

ANNUAL REPORT

# SCANDINAVIAN PRIVATE EQUITY AS

Sankt Annæ Plads 13, 3. / DK-1250 Copenhagen K / CVR no 29 82 40 88

## ANNUAL REPORT

1 FEBRUARY 2015 – 31 JANUARY 2016

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This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.

# Financial highlights

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
(DKK 1,000)	01.02.2011 – 31.01.2012	01.02.2012 – 31.01.2013	01.02.2013 – 31.01.2014	01.02.2014 – 31.01.2015	01.02.2015 – 31.01.2016
<b>Income statement</b>					
Income from investment activities	45,806	23,837	67,678	114,882	108,790
Operating profit (EBIT)	36,815	15,187	55,421	107,976	103,705
Net financials	809	1,143	(7,499)	(2,481)	(1,001)
<b>Profit before tax</b>	<b>37,624</b>	<b>16,330</b>	<b>47,922</b>	<b>105,495</b>	<b>102,704</b>
<b>Balance sheet</b>					
Investments in private equity funds	706,342	753,719	740,008	751,184	588,302
Intangible assets	0	0	5,329	2,410	282
Receivables	3,169	5,262	215	172	241
Total cash and cash equivalents	200,965	150,476	209,739	28,008	31,551
<b>Total assets</b>	<b>910,476</b>	<b>909,457</b>	<b>955,291</b>	<b>781,774</b>	<b>620,376</b>
Equity	904,454	906,648	954,214	780,081	619,989
Current liabilities	6,022	2,809	1,077	1,693	387
<b>Total liabilities and equity</b>	<b>910,476</b>	<b>909,457</b>	<b>955,291</b>	<b>781,774</b>	<b>620,376</b>
<b>Financial ratios</b>					
Number of shares in issue, year-end	50,050	50,050	50,050	44,697	43,486
Number of treasury shares, year-end	4,095	5,081	5,001	1,211	127
Average number of shares	46,704	45,376	45,484	44,169	43,413
Average number of shares, diluted	46,704	45,376	45,484	44,170	43,423
Earnings per share (EPS) (DKK)	813	361	1,048	2,383	2,359
Earnings per share, diluted (DEPS) (DKK)	813	361	1,048	2,383	2,359
Book value per share (DKK)	19,681	20,162	21,182	17,939	14,299
Book value per share, diluted (DKK)	19,681	20,162	21,182	17,936	14,295
Distributed dividend per share (DKK)	0	0	0	5,700	6,000
Quoted price (latest trade) at 31 Jan (DKK)	13,600	15,860	17,710	17,740	15,010
Quoted price/book value	0.69	0.79	0.84	0.98	1.05
Cost:equity ratio (%)	1.0	0.9	0.6	0.5	0.4
Return on equity (%)	4.2	1.8	5.1	12.0	14.3
<b>Investment commitments to private equity funds</b>					
Investments in private equity funds (DKKm)	706.3	753.7	740.0	751.2	588.3
- Investments as % of equity	78	83	78	96	95
- Return on private equity funds (%)	6.1	3.2	9.1	15.4	15.9
Uncalled investment commitments (DKKm)	269.5	312.1	249.7	122.2	98.3
Total exposure to private equity funds (DKKm)	975.8	1,065.8	989.7	873.4	686.6
- Total exposure as % of equity	108	118	104	112	111

# Financial Review

## Results

SPEAS recorded a profit for the year of DKK 102.4m, equal to a return on equity of 14.3%, which is in line with its latest earnings guidance of DKK 95m-105m, representing a return on equity of around 14%. 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 8-9% pa.

Investments in private equity funds provided a total return of DKK 108.8m, owing to the successful divestment of portfolio companies and a generally positive performance by the portfolio companies.

