

ANNUAL REPORT

# SCANDINAVIAN PRIVATE EQUITY AS

CVR no 29 82 40 88

## ANNUAL REPORT

1 FEBRUARY 2014 – 31 JANUARY 2015

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# Financial highlights

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
(DKK 1,000)	01.02.2010 – 31.01.2011	01.02.2011 – 31.01.2012	01.02.2012 – 31.01.2013	01.02.2013 – 31.01.2014	01.02.2014 – 31.01.2015
<b>Income statement</b>					
Income from investment activities	117,374	45,806	23,837	67,678	114,882
Operating profit (EBIT)	109,903	36,815	15,187	55,421	107,976
Net financials	7,672	809	1,143	-7,499	-2,481
<b>Profit before tax</b>	<b>117,575</b>	<b>37,624</b>	<b>16,330</b>	<b>47,922</b>	<b>105,495</b>
<b>Balance sheet</b>					
Investments in private equity funds	718,952	706,342	753,719	740,008	751,184
Intangible assets	0	0	0	5,329	2,410
Receivables	6,055	3,169	5,262	215	172
Total cash and cash equivalents	161,690	200,965	150,476	209,739	28,008
<b>Total assets</b>	<b>886,697</b>	<b>910,476</b>	<b>909,457</b>	<b>955,291</b>	<b>781,774</b>
Equity	884,233	904,454	906,648	954,214	780,081
Current liabilities	2,464	6,022	2,809	1,077	1,693
<b>Total liabilities and equity</b>	<b>886,697</b>	<b>910,476</b>	<b>909,457</b>	<b>955,291</b>	<b>781,774</b>
<b>Financial ratios</b>					
Number of issued shares, year-end	50,050	50,050	50,050	50,050	44,697
Number of treasury shares, year-end	2,732	4,095	5,081	5,001	1,211
Average number of shares	47,989	46,704	45,376	45,484	44,169
Average number of shares, diluted	47,989	46,704	45,376	45,484	44,170
Earnings per share (EPS) (DKK)	2,442	813	361	1,048	2,383
Earnings per share, diluted (DEPS) (DKK)	2,442	813	361	1,048	2,383
Book value per share (DKK)	18,687	19,681	20,162	21,182	17,939
Book value per share, diluted (DKK)	18,687	19,681	20,162	21,182	17,936
Paid dividend per share (DKK)	0	0	0	0	5,700
Quoted price (latest trade) at 31 Jan (DKK)	11,100	13,600	15,860	17,710	17,740
Quoted price/book value	0.59	0.69	0.79	0.84	0.98
Cost:equity ratio (%)	0.9	1.0	0.9	0.6	0.5
Return on equity (%)	14.4	4.2	1.8	5.1	12.0
<b>Investment commitments to private equity funds</b>					
Investments in private equity funds (DKKm)	719.0	706.3	753.7	740.0	751.2
- Investments as % of equity	81	78	83	78	96
- Return on private equity funds (%)	20.0	6.1	3.2	9.1	15.4
Uncalled investment commitments (DKKm)	294.3	269.5	312.1	249.7	122.2
Total exposure to private equity funds (DKKm)	1,013.3	975.8	1,065.8	989.7	873.4
- Total exposure as % of equity	115	108	118	104	112

# Financial review

## Results

SPEAS posted a profit for the year of DKK 105.3m, equal to a return on equity of 12.0%, which is in line with the latest announced earnings expectations of a profit in the range DKK 105m-115m, representing a return on equity of 12-13%. The profit is considered satisfactory. At the beginning of the year, profit was expected to be in line with the Company's long-term return expectations of 7-8% pa.

Investments in private equity funds provided a return of DKK 114.9m, owing to the successful divestment of portfolio companies, a generally positive performance by the portfolio companies and increasing valuation multiples.

The difference between the original earnings guidance and the profit for the financial year was broad-based among the private equity funds and distributed over the financial year.

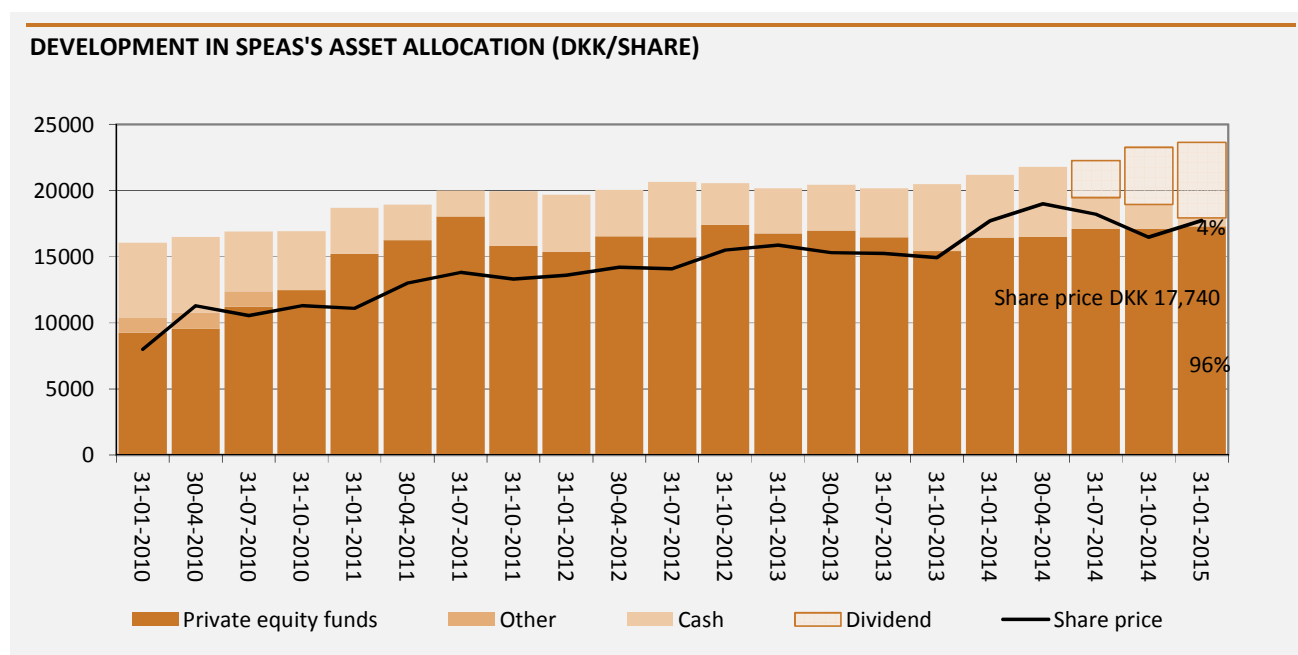
The earnings guidance was based on a net return of 10% on current investments in private equity funds at 31 January 2014 against a realised net return of 15.4% on the Company's total investments in private equity funds.

### ASSET ALLOCATION AT 31 JANUARY 2015

SPEAS's largest asset item is investments in private equity funds totalling DKK 751m, or 96% of its assets. At 31 January 2015, the cash balance was DKK 28m, equal to 4% of the assets.

The chart below is a breakdown of SPEAS's assets over the past five years. It shows that investments in private equity funds have stabilised in recent years, as the private equity funds have made considerable divestments and SPEAS has not made new investment commitments since 2012.

At the end of the financial year, SPEAS's market cap (not including treasury shares) amounted to 98% of the carrying amount of net assets.



**LIQUID ASSETS**

The proportion of the Company's capital not invested in private equity funds was placed in cash or cash equivalents.

In order to reduce the Company's liquidity risk, its foreign exchange risk on the uncalled investment commitments in NOK and SEK has been partly hedged, which generated a loss in the financial year due to the decreasing exchange rates of these currencies.

Net financials came to a loss of DKK 2.5m in the financial year, of which DKK 1.7m was attributable to a loss on forward exchange contracts and foreign exchange deposits and DKK 1.1m to costs related to liquidity facilities.

**COSTS**

Staff costs and other costs totalled DKK 4.0m, down DKK 0.5m compared with the past financial year as a result of the ongoing cost adjustment.

**Capital**

At 31 January 2015, equity and current liabilities totalled DKK 782m of which equity amounted to DKK 780m. Book value per share was DKK 17,939.

**Cash flows**

The net change in cash was negative at DKK 182m which was primarily attributable to cash flows relating to dividends and share buybacks of a negative DKK 279m. Annual investments in private equity funds were DKK 71m, and realised investments totalled DKK 174m.

**Private equity funds**

At 31 January 2015, SPEAS had made investment commitments to eight selected private equity funds which SPEAS considers to be among the top funds within their segments: EQT V and VI, IK 2007, Litorina III and IV, Apax Europe VII, Herkules III and Norvestor VI.

In the financial year, SPEAS's investments in private equity funds generated a profit of DKK 114.9m, includ-

**AT 31 JANUARY 2015, THE COMPANY HAD MADE THE FOLLOWING INVESTMENT COMMITMENTS:**

Private equity fund	Original investment commitment		Uncalled investment commitment		Paid to private equity fund (DKKm)	Value		
						Realised (DKKm)	Unrealised (DKKm)	
EQT V	EUR	40m	EUR	1.2m	8.8	339.7	352.7	154.8
EQT VI	EUR	10m	EUR	1.8m	13.4	60.6	0.0	67.1
IK 2007	EUR	25m	EUR	3.8m	27.9	191.0	106.7	142.5
Apax Europe VII	EUR	30m	EUR	0.7m	5.1	249.2	132.5	212.2
Litorina III	SEK	107m	SEK	21.5m	17.1	78.2	57.3	60.9
Litorina IV	SEK	46m	SEK	16.9m	13.5	24.6	0.0	20.0
Herkules III	NOK	100m	NOK	7.0m	5.9	89.2	31.4	54.2
Norvestor VI	NOK	80m	NOK	36.2m	30.5	41.8	6.0	39.5
<b>Total</b>					<b>122.2</b>	<b>1,074.3</b>	<b>686.6</b>	<b>751.2</b>

ing negative foreign currency translation adjustment of DKK 8.2m. This corresponded to 15.4% of average investments in private equity funds and resulted from the successful divestment of portfolio companies, a generally positive performance of most of the portfolio companies combined with increasing valuation multiples. The results include management fees of DKK 0.9m to the private equity funds in which the Company has invested.

In H1 2014/15, SPEAS sold its investment commitments in IK VII, which originally amounted to EUR 10m. At 31 January 2014, this investment was carried at DKK 15.3m. The Company's total uncalled investment commitments were reduced by DKK 58.6m in connection with the divestment.

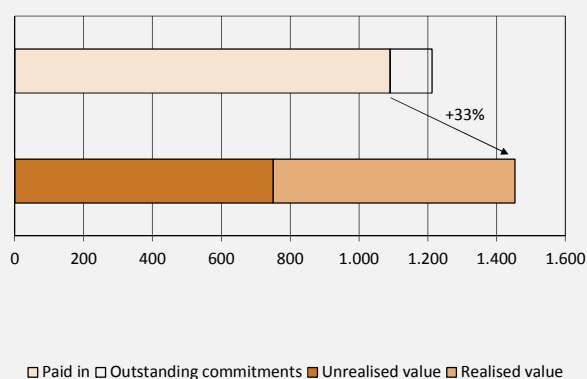
In the financial year, the private equity funds invested in ten new companies and divested eight. For this purpose, SPEAS contributed DKK 71m to the private equity funds in accordance with the investment commitments made and received DKK 174m as proceeds from exits, recapitalisation, divestment of the stake in IK VII, etc.

