

Proventus Capital Partners III AB (publ)
Corp. ID no. 556926-8021

INTERIM REPORT FOR THE PERIOD 1 JAN 2017 - 30 JUN 2017

The Board of Directors and Chief Executive Officer of Proventus Capital Partners III AB (publ) hereby present the interim report for the operations of the Group and parent company for the period 1 January 2017 – 30 June 2017.

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Unless otherwise stated, all amounts refer to thousands of Swedish kronor (SEK '000). Figures in parentheses refer to the previous year.

DIRECTORS' REPORT

OPERATIONS

Proventus Capital Partners III, which is a wholly owned subsidiary of Proventus Capital Management AB (corp. ID no. 556930-7027) operates a corporate lending business and engages in securities trading. The company is an alternative investment fund within the meaning of the Swedish Alternative Investment Fund Managers Act (2013:561) and is managed by the parent company, Proventus Capital Management, which holds a licence from the Swedish Financial Supervisory Authority for the management of alternative investment funds under the Alternative Investment Fund Managers Act (2013:561).

The business is focused on direct loans to businesses and the acquisition of listed bonds and other debt securities. The Group's main currency is Swedish kronor (SEK). Any investments made in other currencies are normally hedged to Swedish kronor. The investments are made chiefly through the subsidiary company Proventus Capital Partners III KB (corp. ID no. 969736-8125).

The operations are funded with capital contributed by the owner and through profit-participating loans from primarily institutional investors. In addition, there exist undertakings to contribute capital to the subsidiary company Proventus Capital Partners III KB. The Group has total funding commitments of SEK 12,120 million. The funding available to the Group can be drawn by the company through individual capital contributions of five per cent of the overall commitment. At the end of the period SEK 7,878 million had been contributed to the Group.

Profit-sharing with holders of profit participating certificates of the company is settled in Swedish kronor. The interim report is prepared in Swedish kronor.

RESULTS AND FINANCIAL POSITION

The investment activities were initiated in summer 2014. The investment portfolio has been built up gradually and consisted at the end of the reporting period debt instruments issued by 21 (17) different lenders. Around 90 (87) per cent of the portfolio is invested in direct lending to businesses. The value of the loan portfolio was SEK 5,840.6 (4,942.0) million. The portfolio of listed bonds including accrued interest and futures contracts was SEK 729.7 (827.0) million at the end of the financial year. The cumulative return on the portfolio since its inception is SEK 777.7 (-109.7) million.

The net profit for the period was SEK 39.7 (-92.5) million for the Group and SEK 0.0 (-1.9) million for the parent company. Consolidated equity was SEK 779.6 (672.2) and equity in parent company was SEK 33.2 (30.6) million.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

During August there was a refinancing in one of the portfolio companies whereby Proventus Capital Partners III injected an additional amount. The transaction has not impacted the valuation of the engagement.

OUTLOOK

The company's target is to generate a ten per cent net annual return for the holders of profit participating certificates. Due to the composition and performance of the portfolio since inception as well as the prevailing low interest rate environment, it is expected that the return for Proventus Capital Partners III will be a couple of per cent lower.

OTHER INFORMATION

The company's profit participating certificates are listed on Nordic Growth Market NGM AB.

The results of the operations during the period and the financial position at the end of the period are presented in the following income statement, balance sheet and notes.

**CONSOLIDATED
INCOME STATEMENT, SEK '000**

	Note	2017-01-01 2017-06-30	2016-01-01 2016-06-30	2016-01-01 2016-12-31
Administrative expenses	2,3	-29 402	-45 766	-69 669
Operating loss		-29 402	-45 766	-69 669
Loss, discontinued operation	4	-	-121 862	-121 862
Interest income and similar items	5	383 153	275 974	791 511
Interest expense and similar items	5	-305 879	-253 147	-678 191
Net financial income/expense		77 274	-99 035	-8 542
Profit after financial items		47 872	-144 801	-78 211
Group contributions received		-	59 958	41 302
Group contributions paid		-8 183	-7 646	-
Profit/loss before tax		39 689	-92 489	-36 909
Tax	6	-	-	-265
Profit/loss for the period		39 689	-92 489	-37 174

