

## NAXS AB (publ) Interim Report January-September 2017

### Nine months 2017

- Net profit/loss for the period amounted to MSEK 43.4 (55.1).
- Earnings per share amounted to SEK 3.07 (3.70).
- Net asset value amounted to MSEK 824 (SEK 60.41 per share) at September 30, 2017, compared to MSEK 842 (SEK 56.69 per share) at year-end 2016.
- Net cash amounted to MSEK 455 (SEK 33.35 per share) at September 30, 2017, compared to MSEK 384 (SEK 25.85 per share) at year-end 2016.
- The 2017 Annual General Meeting resolved that no dividend would be paid for FY 2016 in view of the fact that SEK 38m (SEK 2.57/share) had been distributed through shares buybacks during Q1 2017.

### Third quarter 2017

- Net profit/loss for the quarter amounted to MSEK -16.4 (9.9).
- Earnings per share amounted to SEK -1.19 (0.66).

### Comments by the CEO



NAXS's NAV/share contracted by 1.9% during the third quarter, due to a slightly negative development of the valuation of private equity fund investments and exchange rates. Over the first nine months of 2017, the NAV/share increased by 6.6%, and by 11.5% over 12 months.

NAXS continued to repurchase its own shares during the third quarter, acquiring 419,282 shares. These repurchases, made at an average discount of 16% to the June 30<sup>th</sup> net asset value, were deemed capital-efficient for the Company and value-accretive for our shareholders. As of the end of the third quarter, NAXS held a total of 422,812 shares, representing 3% of the total number of shares.

*Lennart Svantesson*

## Financial summary

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Net profit/loss for the period, KSEK	43 403	55 074	-16 426	9 867

	<b>2017</b>	<b>2016</b>
	09/30	12/31
Private equity fund investments, KSEK	370 038	458 701
Private equity fund investments in % of equity	45	55
Remaining commitments, KSEK	99 427	58 444
Total exposure to private equity fund investments, KSEK	469 465	517 145
Net cash, KSEK	454 999	383 807
Private equity fund investments per share, SEK	27.12	30.89
Net cash per share, SEK	33.35	25.85
Net asset value per share, SEK	60.41	56.69
Share price, SEK	50.00	49.40

## Operations

NAXS AB (publ) ("NAXS" or the "Company") is an investment company listed on NASDAQ Stockholm. NAXS primarily invests in private equity funds with a Nordic focus, but may also make direct investments or co-investments alongside private equity or other alternative assets funds. In addition, NAXS may, to a limited extent, make other types of investments.

Operations commenced on April 17, 2007, and the Company was listed on First North on May 14, 2007, where it traded until its change of listing to NASDAQ Stockholm on June 8, 2010.

NAXS is the Group's parent company and is headquartered in Stockholm. In addition to the parent company, the Group consists of an operational Danish subsidiary, NAXS A/S, headquartered in Copenhagen, and a Norwegian subsidiary, NAXS Nordic Access Buyout AS, headquartered in Oslo. The Danish subsidiary operates as the holding company for the Group's investments.

Naccess Partners AB has been contracted as the investment advisor to the Danish subsidiary.

## Market review

Despite historically high valuations, investment activity remained high in the Nordic private equity market, supported by the large amounts of capital available to private equity managers and the availability of financing at attractive terms, while exit activity continued to benefit from supportive public markets.