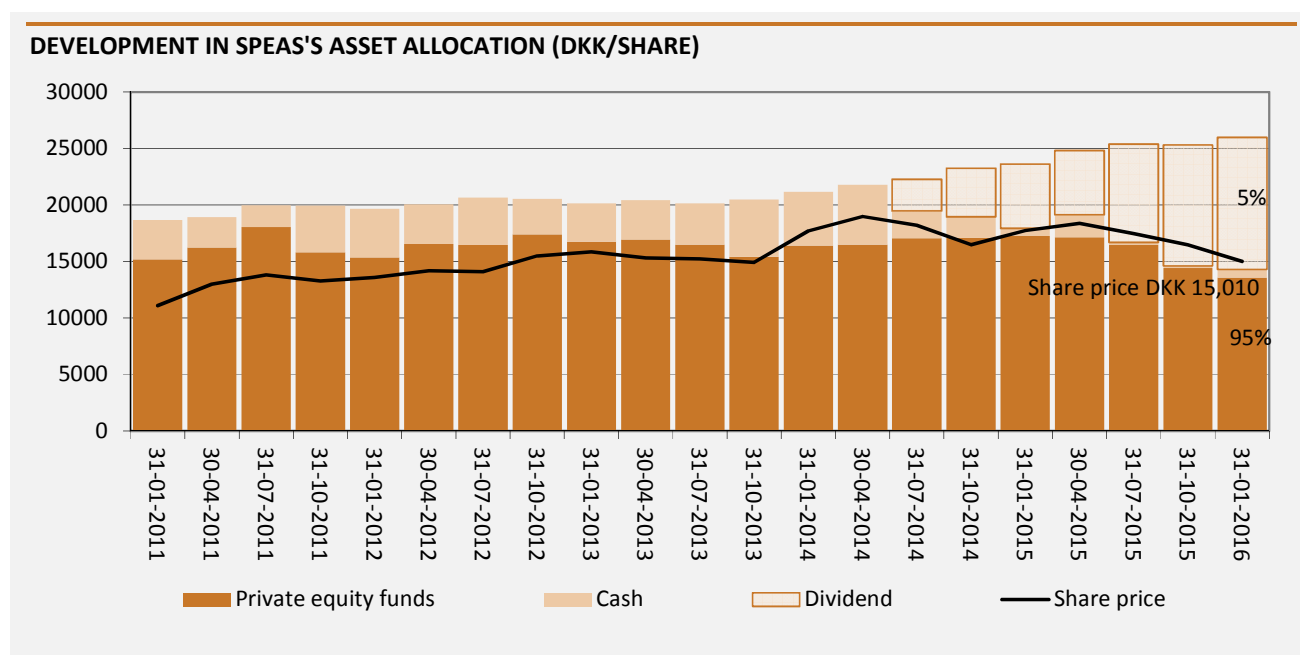
The difference between the original earnings guidance and the profit for the financial year was broad-based among the private equity funds and distributed over the financial year.

The earnings guidance was based on a net return of 10% on current investments in private equity funds at 31 January 2015 against a realised net return of 15.9% on the Company's total investments in private equity funds.

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 2015/16, which equals DKK 65m exclusive of dividend on treasury shares.

### ASSET ALLOCATION AT 31 JANUARY 2015

SPEAS's largest asset item is investments in private equity funds totalling DKK 588m, or 95% of its assets. At 31 January 2016, the cash balance was DKK 32m, equal to 5% of the assets.



The chart on page 4 is a breakdown of SPEAS's assets over the past five years. The development over the past two years is a consequence of SPEAS's strategy to distribute as large a share of its cash reserves as possible:

- Investments in private equity funds have declined, as the private equity funds have made considerable divestments, and SPEAS has not made new investment commitments since 2012.
- Accumulated dividend is growing.
- The cash balance is kept at a low level due to the continuous dividend distribution.

At the end of the financial year, SPEAS's market cap amounted to 105% of the carrying amount of its net assets.

Until 31 January 2016, SPEAS has distributed dividend of DKK 11,700 per share since November 2013 when the Company changed its investment strategy and started to distribute as large a share of its cash reserves as possible.

## LIQUID ASSETS

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

In order to reduce the Company's liquidity risk associated with outstanding investment commitments in NOK and SEK, some of the Company's cash is invested in the currencies in question.

Net financials came to a loss of DKK 1.0m in the financial year, of which DKK 0.6m was attributable to a loss on forward exchange contracts and foreign exchange deposits and DKK 0.5m to costs related to liquidity facilities.

## COSTS

Staff costs and other costs totalled DKK 3.0m, down DKK 1.0m compared with the past financial year as a result of ongoing cost adjustment.

### AT 31 JANUARY 2016, THE COMPANY HAD MADE THE FOLLOWING INVESTMENT COMMITMENTS:

Private equity fund	Original investment commitment		Uncalled investment commitment		Paid to private equity fund (DKKm)	Value		
	Currency	(DKKm)	Currency	(DKKm)		Realised (DKKm)	Unrealised (DKKm)	
EQT V	EUR	40m	EUR	0.9m	6.8	344.1	385.4	143.5
EQT VI	EUR	10m	EUR	2.0m	14.7	60.5	1.2	79.2
IK 2007	EUR	25m	EUR	3.3m	24.8	192.1	225.1	56.9
Apax Europe VII	EUR	30m	EUR	0.6m	4.5	249.1	228.5	149.5
Litorina III	SEK	107m	SEK	21.3m	17.0	79.1	87.7	43.4
Litorina IV	SEK	46m	SEK	11.8m	9.4	31.3	3.1	32.7
Herkules III	NOK	100m	NOK	14.8m	11.7	94.3	57.2	28.5
Norvestor VI	NOK	80m	NOK	11.9m	9.4	61.7	7.3	54.6
<b>Total</b>					<b>98.3</b>	<b>1,112.2</b>	<b>995.5</b>	<b>588.3</b>

## Capital

At 31 January 2016, equity and current liabilities totalled DKK 620m of which equity amounted to DKK 620m. Book value per share was DKK 14,299.

## Cash flows

The net change in cash was DKK 4m which was primarily attributable to i) negative cash flows relating to dividends of DKK 260m and ii) annual investments in private equity funds of DKK 31m and realised investments totalling DKK 303m.

## Private equity funds

In the financial year, SPEAS's investments in private equity funds generated a profit of DKK 108.8m, including negative foreign currency translation adjustment of DKK 3.7m. This corresponded to 15.9% of average investments in private equity funds and resulted from the successful divestment of portfolio companies and a generally positive performance of most of the portfolio companies.