STATEMENT OF COMPREHENSIVE INCOME

Profit/loss for the period	39 689	-92 489	-37 174
Other comprehensive income	-	197	-
Total comprehensive income for the period	39 689	-92 292	-37 174
Attributable to:			
Equity holders of the parent	-	-1 706	-265
Minority interest	39 689	-90 586	-36 909
	39 689	-92 292	-37 174

**CONSOLIDATED
BALANCE SHEET, SEK '000**

ASSETS	Note	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
Non-current assets				
Non-current financial assets	7	5 840 603	4 941 971	5 141 445
Total non-current assets		5 840 603	4 941 971	5 141 445
Current assets				
Current receivables				
Trade receivables		51	1 680	86
Receivables from Group companies		1 278	1 335	1 134
Other current receivables		1 390	701	84 106
Short-term investments	9	729 729	826 953	952 831
Prepaid expenses and accrued income		2 307	2 331	2 388
		734 755	833 000	1 040 545
Cash and cash equivalents		348 354	276 110	373 706
Total current assets		1 083 109	1 109 110	1 414 251
TOTAL ASSETS		6 923 712	6 051 081	6 555 696

**CONSOLIDATED
BALANCE SHEET, SEK '000**

EQUITY AND LIABILITIES	<u>Note</u>	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
Equity				
Restricted equity				
Share capital (5,000 shares with a quotient value of SEK 100)		500	500	500
		500	500	500
Non-restricted equity				
Retained earnings		739 369	764 177	769 451
Profit/loss for the period		39 689	-92 489	-37 174
		779 058	671 688	732 277
Total equity		779 558	672 188	732 777
Non-current liabilities				
Other non-current liabilities	11	6 108 392	5 274 613	5 747 549
Total non-current liabilities		6 108 392	5 274 613	5 747 549
Current liabilities				
Trade payables		10	236	369
Liabilities to Group companies		12 606	11 254	11 954
Tax liabilities		241	-	661
Other liabilities		18 455	88 083	58 294
Accrued expenses and deferred income		4 450	4 707	4 092
Total current liabilities		35 762	104 280	75 370
TOTAL EQUITY AND LIABILITIES		6 923 712	6 051 081	6 555 696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, SEK '000

	Share capital	Retained earnings	Minority interest	Total capital
Opening balance, 1 January 2016	500	26 994	645 177	672 671
Comprehensive income				
Profit/loss for the period		-1 903	-90 586	-92 489
Other comprehensive income		197		197
Total other comprehensive income	-	-1 706	-90 586	-92 292
Transactions with holders of profit participating loans				
Net deposit from owners			128 000	128 000
Contribution repaid			-21 760	-21 760
Dividends paid			-19 411	-19 411
Total transactions with holders of profit participati	-	-	86 829	86 829
Transactions with shareholders				
Shareholder contributions received		6 000		6 000
Shareholder contribution repaid		-1 020		-1 020
Total transactions with shareholders	-	4 980	-	4 980
Closing balance, 30 June 2016	500	30 268	641 420	672 188
Opening balance, 1 January 2017	500	31 995	700 282	732 777
Comprehensive income				
Profit for the period		-	39 689	39 689
Other comprehensive income		-		0
Total other comprehensive income	-	-	39 689	39 689
Transactions with holders of profit participating loans				
Net deposit from owners			64 000	64 000
Contributions repaid			-50 262	-50 262
Dividends paid			-7 306	-7 306
Total transactions with holders of profit participati	-	-	6 432	6 432
Transactions with shareholders				
Issue of new shares				
Shareholder contribution received		3 000		3 000
Shareholder contribution repaid		-2 340		-2 340
Dividends paid				0
Total transactions with shareholders	-	660	-	660
Closing balance, 30 June 2017	500	32 655	746 403	779 558

