

Årsrapporten er fremlagt
og godkendt på selskabets
generalforsamling.

Dato: 20.3.2017

Dirigent:


TORBEN MADSEN

AI KEYEMDE 3 APS ANNUAL REPORT 2016

1 January 2016 – 31 December 2016

Lautrupparken 40-42
2750 Ballerup
Denmark
CVR no. 34 70 42 36


IT WITH INSIGHT

AI Keyemde 3 ApS

Contents

Management's Statement	3
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Notes	14

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 2016 - 31 December 2016 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 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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, 15 March 2017

Executive Board

Eva Berneke
CEO

Jannich Lund
CFO

Board of Directors

Léo Apotheker
Chairman

Michael Christiansen

John Woyton

Frederic Wakeman

Morten Marc Hübbe

Jens Due Olsen

Independent Auditor's Report

To the shareholders of AI Keyemde 3 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31-12-2016, and of the results of the Company's operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AI Keyemde 3 ApS for the financial year 01-01-2016 - 31-12-2016, which comprise Income Statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

Independent Auditor's Report

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

_ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

_ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

_ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

_ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

_ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 15 March 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerskab
CVR-nr. 33 77 12 31

Mikkel Sthyr
State Authorised Public Accountant

Leif Ulbæk Jensen
State Authorised Public Accountant

AI Keyemde 3 ApS

Company details

Company	AI Keyemde 3 ApS Lautrupparken 40 2750 Ballerup
CVR No.	34704236
Registered office	Ballerup
Financial year	1 January 2016 - 31 December 2016
Board of Directors	Léo Apotheker, Chairman Michael Christiansen John Woyton Frederic Wakeman Morten Marc Hübbe Jens Due Olsen
Executive Board	Eva Berneke, CEO Jannich Lund, CFO
Auditors	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 01-01-2016 - 31-12-2016 shows a result of t.kr. -146.213 and the Balance Sheet at 31-12-2016 a balance sheet total of t.kr. 4.225.802 and an equity of t.kr 998.185.

Recognition and measurement uncertainty

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

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

AI Keyemde 3 ApS

Accounting Policies

Reporting Class

The Annual Report of AI Keyemde 3 ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Company has implemented the amendments of the Danish Financial Statements Act which became effective on 1 January 2016, see Act No 738 of 1 June 2015.

The amendments of the Danish Financial Statements Act, which became effective on 1 January 2016, have not affected the financial position of the Company at 31 December 2016, but have only implied a change in the disclosures in the Annual Report.

According to the Danish financial statements Act, § 112 (1) consolidated accounts are not prepared as the company and its subsidiaries are 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.

Income from equity investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as

Accounting Policies

they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

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.

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.

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

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.

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.

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.

Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

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

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	2016 tkr.	2015 tkr.
Other external expenses		-132	-130
Gross result		-132	-130
Income from investments in group enterprises and associates		0	260.000
Finance income	1	22.986	6.146
Finance expences	2	-171.725	-164.243
Profit from ordinary activities before tax		-148.871	101.773
Tax expense	3	2.658	4.786
Profit		-146.213	106.559
Proposed distribution of profit			
Retained earnings		-146.213	106.559
		-146.213	106.559

Balance Sheet as of 31. December

	Note	2016 tkr.	2015 tkr.
Assets			
Long-term investments in group enterprises	4, 5	3.692.850	3.692.850
Investments		3.692.850	3.692.850
Fixed assets		3.692.850	3.692.850
Short-term receivables from group enterprises		511.944	256.797
Short-term tax receivables		1.843	4.508
Current deferred tax		3.100	2.577
Receivables		516.887	263.882
Cash and cash equivalents		16.065	7.196
Current assets		532.952	271.078
Assets		4.225.802	3.963.928

Balance Sheet as of 31. December

	Note	2016 tkr.	2015 tkr.
Liabilities and equity			
Contributed capital		21.788	21.788
Hedging reserve		-5.795	-11.868
Loan reserve		0	50.796
Retained earnings		982.192	1.077.609
Equity	6	998.185	1.138.325
Debt to banks		3.056.556	2.668.990
Long-term liabilities other than provisions	7	3.056.556	2.668.990
Debt to banks		159.635	141.898
Payables to group enterprises		3.112	90
Other payables		8.314	14.625
Short-term liabilities other than provisions		171.061	156.613
Liabilities other than provisions within the business		3.227.617	2.825.603
Liabilities and equity		4.225.802	3.963.928
Contingent liabilities	8		
Collaterals and assets pledges as security	9		
Related parties	10		

Notes

1. Finance income

	2016	2015
Other finance income from Group enterprises	13.424	5.064
Other finance income	9.562	1.082
	22.986	6.146

2. Finance expenses

Finance expenses arising from group enterprises	11	1.598
Other finance expenses	171.714	162.645
	171.725	164.243

3. Tax expense

Current tax	-3.181	-5.570
Adjustment to deferred tax for the year	523	784
	-2.658	-4.786

4. Long-term investments in group enterprises

Cost at the beginning of the year	5.092.850	5.092.850
Cost at the end of the year	5.092.850	5.092.850
Value adjustment at the beginning of the year	-1.400.000	-1.400.000
Value adjustment at the end of the year	-1.400.000	-1.400.000
Carrying amount at the end of the year	3.692.850	3.692.850

5. 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	157.788	-56.521
			157.788	-56.521

6. Statement of changes in equity

	Contributed capital	Hedging reserve	Loan reserve	Retained earnings	I alt
Equity, beginning balance	21.788	-11.868	50.796	1.077.609	1.138.325
Loan reserve, change			-50.796	50.796	0
Net profit for the year		6.073		-146.213	-140.140
	21.788	-5.795	0	982.192	998.185

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

7. Long-term liabilities

	Due Within 1 year	Due after 1 year	Due after 5 years
Debt to banks	159.635	3.056.556	0
	159.635	3.056.556	0

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 2016 the nominal debt in relation to the loan agreement was DKK 4,805 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.

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.