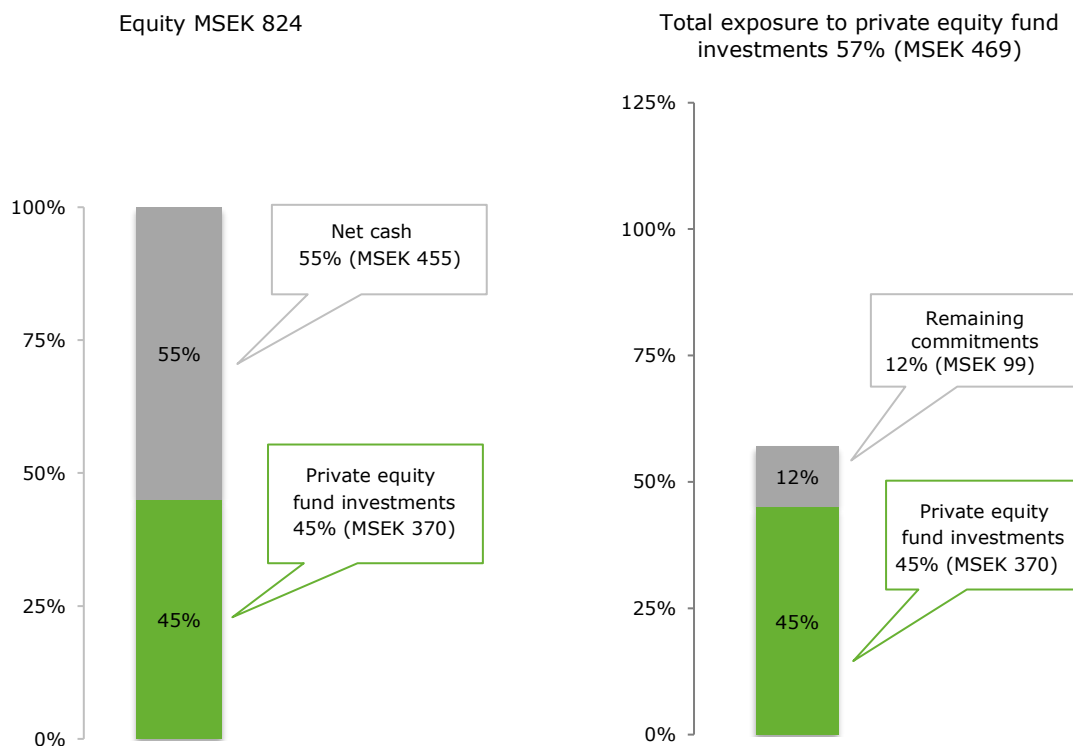
## Fund portfolio

As of September 30, 2017, NAXS had commitments to 9 private equity funds (8 buyout funds and 1 special situations fund).

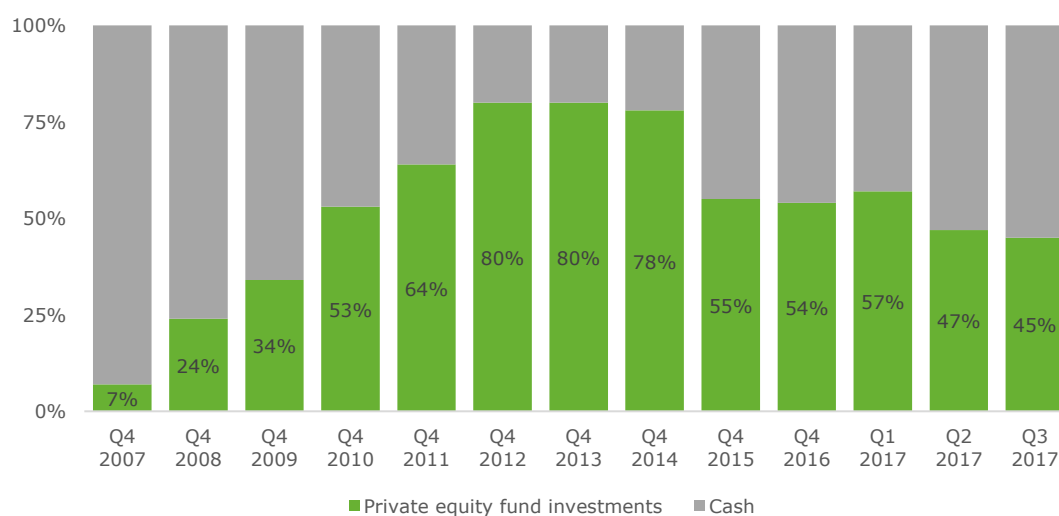
At the end of the second quarter:

- private equity fund investments amounted to MSEK 370, which corresponds to 45 percent of the Company's equity;
- remaining commitments amounted to MSEK 99;
- total exposure to private equity fund investments amounted to MSEK 469, which corresponds to 57 percent of the Company's equity.

*Private equity fund investments and total exposure to private equity fund investments  
(in % of equity)*