**CONSOLIDATED
CASH FLOW STATEMENT, SEK '000**

	2017-01-01 <u>2017-06-30</u>	2016-01-01 <u>2016-06-30</u>	2016-01-01 <u>2016-12-31</u>
	<u>Note</u>		
Cash flow from operating activities	12		
Cash flow from operations	436 203	608 539	898 694
Interest paid	<u>-61 528</u>	<u>-163 479</u>	<u>-163 479</u>
Cash flow from operating activities	374 675	445 060	735 215
Investing activities			
Increase/Decrease in short-term investments	204 940	-322 928	-251 972
Increase in non-current financial assets	<u>-721 637</u>	<u>-901 674</u>	<u>-1 214 518</u>
	-516 697	-1 224 602	-1 466 490
Financing activities			
Group contributions paid	-9 002	-14 352	-22 745
Shareholder contributions received	3 000	6 000	9 000
Shareholder contribution repaid	-2 340	-1 020	-3 734
Deposit, owners	64 000	128 000	192 000
Withdrawal, owners	-50 262	-21 760	-79 663
Dividend, owners	-7 306	-20 320	-20 321
Increase in non-current liabilities	<u>118 580</u>	<u>894 740</u>	<u>946 080</u>
	116 670	971 288	1 020 617
Cash flow for the period	-25 352	191 746	289 342
Cash and cash equivalents at beginning of period	373 706	84 364	84 364
Cash and cash equivalents at end of period	348 354	276 110	373 706

**PARENT COMPANY
INCOME STATEMENT, SEK '000**

	Note	2017-01-01 <u>2017-06-30</u>	2016-01-01 <u>2016-06-30</u>	2016-01-01 <u>2016-12-31</u>
Administrative expenses	2,3	<u>-25 045</u>	<u>-24 397</u>	<u>-45 163</u>
Operating loss		-25 045	-24 397	-45 163
Profit/loss from shares in Group companies		337 025	-765 944	-310 666
Interest income and similar items	5	8 395	9 878	19 341
Interest expense and similar items	5	<u>-312 192</u>	<u>726 248</u>	<u>295 186</u>
Net financial income/expense		33 228	-29 818	3 861
Profit after financial items		8 183	-54 215	-41 302
Group contribution received		-	59 958	41 302
Group contributions paid		<u>-8 183</u>	<u>-7 646</u>	<u>-</u>
Profit/loss before tax		0	-1 903	0
Tax	6	<u>-</u>	<u>-</u>	<u>-265</u>
Profit/loss for the period		<u>0</u>	<u>-1 903</u>	<u>-265</u>

STATEMENT OF COMPREHENSIVE INCOME

Profit/loss for the period	0	-1 903	-265
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period, net after tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>0</u>	<u>-1 903</u>	<u>-265</u>

**PARENT COMPANY
BALANCE SHEET, SEK '000**

ASSETS	<u>Note</u>	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
Non-current assets				
Interests in Group companies	8	5 948 585	5 777 720	5 829 345
Other securities held as non-current assets	7	<u>169 724</u>	<u>196 468</u>	<u>184 419</u>
Total non-current assets		6 118 309	5 974 188	6 013 764
Current assets				
Current receivables				
Trade receivables		51	37	86
Receivables from Group companies		662 042	1 335	325 017
Other current receivables		1 268	204	1 033
Prepaid expenses and accrued income		<u>2 307</u>	<u>2 331</u>	<u>2 388</u>
		665 668	3 907	328 524
Cash and cash equivalents		<u>12 808</u>	<u>10 271</u>	<u>15 071</u>
Total current assets		678 476	14 178	343 595
TOTAL ASSETS		<u>6 796 785</u>	<u>5 988 366</u>	<u>6 357 359</u>

**PARENT COMPANY
BALANCE SHEET, SEK '000**

EQUITY AND LIABILITIES	<u>Note</u>	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
Equity				
Restricted equity				
Share capital (5,000 shares with a quotient value of S		500	500	500
		500	500	500
Non-restricted equity				
Retained earnings		32 655	31 974	32 260
Profit/loss for the period		0	-1 903	-265
		32 655	30 071	31 995
Total equity		33 155	30 571	32 495
Non-current liabilities				
Other non-current liabilities	11	6 108 392	5 274 613	5 747 549
Total non-current liabilities		6 108 392	5 274 613	5 747 549
Current liabilities				
Trade payables		10	149	369
Liabilities to Group companies		642 908	675 935	565 101
Tax liabilities		241	-	661
Other liabilities		8 494	3 141	7 998
Accrued expenses and deferred income		3 585	3 957	3 186
Total current liabilities		655 238	683 182	577 315
TOTAL EQUITY AND LIABILITIES		6 796 785	5 988 366	6 357 359

