated payable interest to subsidiaries		
Kasthall Group AB, this loan bears interest of 7% and is repayable in 2016	2,053,583	3,904,479
Silva Group AB, this loan bears interest of 7% and is repayable in 2017	2,968,032	2,778,006
Nordic Vehicle Conversion AB, this loan bears interest of 7% and is repayable in 2017	3,305,368	2,312,726
Wermland Mechanics Group AB, this loan bears interest of 7% and is repayable in 2018	1,790,652	3,039,360
Dividend income from subsidiaries		
Silva Group AB	-	1,933
Nordic Vehicle Conversion AB	-	4,175
Wermland Mechanics Group AB	-	315
Interest income from subsidiaries		
Kasthall Group AB	242,328	253,366
Silva Group AB	190,026	181,739
Nordic Vehicle Conversion AB	117,474	98,297
Wermland Mechanics Group AB	194,867	188,228

Associate

The following are the transactions and balances with the Company's associate:

Loan and accumulated payable interest to associate		
Iris Group AB, this loan bears interest of 7% and is repayable in 2016	0	1,988,902
Dividend income from subsidiaries		
Iris Grup AB	7,686,330	1,933
Interest income from subsidiaries		
Iris Group AB	59,680	127,443

K III Denmark K/S

c/o Private Equity Administrators ApS, Gydevang 39-41,

3450 Allerød

CVR no. 32 07 44 72

Long-form audit report

dated 18 May 2016
in respect of the financial statements for 2015

Building a better
working world

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1 Introduction

We have audited the presented draft financial statements of K III Denmark K/S (the Company) for 2015, prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and Danish disclosure requirements. In addition to our audit, we have read the Management's review.

The financial statements show the following key figures for the Company:

EUR	2015	2014
Profit/loss for the year and total comprehensive income for the year (Other comprehensive income EUR 0 (2014: EUR 0)	6,953,503	-6,505,782
Total assets	21,383,368	25,981,103
Equity	20,425,718	25,880,162

Our long-form audit report has been prepared solely for the Board of Directors' use and is not to be used by any other party or for any other purpose.

2 Conclusion regarding the audit

If the Board of Directors approves the financial statements in their present form, and provided that no additional information that may affect the financial statements is brought to our attention during the Board of Directors' discussion and approval of the financial statements, we will issue an unqualified auditors' report with no emphasis of matter on the financial statements and a statement with no comments on the Management review.

3 Account of the audit

The audit was conducted in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. The objective and scope of the audit and the responsibility for the financial reporting are outlined in our long-form audit report dated 22 May 2014.

3.1 Significant weaknesses in the Company's internal control

In connection with our audit, we did not identify any material weaknesses in the business procedures, internal controls and accounting and IT systems established by Management.

3.2 Corrected and uncorrected misstatements

During our audit, we did not identify any misstatements in the financial statements.

3.3 Risk assessment

In order to update our understanding and knowledge of the Company and events and circumstances pertaining to the Company and to assess the risk of material misstatement in the financial statements, we discussed with the general management the risk of material misstatement in the financial statements and the measures taken by Management to manage these risks, including measures to prevent, detect and correct misstatements.

In this connection, we assessed entity level controls and controls in selected critical accounting areas.

Based on our discussions with the general management and our knowledge of the Company's operations, industry and other matters, we identified the following financial statement items which, in our opinion, are associated with significant risk of material misstatement in the financial statements, whether due to fraud or error:

Financial statement item	Audit objectives
▸ Investments in subsidiaries	Valuation

The financial statement items Investments in subsidiaries are subject to significant estimates. An audit also includes assessing the reasonableness of the accounting estimates made. We focused on the estimates made in the financial statements for 2015.

Apart from the above-mentioned items associated with significant risk, we identified the following critical accounting and auditing matters that require special attention:

Financial statement item	Audit objectives
▸ Receivables from subsidiaries	Valuation
▸ Net gain or loss on financial assets	Presentation and disclosure

Our risk assessment and the assessment of the risk of material misstatement in the financial statements remain unchanged compared to last year.

Based on the assessed risks of material misstatement in the financial statements, we have developed our audit strategy and plan for 2015.

