

## NAXS Nordic Access Buyout Fund AB (publ) Interim Report January – June 2014

### First half-year 2014

- Net profit for the period amounted to MSEK 44.7 (20.3).
- Earnings per share amounted to SEK 3.00 (1.36).
- Net asset value amounted to MSEK 667 (SEK 44.86 per share) at June 30, 2014, compared to MSEK 654 (SEK 43.92 per share) at year-end 2013.
- Net cash amounted to MSEK 128 (SEK 8.59 per share) at June 30, 2014, compared to MSEK 131 (SEK 8.80 per share) at year-end 2013.

### Second quarter 2014

- Net profit/loss for the quarter amounted to MSEK 10.9 (25.0).
- Earnings per share amounted to SEK 0.73 (1.68).
- NAXS paid a dividend of SEK 2.00 per share for the fiscal year 2013.

### Comments by the CEO



There were two highlights for NAXS during the second quarter: first, the 2014 annual general meeting approved the payment of a dividend of SEK 2.00 per share in May; second, the NAXS share continued on its positive trajectory and traded with a premium to NAV during most of the quarter, making the Company one of the best performers in the listed private equity sector in Europe. These developments, as well as our confidence in the quality of our portfolio, continue to foster our positive views on NAXS' prospects.

*Lennart Svantesson*

## Financial summary

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Net profit/loss for the period, KSEK	44 656	20 281	10 876	24 998
			<b>2014</b>	<b>2013</b>
			6/30	12/31
Private equity fund investments, KSEK			537 832	522 428
Private equity fund investments in % of equity			81	80
Remaining commitments, KSEK			156 579	163 776
Total exposure to private equity fund investments, KSEK			694 411	686 204
Net cash, KSEK			127 840	131 008
Private equity fund investments per share, SEK			36.16	35.09
Net cash per share, SEK			8.59	8.80
Net asset value per share, SEK			44.86	43.92
Share price, SEK			47.10	38.80

## Operations

NAXS Nordic Access Buyout Fund AB (publ) ("NAXS" or the "Company") is an investment company listed on the NASDAQ OMX Stockholm exchange and focusing on investments in Nordic buyout funds.

The objective is to make the Nordic private equity market accessible for a broader range of investors, while offering liquidity through the Company's publicly traded shares.

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 the NASDAQ OMX 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 Nordic Access Buyout 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 private equity fund investments.

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

### Market review

Private equity activity continued at a relatively high level in the Nordic region during the second quarter of 2014, as buyout managers are making use of the dry powder at their disposal to acquire new companies and are also seizing the opportunity of generally positive market conditions to divest assets. In addition, accommodating credit markets are favorable to the financing of new acquisitions, as well as to distributions to private equity investors under the form of recapitalizations.