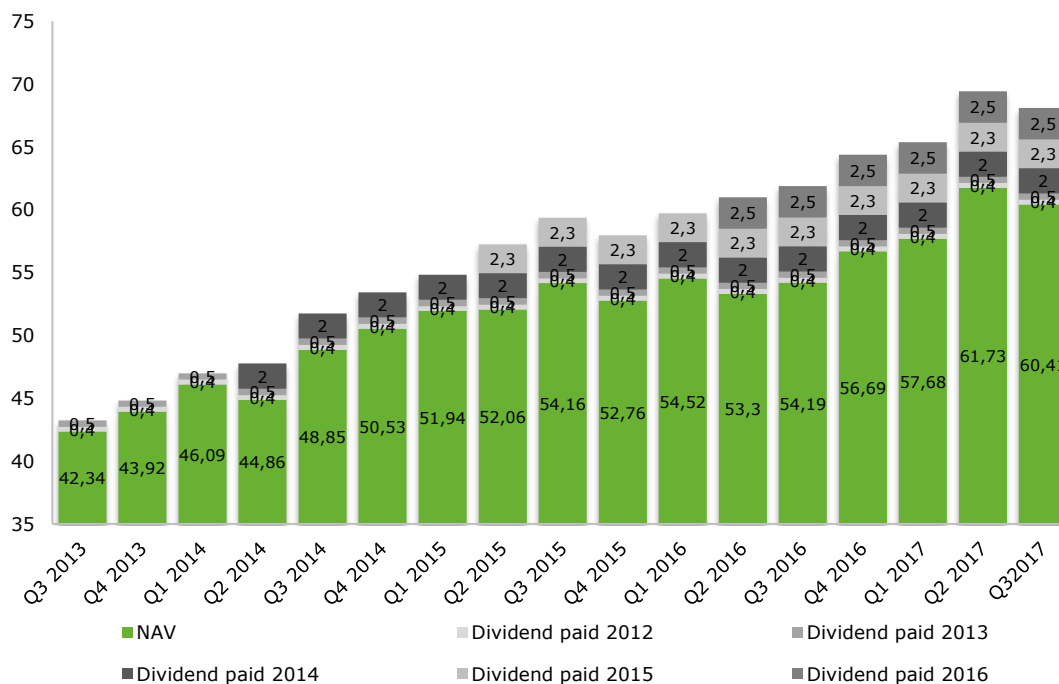


*Evolution of private equity fund investments (in % of equity)*



The net asset value (NAV) per share increased by 6.6% during in the interim period and 11.5% over 12 months.

#### NAV per share in SEK



#### Acquisitions and liquidity events

##### Acquisitions

No new portfolio company was acquired during the quarter, although several add-on acquisitions were made.

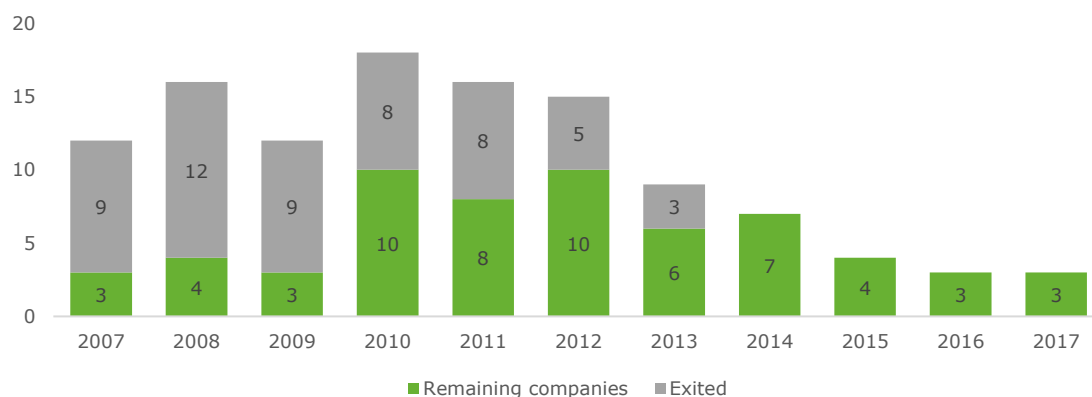
##### Liquidity events

During the third quarter, Apax Europe VII fully exited Bankrate, which it had listed on the NASDAQ in 2011, FSN Capital entered into an agreement to divest education provider Vindora, Herkules Private Equity III signed an agreement for the divestment of energy software developer Enoro, while Nordic Capital VII sold its remaining shares in discount retailer Tokmanni, which it had initially listed on NASDAQ Helsinki in 2016.

Portfolio Company	Sector	Year of initial investment	Fund
Bankrate	Financial services	2009	Apax Europe VII
Vindora	Business services	2009	FSN Capital III
Enoro	IT & Telecom	2010	Herkules III
Tokmanni	Consumer goods & services	2012	Nordic Capital Fund VII

As of September 30, 2017, NAXS underlying funds had acquired a total of 115 companies, 54 of which had been fully divested. These 54 exits have generated an average gross IRR of 23%. The average holding period for the remaining 61 portfolio companies is approx. 5.5 years.

*No. of portfolio companies acquired per year*



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	total
No of new portfolio companies	12	16	12	18	16	15	9	7	4	3	3	115
No of exits during the year				4		4	11	9	9	10	7	54
No of companies acquired in the year that are now fully exited	9	12	9	8	8	5	3					54

**September 30, 2017**

- Total exposure to private equity fund investments: 57% of total equity
- Private equity fund investments: 45% of total equity
- Number of full exits since inception: 54
- Average gross IRR generated by the 54 full exits since inception: 23%