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, SEK '000

	Share capital	Retained earnings	Total capital
Opening balance, 1 January 2016	500	26 994	27 494
Comprehensive income			
Profit/loss for the period		-1 903	-1 903
Other comprehensive income			
Total other comprehensive income		-1 903	-1 903
Transactions with shareholders			
Shareholder contributions received		6 000	6 000
Current tax, Group contributions		-1 020	-1 020
Total transactions with shareholders		4 980	4 980
Closing balance, 30 June 2016	500	30 071	30 571
Opening balance, 1 January 2017	500	31 995	32 495
Comprehensive income			
Profit/loss for the period		0	0
Other comprehensive income			
Total other comprehensive income		0	0
Transactions with shareholders			
Shareholder contributions received		3 000	3 000
Shareholder contribution repaid		-2 340	-2 340
Total transactions with shareholders		660	660
Closing balance, 30 June 2017	500	32 655	33 155

PARENT COMPANY
CASH FLOW STATEMENT, SEK '000

	2017-01-01 <u>2017-06-30</u>	2016-01-01 <u>2016-06-30</u>	2016-01-01 <u>2016-12-31</u>
	<u>Note</u>		
Cash flow from operating activities	12		
Cash flow from operations	37 802	136 534	131 515
Interest paid	-61 528	-163 479	-163 479
Interest paid	30 465	30 465	60 930
	<u>6 739</u>	<u>3 520</u>	<u>28 966</u>
Cash flow from operating activities			
Investing activities			
Increase, shares in Group companies	-119 240	-899 720	-951 345
Decrease in non-current financial assets	-	12 253	-
	<u>-119 240</u>	<u>-887 467</u>	<u>-951 345</u>
Financing activities			
Group contributions paid	-9 002	-14 352	-22 745
Shareholder contributions received	3 000	6 000	9 000
Shareholder contribution repaid	-2 340	-1 020	-3 735
Increase in non-current liabilities	118 580	1 078 000	946 080
Decrease in non-current liabilities	-	-183 260	-
	<u>110 238</u>	<u>885 368</u>	<u>928 600</u>
Cash flow for the period	-2 263	1 421	6 221
Cash and cash equivalents at beginning of period	15 071	8 850	8 850
Cash and cash equivalents at end of period	12 808	10 271	15 071

NOTES TO THE ACCOUNTS AND ACCOUNTING PRINCIPLES

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting in respect of the Group and in accordance with the Swedish Annual Accounts Act and the provisions of Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company. In other respects, the accounting principles and bases of assessment used are the same as in the last annual report.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been valued at closing rates. Currency futures used to hedge short-term investments are stated at fair value with changes in value recognised through profit or loss as interest income and similar items. The following exchange rates have been used in translating assets and liabilities:

EUR 9.6734 (9.4164); USD 8.469 (8.4813); NOK 100 = 100.994 (100.8135) GBP 11.0144 (11.3917)

Note 2 Administrative expenses

Intercompany purchases and sales:

Administrative expenses include expenses for administered services and office expenses in the amount of SEK 13.1 (10.4) million billed by Proventus Capital Management AB in the first half of 2017. Proventus Capital Partners III AB paid Group contributions to the parent company in the amount of SEK 8.2 (7.6) million and received Group contributions of SEK 0.0 (59.9) million.

Note 3 Employees and staff costs

Parent company	2017-01-01	2016-01-01
Remuneration (AIF funds)	<u>2017-06-30</u>	<u>2016-06-30</u>
Remuneration paid to all employees:		
Fixed remuneration	8 014	9 288
Number of people	10	11
Remuneration paid to senior management and employees whose activities have a material impact on the risk profile of the alternative investment fund:		
Fixed remuneration	3 432	4 354
Number of people	3	4

The subsidiary company Proventus Capital Partners III KB had no employees during the financial year. All pensions in Group company/parent company are defined contribution pensions. No variable remuneration was paid during the year.

Note 4 Loss, discontinued operation

	Group	
	2017-01-01	2016-01-01
	<u>2017-06-30</u>	<u>2016-06-30</u>
Profit/loss, discontinued operation	-	-1 102 221
Change in value of profit participating certificates attributable to impaired operation	-	980 359
Total	<u>-</u>	<u>-121 862</u>