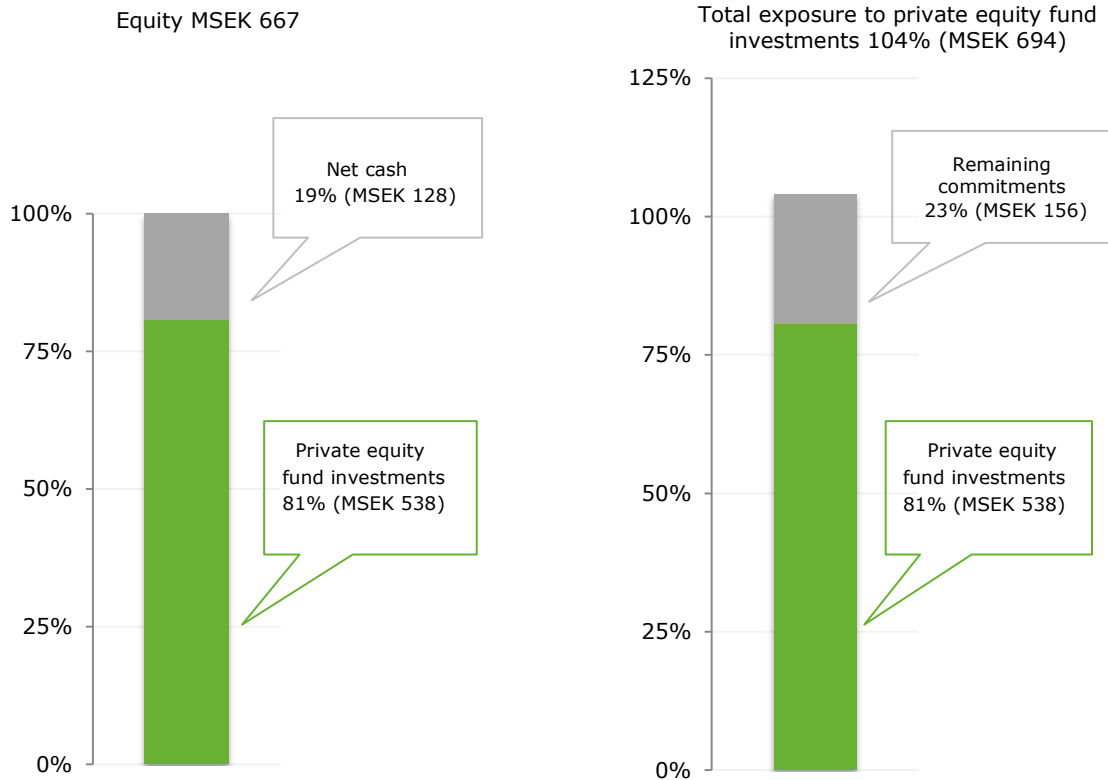
### Fund portfolio

As of June 30, 2014, NAXS had commitments to 8 underlying funds.

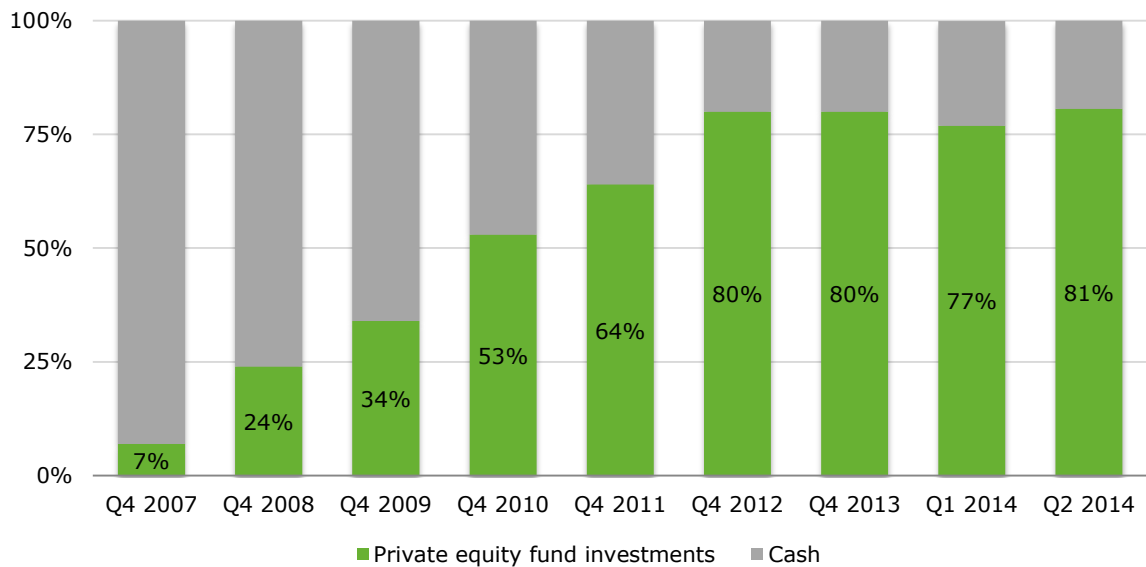
At the end of the reporting period:

- private equity fund investments amounted to MSEK 538, which corresponds to 81 percent of the Company's equity;
- remaining commitments amounted to MSEK 157, which can be used by the underlying funds for new investments;
- total exposure to private equity fund investments amounted to MSEK 694, which corresponds to 104 percent of the Company's equity.