In the financial year, the private equity funds invested in eight new companies and divested 15. For this pur-

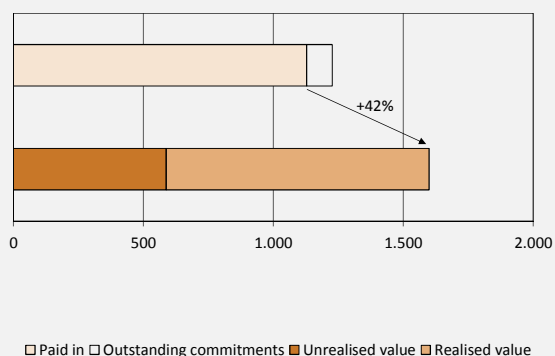
pose, SPEAS contributed DKK 31m to the private equity funds in accordance with the investment commitments made and received DKK 303m as proceeds from exits, recapitalisation, etc.

At 31 January 2016, SPEAS had received exit proceeds from a total of 48 fully realised investments, of which 15 in the financial year under review. Exit proceeds from these 48 investments totalled DKK 923m, corresponding to a net multiple of 1.8x the invested amount, and a net return as at 31 January 2016 of 15.5% pa (IRR). Exit proceeds were generally on a level with or exceeded the latest carrying amounts prior to announcement of the sale. The 15 companies from which SPEAS received exit proceeds in the financial year 2015/16 have thus contributed a gross gain of DKK 56m in the financial year.

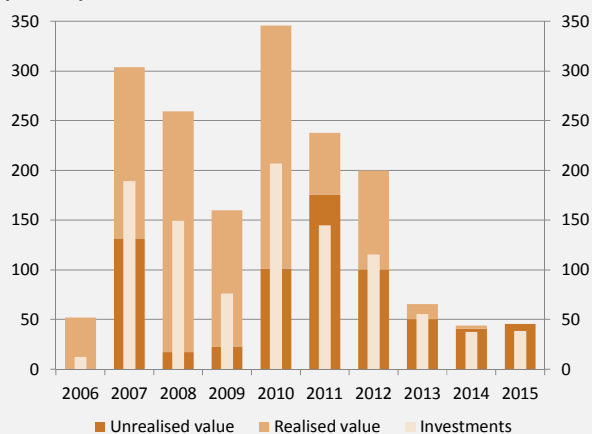
Accumulated returns on investments in private equity funds until 31 January 2016 came to 42%, equal to an annual return of 9.1% (IRR).

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,

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



**PRIVATE EQUITY FUND INVESTMENTS (DKKm)**



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 2016, the private equity funds had invested in 78 companies. SPEAS's investments in private equity funds amounted to DKK 588m. 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 underlying portfolio companies in the chart on page 6. The chart shows that the value of investments made has generally seen a positive development in all investment years. As a consequence of the Company's strategy, future investment activity will decrease.

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 41%, 18% and 18%, respectively, of

SPEAS's total exposure, but with a considerable diversification towards other sectors.

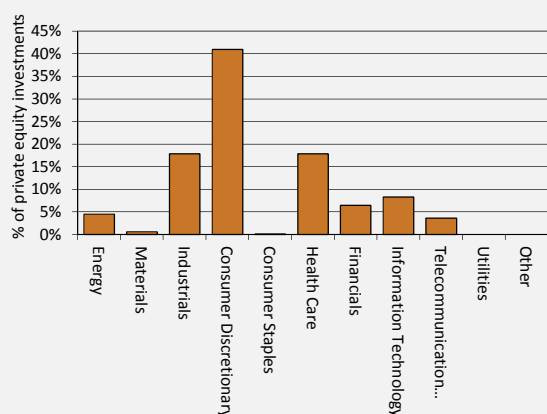
The market value of SPEAS's private equity investments is broken down by the geographical location of the underlying portfolio companies in the chart below.

52% of SPEAS's investments in private equity funds is exposed to the Nordic region. Investments in the rest of the world mainly concern Apax Europe VII, which also invests outside Europe.

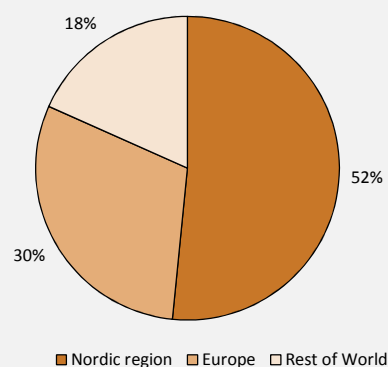
Below, we have listed the ten companies representing SPEAS's largest (indirect) ownership interests (alphabetical order):

Company	Fund	Sector
AcadeMedia	EQT	Education
Acelity	Apax	Healthcare
Auto Trader	Apax	Media
CBR Holding	EQT	Retail/clothing
Dometic	EQT	Cooling systems
Epicor	Apax	ERP systems
Grolls	Litorina	Workwear
Scandic Hotels	EQT	Hotel management
Schenck Process	IK	Processing industry
Vemedica	IK	Non-prescription drugs

### INDUSTRY BREAKDOWN (GICS)



### GEOGRAPHIC DIVERSIFICATION



SPEAS's total exposure to these companies was valued at DKK 283m, corresponding to 46% of the Company's equity. None of the companies make up more than 11% 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. Litorina IV is still in its investment period, whereas the other funds in which SPEAS invests have completed their investment periods.