Based on our audit strategy, we have established an audit plan to reduce the risk that we will not identify material misstatements in the financial statements to an acceptably low level.

To perform an effective audit, we have decided to base our audit on substantive audit procedures, entailing reconciliation of income statement, balance sheet and cash flow statement items and notes and other required disclosures, etc., to external and other documentation and the performance of substantive analytical procedures. Substantive analytical procedures include an assessment of selected financial statement items by means of an analysis of the expected coherence between both financial and non-financial information.

3.4 Risk of fraud

We have planned and performed our audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error.

During our audit, we did not identify any matters indicating or raising suspicion of material misstatement of the disclosures in the financial statements due to fraud.

The general management has informed us that, in its opinion, the Company's business procedures and internal controls in the identified risk areas are adequate and effective to address the risk of fraud and that appropriate segregation of duties has been established.

We consider the signatures on this long-form audit report a confirmation that the Board of Directors has no knowledge of such matters.

3.5 Audit of individual items in the financial statements

In the following, the audit of selected financial statement items that we find relevant to the Board of Directors is described.

3.5.1 Statement of financial position items

Investments in subsidiaries

The Company classifies its investments in subsidiaries as financial assets at fair value through profit or loss. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which is managed and performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Company.

Management's fair value assessment of the Company's investments in subsidiaries is based on the IPEV (International Private Equity and Venture Capital) valuation guidelines according to which Management has applied an EBITDA multiple valuation method.

In Management's assessment of the representative fair value of the investments, Management assesses the EBITDA used for valuation by applying a determined average of a "12-month rolling" EBITDA and forecasted EBITDA for the respective investments. Management's assessment of applied multiples is based on input from peer analysis, traded peers, comparable transactions and historical transactions. Further reference is made to Management disclosure in notes 7 Investments in subsidiaries, 8 Investments in associates and 10 Fair value of assets and liabilities in the draft financial statements.

During our audit, we tested Management's fair value calculations as reported to the investors on a quarterly basis and as accounted for in the draft financial statements. We have assessed Management's applied assumptions in regard to calculated EBITDA and applied multiples. On this basis, we do not see ourselves in a position to provide a better and more accurate estimate of the fair value of the Company's investments in subsidiaries at the balance sheet date than the estimate made by Management.

Receivables from subsidiaries

The Company classifies its debt investments in subsidiaries as loans and receivables, which are generally accounted for at amortised cost using the effective interest method except where there is deemed to be impairment in value which indicates that a provision should be made.

At each reporting date, as part of the fair value assessment of investments in subsidiaries, the Company assesses whether loans and receivables are impaired.

During our test of Management's fair value calculations as discussed above in Investments in subsidiaries, we have obtained evidence of Management's valuation of receivables from subsidiaries.

We do not see ourselves in a position to provide a better and more accurate estimate of the valuation of the Company's receivables from subsidiaries at the balance sheet date than the estimate made by Management.

3.5.2 Statement comprehensive income items

Net gain or loss on financial assets

Net gain or loss on financial asset, which is specified in note 4 to the financial statements, comprise net gain or loss on financial assets at fair value through profit and loss, impairment of receivables and dividend revenue from investments.

In 2015, the Company's investment in its associate, Iris Group AB, was realised and dividends totalling EUR 7,686,330 were distributed to the Company resulting in a net gain from the investment of EUR 2,046,252.

In 2015, net gains from investments in subsidiaries amounted to EUR 5,039,898, which was primarily driven by fair value adjustments of the Company's investments in Kasthall Group AB and Wermland Mechanics Group AB.

We agree with Management's presentation of net gain and loss on financial assets as presented in note 4 to the financial statements.

4 Statements and confirmations obtained

We have obtained a representation letter signed by the Company's Board of Directors.

Moreover, we have received bank statements from the Company's banks.

Our examination of the statements and confirmations obtained did not give rise to any comments.

5 Assistance and consultancy

Subsequent to our long-form audit report dated 18 December 2015, we have provided the following non-audit services to the Company:

- Assistance with compilation of the Company's financial statements for 2015 prepared in accordance with IFRS
- Assistance with electronic XBRL filing of the IFRS financial statements for 2014.

