European Lingerie Group AB

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the period from 23 November to 31 December 2017

Contents

Information on the Company

Name of the company	*European Lingerie Group AB (from 29 January 2018)* *Goldcup 15769 AB (until 29 January 2018)*
Legal status of the company	*Public Limited Liability Company*
Number, place and date of registration	*559135-0136, Stockholm, 23 November 2017*
Legal and postal address	*Norrlandsgatan 16, 111 43 Stockholm, Sweden*
Members of the Board and their positions	*Indrek Rahumaa, Chairman of the Board* *Fredrik Synnerstad, Member of the Board* *Dmitry Ditchkovsky, Member of the Board* *Peter Partma, Member of the Board*
Managing director	*Peter Partma*
Reporting year	*23.11.2017 – 31.12.2017*
Information on shareholders	*Myrtyle Ventures Limited:* *100.0% from 3 January 2018 until 11 May 2018,* *99.0% from 11 May 2018 until 31 May 2018,* *98.2% from 31 May 2018* *SIA Silver Invest:* *1.0% from 11 May 2018 until 31 May 2018,* *1.8% from 31 May 2018* *Bolagsratt Sundvall AB:* *100.0% until 3 January 2018*
Information on the subsidiaries	*AS European Lingerie Group:* *100.0% from 19 February 2018* *Felina France S.a.r.l.:* *100.0% from 16 May 2018*
Auditors	*KPMG AB* *Vasagatan 16* *101 27 Stockholm, Sweden*

Management Report

General information

European Lingerie Group AB is a Public Limited Liability Company domiciled in Sweden.

Type of operations

The Company carries out holding operations through investing in and managing assets involved in manufacturing, processing, wholesale and retail of textiles and lingerie products.

Short description of the Company's activities in the reporting year

European Lingerie Group AB (previously named Goldcup 15769 AB) was established on 23 November 2017. The Company did not have any operations in 2017 and did not report any profit or loss in the period.

Subsequent events

On 3 January 2018, 100% of the Company's shares were bought by Myrtyle Ventures Limited and the latter became a new Parent Company of European Lingerie Group AB.

In February 2018, Myrtyle Ventures Limited made an unconditional shareholder contribution investing shares of AS European Lingerie Group into the equity of the Company. Following this, the Company became the parent company of AS European Lingerie Group, a fully vertically integrated intimate apparel and lingerie group, which produces lace and fabrics for largest lingerie brands under *Lauma Fabrics* brand name, medical textiles under *Lauma Medical* brand name, as well as designs, manufactures and distributes branded premium lingerie garments under *Conturelle* and *Felina* brands. The Group operates its own production facilities through subsidiaries in Latvia, Hungary and Germany. Its subsidiaries trade in 46 countries and its markets include Germany, Austria, France, Italy, Spain, Belgium, Netherlands, Finland, Denmark, Switzerland, Sweden, Norway, Slovakia, Slovenia, Portugal, Poland, Czech Republic, Greece, Hungary, UK and Baltic States in Europe and USA, Canada, China, Australia and New Zealand, Georgia, Iceland, Sri Lanka, Morocco, Israel, Lebanon, Russia and CIS countries in the rest of the world.

In February 2018, the Company issued bonds in Sweden for the amount of EUR 40,000,000. The issued bonds are senior secured bonds maturing in February 2021. The proceeds from the transaction were used to refinance existing interest-bearing bank and convertible bond debt of the Company's subsidiaries and for general corporate purposes including capital expenditures. The bonds are planned to be listed on a regulated market within 12 months of the date of issue. For more details refer to Note 7.

No other significant subsequent events have occurred that would materially impact the presentation of the financial statements.

Indrek Rahumaa	Fredrik Synnerstad	Dmitry Ditchkovsky	Peter Partma
Chairman of the Board	*Member of the Board*	*Member of the Board*	*Member of the Board*

Stockholm, 11 June 2018

Statement of profit or loss and other comprehensive income

For the period from 23 November to 31 December 2017

The Company did not have any profit or loss and other comprehensive income items during the period from 23 November to 31 December 2017.