At 31 January 2016, investments in private equity funds including uncalled investment commitments totalled DKK 687m, equal to 111% 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 16 offices in Northern Europe, the US and Asia, including Stockholm, Copenhagen, Oslo and Helsinki. EQT has raised approximately EUR 29bn in 18 funds, which have invested in around 140 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.

EQT V's investment period ended on 4 May 2011 and EQT VI's on 5 August 2015. The funds have typically invested EUR 100m-500m per company, targeting controlling interests in medium-sized and large companies mainly in the Nordic countries and Germany.

At 31 January 2016, EQT V's portfolio included the following companies:

Company	Domiciled in	Sector
AcadeMedia	Sweden	Education
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

#### *Companies divested in 2015/16:*

Blizoo	Bulgaria	Telecommunications
XXL	Norway	Retail/sporting equipment

At 31 January 2016, 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

#### *Investments completed in 2015/16:*

HusCompagniet	Denmark	Single-family houses
Nordic Aviation	Denmark	Aircraft leasing

#### *Companies divested in 2015/16:*

Vertu	Finland	Mobile phones
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**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 seven 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 2016, IK 2007's portfolio included the following companies:

Company	Domiciled in	Sector
Actic	Sweden	Fitness
Colosseum	Norway	Dental clinics
DGI	Netherlands	Mechanical engineering
Schenck Process	Germany	Processing industry
Trigo	France	Quality assurance
Vemedia	Belgium	Non-prescription drugs

*Companies divested in 2015/16:*

Agros Nova	Poland	Food and drink
Solina	France	Food refinement
Unipex	France	Specialty chemicals
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.

Apax Europe VII has completed its investment period, and the fund has 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 2016, Apax Europe VII's portfolio included the following companies:

Company	Domiciled in	Sector
Acelity	US	Healthcare
Ascential	UK	Media
Auto Trader	UK	Media
Bankrate	US	Financial services
Cengage Learning	US	Media
Electro-Stocks	Spain	Electrical equipment
Epicor	US	ERP systems
Genex	US	Healthcare
Golden Jaguar	China	Restaurant chain
Huarong	China	Asset management
One Call	US	Healthcare
Paradigm	UK	IT software
Plantasjen	Norway	Retail
Psagot	Israel	Asset management
Rhiag <sup>1)</sup>	Italy	Distribution/spare parts
Sophos	UK	IT security solutions
Takko	Germany	Retail/clothing
TIVIT	Brazil	IT business solutions
Trader Corporation	Canada	Publishing

*Companies divested in 2015/16:*

Cengage Nelson	Canada	Media
iGATE	US	IT outsourcing solutions
Orange	Switzerland	Telecommunications
SouFun	China	Portal/real property
Tnuva	Israel	Food

<sup>1)</sup> Apax Europe VII has announced the divestment of Rhiag

**LITORINA III AND IV**

Litorina is a Swedish private equity company domiciled in Stockholm. Since 1998 Litorina has invested in more than 40 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 2016, Litorina III's portfolio included the following companies:

Company	Domiciled in	Sector
Euroflorist	Sweden	Flower distribution
Grolls	Sweden	Workwear
mySafety	Sweden	Insurance
Wallvision	Sweden	Wallpaper

*Companies divested in 2015/16:*

Cederroth	Sweden	Healthcare
Semantix	Sweden	Translation

At 31 January 2016, Litorina IV's portfolio included the following companies:

Company	Domiciled in	Sector
Eton <sup>1)</sup>	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

*Investments completed in 2015/16:*

CarpetVista	Sweden	Carpets
KungSängen	Sweden	Beds
LGT Logistics	Sweden	Distribution of furniture

<sup>1)</sup> Litorina IV has announced the divestment of Eton

**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 2016, Herkules III's portfolio included the following companies:

Company	Domiciled in	Sector
Bandak	Norway	Metal industry
Enoro	Norway	IT systems
Harding	Norway	Maritime equipment
Intelecom	Norway	Telecommunications
Norsk Jern- bandedrift	Norway	Contractor services
ODLO	Switzerland	Sports clothing
Stamina	Norway	Healthcare

*Companies divested in 2015/16:*

Espresso House	Sweden	Coffee shops
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**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 four funds with total commitments exceeding NOK 11bn.

The investment period of Norvestor VI ended on 21 December 2015. The fund has invested NOK 100m-500m in each company and acquired majority interests in SMEs with strong market positions. Geographically, the fund focuses on Norway and Sweden.

At 31 January 2016, 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

*Investments completed in 2015/16:*

Permascand	Sweden	Processing industry
Phonero	Norway	Telecommunications
Roadworks	Norway	Contractor services

**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 32m and will still have some liquidity for the remaining part of the financial year 2016/17 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. Expectations are therefore subject to considerable uncertainty.