Measures to safeguard the auditors' independence

In accordance with applicable rules, we have established directions regarding independence. These directions are meant to ensure that, before accepting an engagement to issue auditors' reports on financial statements or issue other assurance reports, we will consider whether any circumstances exist that could raise doubt in a well-informed third party about our independence.

During the financial year, we did not accept engagements which entailed a need for setting up special measures in order to reduce potential threats to our independence.

6 Statutory disclosures

In accordance with the Danish Act on Approved Auditors and Audit Firms and the Code of Ethics for Professional Accountants, we represent

that we comply with the independence requirements of Danish legislation, and

that we have received all the information we requested.

Copenhagen, 18 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab

Eskild Jakobsen
State Authorised Public Accountant

Pages 54-58 were presented at the meeting on 18 May 2016.

Board of Directors:

Hans Eric Karlander
Chairman

Peter Toyberg

EY
Eskild Jakobsen
Osvald Helmuths Vej 4
2000 Frederiksberg

Representation letter regarding the financial statements for 2015 of K III Denmark K/S

This representation letter is provided in connection with your audit of the financial statements of K III Denmark K/S ("the Company") for the year ended 31 December 2015. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of K III Denmark K/S at 31 December 2015 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and Danish disclosure requirements.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing and additional requirements under Danish audit regulation, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify – nor necessarily be expected to disclose – all fraud, deficiencies, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Management commentary and financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 3 November 2015 for the preparation of the financial statements in accordance with IFRS and Danish disclosure requirements and for the preparation of a a Management's review that gives a fair review in accordance with Danish disclosure requirements.
2. We acknowledge, as members of the Company's Management, our responsibility for the preparation of financial statements that give a true and fair view. We believe that the financial statements give a true and fair view of the financial position of the Company, the results of its operations and cash flows for the financial year in accordance with the IFRS. We have approved the annual report.
3. The accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. We believe that the Company has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with IFRS.
5. There are no uncorrected misstatements identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. There have been no instances of fraud or suspected fraud that we are aware of and that affect the Company and involve Management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements. There have been no allegations of fraud, or suspected fraud, affecting the financial statements communicated by analysts, regulators or others.

C. Compliance with laws and regulations

1. We are not aware of actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information provided and information on completeness of transactions

1. We have provided you with:
   - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
   - additional information that you have requested from us for the purpose of the audit
   - unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the Company's related parties and all the related party relationships and transactions of which we are aware. All related party relationships and transactions have been accounted for and disclosed in accordance with the requirements of IFRS.
4. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.
5. We have disclosed to you that the Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
6. The Company has satisfactory title to all assets unless otherwise reflected in the financial statements.
7. There are no liens or encumbrances on the Company's assets, except for those disclosed in the notes to the financial statements.
8. We confirm that we have disclosed information relating to the Company's exposures to risks arising from financial instruments that is adequate to enable users to evaluate the nature and extent of those risks to which the Company is exposed at the end of the reporting period in accordance with IFRS 7. This information includes the exposures to risks and how they arise, our objectives, policies and procedures for managing the risks, the methods used to measure risks and a summary of quantitative data about our exposure to risks.
9. We believe that the assumptions and techniques used by us are appropriate and that all fair value measurements are determined in accordance with IAS 39 and IFRS 7.
10. We have appropriately disclosed fair values of financial assets and financial liabilities in the consolidated financial statements in accordance with IFRS 7. We believe that the disclosures appropriately categorise those fair value measurements in the fair value hierarchy.
11. We have disclosed the methods and assumptions applied in determining the fair values of each class of financial instruments.
12. It is our assessment and conclusion that the Company meets the definition of an investment entity within IFRS 10 and that the Company accordingly is required to measure its subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:
    - An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services
    - An entity that commits to its investors that its business purpose is to invest solely for the returns from capital appreciation, investment income or both
    - An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

E. Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

F. Going concern

1. We have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting date. We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

G. Events after the reporting date

1. All events after the reporting date and for which IFRS require adjustment or disclosures have been adjusted or disclosed.

Copenhagen, 18 May 2015
K III Denmark K/S

Hans Eric Karlander
Board of Directors

Peter Toyberg
Board of Directors