This year EQT V completed the divestment of EFDO, IK 2007 completed the divestment of EPiServer, GHD and Minimax, Litorina III completed the divestment of Textilia, Apax completed the divestment of Advantage and TriZetto, and Herkules III completed the divestment of New Store Europe. Moreover, EQT V listed XXL on the stock exchange, Litorina III announced the divestment of Cederroth, and Apax announced the divestment of Tnuva and Orange.

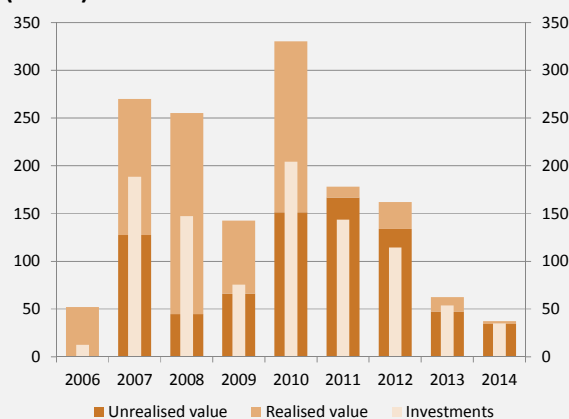
Realised gross profit on the eight companies from which SPEAS received exit proceeds in the financial year 2014/15 totalled DKK 76.5m for the full investment period, to which unrealised gains of DKK 0.5m should be added. In previous financial years, however, SPEAS has recognised a total of DKK 46.8m of unrealised value adjustments as income. Thus, the eight companies contributed a gross profit of DKK 30.1m in the financial year.

At 31 January 2015, SPEAS had received exit proceeds from a total of 33 fully realised investments, of which 11 in the financial year under review, including the sale of the stake in IK VII. Exit proceeds from these 33 investments totalled DKK 614m, corresponding to a net multiple of 1.7x the invested amount, and a net

#### ACCUMULATED RETURN ON INVESTMENTS IN PRIVATE EQUITY FUNDS (DKKm)



#### PRIVATE EQUITY FUND INVESTMENTS (DKKm)



return as at 31 January 2015 of 14.6% pa (IRR). Exit proceeds were generally on a level with or exceeded the latest carrying amount prior to announcement of the sale.

Accumulated returns on investments in private equity funds until 31 January 2015 came to 33%, equal to an annual return of 8.3% (IRR).

In the long term, the Company's private equity investments are expected to generate a return that exceeds the return on listed shares. Short-term returns on private equity investments may, however, differ significantly from long-term returns as they are chiefly based on estimated investment values, whereas long-term returns are mainly based on actual realised values.

At 31 January 2015, the private equity funds had invested in 85 companies. SPEAS's investments in private equity funds amount to DKK 751m. At [www.speas.dk](http://www.speas.dk), SPEAS regularly publishes information on the funds' activities to the extent that the funds disclose such information.

SPEAS's private equity investments and their market values are shown by investment year for the underly-

ing portfolio companies in the chart on page 6. The chart shows that the value of investments made more than one year ago has generally seen a positive development. The relatively lower investment activity from 2011 is primarily attributable to SPEAS's reluctance to make new investment commitments in 2009 and 2010. SPEAS's future investment activity will decrease due to its strategy.

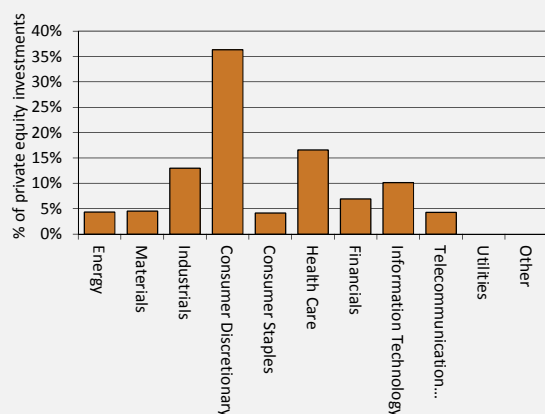
The market value of SPEAS's private equity investments is shown by sector for the underlying portfolio companies in the chart below.

The funds' investments are mainly within the Consumer Discretionary, Healthcare and Industrials sectors, which account for 36%, 17% and 13%, respectively, of SPEAS's total exposure, but with a considerable diversification towards other sectors.

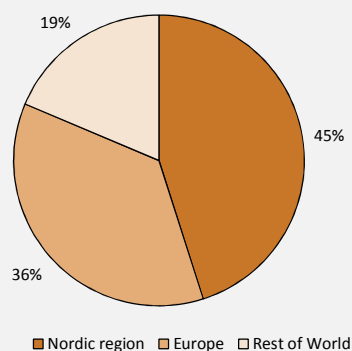
The market value of SPEAS's private equity investments is broken down by the geographical location of the underlying portfolio company in the chart below.

45% of SPEAS's investments in private equity funds is exposed to the Nordic region. Investments in the rest of the world concern predominantly Apax Europe VII, which also invests outside Europe.

#### INDUSTRY BREAKDOWN (GICS)



#### GEOGRAPHIC DIVERSIFICATION



Below, we have listed the ten companies representing SPEAS's largest (indirect) ownership interests (alphabetical order):

<b>Company</b>	<b>Fund</b>	<b>Sector</b>
AcadeMedia	EQT	Education
Acelity	Apax	Healthcare
Auto Trader	Apax	Media
CBR Holding	EQT	Retail/clothing
Dometic	EQT	Cooling systems
Grolls	Litorina	Workwear
Scandic Hotels	EQT	Hotel management
Schenk Process	IK	Processing industry
Vistra Group	IK	Company administration
XXL Sport & Villmark	EQT	Retail/sporting equipment

SPEAS's total exposure to these companies was valued at DKK 265m, corresponding to 34% of the Company's equity. None of the companies make up more than 6% of SPEAS's equity.

Private equity investments are long-term, and each private equity fund typically has an investment period of 3-5 years before all fund capital has been invested. During the investment period, the fund calls the investment commitments of its investors. Three of the private equity funds in which SPEAS invests are still in their investment period.

At 31 January 2015, investments in private equity funds including uncalled investment commitments totalled DKK 873m, equal to 112% of SPEAS's equity. In connection with the overcommitment, ie the part of the total investment commitments that exceeds equity, SPEAS has opened a satisfactory credit facility.



## Private equity funds and underlying investments

### EQT V AND VI

EQT V and VI are administered by EQT, a leading European private equity company with 19 offices in Northern Europe, the US and Asia, including Stockholm, Copenhagen, Oslo and Helsinki. EQT has raised approximately EUR 22bn in 17 funds, which have invested in around 120 companies. EQT V started with a total capital commitment of EUR 4.25bn and EQT VI with a total capital commitment of EUR 4.75bn.

The investment period of EQT V ended on 4 May 2011. EQT V's and EQT VI's investments are targeted at controlling interests in medium-sized and large companies mainly in the Nordic countries and Germany, with investments of typically EUR 75m-400m per company.

At 31 January 2015, EQT V's portfolio included the following companies:

Company	Domiciled in	Sector
AcadeMedia	Sweden	Education
Blizoo	Bulgaria	Telecommunications
Broadnet	Norway	Telecommunications
CBR Holding	Germany	Retail/clothing
Dometic	Sweden	Cooling systems
HTL Strefa	Poland	Healthcare
SAG	Germany	Infrastructure services
Scandic Hotels	Sweden	Hotel management
XXL Sport & Villmark	Norway	Retail/sporting equipment

At 31 January 2015, EQT VI's portfolio included the following companies:

Company	Domiciled in	Sector
Anticimex	Sweden	Pest control
Atos Medical	Sweden	Medical equipment
Automic	Austria	IT software
Broadnet	Norway	Telecommunications
BSN Medical	Germany	Medical equipment
Bureau van Dijk	Netherlands	Company information
Evidensia	Sweden	Veterinary treatment
Færch Plast	Denmark	Food packaging
Qinterra	Norway	Oil drilling services
Sivantos	Singapore	Hearing aids
Sportradar	Switzerland	Sports data
Terveystalo	Finland	Healthcare
Tiger	Denmark	Retail
Vertu	Finland	Mobile phones

**IK 2007**

IK Investment Partners is a European private equity company with offices in London, Stockholm, Hamburg and Paris. IK Investment Partners has raised more than EUR 7bn in six funds and has invested in more than 85 companies since 1989. IK 2007 started with a total capital commitment of EUR 1.7bn.

The investment period of IK 2007 ended on 12 October 2012. The fund has invested EUR 50m-150m in each company and mainly acquires majority interests in medium-sized companies with a strong market position. Geographically, the fund focuses on Sweden, Finland, Norway, Denmark, the Benelux, France and Germany.

At 31 January 2015, IK 2007's portfolio included the following companies:

Company	Domiciled in	Sector
Actic	Sweden	Fitness
Agros Nova	Poland	Food and drink
Colosseum	Norway	Dental clinics
DGI	Netherlands	Mechanical engineering
Schenk Process	Germany	Processing industry
Solina	France	Food refinement
Trigo	France	Quality assurance
Unipex	France	Specialty chemicals
Vemedica	Belgium	Non-prescription drugs
Vistra Group	Luxembourg	Company administration

**APAX EUROPE VII**

Apax Partners is a global private equity company with offices in London, New York, Munich, São Paulo, Tel Aviv, Mumbai, Shanghai and Hong Kong. Apax Europe VII started with a total capital commitment of EUR 11.2bn.

No further platform investments in Apax Europe VII are expected. The fund has mainly invested in established companies within four growth sectors: Tech and telecom, retail and consumer, healthcare, as well as financial and business services. The investments are valued at EUR 1bn-5bn (excl debt).

At 31 January 2015, Apax Europe VII's portfolio included the following companies:

Company	Domiciled in	Sector
Acelity	US	Healthcare
Auto Trader	UK	Media
Bankrate	US	Financial services
Cengage Learning	US	Media
Cengage Nelson	Canada	Media
Epicor	US	ERP systems
Genex	US	Healthcare
Golden Jaguar	China	Restaurant chain
Huarong	China	Asset management
iGATE	US	IT outsourcing solutions
Electro-Stocks	Spain	Electrical equipment
One Call	US	Healthcare
Orange	Switzerland	Telecommunications
Paradigm	UK	IT software
Plantasjen	Norway	Retail
Psagot	Israel	Asset management
Rhiag	Italy	Distribution/spare parts
Sophos	UK	IT security solutions
SouFun	China	Portal/real property
Takko	Germany	Retail/clothing
TIVIT	Brazil	IT business solutions
Tnuva	Israel	Food
Top Right Group	UK	Media
Trader Corporation	Canada	Publishing

**LITORINA III AND IV**

Litorina is a Swedish private equity company domiciled in Stockholm. Since 1998 Litorina has invested in 39 companies. Litorina III started with a total capital commitment of SEK 1.4bn and Litorina IV with a total capital commitment of SEK 2.5bn.