Furthermore, short-term return expectations 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 is also affected by low growth expectations. Interest rates were historically low, and equity markets in many countries now exceed the levels before the financial crisis in 2008 despite the volatility in early 2016.

### PRIVATE EQUITY MARKETS

SPEAS expects investment activity in the private equity market in 2016 to generally be slightly lower than in the preceding two years when activity was particularly high. However, 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 4.9 years (weighted) as at 31 January 2016. 40% of the private equity portfolio relates to portfolio companies with a minimum holding period of five years, and divestment of these companies, if necessary, should be expected within the next couple of years.

SPEAS expects private equity fund distribution to exceed the capital calls by considerable margins in the financial year 2016/17. First of all, only one private equity fund remains in SPEAS's portfolio where the investment period has not been completed. Secondly, fairly high exit activity is still expected.

### EARNINGS EXPECTATIONS

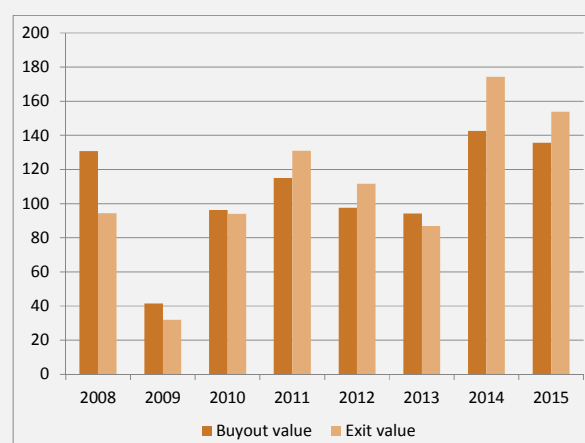
Given SPEAS's current asset allocation, the Company's long-term return expectations are equivalent to a long-term return on equity of 8-9% pa.

### Strategic considerations

In November 2013, SPEAS changed its investment strategy to distribute as large a share of its cash reserves as possible, with due regard to uncalled investment commitments. Since then, the Company has consequently not made any new investment commitments.

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

### EUROPEAN PRIVATE EQUITY ACTIVITY (USDbn)



Source: Mergermarket

Concurrently with distributions from the private equity funds and distribution of liquidity, the Company's assets will decrease further over the coming years.

SPEAS's cost level is generally low, but as a listed company it is difficult to reduce costs markedly in step with the decreasing assets. The cost:equity ratio is thus expected to increase ahead, even though Management will focus on keeping costs low.

In 2013 SPEAS acquired the management company Scandinavian Private Equity Partners with the aim of insourcing investment expertise and reducing costs. Over the next three years, the Company's costs reduced by more than DKK 30m, of which about half represented reduced performance fees. SPEAS paid DKK 12m for the management company, and this acquisition has thus contributed considerably to the current low cost level.

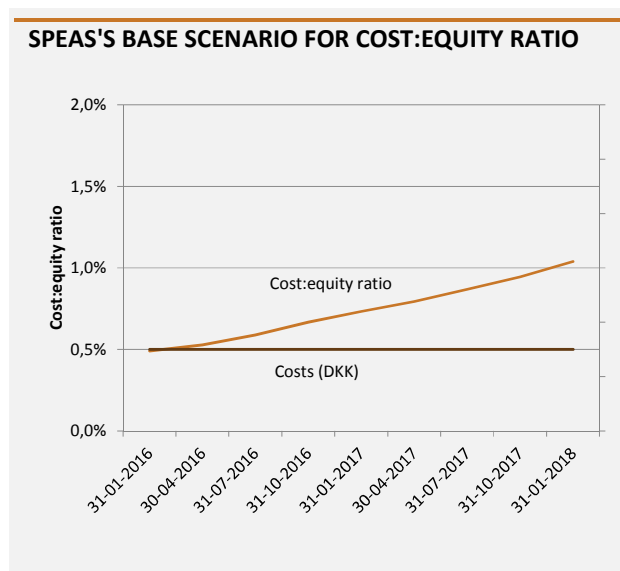
The base scenario for the development over the coming years is based on a long-term return on equity of 8-9% pa, total distribution of DKK 250m in 2016/17 and DKK 150m in 2017/18, and an unchanged cost

level. The return and distribution assumptions are obviously subject to great uncertainty.

The cost:equity ratio is expected to rise in the base scenario as illustrated in the opposite chart, but the Board of Directors finds that the ratio applied will remain at an acceptable level.

The Board of Directors will continually assess the Company's strategic opportunities, including a potential wind-up.

At present, however, the Board of Directors finds that SPEAS has an attractive, mature portfolio of private equity funds, which the Company is still able to manage cost-efficiently.



# 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 [www.speas.dk](http://www.speas.dk). The statement is in accordance with the latest recommendations of May 2013, which were last updated in 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 accepted 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 what 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

SPEAS has received declarations of intent from the private equity funds to integrate codes of practice for 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.

Three of the private equity companies with which SPEAS cooperates have endorsed the United Nations' Principles for Responsible Investments.