Note 5 Interest income, interest expense and similar items

	Group	
	2017-01-01	2016-01-01
	<u>2017-06-30</u>	<u>2016-06-30</u>
Interest income and similar items		
Interest income and change in value of loans and bonds	366 262	250 521
Foreign exchange gain/loss	5 887	180
Other financial income	<u>11 004</u>	<u>25 273</u>
Total	<u><u>383 153</u></u>	<u><u>275 974</u></u>
Interest expense and similar items		
Change in value, profit participating certificates	-303 792	-244 604
Interest expense	-74	-3 608
Foreign exchange gain/loss	<u>-2 013</u>	<u>-4 935</u>
Total	<u><u>-305 879</u></u>	<u><u>-253 147</u></u>
	Parent company	
	2017-01-01	2016-01-01
	<u>2017-06-30</u>	<u>2016-06-30</u>
Interest income and similar items		
Other interest income	8 237	9 392
Foreign exchange gain/loss	158	117
Other financial income	<u>-</u>	<u>369</u>
Total	<u><u>8 395</u></u>	<u><u>9 878</u></u>
Interest expense and similar items		
Change in value, profit participating certificates	-303 792	735 756
Interest expense	-8 243	-9 393
Foreign exchange gain/loss	<u>-157</u>	<u>-115</u>
Total	<u><u>-312 192</u></u>	<u><u>726 248</u></u>

Note 6 Tax

	Group	
	2017-01-01	2016-01-01
	<u>2017-06-30</u>	<u>2016-06-30</u>
Reported profit before tax	39 689	-92 489
Tax calculated at applicable rate, 22%	-8 732	0
Tax attributable to minority's interest in limited partnership	<u>8 732</u>	<u>0</u>
Reported tax expense	<u><u>0</u></u>	<u><u>0</u></u>
	Parent company	
	01/01/2017	01/01/2016
	<u>2017-06-30</u>	<u>2016-06-30</u>
Reported profit before tax	0	-1 903
Tax calculated at applicable rate, 22%	0	0
Reported tax expense	<u><u>0</u></u>	<u><u>0</u></u>

The tax profit is adjusted in the parent company through Group contributions at year-end. No tax has therefore been calculated on the profit, as the size of the Group contribution is determined at year-end.

Note 7 Non-current financial assets

	Group	
	<u>2017-06-30</u>	<u>2016-06-30</u>
Other securities held as non-current assets	5 783 556	4 892 908
Accrued interest	57 047	49 063
Total	<u>5 840 603</u>	<u>4 941 971</u>

	Parent company	
	<u>2017-06-30</u>	<u>2016-06-30</u>
Other securities held as non-current assets	169 332	196 015
Accrued interest	392	453
Total	<u>169 724</u>	<u>196 468</u>

Other securities held as non-current assets refer to direct loans to businesses. At the end of the period the portfolio comprised 21 commitments. The portfolio will be expanded with additional loans in the second half of 2017. The loan maturities will vary and are estimated at three to five year or more.

Note 8 Interests in Group companies

				Parent company	
	Regd office	Corp. ID no.	Equity interest	<u>2017-06-30</u> Carrying amount	<u>2016-06-30</u> Carrying amount
Proventus Capital Partners III KB	Stockholm	969736-8125	89,44%	5 948 585	5 777 720

	<u>2017-06-30</u>	<u>2016-06-30</u>
Cost at beginning of year	5 829 345	4 878 000
Capital contributions	542 000	1 084 000
Capital contribution repaid	-422 760	-184 280
Cost at end of period	<u>5 948 585</u>	<u>5 777 720</u>

Note 9 Short-term investments

Group	<u>2017-06-30</u>		<u>2016-06-30</u>	
	Cost	Fair value	Cost	Fair value
Derivatives	-	97 499	-	43 699
Bonds	552 296	622 330	828 192	773 525
Accrued interest	9 900	9 900	1 284	9 729
	<u>562 196</u>	<u>729 729</u>	<u>829 476</u>	<u>826 953</u>

The holdings were valued at market value.

Portfolio composition

2017-06-30	Nominal value, local currency	Average price	Fair value, local currency	Exchange rate	Fair value, SEK
Bonds (USD)	35 651	90,30%	32 193	8,4690	272 642
Bonds (EUR)	36 700	98,50%	36 150	9,6734	349 688
Bonds (NOK)	-		-	-	-
					<u>622 330</u>

2016-06-30	Nominal value, local currency	Average price	Fair value, local currency	Exchange rate	Fair value, SEK
Bonds (USD)	55 602	74,31%	41 320	8,4813	350 448
Bonds (EUR)	28 700	85,00%	24 395	9,4164	229 714
Bonds (NOK)	274 000	70,00%	191 800	100,8135	193 362
					<u>773 525</u>

Note 10 Liabilities to credit institutions

	Group	
	2017-06-30	2016-06-30
Drawn overdraft facility with SEB	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

The subsidiary had an overdraft facility of SEK 500 million. The credit is used for short-term funding of new deals before new capital is raised from the holders of profit participating certificates

Note 11 Other non-current liabilities

Profit participating certificates

The holders of profit participating certificates have undertaken to provide funding of up to SEK 10,780 million. The owners' contributions under the same agreement is SEK 1,340 million. The capital can be accessed on ten days' notice in instalments of five per cent of the total undertaking.