The investment period of Litorina III ended on 31 December 2010. Litorina IV will continue the investment strategy of Litorina III and generally invest SEK 50m-150m per company and acquire majority interests in SMEs with strong market positions. Geographically, the fund focuses mainly on Sweden.

At 31 January 2015, Litorina III's portfolio included the following companies:

Company	Domiciled in	Sector
Cederroth	Sweden	Healthcare
Euroflorist	Sweden	Flower distribution
Grolls	Sweden	Workwear
mySafety	Sweden	Insurance
Semantix	Sweden	Translation
Wallvision	Sweden	Wallpaper

At 31 January 2015, Litorina IV's portfolio included the following companies:

Company	Domiciled in	Sector
Eton	Sweden	Clothing
Fiskarhedenvillan	Sweden	House-building kits
Leo's Lekland	Sweden	Play centre
NEWS	Sweden	Drain systems
OCA Y	Sweden	Office supplies
Sveba Dahlen	Sweden	Bakery equipment

**HERKULES III**

Herkules Capital is a Norwegian private equity company domiciled in Oslo. Herkules Capital was established in 2004 and has since then managed four Norwegian/Nordic funds with total commitments of over NOK 15bn. Herkules III started with a total capital commitment of NOK 6bn.

Herkules III's last platform investment was completed in 2013, and the fund has mainly invested in Nordic companies valued at NOK 250m-2,500m (excl debt).

At 31 January 2015, Herkules III's portfolio included the following companies:

Company	Domiciled in	Sector
Bandak	Norway	Metal industry
Enoro	Norway	IT systems
Espresso House	Sweden	Coffee shops
Harding	Norway	Maritime equipment
Intelecom	Norway	Telecommunications
Norsk Jern- banedrift	Norway	Contractor services
ODLO	Switzerland	Sports clothing
Stamina	Norway	Healthcare

**NORVESTOR VI**

Norvestor Equity is a Norwegian private equity company domiciled in Oslo. Norvestor was established in 1997 and has since then invested in more than 50 companies.

The company manages three funds with total commitments exceeding NOK 6bn.

Norvestor VI will generally invest NOK 100m-500m per company and acquire majority interests in SMEs with strong market positions. Geographically, the fund focuses mainly on Norway.

At 31 January 2015, Norvestor VI's portfolio included the following companies:

Company	Domiciled in	Sector
Abax	Norway	Electronic trip logs
Crayon	Norway	IT software services
Future Production	Norway	Offshore services
iSurvey	Norway	Offshore surveillance
Nomor	Sweden	Pest control
PG Marine	Norway	Offshore/pumping systems
Robust	Sweden	Security doors
Sortera	Sweden	Waste management

**Events occurred after the end of the financial year**

No events have occurred after the end of the financial year and up to the signing of the Annual Report which may affect the assessment of the Annual Report.

**Outlook**

The Company's objective is to generate an attractive return in the private equity market over an investment cycle.

The return expectations are based on an expected median return of 10% pa on private equity investments and a return on liquid funds of 0% pa based on the current interest rate levels of money market investments. The Company has a cash balance of DKK 28m and will still have some amount of liquidity for the remaining part of the financial year 2015/16 despite dividend distribution and share buybacks.

Results for the year will depend on the general economic climate, financial market trends, including especially the private equity market, as well as the development in the portfolio companies of the private equity funds. Earnings expectations are therefore subject to considerable uncertainty.

Furthermore, short-term return forecasts involve very high uncertainty, and returns may fluctuate considerably from year to year.

**ECONOMIC TRENDS**

Despite the easy monetary policies of the central banks, growth in Europe remains low, and the economic outlook for the next couple of years are also affected by low growth expectations. Interest rates were historically low, and equity markets in many countries have now risen to a level higher than the level before the financial crisis in 2008.

### PRIVATE EQUITY MARKETS

SPEAS expects investment activity in the private equity market in 2015 to generally be on a level with 2014 due to a continued high investment capacity in the sector. A still liquid funding market and historically low interest rate levels form the basis of continued high price levels of well-managed companies. Going forward, the ability of private equity companies to create growth in portfolio company revenues and earnings will, however, be an important element of value creation.

Average private equity fund ownership of portfolio companies in the SPEAS portfolio was about 4.3 years (weighted) as at 31 January 2015. 31% of the private equity portfolio relates to portfolio companies with a minimum holding period of five years, and divestment of these companies should expectedly be reviewed within the next couple of years.

SPEAS expects private equity fund distribution to exceed the capital calls by considerable margins in the financial year 2015/16. First of all, SPEAS will not make new investment commitments and the most recent commitments are lower than the investment commitments to the private equity funds, where the investment period has ended. Secondly, SPEAS expects continued fairly high exit activity.

### EARNINGS EXPECTATIONS

Given SPEAS's current asset allocation, the long-term return expectations are equivalent to a long-term return on equity of 8-9% pa.

### EUROPEAN PRIVATE EQUITY ACTIVITY (USDbn)



Source: Mergermarket

# Corporate Governance

## Statutory statement on corporate governance

SPEAS focuses on complying with corporate governance with respect to its relationship with shareholders and other stakeholders as recommended by the Danish Committee on Corporate Governance. SPEAS generally supports these recommendations and will strive to apply them to the extent they are relevant and in the interest of the Company, taking into account its business area and activities.

Management is committed to maintaining good communication and dialogue with its shareholders and other stakeholders. SPEAS strives towards a high degree of openness in disclosing information on the Company's financial development and activities, taking into account the restrictions realistically imposed on the Company as a result of its investment strategy.

The statutory statement on corporate governance, cf section 107 b of the Danish Financial Statements Act, is available at the Company's website <http://www.speas.dk/default.asp?id=48>. The statutory statement complies with the most recent recommendations from May 2013 revised by November 2014.

## Statutory statement on corporate social responsibility

### POLICY

SPEAS believes that a company's long-term success and its compliance with as well as ongoing adaptation to ethical and environmental market norms are positively interrelated.

SPEAS has only indirect influence on the individual private equity funds' choice of companies in which to invest. However, the Company's basic premise is that companies comply with laws and rules determined by national authorities on the markets in which the company operates as well as with internationally adopted norms concerning human rights and labour standards.

The Company has not drawn up specific policies on human rights or environmental impact.

### IMPLEMENTATION

SPEAS regularly assesses (i) whether a private equity company has adopted a code of practice or equivalent on responsible investment, (ii) to which extent a private equity company considers other relevant ethical and environmental issues prior to making an investment, (iii) how relevant ethical and environmental issues are addressed by the portfolio companies during the holding period, and (iv) the ongoing reporting to the investors regarding status and development of same.

If a private equity company has not adopted a recognised code of practice on responsible investment or implemented a satisfactory policy in this regard, SPEAS will enter into a dialogue with the private equity company with a view to including relevant ethical and environmental issues in the investment process.

### PERFORMANCE

On all investment commitments made within the last five financial years, SPEAS has received letters of intent from the private equity funds in question to integrate codes of practice on responsible investment into their investment processes and implement these in their portfolio companies. In our dialogue with the private equity funds and in ongoing reporting, SPEAS has not recognised any breach of these commitments.

In 2014, yet another private equity company in SPEAS's portfolio adopted the United Nations' Principles for Responsible Investments, which have now been endorsed by three of the private equity companies with which SPEAS cooperates.

As SPEAS does not invest directly in portfolio companies, but only wields indirect influence through the private equity funds, we do not find it possible to further evaluate any results achieved or expectations of future achievement.

## Targets for gender representation

The target of the Board of Directors of Scandinavian Private Equity A/S is to have at least one female board member before end-2017.

However, it will not be relevant to consider female board members until the Board of Directors has to be widened or board members be replaced, at the earliest. But there are no plans in this regard in light of, among other things, the Company's distribution policy according to which no new investment commitments will be made.

## Board of Directors

Shareholder interests in SPEAS are served by a Board of Directors comprising three members. In the financial year 2014/15, the Board of Directors held five meetings.

All members of the Board of Directors are considered independent.

### **HENNING KRUSE PETERSEN, CHAIRMAN**

Henning Kruse Petersen (1947) has been a director of the Company since 10 November 2006 and Chairman since 27 May 2013. Henning Kruse Petersen is a former Group Managing Director of the Nykredit Group.

Henning Kruse Petersen holds 58 shares in SPEAS. This shareholding has not changed during the financial year.

Directorships and executive positions in other commercial businesses:

### **Chairman of:**

Santa Fe Group A/S  
Sund & Bælt Holding A/S  
A/S Storebælt  
A/S Øresund  
Øresundsbro Konsortiet  
Femern A/S  
A/S Femern Landanlæg  
C.W. Obel A/S  
Erhvervsinvest Management A/S  
Den Danske Forskningsfond  
Midgard Denmark K/S

### **Deputy Chairman of:**

Asgard Ltd.  
Skandinavisk Holding A/S  
Skandinavian Holding II A/S  
Fritz Hansen A/S

### **Director of:**

Scandinavian Tobacco Group A/S  
ProActive A/S  
William H. Michaelsens Legat  
Det Østasiatiske Kompagnis Almennyttige Fond  
Midgard Group, Inc.  
Dekka Holdings Ltd.

### **Managing Director of:**

2KJ A/S  
Komplementarselskabet Midgard Denmark ApS

### **NIELS HEERING**

Michael Heering (1955), Attorney, has been a director of the Company since 27 May 2013.

Niels Heering holds 55 shares in SPEAS. This shareholding has not changed during the financial year.

Directorships and executive positions in other commercial businesses:

**Chairman of:**

NTR Holding A/S (and one subsidiary)  
Ellos Denmark A/S  
Helgstrand Dressage A/S  
Nesdu a/s  
Henning Stæhr A/S  
Civilingeniør N.T. Rasmussens Fond

**Deputy Chairman of:**

15. Juni Fonden

**Director of:**

J. Lauritzen A/S  
Ole Mathiesen A/S  
Lise og Valdemar Käblers Familiefond

**Managing Director of:**

CCKN Holding ApS (and two subsidiaries)

**HENRIK ØSTENKJÆR LIND**

Henrik Østenkjær Lind (1975) has been a director of the Company since 27 May 2013.

Henrik Østenkjær Lind holds 7,256 shares in SPEAS. This shareholding has increased by 700 shares in the financial year.

Directorships and executive positions in other commercial businesses:

**Chairman of:**

Kristensen Partners III A/S  
Lam Holding A/S

**Deputy Chairman of:**

Danske Commodities A/S  
Lind Capital A/S

**Director of:**

Cornerstone Properties Germany Holding ApS  
4U-Development A/S  
Hemonto A/S  
Blue Equity Management A/S  
Skako A/S

**Managing Director of:**

Lind Invest ApS  
Aros Investments Holding ApS

## Executive Board

The Executive Board is appointed by the Board of Directors, which determines the employment terms and remuneration of the Executive Board. The Executive Board is responsible for the day-to-day operations of the Company.