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 2015/16, the Board of Directors held six 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  
C.W. Obel A/S  
Erhvervsinvest Management A/S  
The Financial Compliance Group 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**

Niels 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)  
 Civilingeniør N.T. Rasmussens Fond  
 Ellos Denmark A/S  
 Helgstrand Dressage A/S  
 Nesdu A/S  
 Henning Stæhr A/S  
 Stæhr Holding A/S  
 Stæhr Invest II A/S  
 M. Goldschmidt Holding A/S  
 M. Goldschmidt Ejendomme A/S  
 MGE Bolig Hillerød Holding A/S  
 MGE Bolig Hillerød P/S  
 M. Goldschmidt Capital A/S  
 Imerco A/S  
 Imerco Holding A/S  
 MGE Nymøllevej 78, Lyngby A/S  
 MGES A/S  
 Rørmosevej 2 D-G A/S

**Deputy Chairman of:**

Acquaporin A/S  
 15. Juni Fonden

**Director of:**

J. Lauritzen A/S  
 Ole Mathiesen A/S  
 Mathiesen Holding A/S  
 Lise og Valdemar Kählers Familiefond  
 NKB Infrastructure II Komplementar ApS  
 NKB Infrastructure Komplementar ApS  
 NKB Invest II Komplementar ApS  
 NKB Opportunity Komplementar ApS  
 NKB Private Equity VI A/S  
 NKB V DK Komplementar ApS

NKB Private Equity DK IV ApS  
 NKB Private Equity IV Euro ApS  
 NKB Private Equity III DK A/S

**Managing Director of:**

CCKN Holding ApS (and two subsidiaries)



**HENRIK LIND**

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

Henrik Lind holds 7,328 shares in SPEAS. This shareholding has increased by 72 shares in the financial year.

Directorships and executive positions in other commercial businesses:

**Deputy Chairman of:**

Danske Commodities A/S

Lind Capital A/S

Lind Capital Fondsmæglerselskab A/S

**Director of:**

Kristensen Partners III A/S

Cornerstone Properties Germany Holding ApS

4U-Development 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 an investment manager with Lønmodtagernes Dyrtidsfond 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 4 and 5.

## 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, which is composed of all the board members, 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 factors 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.

The balance sheet item "Total liabilities" only comprises other current payables repaid in cash. Reference is made to note 17.

### 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. In line with 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 Company'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 expo-

sure 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 19. 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.

# Shareholder information

## SHARE INFORMATION

Exchange	Nasdaq Copenhagen
Share capital	DKK 434,860,000
Denomination	DKK 10,000
Number of shares	43,486
Share classes	One
Votes per share	One
Bearer security	Yes
Voting restrictions	No
Negotiability restrictions	No
ISIN	DK0060068682

Since 1 February 2015, the price of the Company's shares has decreased from DKK 17,740 to DKK 15,010 at 31 January 2016. Allowing for distributed dividend of a total of DKK 6,000 per share during the financial year, the increase is 18.4%. 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 12.7% in the same period.

The book value per share decreased from 17,939 to 14,299 in the financial period. Allowing for distributed dividend of a total of DKK 6,000 per share during the financial year, the increase is 13.2%.

In the financial year, 6,024 shares were traded, corresponding to a total market value of DKK 103m.

## SHAREHOLDER STRUCTURE

At 31 January 2016, SPEAS had more than 800 registered shareholders. Registered shareholders accounted for 85% of the share capital.

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

Shareholder	Announced share of votes and ownership
Henrik Lind DK-8240 Risskov	16.9%
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%

## TREASURY SHARES

During the financial year, the Company bought 127 treasury shares at an average price of DKK 12,560 per share (adjusted for distributed dividend during the financial year). At 31 January 2016, the Company held 127 treasury shares, equal to 0.3% of the share capital.

At the Annual General Meeting in May 2015, it was decided to reduce the share capital by cancelling 1,211 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 treasury shares of a maximum nominal amount of DKK 86,972,000, equal to 20% of the share capital, until 23 May 2016.

## 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 dividends and/or share buybacks.

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

The Company may buy back treasury 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 in 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.

During the financial year 2015/16, the Company distributed dividend of DKK 6,000 per share, equal to a total of DKK 260m excluding dividend on treasury shares. Dividend was distributed four times: DKK 1,500 per share adopted at the Company's Annual General Meeting in May 2015, DKK 1,500 per share as extraordinary dividend in July 2015, DKK 2,000 per share as extraordinary dividend in October 2015 and DKK 1,000 per share as extraordinary dividend in December 2015.

At 31 January 2016, SPEAS had distributed dividend of DKK 11,700 per share since November 2013 when the Company changed its investment strategy and started to distribute as large a share of its cash reserves as

possible.

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 2015/16, 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 2016/17. 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 any 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,

#### FINANCIAL CALENDAR

In the financial year 2016/17 ending 31 January 2017, SPEAS expects to publish financial statements on the following dates:

13 June 2016	Interim report for Q1 2016/17
15 September 2016	Interim report for H1 2016/17
15 December 2016	Interim report for Q3 2016/17

The Company will hold its Annual General Meeting on Monday 23 May 2016 at 16:00.

complete proposals, annual reports, interim reports, company announcements, 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 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.

