

# AI Keyemde 3 ApS

Lautrupparken 40


2750 Ballerup

CVR No. 34704236

## Annual Report 2017

Årsrapporten er fremlagt og  
godkendt på selskabets  
generalforsamling.

Dato: 6/3-2018

  
Dirigent: Jacob A. Drøhse

**AI Keyemde 3 ApS**

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## Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2017 - 31 December 2017 for AI Keyemde 3 ApS.

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


In our opinion, the Financial Statements provide a fair presentation of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

In our opinion the Management's review provides a fair account of the circumstances discussed.

It is recommended that the annual report be approved by the Annual General Meeting.

Ballerup, 5 March 2018

### Executive Board

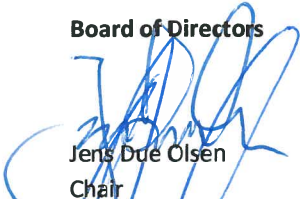


Eva Berneke  
CEO



Jannich Kiholm Lund  
CFO

### Board of Directors



Jens Due Olsen  
Chair



Léo Apotheker



Morten Hübbe



Michael Christiansen



John Woyton



Thomas Weisman

## Independent Auditor's Report

### To the shareholders of AI Keyemde 3 ApS

#### Opinion

We have audited the financial statements of AI Keyemde 3 ApS for the financial year 01-01-2017 - 31-12-2017, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31-12-2017 and of the results of its operations for the financial year 01-01-2017 - 31-12-2017 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent Auditor's Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

### Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Hellerup, 5 March 2018

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerskab**  
CVR-no. 33771231



Mikkel Sthyr  
State Authorised Public Accountant  
mne26693



Leif Ubaek Jensen  
State Authorised Public Accountant  
mne23327

## AI Keyemde 3 ApS

### Company details

<b>Company</b>	AI Keyemde 3 ApS Lautrupparken 40 2750 Ballerup
CVR No.	34704236
Registered office	Ballerup
Financial year	1 January 2017 - 31 December 2017
<b>Board of Directors</b>	Jens Due Olsen, Chair Léo Apotheker Morten Hübbe Michael Christiansen John Woyton Thomas Weisman
<b>Executive Board</b>	Eva Berneke, CEO Jannich Kiholm Lund, CFO
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

### **The Company's principal activities**

The Company's key activities comprise the holding of equity investments in KMD Holdco 4 A/S, which is 100% owned, and this company's subsidiary KMD A/S. The shares in KMD Holdco 4 A/S were purchased on December 20, 2012.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 01-01-2017 - 31-12-2017 shows a result of t.kr. -151.715 and the Balance Sheet at 31-12-2017 a balance sheet total of t.kr. 3.961.848 and an equity of t.kr 852.265.

### **Recognition and measurement uncertainty**

Recognition and measurement have not been affected by any significant uncertainty.

## AI Keyemde 3 ApS

### Accounting Policies

#### Reporting Class

The Annual Report of AI Keyemde 3 ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

#### Consolidated Financial Statements

In accordance with section 112, para. 1 of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The annual report for AI Keyemde 3 ApS is included in the consolidated financial statements for KMD Holding ApS.

#### Reporting currency

The Annual Report is presented in Thousand Danish kroner (t.kr.).

### General Information

#### Basis of recognition and measurement

Revenue is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the revenue for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions, as well as reversals as a result of changes to accounting estimates previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially recognized at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. Any exchange gains and losses are recognized over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or refute circumstances existing at the balance sheet date.

### Income Statement

#### Other external expenses

Other external expenses include expenses relating to sales and administration.

#### Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial items comprise interest income and expenses, realized and unrealized exchange gains and losses relating to securities, debt and transactions in foreign currencies, dividends received on other equity investments, amortization of financial assets and liabilities, and additions and reimbursements under the on-account tax scheme.



## Accounting Policies

### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance Sheet

### Investments

Equity investments in Group enterprises are measured at cost less write-downs.

This accounting item includes write-downs and the dividend for the year from Group enterprises. The dividend is recognized when the shareholder's dividend entitlement is approved by the competent company bodies.

If the dividend exceeds total earnings since the acquisition date, it is recognized as a write-down of the cost of the investment.

Loans to Group enterprises are recognized in the financial statements under Investments provided they are non-current.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Equity

Proposed dividend for the year is recognised as a separate item in equity.

### Financial liabilities

Financial liabilities are recognized when a loan is raised at the proceeds received less transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost on the basis of the effective interest rate on the borrowing date.

Other debt is measured at amortized cost, equivalent to the nominal debt outstanding.

### The derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in equity in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as financial items.

Amounts recognised in equity are transferred to the income statement when the hedged interest expense is recognised in the incomestatement.

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

**AI Keyemde 3 ApS**

## **Accounting Policies**

### **Statement of cash flows**

In accordance with section 86, para. 4 of the Danish Financial Statements Act, no statement of cash flows has been prepared for the Company as the Company's cash flows are included in the consolidated statement of cash flows for KMD Holding ApS.