**OLE MIKKELSEN, CEO**

Ole Mikkelsen (1964) holds a graduate diploma in Business Administration (Finance) and an MBA from the Copenhagen Business School. He has been CEO of the Company since its formation on 10 November 2006. He has previously been in charge of private equity investments in the Nykredit Group and been an investment manager with Lønmodtagernes Dyr-tidsfond with equity and private equity investments, both directly and in private equity funds, as his primary area of responsibility.

Directorships and executive positions in other commercial businesses:

**Managing Director of:**

NTR Holding A/S  
NTR Invest A/S

**Director of:**

Civilingeniør N.T. Rasmussens Fond  
NTR Invest A/S  
Daniamant Holding A/S (and three subsidiaries)



## Management remuneration

SPEAS's remuneration policy and general guidelines for incentive-based remuneration have been adopted at the Company's Annual General Meeting and are available at the Company's website [www.speas.dk](http://www.speas.dk).

In May 2014, the Executive Board was allotted options to buy a total of 25 shares in SPEAS in the period April 2017 – April 2019.

Management's remuneration and option programme are described in more detail in notes 6 and 7.

## Risk management

Regularly and at least once a year, the Board of Directors assesses the general risk scenario as well as the individual risk factors associated with the Company's activities. The Board of Directors adopts guidelines for key risk areas, monitors the development and ensures that plans for managing the individual risk factors are available, including business and financial risk.

At least once a year, the audit committee reviews and assesses the internal control and risk management systems as well as Management's guidelines and monitoring of same with a view to identifying and managing the most significant risks.

Each month, the Board of Directors receives a report on the Company's capital structure focusing on investments in private equity funds, the cash balance and the uncalled proportion of the Company's investment commitments.

## Risk factors

SPEAS's investments are affected by general economic trends, including the development in financial markets in which the Company has investing activities. The Company has a long-term investment horizon, and short-term returns may vary significantly. The performance should therefore be considered over a longer period. In Management's opinion, the following fac-

tors may be particularly relevant to the development in the value of the Company's investments:

### LIQUIDITY RISK

The uncalled proportion of SPEAS's investment commitments to private equity funds exceeds the Company's liquid assets. If SPEAS fails to satisfy a capital call from a private equity fund under an investment commitment, the value of the Company's investment in the fund may be reduced significantly and could ultimately end up worthless. If alternatively SPEAS attempts to raise liquidity by selling a stake in private equity funds, the sales price will be significantly below the book value and usually subject to approval by the private equity company.

The Company has established a satisfactory credit facility with a bank to hedge the liquidity risk of the overcommitment, ie the part of the total investment commitments that exceeds equity.

In order to reduce the Company's liquidity risk, the uncalled investment commitments in NOK and SEK are partially hedged.

The balance sheet item "Total liabilities" only comprises other current payables repaid in cash. Reference is made to note 19.

### FLUCTUATIONS IN THE VALUE OF INVESTMENTS IN PRIVATE EQUITY FUNDS

The Company's private equity investments are exposed to the general economic trends, and investments are subject to current valuation made with reference to the general price level of comparable companies. The value is thus affected by equity market fluctuations.

The Company's investments in private equity funds are also subject to the company-specific risks of the individual investments, including the default risk and risk related to the private equity companies managing the funds. Any decision on the concrete investments and exits of the specific funds is made by the management companies of the relevant funds, and the Company is

therefore not in a position to hedge company-specific risk exposures.

Investments in private equity funds are illiquid, and private equity fund investors only have limited possibilities of terminating the agreement with the private equity company managing the relevant fund.

To reduce the risk exposure to individual investments and individual private equity companies, SPEAS has diversified its investments between several private equity funds and private equity companies. As a result of the Company's strategy, SPEAS will not make new investment commitments.

The short-term return on investments in private equity funds may vary significantly.

#### **FLUCTUATIONS IN EXCHANGE RATES**

SPEAS has made investments in various currencies (including EUR, SEK and NOK) in private equity funds. If the exchange rates of the relevant currencies change, the value of these investments will, other things being equal, change accordingly. The Compa-

ny's investments in private equity funds are mainly in EUR, and the Company therefore finds that the exchange rate risk is limited. However, several of the private equity funds also invest in companies whose shares are denominated in a different currency than the one in which the private equity company reports. SPEAS holds no information about the currency exposures of the individual portfolio companies or the private equity funds' possible hedging thereof, and consequently the Company cannot assess the resulting currency exposure.

In addition, SPEAS has uncalled investment commitments to private equity funds in various currencies (including EUR, SEK and NOK), cf note 21. If the exchange rates of the relevant currencies change, the Company's uncalled proportion of investment commitments will change accordingly. The Company's uncalled investment commitments are mainly in EUR, and the Company therefore finds the exchange rate risk limited. In order to reduce the Company's liquidity risk, the uncalled investment commitments in NOK and SEK are partially hedged.

# Shareholder information

## SHARE INFORMATION

Exchange	Nasdaq Copenhagen
Share capital	DKK 446,970,000
Denomination	DKK 10,000
Number of shares	44,697
Share classes	One
Votes per share	One
Bearer security	Yes
Voting restrictions	No
Negotiability restrictions	No
ISIN	DK0060068682

Since 1 February 2014, the price of the Company's shares has increased from DKK 17,710 to DKK 17,740 at 31 January 2015. Allowing for distributed dividend of DKK 5,700 per share during the financial year, the increase is 32.4%. By comparison, the Dow Jones Stoxx Private Equity 20 Index, which contains the 20 largest listed shares in private equity companies in Western Europe, went up by 24.7% in the same period.

In the financial period, the book value per share decreased from 21,182 to 17,939. Allowing for distributed dividend of DKK 5,700 per share during the financial year, the increase is 11.6%.

In the financial year, 7,640 shares were traded, corresponding to a total market value of DKK 138m.

## SHAREHOLDER STRUCTURE

At 31 January 2015, SPEAS had 850 registered shareholders. Registered shareholders accounted for 77% of the share capital.

Pursuant to the Danish Securities Trading, etc. Act, a list of the shareholders which have reported their shareholdings in SPEAS at the time of publishing of the Annual Report is shown in note 23.

## TREASURY SHARES

During the financial year, the Company bought 1,563 own shares at an average price of DKK 14,532 per share (adjusted for distributed dividend during the financial year). At 31 January 2015, the Company held

1,211 treasury shares, equal to 2.7% of the share capital.

At the Annual General Meeting in May 2014, it was decided to reduce the share capital by cancelling 5,353 treasury shares.

Pursuant to a resolution passed by the General Meeting, the Board of Directors of Scandinavian Private Equity A/S is authorised to buy back own shares of a maximum nominal amount of DKK 89,394,000, equal to 20% of the share capital, until 29 May 2015.

## CAPITAL STRUCTURE AND DIVIDEND POLICY

SPEAS intends to distribute as large a share of its cash reserves as possible, with due regard to uncalled investment commitments. Distribution will be in the form of share buybacks and/or dividends.

The Company may thus buy back own shares in the market, to the extent allowed by the liquidity position of the Company and the liquidity of the share, as SPEAS does not want to represent more than 50% of the registered turnover of the share in one trading day. However, if major shareholdings are offered for sale, SPEAS will, based on a specific assessment, be able to acquire such shareholding, and in that case the Company will represent a significantly higher proportion of the registered turnover of the share.

Distribution to shareholders will reduce SPEAS's investment capacity to an extent expected to result in a winding-up of the Company.

During the financial year 2014/15, the Company distributed dividend of DKK 5,700 per share, equal to a total of DKK 251m excluding dividend on treasury shares. Dividend was distributed three times: DKK 2,800 per share adopted at the Company's Extraordinary General Meeting in May 2014, DKK 1,500 per share as extraordinary dividend in September 2014 and DKK 1,400 per share as extraordinary dividend in December 2014.

The Board of Directors recommends for approval by the Annual General Meeting that, in accordance with the dividend policy, dividend of DKK 1,500 per share be distributed for the financial year 2014/15, which equals DKK 65m exclusive of dividend on treasury shares.

SPEAS expects private equity fund distribution to exceed the capital calls by considerable margins in the financial year 2015/16. The Board of Directors will under the given circumstances determine the need to distribute extraordinary dividend during the financial year, with due regard to outstanding investment commitments and share buybacks made.

#### INVESTOR RELATIONS

SPEAS strives to communicate openly with its stakeholders such as shareholders, potential investors, analysts, investment advisers, the media and private equity funds.

SPEAS communicates by e-mail and exchanges documents electronically with shareholders.

Electronic communication is used for the following communications between SPEAS and its shareholders: Notices to convene Annual and Extraordinary General Meetings, presentation and distribution of agendas, complete proposals, annual reports, interim reports, preliminary announcements of financial statements,

financial calendars, valuation reports and other audit opinions, reports by the Board of Directors, minutes of General Meetings, prospectuses and general information from SPEAS to its shareholders. The above-mentioned documents are also available on the Company's website at [www.speas.dk](http://www.speas.dk).

Registered shareholders receive the communications above by e-mail if they register their e-mail addresses via the Company's website or by contacting the Company on [info@speas.dk](mailto:info@speas.dk).

#### RULES ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to sections 104-107 of the Danish Public Companies Act, the Company's Articles of Association may be amended by a resolution adopted by the Annual General Meeting. A resolution to amend the Articles of Association is only valid if adopted by at least two thirds of both the votes cast and the voting share capital represented at the General Meeting. Resolutions to amend the Articles of Association which imply that the shareholders' obligations to the Company increase are only valid if adopted by all shareholders. Resolutions to amend the Articles of Association relating to the shareholders' dividend right, share negotiability, share redemption, exercise of voting rights and uneven split require in certain cases adoption by at least 90% of both the votes cast and the capital represented at the General Meeting.

#### FINANCIAL CALENDAR

In the financial year 2015/16 ending 31 January 2016, SPEAS expects to publish financial statements on the following dates:

17 June 2015	Interim Report for Q1 1 February 2015 – 30 April 2015
29 September 2015	Interim Report for H1 1 February 2015 – 31 July 2015
14 December 2015	Interim Report for Q3 1 August 2015 – 31 October 2015

The Company will hold its Annual General Meeting on Friday 29 May 2015 at 14:00.

**AUTHORISATION OF THE BOARD OF DIRECTORS TO DISTRIBUTE EXTRAORDINARY DIVIDEND**

Pursuant to the Articles of Association, the Board of Directors is authorised to pass one or more resolutions to distribute extraordinary dividend to the shareholders in accordance with the relevant rules of the Danish Companies Act.

**RULES ON APPOINTING AND REPLACING THE BOARD OF DIRECTORS**

Board members are elected for a term of one year and may be re-elected. Board members must retire at the first Annual General Meeting held after the year in which the member attains the age of 70.

**REGISTRAR**

VP Investor Services A/S

**ISSUING AGENT**

Nykredit Bank A/S

**PRICING**

SPEAS's shares are listed on Nasdaq Copenhagen and may be traded during ordinary business hours.

**MARKET MAKING**

SPEAS has entered into a market making agreement with Nykredit Bank A/S.