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

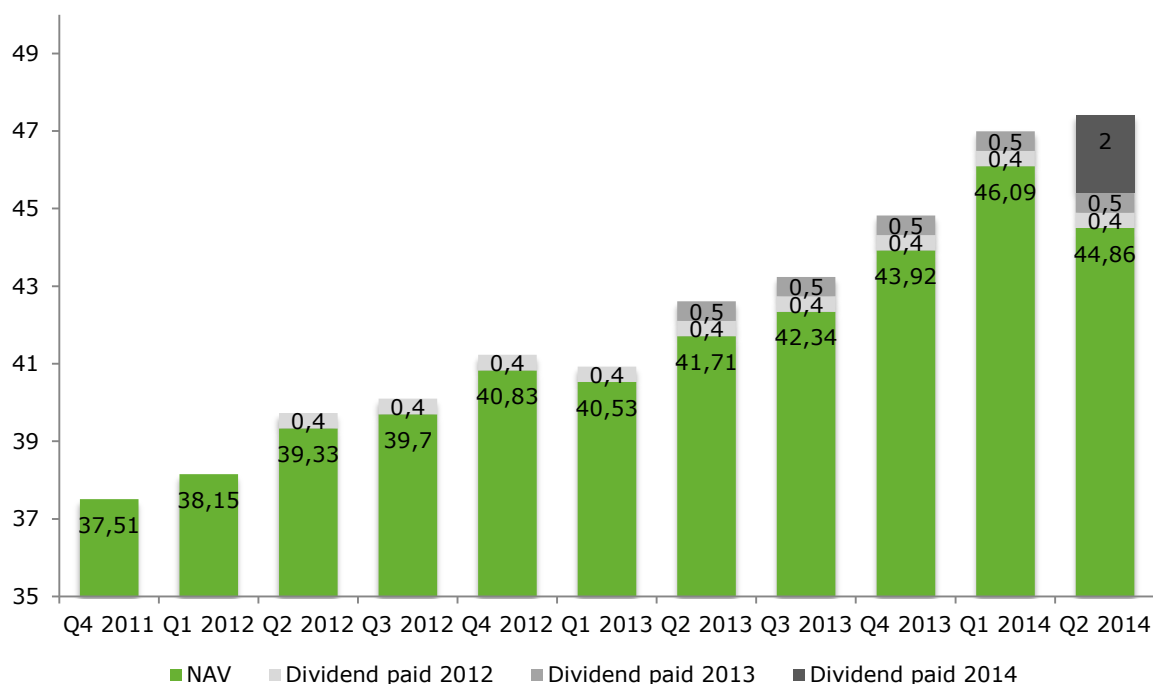


*Evolution of private equity fund investments (in % of equity)*



The net asset value (NAV) per share increased by 6.7% during the first half-year of 2014, and by 12.4% during the past 12 months (including the dividends paid).

*NAV per share in SEK*



### Acquisitions and liquidity events

During the second quarter of 2014, NAXS' underlying funds signed or closed 1 new acquisition, with Intera Fund II purchasing Silmäasema, a Finnish optical product and services provider.

Portfolio Company	Sector	Geography	Fund
Silmäasema	Healthcare	Finland	Intera Fund II

3 liquidity events occurred during the second quarter of 2014, with 2 exits and 1 recapitalization.