#### **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 opening hours.

#### **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:

<b>Date</b>	<b>Company announcements</b>	<b>Other news</b>
12 February 2015		Norvestor VI invests in OneCo Infra
3 March 2015	Company announcement no 1 2015/16: Forecast for the financial year 2014/15	
9 March 2015		Litorina IV acquires LGT Logistics
28 April 2015	Company announcement no 2 2015/16: Annual Report 2014/15	
5 May 2015	Company announcement no 3 2015/16: Notice convening Annual General Meeting	
7 May 2015		Norvestor VI invests in Permascand
22 May 2015		IK 2007 to divest Vistra Group
29 May 2015	Company announcement no 4 2015/16: Minutes of Annual General Meeting 2015	
2 June 2015		Herkules III sells Espresso House
17 June 2015	Company announcement no 5 2015/16: Interim report for Q1 2015/16	
22 June 2015		Litorina III sells Semantix
29 June 2015		Apax Europe VII lists Sophos
30 June 2015	Company announcement no 6 2015/16: Share capital and number of voting rights	
2 July 2015		EQT VI acquires HusCompagniet
11 July 2015		IK 2007 to sell Agros Nova
23 July 2015	Company announcement no 7 2015/16: Extraordinary dividend	
30 July 2015		EQT V sells blizoo
5 August 2015		EQT VI invests in Nordic Aviation Capital
29 September 2015	Company announcement no 8 2015/16: Interim report for H1 2015/16	
1 October 2015		IK 2007 to sell Solina
13 October 2015	Company announcement no 9 2015/16: Notification of major shareholding	
15 October 2015		EQT VI sells VERTU
9 November 2015		Norvestor VI invests in Phonero
25 November 2015		EQT V, Dometic IPO
2 December 2015		EQT V, Scandic IPO
14 December 2015	Company announcement no 10 2015/16: Interim report for Q3 2015/16	

*Continued overleaf*

*Continued*

<b>Date</b>	<b>Company announcements</b>	<b>Other news</b>
18 December 2015		Litorina IV acquires KungSängen
22 December 2015		Apax Europe VII sells Rhiag
22 December 2015		Litorina IV invests in CarpetVista
22 December 2015		Litorina IV divests Eton
6 January 2015	Company announcement no 11 2015/16: Financial calendar for the financial year 2016/17	
15 January 2016		Litorina IV invests in Fresks
9 February 2016		Apax Europe VII, Ascential IPO
23 February 2016	Company announcement no 1 2016/17: Forecast for the financial year 2015/16	
18 April 2016		Norvestor VI divests Sortera

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 2015 – 31 January 2016 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 2016 and of the results of the Company's operations and

cash flows for the financial year 1 February 2015 – 31 January 2016.

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 2016

## Executive Board

Ole Mikkelsen  
CEO

## Board of Directors

Henning Kruse Petersen  
Chairman

Niels Heering

Henrik 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 2015 – 31 January 2016, 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 State-

ments 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 2016 and of the results of the Company's operations and cash flows for the financial year 1 February 2015 – 31 January 2016 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 2016

### Deloitte

Statsautoriseret Revisionspartnerselskab

Anders O. Gjelstrup  
State-Authorised  
Public Accountant

Thomas Hjortkjær Petersen  
State-Authorised  
Public Accountant

CVR no 33 96 35 56

## Statement of comprehensive income

		2014/2015	2015/2016
(DKK 1,000)	Note	01.02.2014 – 31.01.2015	01.02.2015 – 31.01.2016
<b>Income from investment activities</b>	<b>9</b>	<b>114,882</b>	<b>108,790</b>
Staff costs	4, 5	(2,311)	(1,926)
Other costs	3	(1,676)	(1,031)
Amortisation of intangible assets		(2,919)	(2,128)
<b>Operating profit (EBIT)</b>		<b>107,976</b>	<b>103,705</b>
Financial income	6	1,053	668
Financial expenses	7	(3,534)	(1,669)
<b>Profit before tax</b>		<b>105,495</b>	<b>102,704</b>
Tax on profit for the year	11	(232)	(285)
<b>Total comprehensive income</b>		<b>105,263</b>	<b>102,419</b>
<b>Distribution of profit for the year</b>			
Proposal for the distribution of profit for the year		67,045	65,229
Extraordinary dividend adopted during the financial year		129,621	195,687
Carried forward to next financial year		(91,403)	(158,497)
<b>Total</b>		<b>105,263</b>	<b>102,419</b>
<b>Earnings per share</b>			
Average number of outstanding shares excl treasury shares		44,169	43,413
Earnings per share/earnings per share diluted (DKK)		2,383	2,359

# Balance sheet

## Assets

(DKK 1,000)	Note	31.01.2015	31.01.2016
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Investments in private equity funds	9	751,184	588,302
Intangible assets	10	2,410	282
<b>Total financial assets</b>		<b>753,594</b>	<b>588,584</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>753,594</b>	<b>588,584</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Current loans and receivables	12	126	126
Current prepayments	13	46	115
<b>Total receivables</b>		<b>172</b>	<b>241</b>
<b>Total cash and cash equivalents</b>	<b>14</b>	<b>28,008</b>	<b>31,551</b>
<b>TOTAL CURRENT ASSETS</b>		<b>28,180</b>	<b>31,792</b>
<b>TOTAL ASSETS</b>		<b>781,774</b>	<b>620,376</b>