The lenders bear the same risk as the shareholders in the company and the return is dependent on the outcome of the company's portfolio management activities. The loans have no guaranteed return or guaranteed right to repayment. The loans have no guaranteed return or guaranteed right to repayment. The return is contingent on the realisation of profits and is settled quarterly if the conditions for payment under the terms of the loans have been met, see also the information under "Accounting principles".

Return profit participating loans

SEK	Maturity	2017-06-30		2016-06-30	
		Nominal value	Market value	Nominal value	Market value
Profit participating certificates	2014-2024	5 915 660	6 108 392	5 745 740	5 274 613
Unrealised gain			192 732		-471 127
Realised gain			<u>260 132</u>		<u>198 604</u>
Total gain profit participating loans			452 864		-272 523

The profit participating loans are listed on NGM Nordic Growth Market.

Note 12 Cash flow from operating activities

	Group		Parent company	
	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2017-06-30</u>	<u>2016-06-30</u>
Profit before tax	39 689	-92 489	0	-1 903
<i>Adjustments for non-cash items, etc.</i>				
Unrealised gain/loss on currency futures	-44 911	186 560	-	-
Unrealised gain/loss on short-term investments	16 091	26 122	-	-
Unrealised gain/loss on non-current financial assets	57 303	1 238 330	0	0
Group contribution paid	8 183	7 646	8 183	7 646
Group contribution received	-	-59 958	-	-58 402
Interest expense recognised in period	303 697	-66	303 697	-66
Interest income recognised in period	-31 720	-690 719	94	-735 690
Decrease/Increase in current receivables	82 833	-1 877	-118	-48
Decrease/Increase in receivables, Group companies	-	-168 523	-337 025	-
Decrease/Increase in liabilities, Group companies	1 328	162 964	62 856	924 329
Decrease/Increase in current liabilities	3 710	549	115	668
Cash flow from operations	436 203	608 539	37 802	136 534

Note 13 Pledged assets

	Group	
	<u>2017-06-30</u>	<u>2016-06-30</u>
Pledged cash collateral for currency contracts	65 000	50 000
	<u>65 000</u>	<u>50 000</u>

Note 14 Contingent liabilities

	Group	
	<u>2017-06-30</u>	<u>2016-06-30</u>
Funding commitments made to existing borrowers.	284 000	652 000
Contingent liability in the capacity of general partner of Proventus Capital Partners III KB	10 827	88 801
	<u>294 827</u>	<u>740 801</u>

	Parent company	
	<u>2017-06-30</u>	<u>2016-06-30</u>
Contingent liability in the capacity of general partner of Proventus Capital Partners III KB	10 827	88 801
	<u>10 827</u>	<u>88 801</u>

Note 15 Related-party transactions

Proventus Capital Partners III AB (publ) is owned by Proventus Capital Management AB (corp. ID no. 556930-7027), which the Group.

The parent company provides services to the company, for which it receives a management fee that is based on total capital. The fee is billed on a quarterly basis, including VAT. The fee, which is included in administrative expenses, was SEK 13.1 (10.4) in the first half of 2017. Proventus Capital Partners III AB paid Group contributions of SEK 8.2 (7.6) million to the parent company and received Group contributions from the parent company in the amount of SEK 0.0 (59.9) million.

Stockholm, 28 August 2017

Anders Thelin
Chairman

Daniel Sachs
CEO

Gabriella Sahlman

Åsa Hansdotter

Lars Åberg

This interim report has been reviewed by the company's auditor.



Auditor's report

Proventus Capital Partners III AB (publ), 556926-8021

Introduction

We have reviewed the condensed interim financial information (interim report) of Proventus Capital Partners III AB (publ) as of 30 June 2017 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 29 August 2017

Öhrlings PricewaterhouseCoopers

Peter Clemedtson
Authorized Public Accountant