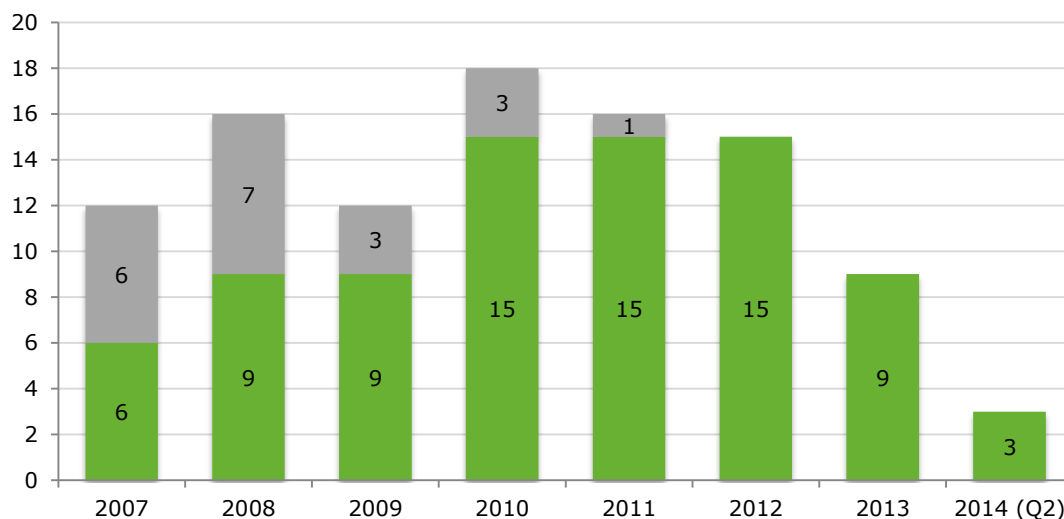
Apax Europe VII signed during the quarter an agreement for the divestment of Tnuva, a dairy manufacturer acquired in 2008, and for the divestment of Advantage Sales & Marketing, a sales and marketing agency acquired in 2010. Both transactions are expected to close later in the year.

Portfolio Company	Sector	Year of initial investment	Fund
Advantate Sales & Marketing	Services	2010	Apax Europe VII
Tnuva	Dairy industry	2008	Apax Europe VII

FSN Capital III proceeded during the quarter to a recapitalization of a portfolio company acquired in 2013.

As of June 30, 2014, NAXS underlying funds had acquired a total of 101 companies, 20 of which had been fully divested. The 20 exits have generated gross average returns of 21% per year.

*No. of portfolio companies acquired per year (exited companies in grey)*



- 101 portfolio companies acquired since inception
- 20 companies fully exited
- Average holding period of the remaining 81 portfolio companies is approx. 3.5 years

	2007	2008	2009	2010	2011	2012	2013	2014	Total
No of new portfolio companies	12	16	12	18	16	15	9	3	101
No of exits during the period				4		4	10	2	20
No of companies acquired in the year that are now exited	6	6	3	2	1				18

### June 30, 2014

- Total exposure to private equity fund investments: 104 % of total equity
- Private equity fund investments: 81 % of total equity
- Number of full exits since inception: 20
- Average gross returns generated by the 20 full exits since inception: 21% per year

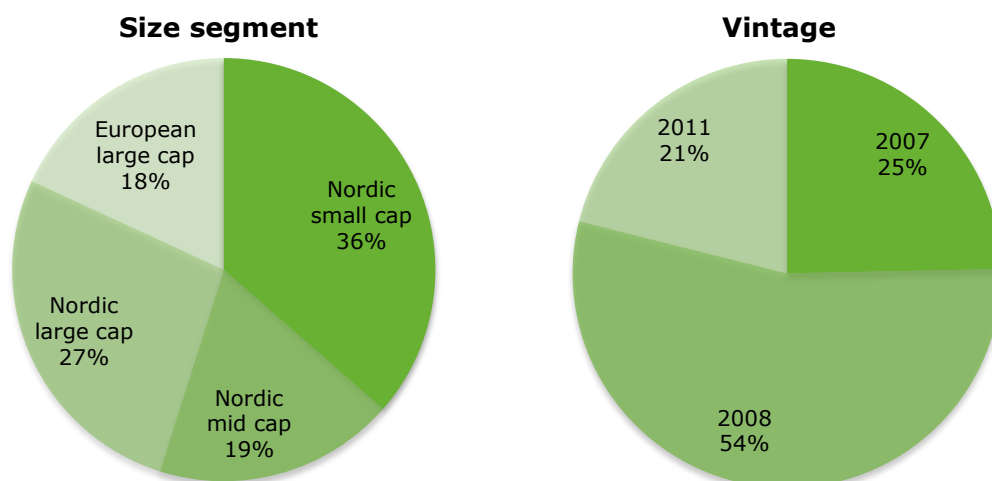
### Portfolio composition/diversification

As of June 30, 2014, NAXS provided the following exposure to the private equity buyout sector:

- 8 funds from 6 managers

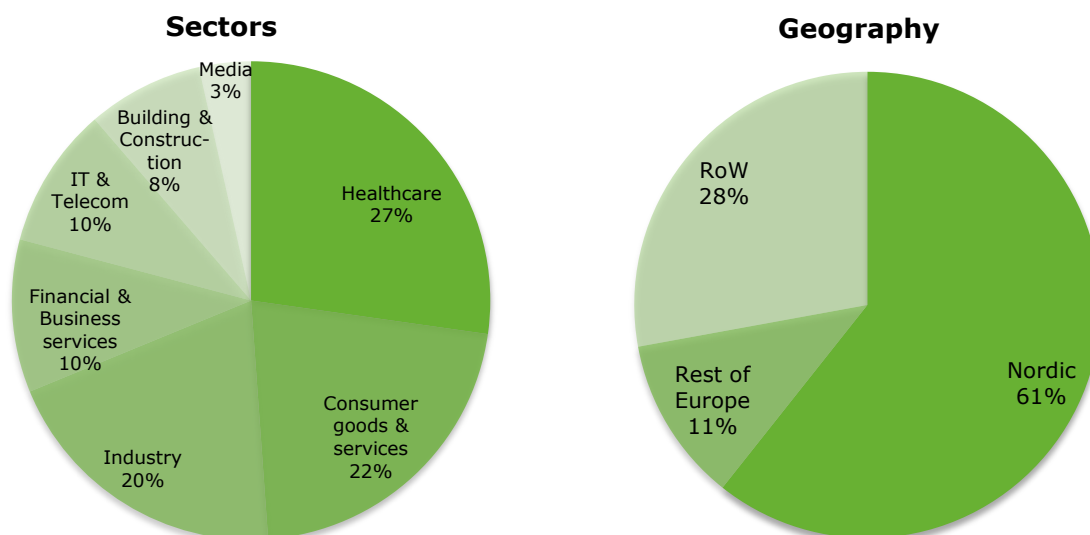
<b>Fund</b>	<b>Commitment Year</b>	<b>Commitment Currency</b>	<b>Initial Commitment Amount (in 000s)</b>
Apax Europe VII LP	2007	EUR	15,000
FSN Capital III LP	2008	EUR	10,000
Herkules Private Equity Fund III LP	2008	NOK	40,000
Intera Fund I KY	2007	EUR	7,000
Intera Fund II KY	2011	EUR	7,250
Nordic Capital 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

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



- 81 portfolio companies (remaining after 20 exits) acquired over a period of approx. 7 years, with the 10 largest holdings accounting for less than 30% of the total equity and no single portfolio company accounting for more than 10% 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 exited portfolio companies
Valedo I	MSEK 1,000	small cap	2007	Sweden	5	4
Intera I	MEUR 125	small cap	2007	Finland	5	2
Apax VII	MEUR 11,000	large cap	2008	Europe /Global	23	10
FSN III	MEUR 375	mid cap	2008	Norway /Nordic	10	0
Herkules III	MNOK 6,000	mid cap	2008	Norway /Nordic	9	2
Nordic Capital VII	MEUR 4,300	mid/large cap	2008	Primarily Nordic	16	2
Intera II	MEUR 200	small cap	2011	Finland	8	0
Valedo II	MSEK 2,000	small cap	2011	Sweden	5	0



## Group

### Financial performance, Second quarter 2014

#### Operating profit

The operating profit amounted to KSEK 10,829 (25,407) for the quarter. The operating profit includes a change in value of KSEK 14,442 (28,130). Operating expenses amounted to KSEK 3,613 (2,723).

### Financial performance, First half-year 2014

#### Operating profit

The operating profit amounted to KSEK 44,116 (19,232) for the interim period. The operating profit includes a change in value of KSEK 50,240 (24,202). The currency effects are included in the changes in value, which amounted to KSEK 13,468 (4,883) in total for the period. Operating expenses amounted to KSEK 6,124 (4,970).

#### **January 1–June 30, 2014**

Changes in value of private equity fund investments: KSEK 50,240, whereof currency effects on private equity fund investments amounted to KSEK 13,468.