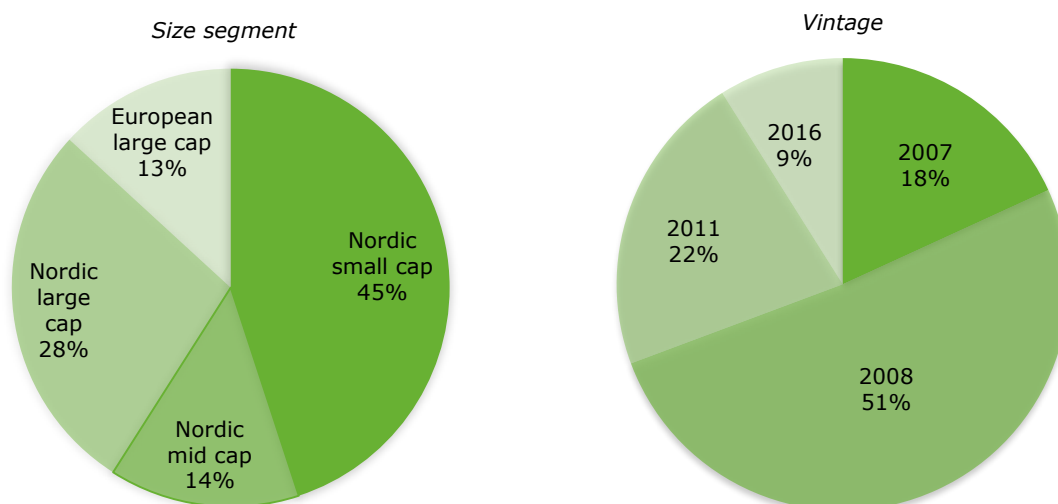
### Portfolio composition/diversification

As of September 30, 2017, NAXS provided the following exposure:

- 9 private equity funds (8 buyout funds and 1 special situations fund) from 7 managers

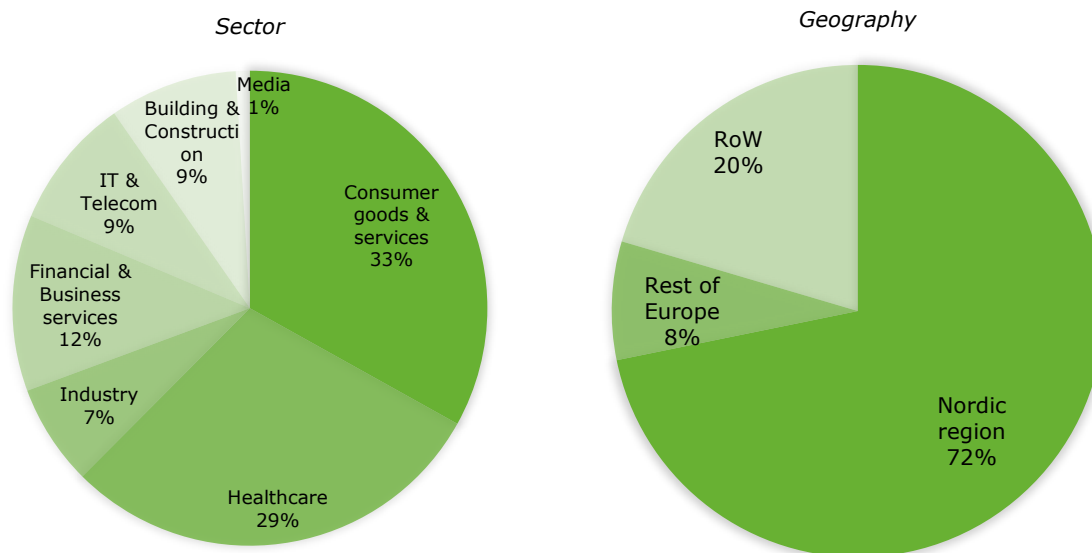
Fund	Commitment Year	Commitment Currency	Initial Commitment Amount (in 000s)
Apax Europe VII LP	2007	EUR	15,000
FSN Capital III LP	2008	EUR	10,000
Herkules Private Equity III LP	2008	NOK	40,000
Intera Fund I KY	2007	EUR	7,000
Intera Fund II KY	2011	EUR	7,250
Mimir Invest AB	2017	SEK	50,000
Nordic Capital Fund VII LP	2008	EUR	20,000
Valedo Partners Fund I AB	2007	SEK	60,000
Valedo Partners Fund II AB	2011	SEK	65,000

- 4 different fund vintages and a diversification in terms of size segments, with small cap being the largest, as illustrated below (based on current commitments):



- 61 portfolio companies (remaining after 54 exits) acquired over a period of approx. 10 years, with the 10 largest holdings accounting for less than 25% of the total equity and no single portfolio company accounting for more than 4.2% of the total equity.