AI Keyemde 3 ApS

**Income Statement**

	Note	2017 tkr.	2016 tkr.
Other external expenses		-44	-132
<b>Gross result</b>		<b>-44</b>	<b>-132</b>
Finance income	1	16.927	22.986
Finance expences	2	-170.281	-171.725
<b>Profit from ordinary activities before tax</b>		<b>-153.398</b>	<b>-148.871</b>
Tax expense		2.441	2.658
Extraordinary expenses		-758	0
<b>Profit</b>		<b>-151.715</b>	<b>-146.213</b>
<b>Proposed distribution of profit</b>			
Retained earnings		-151.715	-146.213
		<b>-151.715</b>	<b>-146.213</b>

AI Keyemde 3 ApS

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
<b>Assets</b>			
Long-term investments in group enterprises	3, 4	3.692.850	3.692.850
<b>Investments</b>		<u>3.692.850</u>	<u>3.692.850</u>
<b>Fixed assets</b>		<u>3.692.850</u>	<u>3.692.850</u>
Short-term receivables from group enterprises		261.616	511.944
Short-term tax receivables		1.442	1.843
Current deferred tax		2.070	3.100
<b>Receivables</b>		<u>265.128</u>	<u>516.887</u>
<b>Cash and cash equivalents</b>		<u>3.870</u>	<u>16.065</u>
<b>Current assets</b>		<u>268.998</u>	<u>532.952</u>
<b>Assets</b>		<u>3.961.848</u>	<u>4.225.802</u>

AI Keyemde 3 ApS

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
<b>Liabilities and equity</b>			
Contributed capital		21.788	21.788
Hedging reserve		0	-5.795
Retained earnings		830.477	982.192
<b>Equity</b>	5	<b>852.265</b>	<b>998.185</b>
Debt to banks		2.981.155	3.056.556
<b>Long-term liabilities other than provisions</b>	6	<b>2.981.155</b>	<b>3.056.556</b>
Debt to banks		100.337	159.635
Payables to group enterprises		27.353	3.112
Other payables		738	8.314
<b>Short-term liabilities other than provisions</b>		<b>128.428</b>	<b>171.061</b>
<b>Liabilities other than provisions within the business</b>		<b>3.109.583</b>	<b>3.227.617</b>
<b>Liabilities and equity</b>		<b>3.961.848</b>	<b>4.225.802</b>
Significant events occurring after end of reporting period	7		
Contingent liabilities	8		
Collaterals and assets pledged as security	9		
Related parties	10		

## AI Keyemde 3 ApS

### Notes

	2017	2016
<b>1. Finance income</b>		
t.kr.		
Other finance income from Group enterprises	14.745	13.424
Other finance income	2.182	9.562
	<u>16.927</u>	<u>22.986</u>
<b>2. Finance expenses</b>		
t.kr.		
Finance expenses arising from group enterprises	453	11
Other finance expenses	169.828	171.714
	<u>170.281</u>	<u>171.725</u>
<b>3. Long-term investments in group enterprises</b>		
t.kr.		
Cost at the beginning of the year	5.092.850	5.092.850
Cost at the end of the year	<u>5.092.850</u>	<u>5.092.850</u>
Value adjustment at the beginning of the year	-1.400.000	-1.400.000
Value adjustment at the end of the year	<u>-1.400.000</u>	<u>-1.400.000</u>
Carrying amount at the end of the year	<u>3.692.850</u>	<u>3.692.850</u>

### 4. Disclosure in long-term investments in group enterprises and associates

Group enterprises (T.kr.)

Name	Registered office	Share held in %	Equity	Profit/loss
KMD Holdco 4 A/S	Ballerup	100,00	506.548	346.771
			<u>506.548</u>	<u>346.771</u>

### 5. Statement of changes in equity

	Contributed capital	Hedging reserve	Retained earnings	Alt
Equity, beginning balance	21.788	-5.795	982.192	998.185
Net profit for the year		5.795	-151.715	-145.920
	<u>21.788</u>	<u>0</u>	<u>830.477</u>	<u>852.265</u>

The Company was formed on September 14, 2012 with share capital of DKK 80 thousand. The share capital was increased to DKK 21.788 thousand on December 20, 2012.

## AI Keyemde 3 ApS

### Notes

#### 6. Long-term liabilities

t.kr.

	Due Within 1 year	Due after 1 year	Due after 5 years
Debt to banks	<hr/>	2.981.155	<hr/>
	<hr/>	<b>2.981.155</b>	<hr/>

#### 7. Significant events occurring after end of reporting period

No events significant to the Company's financial position have occurred since the end of the financial year.

#### 8. Contingent liabilities

There were no contingent liabilities on the balance sheet date.

#### 9. Collaterals and securities

A senior loan agreement for AI Keyemde 2 ApS, which the Company has entered into, was established in connection with AI Keyemde 3 ApS' acquisition of KMD Equity Holding A/S (merged with KMD Holdco 4 A/S).

The senior loan agreement is a loan facility comprising three loan facilities and a revolving credit facility. On 31 December 2017 the nominal debt in relation to the loan agreement was DKK 4,682 million. The shares in AI Keyemde 3 ApS and its subsidiaries have been pledged as security for the senior loan agreement.

AI Keyemde 3 ApS is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

#### 10. Related parties

AI Keyemde 3 ApS is fully owned by AI Keyemde 2 APS. AI Keyemde 3 ApS is part of the Consolidated Financial Statements of KMD Holding ApS. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.

AI Keyemde & Cy SCA holds 95.89% of the shares in KMD Holding ApS. The ultimate owner of AI Keyemde & Cy SCA is Funds managed by Advent International Corporation. The funds ultimately controlling more than 25% of the shares in AI Keyemde & Cy SCA, are Advent International GPE VII-B Limited Partnership (29%) and Advent International GPE VII-E Limited Partnership (20%). No other Advent fund holds or controls more than 15% of the shares.

More information about Advent International can be found at [www.adventinternational.com](http://www.adventinternational.com).

KMD Holding ApS is part of the Financial Statements of AI Keyemde & Cy SCA as a subsidiary. The parent company can be contacted at the address of the Company, 2-4, rue Beck, L-1222 Luxembourg, Grand Duchy of Luxembourg.