The accompanying notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the Management Board on 11 June 2018 and signed by

Indrek Rahumaa	Fredrik Synnerstad	Dmitry Ditchkovsky	Peter Partma
Chairman of the Board	*Member of the Board*	*Member of the Board*	*Member of the Board*

Stockholm, 11 June 2018

Statement of financial position

As at 31 December

In euros	*Note*	2017
Assets		
Other receivables	*5*	60,000
Total current assets		**60,000**
Total assets		**60,000**
Equity		
Share capital	*6*	60,000
Total equity		**60,000**

The accompanying notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the Management Board on 11 June 2018 and signed by

Indrek Rahumaa *Chairman of the Board*	Fredrik Synnerstad *Member of the Board*	Dmitry Ditchkovsky *Member of the Board*	Peter Partma *Member of the Board*

Stockholm, 11 June 2018

Statement of changes in equity

		Attributable to owners of the Company	
In euros	*Note*	**Share capital**	**Total equity**
Balance at 23 November 2017		-	-
Transactions with owners of the Company			
Contributions and distributions			
Issue of ordinary shares	*6*	60,000	60,000
Total contributions and distributions		**60,000**	**60,000**
Total transactions with owners of the Company		**60,000**	**60,000**
Balance at 31 December 2017		**60,000**	**60,000**

The accompanying notes on pages 9 to 15 form an integral part of these financial statements.

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Indrek Rahumaa	Fredrik Synnerstad	Dmitry Ditchkovsky	Peter Partma
Chairman of the Board	*Member of the Board*	*Member of the Board*	*Member of the Board*

Stockholm, 11 June 2018

Statement of cash flows

For the period from 23 November to 31 December

In euros	*Note*	2017
Cash flows from operating activities		
Changes in:		
Other receivables		(60,000)
Net cash used in operating activities		**(60,000)**
Cash flows from financing activities		
Proceeds from issue of share capital		60,000
Net cash from financing activities		**60,000**
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at 23 November		-
Cash and cash equivalents at 31 December		-

The accompanying notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the Management Board on 11 June 2018 and signed by

Indrek Rahumaa	Fredrik Synnerstad	Dmitry Ditchkovsky	Peter Partma
Chairman of the Board	*Member of the Board*	*Member of the Board*	*Member of the Board*

Stockholm, 11 June 2018

Notes to the special purpose financial statements

1. Reporting entity

European Lingerie Group AB (Goldcup 15769 AB until 29 January 2018) is a Public Limited Liability Company domiciled in Sweden. The legal and postal address of the Company is Norrlandsgatan 16, 111 43, Stockholm, Sweden.

The Company carries out holding operations through investing in and managing assets involved in manufacturing, processing, wholesale and retail of textiles and lingerie products. The Company was registered on 23 November 2017 and did not have any operations in 2017. On 3 January 2018 Myrtyle Ventures Limited became the Parent Company and owner of 100% of the Company's shares. 75% of Myrtyle Ventures Limited shares are owned by Helike Holdings OU (ultimate Parent Company). The ultimate beneficial owners of the Company are Indrek Rahumaa and John Anthony Bonfield.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). These financial statements were issued for the bonds listing application purposes. In February 2018, the Company issued bonds for the amount of EUR 40,000,000 in Sweden and has undertaken to list the bonds on a regulated market within 12 months of the date of issue. The Company is in the process of preparing the bonds for listing, and these financial statements will be included into the Company's bond prospectus. These are not statutory financial statements.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying The Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The functional and presentation currency of the Company is euro. All financial information presented in euro has been rounded to whole numbers.

Absence of comparatives

The Company was established in 2017 and did not exist previously. Therefore, comparatives are not presented in these financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

3.1 Segment reporting

The Company does not have any operating segments.

3.2 Foreign currency

(i) Presentation currency

These financial statements are presented in euro as the presentation currency of the Company.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

The Company did not have any foreign currency transactions in 2017.

3.3 Non-derivative financial assets

The Company classifies non-derivative financial assets as loans and receivables.

(i) Recognition and derecognition

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets and are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(ii) Measurement

Loans and other receivables are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.5 Impairment

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to The Company on terms that The Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

The Company considers evidence of impairment for financial assets measured at amortised cost at an individual asset level. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss within other operating expenses and reflected in an allowance account. Allowance for doubtful trade and other receivables is based on the ageing analysis and information on the financial position of the respective debtor, and recoverability of receivables. 100% allowance is created for receivables overdue more than 12 months and when the lawyers are engaged in the recoverability process.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.6 Related parties