- a diversification per geography and sector as illustrated below (based on the fair value of the current portfolio companies):



## Underlying funds

Summary information regarding NAXS' underlying funds is provided below:

Fund	Fund size	Segment	Vintage	Geographic focus	# of portfolio companies	# of exits
Valedo I	MSEK 1,000	small cap	2007	Sweden	2	7
Intera I	MEUR 125	small cap	2007	Finland	3	4
Apax VII	MEUR 11,000	large cap	2008	Europe/Global	13	22
FSN III	MEUR 375	mid cap	2008	Norway/Nordic	3	7
Herkules III	MNOK 6,000	mid cap	2008	Norway/Nordic	4	7
Mimir Invest	<MSEK 500	small cap	2017	Sweden/Nordic	2	0
Nordic Capital VII	MEUR 4,300	mid/large cap	2008	Primarily Nordic	13	5
Intera II	MEUR 200	small cap	2011	Finland	11	1
Valedo II	MSEK 2,000	small cap	2011	Sweden	10	1



## Group

### Financial performance, Third quarter 2017

#### Operating profit/loss

The operating profit/loss amounted to KSEK -16 748 (10,196) for the quarter. The operating profit/loss includes a change in value of KSEK -13,014 (13,476). Operating expenses amounted to KSEK 3,734 (3,281).

### Financial performance, Nine months 2017

#### Operating profit/loss

The operating profit/loss amounted to KSEK 43,591 (56,879) for the interim period. The operating profit/loss includes a change in value of KSEK 54,287 (66,542), whereof KSEK 53,781 (66,542) is a change in value of private equity fund investments and KSEK 504 (-) is a change in value of other investments. Realized profit/loss in private equity fund investments amounts to KSEK 128,504 (44,108), and unrealized profit/loss amounted to KSEK -74,723 (22,434). The currency effects are included in the changes in value, and amounted to KSEK 3,563 (24,385) for the interim period. Operating expenses amounted to KSEK 10,696 (9,663).

#### **January 1–September 30, 2017**

- Changes in value of private equity fund investments: KSEK 53,781, whereof currency effects on private equity fund investments: KSEK 3,563
- Changes in value of other investments: KSEK 504

#### Financial items

Financial items net totaled KSEK -188 (-1,805) for the interim period. Interest expenses on cash in banks amounted to KSEK -1,525 (-1,228). Exchange rate profit/loss amounted to KSEK 1,337 (-557).

#### Tax and net profit

The Group's profit/loss after financial items for the interim period amounted to KSEK 43,403 (55,074). Income taxes amounted to KSEK 0 (0). Net profit/loss after tax amounted to KSEK 43,403 (55,074). Earnings per share were SEK 3.07 (3.70).

### Investments, financing and liquidity

#### Private Equity Fund Investments

During the first half-year, net repayments from private equity funds amounted to KSEK 142,444 (38,395) whereof KSEK 128,504 (44,109) is realized gains. As of June 30, 2017, private equity fund investments amounted to KSEK 370,038 (458,701). During the interim period, NAXS also divested its position in MIPS AB, which was acquired for KSEK 1,840 during the first quarter, generating a profit of KSEK 504.

#### **September 30, 2017**

Private equity fund investments per share: SEK 27.12

### Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to KSEK 824,198 (841,816) at the end of the interim period, corresponding to SEK 60.41 (56.69) per share and an equity/asset ratio of 100 (100) percent.

#### **September 30, 2017**

Equity per share: SEK 60.41

### Net cash

At the end of the interim period, net cash amounted to KSEK 45,999 (383,807), which corresponds to SEK 33.35 (25.85) per share. During the period, cash and cash equivalents were invested in interest-bearing instruments or held on interest-bearing bank accounts, in accordance with the Company's policy.

#### **September 30, 2017**

Net cash per share: SEK 33.35

### Significant risks and uncertainty factors

Significant risks and uncertainty factors are described in the Annual Report 2016.

There has been no significant change in relation to risks and uncertainty factors since the publication of the Annual Report.

### Future prospects

NAXS doesn't expect the fundamentals for the Nordic private equity and financial markets to change materially in the short term.

### Parent company

The parent company has not had any sales during the period. The profit/loss after financial items amounted to KSEK 10,471 (148,962). During the period, dividend from subsidiaries amounting to KSEK 14,466 (150,600) was received. The net interest income amounted to KSEK -889 (-396) and exchange rate profit/loss amounted to KSEK -29 (1,307). Income tax amounted to KSEK 0 (0). The net profit/loss amounted to KSEK 10,471 (148,962).

### Organization

The Company's CEO is Lennart Svantesson. The Board of Directors consists of John D. Chapman (chairman), Tony Gardner-Hillman and Andrew Wignall, who were re-elected at the 2017 annual general meeting, as well as Damhnait Ni Chinneide, who was elected at the same annual general meeting.

### Nomination Committee

The Nomination Committee consists of Amaury de Poret, representing QVT Fund LP, Hugh Wrigley, representing Global Endowment Management, and NAXS's chairman John D. Chapman. The Nomination Committee can be contacted via e-mail to: [chapman.jd@gmail.com](mailto:chapman.jd@gmail.com).