**TAX STATUS**

Since 1 February 2009 SPEAS has been classified as a tax-exempt investment company, implying that Danish investors are taxed on the basis of the current price development. Further information concerning SPEAS's tax status is available on the Company's website, [www.speas.dk](http://www.speas.dk).

**COMPANY ANNOUNCEMENTS AND NEWS IN THE FINANCIAL YEAR**

To date, SPEAS has issued the following company announcements and news:

Date	Company announcements	Other news
3 February 2014		EQT VI acquires Færch Plast
5 February 2014	Company announcement no 1 2014/15: Holding of own shares exceeds 10%	
3 March 2014	Company announcement no 2 2014/15: Scandinavian Private Equity A/S revises expectations upwards for the financial year 2013/14	
10 March 2014	Company announcement no 3 2014/15: Reduction of investment commitment to IK VII	
30 April 2014	Company announcement no 4 2014/15: Annual Report 2013/14	
1 May 2014	Company announcement no 5 2014/15: Notice convening Annual General Meeting	

*Continued overleaf*

*Continued*

<b>Date</b>	<b>Stock exchange announcements</b>	<b>Other news</b>
22 May 2014		EQT VI invests in Sportradar
26 May 2014	Company announcement no 6 2014/15: Minutes of Annual General Meeting 2014	
28 May 2014		Norvestor VI invests in Nomor AB
12 June 2014		IK2007 to sell Minimax Viking Group
18 June 2014	Company announcement no 7 2014/15: Interim Report for the period 1 February 2014 – 30 April 2014	
19 June 2014		IK2007 to sell GHD
26 June 2014	Company announcement no 8 2014/15: Share capital and number of voting rights/Treasury shares	
26 June 2014	Company announcement no 9 2014/15: Notification of major shareholding	
30 June 2014	Company announcement no 10 2014/15: Share capital and number of voting rights	
29 July 2014		EQT VI acquires Bureau van Dijk
17 September 2014		EQT VI acquires Evidensia Djursjukvård AB
22 September 2014	Company announcement no 11 2014/2015: Interim Report for the period 1 February 2014 – 31 July 2014	
29 September 2014		Norvestor VI invests in PG Marine Group
19 October 2014		Litorina III divests Textilia
29 October 2014		Litorina IV invests in Leo's Lekland
6 November 2014		EQT VI acquires Siemens Audiology Solutions
9 December 2014		IK2007 to sell EPiServer
17 December 2014	Company announcement no 12 2014/2015: Interim report for Q3 2014/15	
13 January 2015	Company announcement no 13 2014/2015: Financial calendar for the financial year 2015/16	
15 January 2015		Litorina III divests Cederroth
12 February 2015		Norvestor VI acquires OneCo Infra
3 March 2015	Company announcement no 1 2015/2016: Forecast for the financial year 2014/15	
9 March 2015		Litorina IV acquires LGT Logistics

If you wish to receive company announcements and other news from SPEAS, please subscribe to our news service at [www.speas.dk](http://www.speas.dk).

# Statement by the Board of Directors and the Executive Board on the Annual Report

We have today presented the Annual Report for the financial year 1 February 2014 – 31 January 2015 for Scandinavian Private Equity A/S.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

We are of the opinion that the Financial Statements give a fair presentation of the Company's assets, liabilities, equity and financial position at 31 January 2015 and of the results of the Company's operations and

cash flows for the financial year 1 February 2014 – 31 January 2015.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances, the results for the year and the overall financial position of the Company as well as a description of the material risks and uncertainty factors faced by the Company.

The Annual Report is recommended for approval by the General Meeting.

Copenhagen, 28 April 2015

## Executive Board

Ole Mikkelsen  
CEO

## Board of Directors

Henning Kruse Petersen  
Chairman

Niels Heering

Henrik Østenkjær Lind

# Independent Auditors' Report

## To the shareholders of Scandinavian Private Equity A/S

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the Financial Statements of Scandinavian Private Equity A/S for the financial year 1 February 2014 – 31 January 2015, comprising statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the Financial Statements, including accounting policies. The Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements applying to listed companies.

### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the International Financial Reporting Standards as approved by the EU and Danish disclosure requirements applying to listed companies. Management is also responsible for such internal control as Management determines necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibilities

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in Danish audit legislation. This requires us to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence for the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of Financial Statements 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. An audit also includes assessing the appropriateness of the accounting policies adopted by Management, the reasonableness of the accounting estimates made by Management and the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the Financial Statements give a fair presentation of the Company's assets, liabilities, equity and financial position at 31 January 2015 and of the results of the Company's operations and cash flows for the financial year 1 February 2014 – 31 January 2015 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements applying to listed companies.

### STATEMENT ON THE MANAGEMENT'S REVIEW

We have read the Management's Review pursuant to the Danish Financial Statements Act. We have performed no further procedures in addition to the audit of the Financial Statements.

On this basis, it is our opinion that the information in the Management's Review is consistent with the Financial Statements.

Copenhagen, 28 April 2015

### Deloitte

Statsautoriseret Revisionspartnerselskab

Anders O. Gjelstrup  
State-Authorised Public Accountant

Thomas Hjortkjær Petersen  
State-Authorised Public Accountant



# Statement of comprehensive income

		2013/2014	2014/2015
(DKK 1,000)	Note	01.02.2013 – 31.01.2014	01.02.2014 – 31.01.2015
<b>INVESTMENTS IN PRIVATE EQUITY FUNDS:</b>			
Unrealised value adjustment		35,972	33,309
Realised value adjustment	3	31,705	81,573
<b>Income from investment activities</b>		<b>67,678</b>	<b>114,882</b>
Management costs	4	(799)	0
<b>Profit from investment activities</b>		<b>66,879</b>	<b>114,882</b>
Staff costs	6, 7	(2,818)	(2,311)
Other costs		(1,696)	(1,676)
Amortisation of intangible assets		(6,943)	(2,919)
<b>Operating profit (EBIT)</b>		<b>55,421</b>	<b>107,976</b>
Financial income	8	1,717	1,053
Financial expenses	9	(9,217)	(3,534)
<b>Profit before tax</b>		<b>47,922</b>	<b>105,495</b>
Tax on profit for the year	13	(234)	(232)
<b>Total comprehensive income</b>		<b>47,687</b>	<b>105,263</b>
<b>Earnings per share</b>			
Average number of outst. shares excl treasury shares		45,484	44,169
Earnings per share/earnings per share diluted (DKK)		1,048	2,383

# Balance sheet

## Assets

(DKK 1,000)	Note	31.01.2014	31.01.2015
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Investments in private equity funds	11	733,590	751,184
Intangible assets	12	5,329	2,410
<b>Total financial assets</b>		<b>738,919</b>	<b>753,594</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>738,919</b>	<b>753,594</b>
<b>CURRENT ASSETS</b>			
<b>Investments in private equity funds</b>	<b>11</b>	<b>6,418</b>	<b>0</b>
<b>Receivables</b>			
Current loans and receivables	14	145	126
Current prepayments	15	70	46
<b>Total receivables</b>		<b>215</b>	<b>172</b>
<b>Total cash and cash equivalents</b>	<b>16</b>	<b>209,739</b>	<b>28,008</b>
<b>TOTAL CURRENT ASSETS</b>		<b>216,372</b>	<b>28,180</b>
<b>TOTAL ASSETS</b>		<b>955,291</b>	<b>781,774</b>

# Balance sheet

## Liabilities and equity

(DKK 1,000)	Note	31.01.2014	31.01.2015
<b>EQUITY</b>			
Share capital	17	500,500	446,970
Total retained earnings		313,574	266,066
Proposed dividend		140,140	67,045
<b>TOTAL EQUITY</b>		<b>954,214</b>	<b>780,081</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other current payables	19	1,077	1,693
<b>Current liabilities</b>		<b>1,077</b>	<b>1,693</b>
<b>TOTAL LIABILITIES</b>		<b>1,077</b>	<b>1,693</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>955,291</b>	<b>781,774</b>

## Other notes

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## Statement of changes in equity

(DKK 1,000)	Share capital	Total retained earnings	Proposed dividend	Total
Equity at 1 February 2013	500,500	406,148	0	906,648
Buyback of own shares		(121)		(121)
Proposed dividend		(140,140)	140,140	0
<b>Comprehensive income:</b>				
Profit for the year		47,687		47,687
Other comprehensive income		0		0
Comprehensive income		47,687		47,687
<b>Equity at 31 January 2014</b>	<b>500,500</b>	<b>313,574</b>	<b>140,140</b>	<b>954,214</b>
Equity at 1 February 2014	500,500	313,574	140,140	954,214
Buyback of own shares		(28,152)		(28,152)
Capital reduction	(53,530)	53,530		0
Distributed dividend		(111,201)	(140,140)	(251,341)
Share-based remuneration		97		97
Proposed dividend		(67,045)	67,045	0
<b>Comprehensive income:</b>				
Profit for the year		105,263		105,263
Other comprehensive income		0		0
Comprehensive income		105,263		105,263
<b>Equity at 31 January 2015</b>	<b>446,970</b>	<b>266,066</b>	<b>67,045</b>	<b>780,081</b>

# Cash flow statement

		2013/2014	2014/2015
(DKK 1,000)	Note	01.02.2013 – 31.01.2014	01.02.2014 – 31.01.2015
Operating profit (EBIT)		55,421	107,976
Amortisation of intangible assets		6,943	2,919
Value adjustment of private equity funds		(79,160)	(123,106)
Share-based remuneration		0	97
Changes in foreign exchange rates		11,483	8,224
Change in market value of forward exchange contracts		5,387	788
Change in net working capital	20	(1,332)	(148)
<b>Cash flows from operations</b>		<b>(1,258)</b>	<b>(3,250)</b>
Financial income		1,717	1,053
Accrued interest income		(19)	19
Financial expenses		(9,217)	(3,535)
Dividend tax paid		(234)	(231)
<b>Additional cash flows from operating activities</b>		<b>(7,753)</b>	<b>(2,694)</b>
<b>Cash flows from operating activities</b>		<b>(9,011)</b>	<b>(5,944)</b>
Investments in private equity funds	11	(81,873)	(70,567)
Realisation of investments in private equity funds	11	163,262	174,274
Acquisition of management company	24	(1,297)	0
<b>Cash flows from investing activities</b>		<b>80,092</b>	<b>103,707</b>
Buyback of own shares		(11,818)	(28,152)
Distributed dividend, net		0	(251,342)
<b>Cash flows from financing activities</b>		<b>(11,818)</b>	<b>(279,494)</b>
Changes in cash and cash equivalents		59,263	(181,731)
Cash, beginning of year		150,476	209,739
<b>Cash, year-end</b>		<b>209,739</b>	<b>28,008</b>

The cash flow statement cannot be derived directly from the balance sheet and the statement of comprehensive income.

# Notes to the Financial Statements

## NOTE 1

### Accounting policies

The Financial Statements of Scandinavian Private Equity A/S are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements relating to the presentation of financial statements by listed companies, cf the Executive Order on the IFRS issued in pursuance of the Danish Financial Statements Act. Scandinavian Private Equity A/S is a public limited company domiciled in Denmark.