According to the policy followed by the Company, related parties represent both legal entities and private individuals related to the Company in accordance with the following rules:

a) A person or a close member of that person's family is related to a reporting entity if that person:

   i) Has control or joint control over the reporting entity;

   ii) Has significant influence over the reporting entity; or

   iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

   i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

   ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   iii) Both entities are joint ventures of the same third party;

   iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

   vi) The entity is controlled, or jointly controlled by a person identified in a);

   vii) A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

   viii) The entity, or any member of the Company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4. Standards and amendments issued but not yet effective

The following new and revised Standards and Interpretations have been issued, but are not yet effective. They have not been applied early in these financial statements. Their impact on the financial statements has not yet been systematically analyzed, unless indicated otherwise. A preliminary assessment has been conducted by European Lingerie Group AB management and the expected impact of each new or amended Standard and Interpretation is presented below.

(i) IFRS 15 Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

The new Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Entities will adopt a five-step model to determine when to recognise revenue, and at what amount. The new model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

IFRS 15 also establishes the principles that an entity shall apply to provide qualitative and quantitative disclosures which provide useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

Management does not expect that the new Standard, when initially applied, will have impact on the Company's financial statements as the Company does not generate any revenue.

(ii) IFRS 9 Financial Instruments

In July 2014, IASB released the full version of IFRS 9 Financial Instruments standard. The standard is effective for annual periods beginning on or after 1 January 2018 and is to be applied retrospectively with some exemptions. The restatement of prior periods is not required, and is permitted only if information is available without the use of hindsight. Early application is permitted. This Standard replaces IAS 39, *Financial Instruments: Recognition and measurement.*

Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different.

A financial asset is measured at amortized cost if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

In addition, for a non-trading equity instrument, a company may elect to irrevocably present subsequent changes in fair value (including foreign exchange gains and losses) in other comprehensive income. These are not reclassified to profit or loss under any circumstances.

For debt instruments measured at FVOCI, interest revenue, expected credit losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for amortised cost assets. Other gains and losses are recognised in other comprehensive income and are reclassified to profit or loss on derecognition.

The impairment model in IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

IFRS 9 includes a new general hedge accounting model, which aligns hedge accounting more closely with risk management. The types of hedging relationships – fair value, cash flow and foreign operation net investment – remain unchanged, but additional judgment will be required.

The standard contains new requirements to achieve, continue and discontinue hedge accounting and allows additional exposures to be designated as hedged items.

Extensive additional disclosures regarding an entity's risk management and hedging activities are required.

It is expected that the new Standard, when initially applied, will not have a significant impact on the financial statements of the Company. Based on its preliminary assessment, the Company expects that all of financial assets classified as loans and receivables under IAS 39 will continue to be measured at amortised cost under IFRS 9.

(iii) IFRS 16 Leases

The standard is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted if the entity also applies IFRS 15.

IFRS 16 supersedes IAS 17 *Leases* and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new Standard introduces a number of limited scope exceptions for lessees which include:

- leases with a lease term of 12 months or less and containing no purchase options, and
- leases where the underlying asset has a low value ('small-ticket' leases).

Lessor accounting shall remain largely unaffected by the introduction of the new Standard and the distinction between operating and finance leases will be retained.

The new Standard, when initially applied, is not expected to have impact on the Company's financial statements as the Company does not hold any leases.

(iv) Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments are effective for annual periods beginning on or after 1 January 2018 and are to be applied prospectively. Early application is permitted.

The amendments clarify share-based payment accounting on the following areas:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity settled.

The Company expects that the amendments, when initially applied, will not have an impact on the presentation of the financial statements because the Company does not enter into share-based payment transactions.

(v) Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments are effective for annual periods beginning on or after 1 January 2018; to be applied prospectively.

The amendments clarify how and when to account for deferred tax assets in certain situations and clarify how future taxable income should be determined for the purposes of assessing the recognition of deferred tax assets.

The Company expects that the amendments, when initially applied, will not have an impact on the presentation of the financial statements because the Company had no operations and did not report any profit or loss up to the year 2018.

(vi) IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 is effective for annual periods beginning on or after 1 January 2018.

The Interpretation clarifies how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. In such circumstances, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Company does not expect that the Interpretation, when initially applied, will have impact on the financial statements as the Company uses the exchange rate on the transaction date for the initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

(vii) IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 is effective for annual periods beginning on or after 1 January 2019.

The Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments, addressing four specific issues:

- Whether an entity considers uncertain ta treatments separately;
- The assumptions an entity should make about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit or loss, tax bases, unused losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

The Company does not expect that the Interpretation, when initially applied, will have impact on the financial statements as the Company does not expect to have uncertain tax treatments then.

(viii) Annual Improvements to IFRSs

Annual improvements to IFRSs 2014-2016 cycle were issued on 8 December 2016 and introduce amendments to IAS 28 *Investments in Associates and Joint Ventures* and consequential amendments to other standards and interpretations that result in accounting changes for presentation, recognition or measurement purposes. The amendments on IAS 28 *Investments in Associates and Joint Ventures* are effective for annual periods beginning on or after 1 January 2018; to be applied retrospectively. Earlier application is permitted.

The amendment is not expected to have an impact on the financial statements of the Company.

(ix) Amendments to standards that have come into force during 2017

The amendments to IAS 7 Statement of Cash flows require new disclosures that help users to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as the effect of foreign exchange gains or losses, changes arising from obtaining or losing control of subsidiaries, changes in fair value). The amendment did not have impact on the financial statements of the Company as the Company had no cash flows in 2017.

The amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses clarify how and when to account for deferred tax assets in certain situations and clarify how future taxable income should be determined for the purposes of assessing the recognition of deferred tax assets. The amendments did not have an impact on the presentation of the financial statements as the Company had no operations in 2017 and did not report any profit or loss.

5. Other receivables

In euros	**2017**
Other receivables from shareholders	60,000
Total other receivables	**60,000**

6. Share capital

Share capital

Number of shares	**2017**
In issue at 23 November	-
Issued in the period	60,000

In issue at 31 December – fully paid	**60,000**
Nominal value of one share, EUR	1

The Company has one series of shares. All shares have equal rights to dividends and the Company's residual assets.