## The share

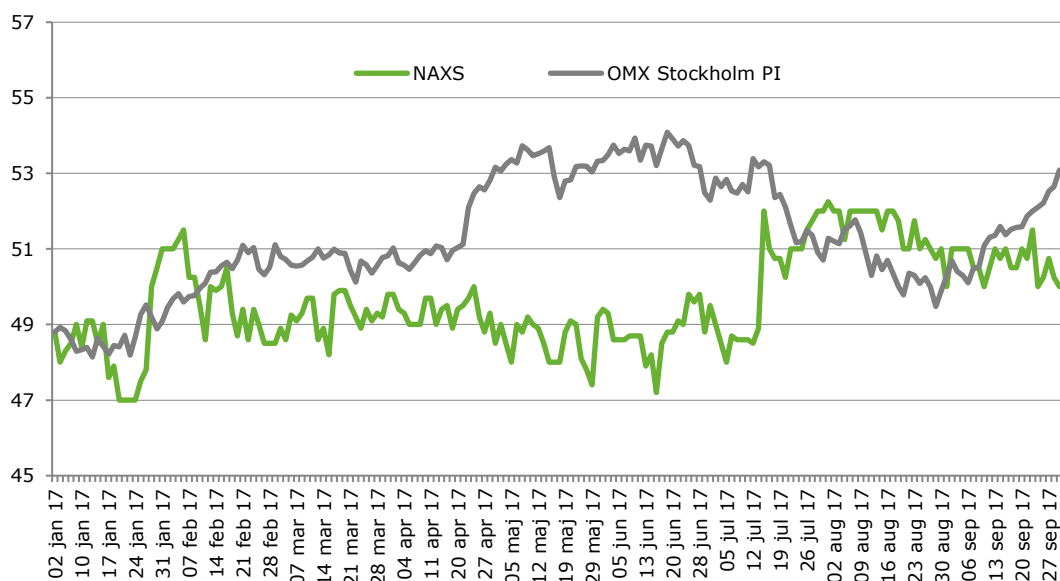
The NAXS share was initially listed on First North on May 14, 2007. Since June 8, 2010, the share is traded on NASDAQ Stockholm. The share trades under the designation "NAXS".

The number of outstanding shares in the Company at the beginning of the year was 14,848,302. During the interim period 1,204,583 shares were repurchased. The number of outstanding shares in the Company at the end of the interim period was 13,643,719.

In June, the company made a share cancellation of 933,469 repurchased shares. Prior to the cancellation of repurchased shares, there was a total of 15,000,000 shares and voting rights in NAXS. The number of shares and voting rights decreased by 933,469 through the share cancellation. Following completion of the share cancellation, the total number of shares and voting rights in NAXS was 14,066,531.

At the end of the interim period, the NAXS share price was SEK 50,00 and the total shareholders' equity per share was SEK 60.41. The Company's market capitalization was MSEK 682 and the number of shareholders was 975.

### *Evolution of the share price to September 30, 2017*



## Accounting principles

The condensed consolidated financial statements have been established in accordance with the International Financial Reporting Standards (IFRS), as recognized by the EU. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Reporting legislation.

The accounting principles applied in this report are described in the Annual Report 2016. The Parent Company follows the Swedish Annual Reporting legislation and the Swedish Financial Reporting Board RFR 2 for legal entities, which provides that the IFRS principles shall apply.

## Alternative performance measures

The definitions for the net asset value, net cash/net debt and gross IRR performance measures are provided in the 2016 Annual Report and in the definitions on page 19 of this report. The equity ratio is defined as equity in relation to total assets. These alternative performance measures are essential for the understanding and evaluation of NAXS's business.

## Financial information

Year-End Report: January 30, 2018  
Annual report 2017: Week 5, 2018  
Interim Report (3 months): April 20, 2018  
Annual General Meeting: June 1, 2018  
Interim Report (6 months): July 13, 2018  
Interim Report (9 months): October 19, 2018

## Contact persons

Lennart Svantesson, CEO  
+46 73 311 00 11  
[lennart.svantesson@naxs.se](mailto:lennart.svantesson@naxs.se)  
Gösta Lundgren, CFO  
+46 70 710 47 88  
[gosta.lundgren@naxs.se](mailto:gosta.lundgren@naxs.se)

## Ticker codes

NAXS SS in Bloomberg  
NAXS.ST in Reuters

This information is information that NAXS AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8.30 CET on October 20, 2017.