The Financial Statements are presented in Danish kroner (DKK), which is the functional currency of the Company.

The Financial Statements are presented on the basis of historical cost, except from derivative financial instruments and investments in unlisted private equity funds measured at fair value.

In order to improve the overview and to reduce the number of note disclosures where the amounts and qualitative information is deemed immaterial for the user of the financial accounts, some information is omitted taking materiality in account.

#### EFFECT OF NEW FINANCIAL REPORTING REGULATIONS

The Financial Statements are prepared on the basis of all new and amended standards and interpretations relevant to Scandinavian Private Equity A/S which have entered into force with effect from accounting periods commencing on 1 February 2014.

The use of new and amended standards and interpretations has not resulted in any changes to the Financial Statements for 2014/15 or previous years, and the Company's accounting policies are thus unchanged relative to 2013/14.

At the time of the presentation of the Financial Statements, a number of additional new or amended standards and interpretations have not taken effect yet. In Management's opinion, these standards and interpretations will not have a material effect on the Financial Statements for the coming year.

#### MATERIAL ACCOUNTING POLICIES

When preparing the Financial Statements, Management makes a number of accounting assessments that form the basis of the presentation, recognition and measurement of the Company's assets and liabilities. The most material accounting assessments are stated in note 2.

#### RECOGNITION AND MEASUREMENT IN GENERAL

Assets are recognised in the balance sheet if it is probable that future economic benefits will flow to the Company as a result of an event occurring before or at the balance sheet date, and if the value of the asset can be measured reliably. Assets are derecognised in the balance sheet if it is no longer probable that future economic benefits will flow to the Company.

Purchase and sale of financial assets and liabilities are recognised in the balance sheet at the contract date.

Liabilities are recognised in the balance sheet where the Company has a legal or constructive obligation as a result of an event occurring before or at the balance sheet date, and if it is probable that economic benefits must be given to settle the obligation, and if the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet if it is no longer probable that economic benefits must be given to settle the obligation.

On initial recognition, assets and liabilities are measured at cost except for investment assets, which are measured at fair value which typically corresponds to cost exclusive of costs incurred directly. Subsequent measurement is made as described below under each item. Events occurring in the period from the balance sheet date until the date of the presentation of the Annual Report confirming or disproving conditions

prevailing at the balance sheet date are taken into account.

Income is recognised in the statement of comprehensive income as earned, whereas costs are recognised at the amounts attributable to the financial year.

#### **FOREIGN CURRENCY TRANSLATION**

On initial recognition, transactions in foreign currencies are translated at the exchange rates prevailing at the transaction date or average monthly exchange rates. Receivables, payables and other monetary items in foreign currency not settled at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Exchange rate differences between the exchange rate at the transaction date and the exchange rate at the settlement date or the exchange rate prevailing at the balance sheet date, respectively, are recognised in the comprehensive income statement as net financials.

At the end of each quarter, investments in unlisted private equity funds are translated using the exchange rates prevailing at the end of the quarter. Foreign currency gains or losses arising from differences between the rates on the transaction date and the rates prevailing at the end of each quarter are recognised in the statement of comprehensive income as income from investment activities.

#### **STATEMENT OF COMPREHENSIVE INCOME**

##### **Income from private equity investment activities**

Income from private equity investment activities comprises unrealised and realised value adjustments and dividends received from unlisted private equity funds. Realised value adjustments are measured at portfolio company level compared with original cost and comprise profit or loss on investments divested in part or in full as well as dividend or similar in accordance with the private equity funds' reporting to SPEAS. Costs incurred by the private equity funds, including management fee, are recognised as realised value adjustment.

##### **Management costs**

Management costs comprise costs incurred in relation to Scandinavian Private Equity Partners A/S, which the Company had mandated to handle its day-to-day investment activities and administration tasks until 8 March 2013.

##### **Staff costs**

Staff costs comprise wages and salaries to company staff.

##### **Other costs**

Other costs comprise costs incurred in relation to administration, auditing, annual general meeting, etc.

##### **Amortisation of intangible assets**

Amortisation of intangible assets is made on a straight-line basis over the period in which the assets are expected to generate economic benefits. Future rights to management fees are amortised over 1 year and future rights to performance fees are amortised over 3 years.

##### **Net financials**

Net financials include interest income and expenses, realised as well as unrealised capital gains and losses regarding payables and transactions in foreign currencies.

##### **Tax on profit for the year**

Pursuant to section 19 of the Danish Capital Gains Tax Act, SPEAS has been classified as a tax-exempt investment company since 1 February 2009 implying that Danish investors will be taxed on the basis of the current price development.

The Company is only liable to pay a tax of 15% on dividends received from Danish companies. Furthermore, withholding tax may apply to income arising from other countries and will be charged if recovery is not an option.

## BALANCE SHEET

### Investments in unlisted private equity funds

On initial recognition, investments are measured at fair value equal to cost and subsequently at fair value, and fair value adjustments are recognised through profit and loss.

Investments in unlisted private equity funds are measured based on the latest reporting of the funds concerned. The reporting of the funds comprises measurement of the private equity fund concerned, including all portfolio companies, and SPEAS's share of the fund in question is determined. The value of the private equity fund equals the total value of the portfolio companies in which the fund has invested and investor deposits not invested in portfolio companies or applied to defray costs.

At the closing of the accounts, reporting by the underlying funds is assessed to ensure that investments are measured at fair value based on recognised valuation methods and trade techniques.

If the valuation date of the fund's latest reporting is different from SPEAS's reporting date, the value of called capital and received distributions in the intervening period will be adjusted, and adjustments may be made based on confirmed information about material matters affecting the value of one or more portfolio companies.

Gains and losses on revaluation of investments in unlisted funds are recognised when the underlying funds have reported realised gains or losses, unrealised gains or losses on revaluation of investments and have defrayed management fees and other costs. The value of the fund is adjusted for any carry payable to or provided for the private equity company. Gains or losses on revaluation previously recognised are reversed completely or partly if they are no longer warranted.

Value adjustments are recognised in the income statement, as investments in unlisted private equity

funds are classified as "fair value through profit or loss" with reference to the fair value option of IAS 39. The reason for applying the fair value option is that SPEAS consistently takes a portfolio view of its investments. The portfolio is managed, and its performance evaluated in accordance with the Company's risk management and investment strategy, based on fair value, which also forms the basis of internal reporting on investments to the management of the Company.

### Intangible assets

Intangible assets are determined in connection with SPEAS's acquisition of Scandinavian Private Partners A/S and include future rights to management and performance fees pursuant to the management agreement between the companies. Intangible assets are measured at cost with the deduction of accumulated amortisation and impairment losses.

### Receivables

Receivables are measured at amortised cost in the balance sheet, which equals the nominal value less loss provisions.

Loss provisions are determined on the basis of an individual assessment of individual receivables.

### Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the settlement date.

After initial recognition, derivative financial instruments are measured at fair value at the balance sheet date. The fair value is calculated on the basis of a market value determination prepared by the bank with which SPEAS has entered into the agreement on the derivative financial instrument. Positive and negative fair values of derivative financial instruments are recognised under current loans and receivables and other current payables, respectively.

The derivative financial instruments do not qualify as hedging instruments and are thus included in the trading portfolio and measured at fair value subject to



ongoing fair value adjustments recognised as net financials.

#### **Share-based incentive programmes**

Share-based incentive programmes under which only the Executive Board may purchase shares in the company (equity-settled share-based payment arrangement) are measured at the fair value of equity instruments at the time of granting and are recognised in staff costs at the time of granting. The set-off entry is recognised directly in equity.

Equity instruments are determined at fair value according to the Black Scholes method using the parameters stated in note 7.

#### **Current prepayments**

Current prepayments recognised as assets comprise costs paid relating to subsequent financial years. Current prepayments are measured at cost.

#### **Treasury shares**

Acquisition cost of and consideration for treasury shares and dividend on these are recognised directly in equity.

#### **Other current payables**

Other current payables comprise costs due. Other current payables are measured at cost.

#### **CASH FLOW STATEMENT**

The cash flow statement is prepared according to the indirect method and shows the Company's cash flows from operating, investing and financing activities, and the Company's cash and cash equivalent at the beginning and end of the year.

Cash flows from operations are presented according to the indirect method and determined as operating profit, adjusted for value adjustments of private equity funds, foreign currency translation adjustments resulting from these investments, changes in net working capital as well as financial income, financial expenses and dividend tax paid.

Cash flows from investing activities comprise purchase and sale of assets and ownership interests in unlisted private equity funds.

Cash flows from financing comprise purchase and sale of own investments. Cash flows in currencies other than the functional currency are recognised in the cash flow statement by using average exchange rates during the months, unless these differ significantly from the actual exchange rates prevailing at the transaction dates. In case of the latter, the actual exchange rates prevailing at the relevant dates are used.

Cash and cash equivalents include demand deposits.

#### **SEGMENT INFORMATION**

The Company's core activity is investment in unlisted private equity funds. In addition, the Company deposits cash in current accounts and other bank accounts. The Company operates in one segment only.

#### **FINANCIAL HIGHLIGHTS**

Financial highlights are prepared on the basis of the Danish Society of Financial Analysts's "Recommendations and Financial Ratios 2010".

**DEFINITIONS OF FINANCIAL RATIOS**

Earnings per share	$\frac{\text{Profit for the year}}{\text{Average number of shares}}$
Book value per share	$\frac{\text{Equity, year-end}}{\text{Number of shares, year-end}}$
Return on equity (%)	$\frac{\text{Profit for the year}}{\text{Average equity}}$
Number of shares	Total number of outstanding shares exclusive of the Company's treasury shares
Quoted price/book value	$\frac{\text{Market price, year-end}}{\text{Book value per share, year-end}}$
Cost:equity ratio (%)	$\frac{\text{Management costs + staff costs + other costs}}{\text{Average equity}}$
Investments in private equity funds as % of equity	$\frac{\text{Investments in private equity funds, year-end}}{\text{Equity, year-end}}$
Return on private equity funds	$\frac{\text{Profit for the year from investments in private equity funds}}{\text{Average value of investments in private equity funds}}$
Total exposure to private equity funds	Investments in private equity funds + uncalled investment commitments
Total exposure as % of equity	$\frac{\text{Total exposure to private equity funds, year-end}}{\text{Equity, year-end}}$

**NOTE 2****Significant accounting assessments, estimates, assumptions and uncertainties**

SPEAS invests in a number of private equity funds having a portfolio of unlisted companies, the marketability of which is determined by market trends. The underlying values (the underlying portfolio companies of the private equity funds) and thus the determination of fair values in the Company's balance sheet may be subject to uncertainty, as they may not be realisable at any time and under any market conditions, and as unrealisable value adjustments involve estimates.

This uncertainty may be higher in periods of high volatility in the financial markets. Further, SPEAS has no information about the specific methods and assumptions behind the private equity funds' measurement of each portfolio company, which renders verification of the fair value difficult. Methods and assumptions for determination of fair values of investments in unlisted private equity funds are specified in note 10.