7. Subsequent events

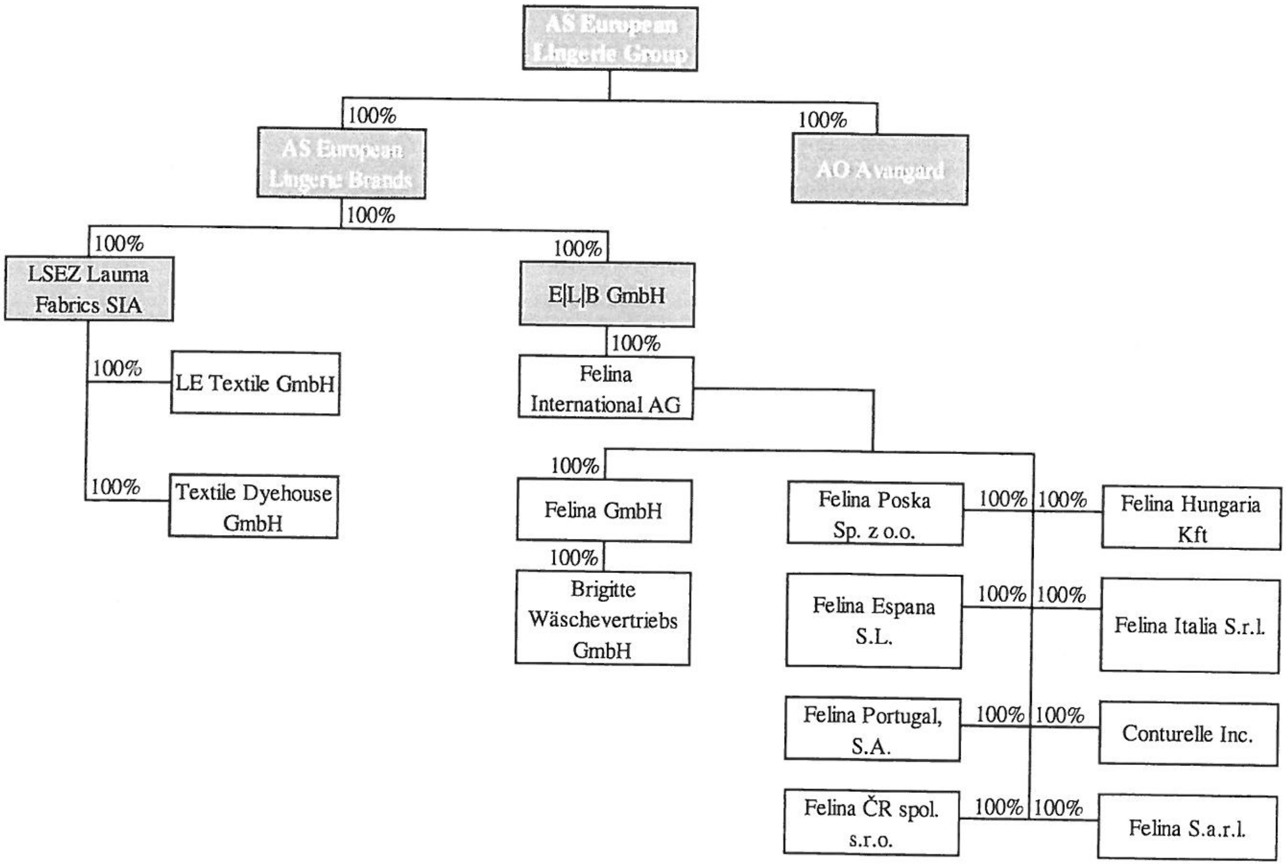
Changes in Parent Company

On 3 January 2018, 100% of the Company's shares were bought by Myrtyle Ventures Limited and the latter became a new Parent Company of European Lingerie Group AB.

Unconditional shareholder contribution of AS European Lingerie Group shares

On 19 February 2018, Myrtyle Ventures Limited made an unconditional shareholder contribution of 100% of shares of AS European Lingerie Group into the Company's capital. The shares contributed were fair valued at EUR 43,500,000 and were recorded as other equity by the Company. As a result of the contribution the Company became the direct Parent of AS European Lingerie Group. As at the date of the contribution AS European Lingerie Group had 17 wholly owned subsidiaries, a representative office located in Russia and a joint venture company located in Latvia.

The structure of AS European Lingerie Group as at 19 February 2018 is presented below.



Bonds issue

The Company issued bonds in Sweden for the amount of EUR 40,000,000 in February 2018. The issued bonds are senior secured bonds with a maturity of 3 years. The bonds bear a floating rate coupon of 3-months Euribor +7.75%, with interest paid quarterly. Major part of the proceeds from the bonds was used to repay the long-term borrowings of the Company's subsidiary LSEZ Lauma Fabrics SIA from AS Citadele Bank and AS BlueOrange Bank (EUR 19.8 million) as well as to redeem convertible notes issued by AS European Lingerie Group in 2017 (EUR 12.6 million). The bonds are secured by the pledges over the shares of AS European Lingerie Group, AS European Lingerie Brands, LSEZ Lauma Fabrics SIA and Felina GmbH as well as the mortgage over the real estate owned by LSEZ Lauma Fabrics SIA.

Intertrust (Sweden AB) is a collateral agent for the pledged security. The Company has undertaken to list the bonds on a regulated market within 12 months of the date of issue.

Signatures to the Financial Statements

Stockholm, 11 June 2018

Indrek Rahumaa
Chairman of the Board

Fredrik Synnerstad
Member of the Board

Dmitry Ditchkovsky
Member of the Board

Peter Partma
Member of the Board

Auditor's Report on the Special Purpose Financial statements of European Lingerie Group AB

To the board of directors of European Lingerie Group AB, corp. id 559135-0136

Opinions

We have audited the Special Purpose Financial Statements of European Lingerie Group AB for the period 2017-11-23—2017-12-31. The Special Purpose Financial Statements comprise a statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, and statement of cash flows and accompanying notes including a summary of significant accounting policies.

In our opinion, the Special Purpose Finanical Statements present fairly, in all material respects, the financial position of European Lingerie Group AB as of 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of European Lingerie Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Emphasis of matter – Basis of Accounting

We draw attention to Note 2 Basis of preparation of the Special Purpose Financial Statements, which describes the basis of accounting. The Special Purpose Financial Statements are prepared for a part of the financial year and were issued for the bonds listing application purposes. As a result, the Special Purpose Financial Statements may not be suitable for another purpose and the Special Purpose Financial Statements should not be confused with the statutory financial statements, which are separately audited and filed with the Swedish Companies Registration Office

Our report is intended solely for the use in the bond listing application process.

Responsibilities of the Board of Directors and the Managing Director for the Special Purspose Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of the Special Purpose Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the Audit of these Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 Special Purpose Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the Special Purpose Financial Statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion about the Special Purpose Financial Statements. 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 content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm 25 June 2018

KPMG AB

Petra Lindström
Authorized Public Accountant