*This report is an in-house translation of the original report in Swedish*

Stockholm, October 20, 2017

John D. Chapman  
*Chairman*

Tony Gardner-Hillman  
*Director*

Damhnait Ni Chinneide  
*Director*

Andrew Wignall  
*Director*

Lennart Svantesson  
*Chief Executive Officer*

This report and other information are available on [www.naxs.se](http://www.naxs.se)

NAXS AB (publ)  
Corp. Reg. No. 556712-2972  
Grev Turegatan 10  
114 46 Stockholm, Sweden  
Tel: +46 8 611 33 25, E-mail: [info@naxs.se](mailto:info@naxs.se)

## Consolidated Income Statement

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Change in value	54 287	66 542	-13 014	13 476
Operating costs Note 1	-10 696	-9 663	-3 734	-3 281
<b>Operating profit/loss</b>	<b>43 591</b>	<b>56 879</b>	<b>-16 748</b>	<b>10 196</b>
Net financial items	-188	-1 805	322	-329
<b>Profit/loss after financial items</b>	<b>43 403</b>	<b>55 074</b>	<b>-16 426</b>	<b>9 867</b>
Income taxes	-	-	-	-
<b>Net profit/loss</b>	<b>43 403</b>	<b>55 074</b>	<b>-16 426</b>	<b>9 867</b>
<b>Attributable to:</b>				
Parent company shareholders	<b>43 403</b>	<b>55 074</b>	<b>-16 426</b>	<b>9 867</b>
Earnings per share, SEK*	3,07	3,70	-1,19	0,66
Average number of shares, 000s*	14 125	14 870	13 853	14 870

\* Basic and diluted

## Consolidated Statement of Comprehensive Income

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-30/9	1/1-30/9	1/7-30/9	1/7-30/9
Net income	43 403	55 074	-16 426	9 867
<b>Other comprehensive income</b>				
<i>Items which will be reversed to the income statement</i>				
Exchange differences	-1 106	3 065	-3 425	3 263
<b>Net income</b>	<b>42 297</b>	<b>58 139</b>	<b>-19 851</b>	<b>13 130</b>
<b>Attributable to:</b>				
Parent company shareholders	42 297	58 139	-19 851	13 130
<b>Total comprehensive income</b>	<b>42 297</b>	<b>58 139</b>	<b>-19 851</b>	<b>13 130</b>

## Consolidated Balance Sheet

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>
	9/30	12/31
<b>Assets</b>		
Private equity fund investments	370 038	458 701
<b>Total non-current assets</b>	<b>370 038</b>	<b>458 701</b>
Other receivables	149	78
Cash and cash equivalents	454 999	383 807
<b>Total current assets</b>	<b>455 148</b>	<b>383 885</b>
<b>Total assets</b>	<b>825 186</b>	<b>842 586</b>
<b>Equity</b>	<b>824 198</b>	<b>841 816</b>
<b>Current liabilities</b>	<b>988</b>	<b>770</b>
<b>Total equity and liabilities</b>	<b>825 186</b>	<b>842 586</b>

## Consolidated Net cash

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>
	9/30	12/31
Cash, bank and short-term investments	454 999	383 807
<b>Total net cash</b>	<b>454 999</b>	<b>383 807</b>

## Consolidated Statement of Changes in Equity

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2016</b>
	1/1-9/30	1/1-12/31	1/1-9/30
Equity at the beginning or the year	841 816	784 768	784 768
Repurchases of own shares	-59 915	-1 033	-
Dividend	-	-37 174	-37 174
Total comprehensive income for the period	42 297	95 255	58 139
<b>Shareholder's equity at the end of the period</b>	<b>824 198</b>	<b>841 816</b>	<b>805 733</b>

## Consolidated Statement of cash flows analysis

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30
Profit/loss after financial items	43 403	55 074
Adjustment for non-cash items, etc.	73 620	-18 792
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	117 023	36 282
Cash flow changes in working capital	148	134
<b>Cash flow from operating activities</b>	<b>117 171</b>	<b>36 416</b>
Acquisitions/disposals of private equity fund investments, net	13 939	-5 714
<b>Cash flow from investing activities</b>	<b>13 939</b>	<b>-5 714</b>
Repurchases of own shares	-59 915	-
Dividend	-	-37 174
<b>Cash flow from financing activities</b>	<b>-59 915</b>	<b>-37 174</b>
<b>Cash flow during the period</b>	<b>71 195</b>	<b>-6 472</b>
Cash and cash equivalents, beginning of the year *	383 807	350 970
Exchange-rate differences in cash and cash equivalents	-3	-577
<b>Cash and cash equivalents at the end of the period</b>	<b>454 999</b>	<b>343 921</b>

\* Including short-term investments



## Parent Company Income Statement

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Operating costs	-3 077	-2 549	-714	-669
<b>Operating profit/loss</b>	<b>-3 077</b>	<b>-2 549</b>	<b>-714</b>	<b>-669</b>
Income from shares in group companies	14 466	150 600	-	150 600
Net financial items	-918	911	-586	338
<b>Profit /loss after financial items</b>	<b>10 471</b>	<b>148 962</b>	<b>-1 299</b>	<b>150 269</b>
Income taxes	-	-	-	-
<b>Net profit/loss for the period</b>	<b>10 471</b>	<b>148 962</b>	<b>-1 299</b>	<b>150 269</b>