#### Financial items

Financial items net totaled KSEK 324 (161) for the interim period. The net interest income amounted to KSEK 422 (352). Exchange rate profit amounted to KSEK -98 (-191).

#### Tax and net profit

The Group's profit after financial items for the interim period amounted to KSEK 44,440 (19,393). Income taxes amounted to KSEK 216 (888). Net profit after tax amounted to KSEK 44,656 (20,281). Earnings per share were SEK 3.00 (1.36).

### Investments, financing and liquidity

#### Private Equity Fund Investments

During the interim period, net repayments (net investments) in private equity funds amounted to KSEK 12,174 (31,480). As of June 30, 2014, private equity fund investments amounted to KSEK 537,832 (536,956).

#### **June 30, 2014**

Private equity fund investments per share: SEK 36.16

#### Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to KSEK 667,313 (653,803) at the end of the interim period, corresponding to SEK 44.86 (43.92) per share and an equity/asset ratio of 100 (100) percent. During the interim period 13,563 shares were repurchased, amounting to KSEK 578.

#### **June 30, 2014**

Equity per share: SEK 44.86

## Net cash

At the end of the interim period, net cash amounted to KSEK 127,840 (131,008), which corresponds to SEK 8.59 (8.80) 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.

### **June 30, 2014**

Net cash per share: SEK 8.59

## Significant risks and uncertainty factors

Significant risks and uncertainty factors are described in the Annual Report 2013. There has been no significant change in relation to risks and uncertainty factors since the publication of the Annual Report.

## Future prospects

Private equity activity in general, and NAXS' portfolio in particular, are expected to exhibit in the coming quarters the same patterns as during the first half-year of 2014.

## Parent company

The parent company has not had any sales during the period. The profit/loss after financial items amounted to KSEK 60,464 (-4,046). During the period, dividend from subsidiaries amounting to KSEK 61,470 was received. The Net interest income amounted to KSEK 457 (1,086) and exchange rate profit/loss amounted to KSEK 670 (-3,388). Income tax amounted to KSEK 216 (888). The net profit/loss amounted to KSEK 60,680 (-3,158).

## Organization

The Company's CEO is Lennart Svantesson. The Board of Directors consists of John D. Chapman (chairman), Tony Gardner-Hillman, Ramanan Raghavendran and Andrew Wignall.

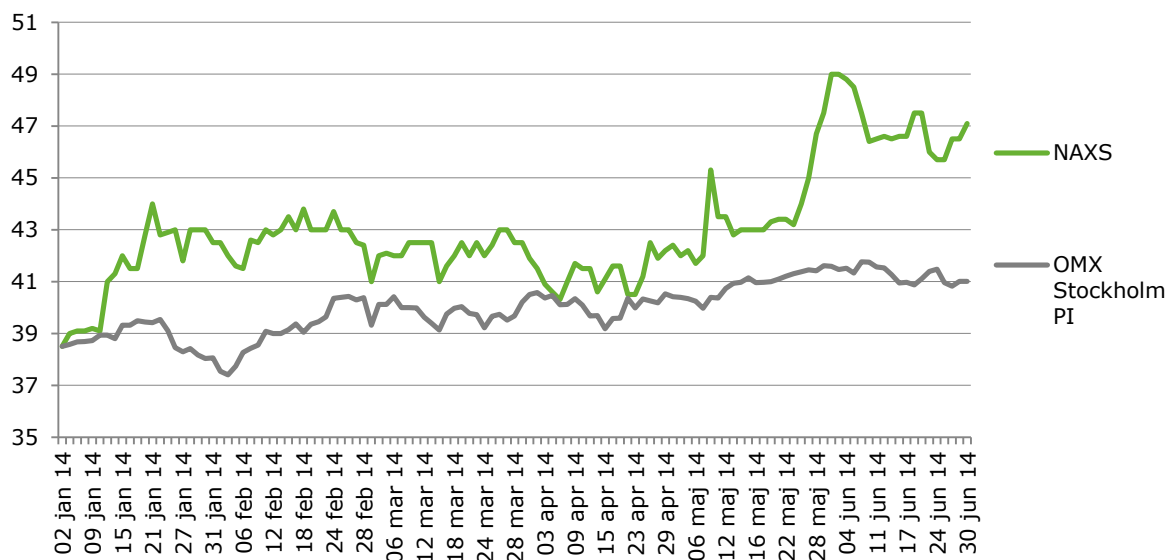
## The share

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

The number of outstanding shares in the Company at the beginning of the year was 14,887,642. During the interim period 13,563 shares were repurchased. The number of outstanding shares at the end of the period was 14,874,079.