**3. REALISED VALUE ADJUSTMENT**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Realised value adjustment	37,876	82,451
Management costs for private equity funds	(6,171)	(878)
<b>Total</b>	<b>31,705</b>	<b>81,573</b>

**4. MANAGEMENT COSTS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Management fee for Scandinavian Private Equity Partners A/S	799	0
<b>Total</b>	<b>799</b>	<b>0</b>

On 8 March 2013, Scandinavian Private Equity A/S acquired Scandinavian Private Equity Partners A/S, and the two companies merged on 27 May 2013. The management fee to Scandinavian Private Equity Partners A/S has been recognised at 1% pa of the market cap of SPEAS until the date of acquisition.

**5. FEES FOR THE COMPANY AUDITOR ELECTED AT THE GENERAL MEETING**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Statutory audit of the Company's financial statements inclusive of VAT	231	188
Other assurance engagements inclusive of VAT	0	0
Tax advice	0	0
Other services	24	54

**6. STAFF COSTS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Salaries	667	374
Remuneration of Executive Board	1,131	1,072
Remuneration of Board of Directors	857	692
Other staff costs	163	173
<b>Total</b>	<b>2,818</b>	<b>2,311</b>

Average number of full-time staff	2	1
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For the financial year 2014/15, remuneration of the Chairman of the Board of Directors of SPEAS totalled DKK 250,000 pa, and remuneration of each of the other directors amounted to DKK 150,000, which is unchanged from the financial year 2013/14.

## 7. SHARE-BASED REMUNERATION

In May 2014, SPEAS established a share option scheme with the aim to retain and motivate its Executive Board and to align management incentives with shareholder interests.

Time of granting	Number	Exercise period	Fair value per option
May 2014	25	2017-2019	DKK 3,887

Generally, the stock options are discontinued if the Director resigns. The fair value of the options, in total DKK 97,000, was fully charged to the income statement in Q2 2014/15. The fair value of the options has been determined using the Black-Scholes model based on the following assumptions:

Average share price at the time of granting (DKK)	19,692
Exercise price (DKK) <sup>1)</sup>	19,692
Expected volatility	19%
Expected maturity	4.9 years
Expected dividend per share <sup>1)</sup>	0%
Risk-free interest rate (based on Danish government bonds)	1.4%

<sup>1)</sup> The exercise price is adjusted according to distributed dividend and has been determined prior to distribution of dividend of DKK 2,800 per share as adopted by the Company's Annual General Meeting on 26 May 2014, extraordinary dividend of DKK 1,500 as resolved by the Board of Directors on 22 September 2014 and extraordinary dividend of DKK 1,400 as resolved by the Board of Directors on 17 December 2014. The exercise price at 31 January 2015 was DKK 13,992.

The expected volatility is based on the historical volatility of the share price of the Company's shares observed over the latest year prior to the time of granting. Expected maturity is based on the last possible exercise of the options.

## 8. FINANCIAL INCOME

(DKK 1,000)	2013/2014	2014/2015
Realised gain on forward exchange contracts	1,308	833
Income from financial assets measured at fair value through profit or loss	1,308	833
Interest on deposits	409	220
Income from financial assets not measured at fair value through profit or loss	409	220
<b>Total</b>	<b>1,717</b>	<b>1,053</b>

## 9. FINANCIAL EXPENSES

(DKK 1,000)	2013/2014	2014/2015
Unrealised loss on forward exchange contracts	(5,386)	(788)
Foreign currency translation of bank accounts	(1,278)	(1,665)
Commission on credit facility and bank fees	(2,553)	(1,082)
<b>Financial expenses</b>	<b>(9,217)</b>	<b>(3,535)</b>

**10. FINANCIAL RISK AND FINANCIAL INSTRUMENTS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>Classification of financial instruments</b>		
Investments in private equity funds	740,008	751,184
<b>Financial assets measured at fair value through profit or loss</b>	<b>740,008</b>	<b>751,184</b>
Current loans and receivables	145	126
Current prepayments	70	47
Total cash and cash equivalents	209,739	28,008
<b>Loans, advances and receivables</b>	<b>209,954</b>	<b>28,181</b>
Derivative financial instruments included in the trading portfolio	126	914
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>126</b>	<b>914</b>
Other current liabilities	951	779
<b>Financial liabilities measured at amortised cost</b>	<b>951</b>	<b>779</b>

Other current payables fall due for payment within 12 months.

**Risk management**

The Company's risk management is described on page 17 to which reference is made.

**Risk factors**

The risk factors are described in greater detail on page 17 to which reference is made.

Below the Company's interest rate and foreign exchange exposure are specified.

**INTEREST RATE RISK**

SPEAS's cash is interest bearing and involves interest rate risk.

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>Equity sensitivity to interest rate fluctuations</b>		
Impact if interest rate 1% lower than actual rate during the year	2,098	280
<b>Profit sensitivity to interest rate fluctuations</b>		
Impact if interest rate 1% lower than actual rate during the year	2,098	280

Equity and profit sensitivity to interest rate fluctuations solely stem from the Company's cash.

## CURRENCY EXPOSURES

*Investments in private equity funds*

Investments in private equity funds have been made in the following currencies:

	2013/2014		2014/2015	
	Currency	DKK (1,000)	Currency	DKK (1,000)
EUR (1,000)	75,725	565,051	77,455	576,575
SEK (1,000)	100,217	84,493	101,740	80,904
NOK (1,000)	103,187	90,465	111,195	93,704
<b>Total</b>		<b>740,008</b>		<b>751,184</b>

*Cash*

Cash is placed in the following currencies:

	2013/2014		2014/2015	
	Currency	DKK (1,000)	Currency	DKK (1,000)
EUR (1,000)	18,848	140,640	1,111	8,271
SEK (1,000)	8,597	7,248	10,213	8,122
NOK (1,000)	4,934	4,326	5,592	4,712
<b>Total</b>		<b>152,214</b>		<b>21,105</b>

As appears from the above, the Company's cash is primarily placed in EUR, and the Company therefore finds that the exchange rate risk is limited.

*Specification of forward exchange contracts*

	Time-to-maturity	Contractual	Fair value (DKK 1,000)
		value Currency (1,000)	
Forward exchange contracts, SEK	0-3 months	6,000	804
Forward exchange contracts, NOK	0-3 months	30,000	(930)
<b>31.01.2014</b>			<b>(126)</b>
Forward exchange contracts, NOK	0-3 months	17,000	(914)
<b>31.01.2015</b>			<b>(914)</b>

The forward exchange contracts do not meet the criteria for hedge accounting and are consequently included in the trading portfolio and recognised subject to ongoing fair value adjustment.

*Sensitivity to exchange rate fluctuations*

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>Equity sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(70,569)	(58,485)
Impact if SEK rate 10% lower than actual price	(9,680)	(8,902)
Impact if NOK rate 10% lower than actual price	(12,109)	(11,274)
<b>Total</b>	<b>(92,358)</b>	<b>(78,661)</b>
<b>Profit sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(70,569)	(58,485)
Impact if SEK rate 10% lower than actual price	(9,680)	(8,902)
Impact if NOK rate 10% lower than actual price	(12,109)	(11,274)
<b>Total</b>	<b>(92,358)</b>	<b>(78,661)</b>
<b>Uncalled commitments' sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(15,463)	(5,522)
Impact if SEK rate 10% lower than actual price	(3,813)	(3,051)
Impact if NOK rate 10% lower than actual price	(5,691)	(3,645)
<b>Total</b>	<b>(23,457)</b>	<b>(12,218)</b>

Equity and profit sensitivity to exchange rate fluctuations solely stems from investments in private equity funds, forward exchange contracts and cash in foreign currency. In the determination, sensitivity pertaining to investments in private equity funds is assumed to be directly dependent on fluctuations in the currency of the investment commitment made to the individual private equity fund. However, this is not necessarily the case and several of the private equity funds also invest in companies that have shares denominated in a different currency than the one in which the private equity company reports. SPEAS holds no information about the currency exposures of the individual portfolio companies or the private equity funds' possible hedging thereof and consequently finds the applied assumptions the most accurate.

**Methods and assumptions for measurement of fair value****DERIVATIVE FINANCIAL INSTRUMENTS**

Forward exchange contracts are measured in accordance with generally accepted measurement methods based on relevant observable exchange rates.

**INVESTMENTS IN UNLISTED PRIVATE EQUITY FUNDS**

Investments in unlisted private equity funds are measured based on reports from the respective funds. The value of a private equity fund is determined as the market value of investments in portfolio companies owned by the fund with the addition of other (current) net assets. Controls of the private equity funds' reporting are performed to ensure that computation of the fair value of the portfolio companies is based on recognised measurement methods and trade techniques, and fair values are reviewed and assessed on the basis of available information with a view to making adjustments if the reported fair value does not represent the actual fair value. However, SPEAS has no information about the specific methods and assumptions behind the private equity funds' measurement of each portfolio compa-

ny. Assessment of the reported fair value includes, among other things, available information on relevant market conditions and company-specific and general information obtained through ongoing dialogue with the private equity funds in question. All funds invested in by SPEAS comply with the International Private Equity and Venture Capital Valuation Guidelines. The private equity funds base their measurement of the portfolio companies on the industry, market position and earnings capacity of each company, including eg (i) peer group multiples, ie the market cap of comparable listed companies relative to earnings, (ii) transaction multiples of recent M&A transactions involving comparable companies, (iii) value indications from potential buyers of the company, (iv) market cap, if the company is listed, and/or (v) expected future proceeds, if an agreement has been made to divest the company.

#### Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below is a classification of financial instruments measured at fair value divided according to the fair value hierarchy:

- Listed prices in active markets for the same type of instrument (level 1)
- Listed prices in active markets for similar assets or liabilities or other measurement methods for which all significant inputs are based on observable market data (level 2)
- Measurement methods for which any significant input is not based on observable market data (level 3)

<b>2013/14</b>				
<b>(DKK 1,000)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments in private equity funds			740,008	740,008
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>740,008</b>	<b>740,008</b>
Derivative financial instruments		126		126
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>126</b>
<b>2014/15</b>				
<b>(DKK 1,000)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments in private equity funds			751,184	751,184
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>751,184</b>	<b>751,184</b>
Derivative financial instruments		914		914
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>0</b>	<b>914</b>	<b>0</b>	<b>914</b>



## 11. INVESTMENTS IN PRIVATE EQUITY FUNDS

Investments in unlisted private equity funds measured at fair value in accordance with level 3 of the fair value hierarchy, cf note 10.

(DKK 1,000)	2013/2014	2014/2015
Fair value, beginning of year	753,719	740,008
Purchase, excl transaction costs	81,873	70,567
Sale, excl transaction costs	(163,262)	(174,274)
Profit/loss according to the statement of comprehensive income	67,678	114,882
<b>Fair value, year-end</b>	<b>740,008</b>	<b>751,184</b>
<b>Profit/loss according to the statement of comprehensive income</b>		
Realised value adjustment	37,876	82,451
Management costs for private equity funds	(6,171)	(878)
Unrealised value adjustment	35,972	33,309
<b>Profit/loss according to the statement of comprehensive income</b>	<b>67,677</b>	<b>114,882</b>

"Realised value adjustment" and "Management costs for private equity funds" are recognised in "Realised value adjustment" in the statement of comprehensive income.