## Parent Company Statement of Comprehensive Income

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Net profit/loss for the period	10 471	148 962	-1 299	150 269
<b>Total comprehensive income for the period</b>	<b>10 471</b>	<b>148 962</b>	<b>-1 299</b>	<b>150 269</b>

## Parent Company Balance Sheet

Amounts in SEK 000s

	<b>2016</b>	<b>2015</b>
	9/30	12/31
<b>Assets</b>		
Shares in subsidiaries	481 802	481 802
Receivables on group companies	24 595	24 624
<b>Total non-current assets</b>	<b>506 397</b>	<b>506 426</b>
Other receivables	200	78
Cash and cash equivalents	287 883	337 440
<b>Total current assets</b>	<b>288 083</b>	<b>337 518</b>
<b>Total assets</b>	<b>794 480</b>	<b>843 944</b>
<b>Equity</b>	<b>793 928</b>	<b>843 372</b>
<b>Current liabilities</b>	<b>552</b>	<b>572</b>
<b>Total equity and liabilities</b>	<b>794 480</b>	<b>843 944</b>

## Parent Company Statement of Changes in equity

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2016</b>
	1/1-9/30	1/1-12/31	1/1-9/30
Equity at the beginning of the year	843 372	734 013	734 013
Repurchases of own shares	-59 915	-1 033	-
Dividend	-	-37 174	-37 174
Total comprehensive income for the period	10 471	147 566	148 962
<b>Shareholder's equity at the end of the period</b>	<b>793 928</b>	<b>843 372</b>	<b>845 801</b>

### Note 1

#### Operating costs

Amounts in SEK 000s

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Fee to the investment advisor	-6 682	-6 001	-2 922	-1 991
Carried interest to the investment advisor	-409	-513	-	-513
Personnel expenses	-1 190	-1 213	-418	-358
Other operating costs	-2 415	-1 936	-394	-419
	<b>-10 696</b>	<b>-9 663</b>	<b>-3 734</b>	<b>-3 281</b>

No related party transaction occurred during the period, except for remunerations to the board members and the managing director.

### Note 2

#### Financial assets and liabilities

NAXS's financial instruments consist of fund investments, cash and cash equivalents and accounts payable. Level 3 investments includes only the Company's publicly traded share of the fund holdings / securities of unlisted companies (in some cases, also listed companies). When observable prices are not available for these securities, the fund manager uses one or more valuation techniques (e.g. yield methods or income-based methods), or a combination of techniques, for which sufficient and reliable data are available. Within Level 3, the market approach generally uses earnings multiples of comparable companies, while the income-based approach generally uses the present value of estimated future cash flows, adjusted for liquidity, credit, market and/or other risk factors.

For NAXS, the book value of all financial assets and liabilities corresponds to fair value. All amounts are shown in the reported balance sheets.

## Definitions

### *Buyout fund*

A private equity fund, whose strategy is to acquire a controlling interest in the targeted companies

### *Cash & cash equivalents*

Cash, bank and short-term investments

### *Cash per share*

Cash & cash equivalents in relation to the number of outstanding shares at the end of the period

### *Commitment*

The maximum amount that a limited partner agrees to invest in a fund

### *Current commitments*

Acquisition cost for private equity fund investments, plus remaining commitments to private equity funds

### *Gross IRR*

The internal rate of return generated annually at the underlying private equity funds' level, before the deduction of the management fees and carried interest. The calculation includes all payments to the funds and all distributions from the funds since their inception, but excludes the management fees and carried interest

### *Net asset value (NAV)*

The fair value of total assets, less net debt (corresponds to equity)

### *Net asset value (NAV) per share*

The fair value of total assets, less net debt (corresponds to equity) in relation to the number of outstanding shares at the end of the period

### *Net cash/Net debt*

Cash and cash equivalents, short-term investments and interest-bearing current and long-term receivables, less interest-bearing current and long-term liabilities

### *Private equity fund investments*

Fair value of investments in private equity funds

### *Special situations fund*

A private equity fund, whose strategy is to acquire companies, where an active ownership is required, such as under-performing companies, and/or imply complex transactions, such as carve-outs from larger conglomerates.

### *Total assets*

All assets and liabilities not included in net debt or net cash, which is the same as the balance sheet total, less asset items included in net debt or net cash and less non-interest-bearing liabilities

### *Total exposure to private equity fund investments*

Private equity funds investments and remaining commitments to private equity funds

**THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL**

## **Review report**

NAXS AB (publ), corporate identity number 556712-2972

### **Introduction**

We have reviewed the condensed interim report for NAXS AB (publ) as at September 30, 2017 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report 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 Financial Statements 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 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 in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 20<sup>th</sup> 2017

Ernst & Young AB

Jesper Nilsson  
Authorized Public Accountant