At the end of the interim period, the NAXS share price was SEK 47.10 and the total shareholders' equity per share was SEK 44.86. The Company's market capitalization was MSEK 701 and the number of shareholders was 586.

*Evolution of the share price during first half-year 2014*



## 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 interim report are described in the Annual Report 2013.

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.

## Financial information

Interim Report (9 months): October 22, 2014

## Ticker codes

NAXS SS in Bloomberg  
NAXS.ST in Reuters

## 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)

NAXS Nordic Access Buyout Fund AB discloses the information provided herein pursuant to the Swedish Securities Markets Act.  
The report was submitted for publication at 08.30 CET on July 17, 2014.

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

The undersigned declares that the half-year report provides a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 17, 2014

John D. Chapman  
*Chairman*

Tony Gardner-Hillman  
*Director*

Ramanan Raghavendran  
*Director*

Andrew Wignall  
*Director*

Lennart Svantesson  
*Chief Executive Officer*

This interim report has not been subject to review by the Company's auditors.

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

NAXS Nordic Access Buyout Fund 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>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Change in value	50 240	24 202	14 442	28 130
Operating costs <span style="float: right;">Note 1</span>	-6 124	-4 970	-3 613	-2 723
<b>Operating profit</b>	<b>44 116</b>	<b>19 232</b>	<b>10 829</b>	<b>25 407</b>
Net financial items	324	161	-1	-59
<b>Profit after financial items</b>	<b>44 440</b>	<b>19 393</b>	<b>10 828</b>	<b>25 348</b>
Income taxes	216	888	48	-350
<b>Net profit</b>	<b>44 656</b>	<b>20 281</b>	<b>10 876</b>	<b>24 998</b>
Earnings per share, SEK*	3.00	1.36	0.73	1.68
Average number of shares, 000s*	14 880	14 902	14 877	14 895

\* Basic and diluted

## Consolidated Statement of Comprehensive Income

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Net income	44 656	20 281	10 876	24 998
<b>Other comprehensive income</b>				
<i>Items which will be reversed to the income statement</i>				
Exchange differences	-809	0	104	0
<b>Total comprehensive income</b>	<b>43 847</b>	<b>20 281</b>	<b>10 980</b>	<b>24 998</b>

## Consolidated Balance Sheet

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>
	6/30	12/31
<b>Assets</b>		
Private equity fund investments	537 832	522 428
Deferred tax asset	1 630	1 414
<b>Total non-current assets</b>	<b>539 462</b>	<b>523 842</b>
Other receivables	612	204
Cash and cash equivalents	127 840	131 008
<b>Total current assets</b>	<b>128 452</b>	<b>131 212</b>
<b>Total assets</b>	<b>667 914</b>	<b>655 054</b>
<b>Equity</b>	<b>667 313</b>	<b>653 803</b>
<b>Current liabilities</b>	<b>601</b>	<b>1 251</b>
<b>Total equity and liabilities</b>	<b>667 914</b>	<b>655 054</b>

## Consolidated Net cash

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>
	6/30	12/31
Cash, bank and short-term investments	127 840	131 008
<b>Total net cash</b>	<b>127 840</b>	<b>131 008</b>

## Consolidated Statement of Changes in Equity

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2013</b>
	1/1-6/30	1/1-12/31	1/1-6/30
Equity at the beginning or the period	653 803	609 310	609 310
Repurchase of own shares	-578	-1 194	-913
Dividend	-29 759	-7 447	-7 447
Total comprehensive income for the period	43 847	53 134	20 281
<b>Shareholder's equity at the end of the period</b>	<b>667 313</b>	<b>653 803</b>	<b>621 231</b>