"Unrealised value adjustment" is recognised in "Unrealised value adjustment" in the statement of comprehensive income.

### SENSITIVITY TO FLUCTUATIONS IN THE VALUE OF INVESTMENTS IN PRIVATE EQUITY FUNDS

The fair value of the Company's investments in unlisted private equity funds is affected by the development in the fair value of the respective private equity funds' portfolio companies. The private equity funds base their valuation of the portfolio companies on the industry, market position and earnings capacity of each company, and additionally the fair value is affected by macroeconomic and financial conditions. Equity as well as profit is sensitive to fluctuations in the value of the Company's investments in unlisted private equity funds.

(DKK 1,000)	2013/2014	2014/2015
<b>Equity sensitivity to fluctuations in the value of private equity funds</b>		
Impact if the fair value was 10% lower than the actual fair value	(74.001)	(75.118)
<b>Profit sensitivity to fluctuations in the value of private equity funds</b>		
Impact if the fair value was 10% lower than the actual fair value	(74.001)	(75.118)

**12. INTANGIBLE ASSETS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Cost, beginning of year	0	12,272
Additions	12,272	0
Cost, year-end	12,272	12,272
Amortisation, beginning of year	0	6,943
Amortisation for the year	6,943	2,919
Amortisation, year-end	6,943	9,862
<b>Carrying amount, year-end</b>	<b>5,329</b>	<b>2,410</b>

**13. TAX ON PROFIT FOR THE YEAR**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Tax on foreign share dividends	0	232
Tax on profit for the year of Scandinavian Private Equity Partners A/S*	182	0
Adjustment of deferred tax of Scandinavian Private Equity Partners A/S*	52	0
<b>Tax on profit for the year</b>	<b>234</b>	<b>232</b>

\* SPEAS and Scandinavian Private Equity Partners A/S merged at 27 May 2013

**14. CURRENT LOANS AND RECEIVABLES**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Deposits, interest receivable, etc	145	126
<b>Total</b>	<b>145</b>	<b>126</b>

"Deposits, interest receivable, etc" is classified as "loans and receivables".

The Company's maximum credit risk at the balance sheet date equals the values recognised in the balance sheet.

**15. CURRENT PREPAYMENTS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Accrued expenses	70	47
<b>Total</b>	<b>70</b>	<b>47</b>

**16. TOTAL CASH AND CASH EQUIVALENTS**

<b>(DKK 1,000)</b>	<b>2013/2014</b>	<b>2014/2015</b>
Deposits in bank accounts	7,290	28,008
Fixed-term bank deposits	202,449	0
<b>Total</b>	<b>209,739</b>	<b>28,008</b>

The Company's cash consists of deposits with Danish banks. Fixed-term bank deposits are tied for up to three months.

**17. SHARE CAPITAL**

	2013/14		2014/15	
	Number of shares	Nom value DKK (1,000)	Number of shares	Nom value DKK (1,000)
Share capital, beginning of year	50,050	500,500	50,050	500,500
Capital reduction	0	0	(5,353)	(53,530)
<b>Share capital, year-end</b>	<b>50,050</b>	<b>500,500</b>	<b>44,697</b>	<b>446,970</b>

All shares carry the same rights, and the share capital has been fully paid up. There have been no changes in the share capital in the past five financial years prior to the capital reduction in 2014/15.

**18. TREASURY SHARES**

	2013/14			2014/15		
	Number of shares	Nom value DKK (1,000)	Proportion of share capital %	Number of shares	Nom value DKK (1,000)	Proportion of share capital %
Treasury shares, beginning of year	5,081	50,810	10.1	5,001	50,010	10.0
Purchase	687	6,870	1.4	1,563	15,630	3.5
Sale	767	7,670	1.5	0	0	0
Capital reduction	0	0	0	(5,353)	(53,530)	(10.7)
<b>Treasury shares, year-end</b>	<b>5,001</b>	<b>50,010</b>	<b>10.0</b>	<b>1,211</b>	<b>12,110</b>	<b>2.7</b>

Pursuant to a resolution passed by the General Meeting, the Board of Directors of Scandinavian Private Equity A/S is authorised to buy back own shares of a maximum nominal amount of DKK 89,394,000, equal to 20% of the share capital, until 29 May 2015.

During the financial year, the Company bought 1,563 own shares at an average price of DKK 14,532 per share (adjusted for distributed dividend during the financial year). At the Annual General Meeting in May 2014 it was decided to reduce the share capital by cancelling the Company's holding of 5,353 treasury shares.

During the financial year 2013/14, the Company bought 687 own shares at an average price of DKK 17,171 per share and used 767 treasury shares as partial payment for the management company.

At 31 January 2015, the Company held 1,211 treasury shares with a market value of DKK 21.5m at the applicable share price of DKK 17,740 per share.

#### 19. OTHER CURRENT PAYABLES

(DKK 1,000)	2013/2014	2014/2015
Audit fee due	231	144
Other costs due	669	635
Corporation tax due	51	0
Market value of forward exchange contracts	126	914
<b>Total</b>	<b>1,077</b>	<b>1,693</b>

Other current payables primarily relate to audit and advisory services costs, staff remuneration and negative market value of forward exchange contracts.

Other current payables fall due for payment within 12 months.

#### 20. CHANGE IN NET WORKING CAPITAL

(DKK 1,000)	2013/2014	2014/2015
Receivables	(196)	24
Current liabilities	(1,858)	(172)
- of which corporation tax due	(51)	0
<b>Total</b>	<b>(2,054)</b>	<b>(148)</b>

Net assets acquired through the acquisition of Scandinavian Private Equity Partners A/S in 2013/14 are included in the above figures, and there is thus no direct link to the cash flow statement.

#### 21. CONTINGENT LIABILITIES

The Company has no contingent liabilities nor provided any security except for the uncalled proportion of its investment commitments to private equity funds. At 31 January 2015, this proportion amounted to DKK 122.2m distributed as follows:

(DKK 1,000)	Currency million	DKK million
EUR	7.4	55.2
SEK	38.4	30.5
NOK	43.3	36.5

As appears from the above, the Company's uncalled investment commitments are primarily in EUR. The Company has hedged the main part of the exchange rate risk related to the part of the remaining commitments made in SEK and

NOK expected to be called by the private equity funds, and the Company therefore finds that the exchange rate risk is limited.

The Company has entered into a lease for office facilities with a notice period of 6 months. The liability is DKK 165,000 for the notice period.

## 22. RELATED PARTIES

No related parties exercise control of Scandinavian Private Equity A/S.

The related parties with significant influence on Scandinavian Private Equity A/S are the Board of Directors and the Executive Board and the family relations of the members thereof.

Until 8 March 2013 when the Company acquired all shares of Scandinavian Private Equity Partners A/S, this company also exerted significant influence on SPEAS through the management agreement.

When SPEAS acquired the management company in the financial year 2013/14, Ole Mikkelsen, CEO, held 3.0% of the management company and his proportion of the total acquisition sum, cf note 24, amounted to DKK 1,065,000, of which DKK 654,000 was paid in cash and the rest by 27 shares in SPEAS at a price of DKK 15,250.

Transactions with Scandinavian Private Equity Partners A/S appear from note 4, while other transactions with the Board of Directors and the Executive Board appear from notes 6 and 7.

## 23. SHAREHOLDER INFORMATION

SPEAS has registered the following shareholders having more than 5% of the voting rights or nominal value of the share capital at the time of publishing the Annual Report:

Shareholder	Announced share of votes and ownership
Henrik Østenkjær Lind DK-8240 Risskov	16.2%
Jyske Bank A/S Vestergade 8-16 DK-8600 Silkeborg	10.2%
SEB Asset Management S.A. 6a, Circuit de la Foire Internationale LU-1347 Luxembourg	9.7%
Nykredit Realkredit A/S Kalvebod Brygge 1-3 DK-1780 Copenhagen V	>5%

## 24. ACQUISITION OF THE MANAGEMENT COMPANY SCANDINAVIAN PRIVATE EQUITY PARTNERS A/S

On 8 March 2013, the Company acquired all shares of the management company Scandinavian Private Equity Partners A/S with a view to merging the two companies. The merger was completed as at 27 May 2013 and effective at 8 March 2013 for accounting purposes.

### SPECIFICATION OF RECOGNISED ACQUIRED ASSETS AND LIABILITIES AS AT THE DATE OF ACQUISITION

DKK (1,000)	Fair value at the acquisition date
Rights to management and performance fees	12,272
Receivables	978
Total cash and cash equivalents	19,355
Payables	(2,850)
Acquired net assets/acquisition sum	29,755
Of which cash reserves of Scandinavian Private Equity Partners A/S	(19,355)
Payment in the form of SPEAS shares	(11,697)
Cash payment	(1,297)

The purchase price of the shares in the management company came to DKK 29,755,000 of which DKK 18,058,000 was paid in cash. Payment in the form of SPEAS shares consisted of 767 treasury shares with a total nominal value of DKK 7,670,000 at DKK 15,250 per share (market price at the date of acquisition) equal to DKK 11,697,000. The Company paid transaction costs of approximately DKK 0.2m incurred in connection with the acquisition and relating to legal and financial advisory services. These costs were included in the income statement as other costs. Rights to management and performance fees are included in the financial statements as intangible assets.

In the period 1 February – 8 March 2013 Scandinavian Private Equity Partners A/S saw revenue of DKK 799,000 and an estimated profit before tax of DKK 400,000.

In the financial year 2013/14, SPEAS recorded net savings of an estimated DKK 4.5m, mainly attributable to management fees saved. The estimated payback period for the acquisition of shares in the management company is less than three years, to which performance fees saved should be added.

Going forward, the development in costs will be more dependent on the activity level of SPEAS. Up to the acquisition, the largest single cost item was management fees payable to the management company, which were calculated on the basis of the Company's market cap and consequently varied with the share price.

## 25. EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

No events have occurred after the end of the financial year and up to the signing of the Annual Report which may affect the assessment of the Annual Report.

# Company information

**NAME AND REGISTERED OFFICE**

Scandinavian Private Equity A/S  
Sankt Annæ Plads 13, 3.  
DK-1250 Copenhagen K

Tel: +45 70 25 10 55  
Fax: +45 70 25 10 75  
E-mail: [info@speas.dk](mailto:info@speas.dk)  
Website: [www.speas.dk](http://www.speas.dk)

**REGISTRATION NUMBERS**

ISIN: DK0060068682  
CVR no: 29 82 40 88

**BOARD OF DIRECTORS**

Henning Kruse Petersen, Chairman  
Niels Heering  
Henrik Østenkjær Lind

**EXECUTIVE BOARD**

Ole Mikkelsen

**PRINCIPAL BANKERS**

Nykredit Bank A/S

**FINANCIAL YEAR**

1 February – 31 January

**AUDITORS**

Deloitte  
Statsautoriseret Revisionspartnerselskab

**ABOUT SPEAS**

SPEAS is an investment company that invests in private equity funds with particular focus on buyout funds with activities in the Nordic countries. At present, SPEAS prioritises distribution to shareholders over new investment commitments.