## Consolidated Statement of cash flows analysis

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30
Profit after financial items	44 440	19 393
Adjustment for non-cash items, etc.	-27 485	-17 901
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	16 955	1 492
Cash flow changes in working capital	-1 058	-417
<b>Cash flow from operating activities</b>	<b>15 897</b>	<b>1 075</b>
Acquisitions/disposals of private equity fund investments, net	12 174	-31 480
<b>Cash flow from investing activities</b>	<b>12 174</b>	<b>-31 480</b>
Repurchase of own shares	-578	-913
Dividend	-29 759	-7 447
<b>Cash flow from financing activities</b>	<b>-30 337</b>	<b>-8 360</b>
<b>Cash flow during the period</b>	<b>-2 266</b>	<b>-38 765</b>
Cash and cash equivalents, beginning of period *	131 008	122 624
Exchange-rate differences in cash and cash equivalents	-902	-402
<b>Cash and cash equivalents at the end of the period</b>	<b>127 840</b>	<b>83 457</b>

\* Including short-term investments

### Parent Company Income Statement

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Operating costs	-2 133	-1 743	-1 105	-989
<b>Operating profit/loss</b>	<b>-2 133</b>	<b>-1 743</b>	<b>-1 105</b>	<b>-989</b>
Income from shares in group companies	61 470	-	61 470	-
Net financial items	1 127	-2 303	878	2 575
<b>Profit /loss after financial items</b>	<b>60 464</b>	<b>-4 046</b>	<b>61 243</b>	<b>1 586</b>
Income taxes	216	888	48	-350
<b>Net profit/loss for the period</b>	<b>60 680</b>	<b>-3 158</b>	<b>61 291</b>	<b>1 236</b>

### Parent Company Statement of Comprehensive Income

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Net profit/loss for the period	60 680	-3 158	61 291	1 236
<b>Total comprehensive income for the period</b>	<b>60 680</b>	<b>-3 158</b>	<b>61 291</b>	<b>1 236</b>

### Parent Company Balance Sheet

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>
	6/30	12/31
<b>Assets</b>		
Shares in subsidiaries	481 802	481 802
Receivables on group companies	23 604	22 934
Deferred tax asset	1 630	1 414
<b>Total non-current assets</b>	<b>507 036</b>	<b>506 150</b>
Other receivables	586	273
Cash and cash equivalents	101 310	72 507
<b>Total current assets</b>	<b>101 896</b>	<b>72 780</b>
<b>Total assets</b>	<b>608 932</b>	<b>578 930</b>
<b>Equity</b>	<b>608 595</b>	<b>578 252</b>
<b>Current liabilities</b>	<b>337</b>	<b>678</b>
<b>Total equity and liabilities</b>	<b>608 932</b>	<b>578 930</b>



## Parent Company Statement of Changes in equity

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2013</b>
	1/1-6/30	1/1-12/31	1/1-6/30
Equity at the beginning of the period	578 252	591 098	591 098
Repurchase of own shares	-578	-1 194	-913
Dividend	-29 759	-7 447	-7 447
Total comprehensive income for the period	60 680	-4 205	-3 158
<b>Shareholder's equity at the end of the period</b>	<b>608 595</b>	<b>578 252</b>	<b>579 580</b>

### Note 1

#### Operating costs

Amounts in SEK 000s

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	1/1-6/30	1/1-6/30	4/1-6/30	4/1-6/30
Fee to the investment advisor	-3 602	-3 002	-2 205	-1 539
Carry to the investment advisor	-244	-	0	-
Personnel expenses	-788	-783	-408	-380
Other operating costs	-1 492	-1 185	-1 001	-804
	<b>-6 124</b>	<b>-4 970</b>	<b>-3 613</b>	<b>-2 723</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' 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 use of market approach generally consists of earnings multiples of comparable companies, while the use of income-based approach generally consists of 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

*Cash & cash equivalents*

Cash, bank and short-term investments

*Cash per share*

Cash & cash equivalents in relation to the number of shares

*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

*Net asset value*

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

*Net asset value per share (Equity per share)*

Equity in the relation to the weighted number of shares

*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

*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