# Balance sheet

## Liabilities and equity

(DKK 1,000)	Note	31.01.2015	31.01.2016
<b>EQUITY</b>			
Share capital	15	446,970	434,860
Total retained earnings		266,066	119,900
Proposed dividend		67,045	65,229
<b>TOTAL EQUITY</b>		<b>780,081</b>	<b>619,989</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other current payables	17	1,693	387
<b>Current liabilities</b>		<b>1,693</b>	<b>387</b>
<b>TOTAL LIABILITIES</b>		<b>1,693</b>	<b>387</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>781,774</b>	<b>620,376</b>

## Other notes

- 1 Accounting policies
- 2 Significant accounting assessments, estimates, assumptions and uncertainties
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## Statement of changes in equity

(DKK 1,000)	Share capital	Total retained earnings	Proposed dividend	Total
Equity at 1 February 2014	500,500	313,574	140,140	954,214
Buyback of treasury shares		(28,152)		(28,152)
Capital reduction	(53,530)	53,530		0
Distributed dividend (exclusive of dividend on treasury shares)		(111,201)	(140,140)	(251,341)
Share-based payment		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>
Equity at 1 February 2015	446,970	266,066	67,045	780,081
Buyback of treasury shares		(2,167)		(2,167)
Capital reduction	(12,110)	12,110		0
Distributed dividend (exclusive of dividend on treasury shares)		(193,299)	(67,045)	(260,344)
Proposed dividend		(65,229)	65,229	0
<b>Comprehensive income:</b>				
Profit for the year		102,419		102,419
Other comprehensive income		0		0
Comprehensive income		102,419		102,419
<b>Equity at 31 January 2016</b>	<b>434,860</b>	<b>119,900</b>	<b>65,229</b>	<b>619,989</b>

# Cash flow statement

		2014/2015	2015/2016
(DKK 1,000)	Note	01.02.2014 – 31.01.2015	01.02.2015 – 31.01.2016
Operating profit (EBIT)		107,976	103,705
Amortisation of intangible assets		2,919	2,128
Value adjustment of private equity funds		(123,106)	(112,701)
Share-based remuneration		97	0
Changes in foreign exchange rates		8,224	3,911
Change in market value of forward exchange contracts		788	(914)
Change in net working capital	18	(148)	(461)
<b>Cash flows from operations</b>		<b>(3,250)</b>	<b>(4,332)</b>
Financial income		1,053	668
Accrued interest income		19	0
Financial expenses		(3,534)	(1,669)
Dividend tax paid		(232)	(285)
<b>Additional cash flows from operating activities</b>		<b>(2,694)</b>	<b>(1,286)</b>
<b>Cash flows from operating activities</b>		<b>(5,944)</b>	<b>(5,618)</b>
Investments in private equity funds	9	(70,567)	(31,419)
Realisation of investments in private equity funds	9	174,274	303,091
<b>Cash flows from investing activities</b>		<b>103,707</b>	<b>271,672</b>
Buyback of treasury shares		(28,152)	(2,167)
Distributed dividend, net		(251,342)	(260,344)
<b>Cash flows from financing activities</b>		<b>(279,494)</b>	<b>(262,511)</b>
Changes in cash and cash equivalents		(181,731)	3,543
Cash, beginning of year		209,739	28,008
<b>Cash, year-end</b>		<b>28,008</b>	<b>31,551</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.

For a better overview and to reduce the amount of note disclosures where figures and qualitative disclosures are considered of insignificant importance to financial statement users, certain disclosures have been excluded taking materiality into 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 the accounting period commencing on 1 February 2015.

The use of new and amended standards and interpretations has not resulted in any changes to the Financial Statements for 2015/16 or previous years, and the Company's accounting policies are thus unchanged relative to 2014/15.

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.

Purchases and sales 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. Measurement after initial recognition 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.

##### **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 meetings, 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 con-

cerned. The reporting of the funds comprises valuation 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 5.

#### **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 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 dividend distribution, and purchase and sale of treasury shares.

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 includes 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 Finance Society's "Recommendations and Financial Ratios 2015".

<b>DEFINITIONS OF FINANCIAL RATIOS</b>	
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 (%)	$\frac{\text{Staff costs + other costs}}{\text{Average equity}}$
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 with portfolios 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 value 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 8.

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

<b>(DKK 1,000)</b>	<b>2014/2015</b>	<b>2015/2016</b>
Statutory audit of the Company's financial statements inclusive of VAT	188	188
Other assurance engagements inclusive of VAT	0	0
Tax advice	0	0
Other services	54	45

**4. STAFF COSTS**

<b>(DKK 1,000)</b>	<b>2014/2015</b>	<b>2015/2016</b>
Salaries	374	268
Remuneration of Executive Board	1,072	975
Remuneration of Board of Directors	692	550
Other staff costs	173	133
<b>Total</b>	<b>2,311</b>	<b>1,926</b>
Average number of full-time staff	1	1

For the financial year 2015/16, 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 pa, which is unchanged from the financial year 2014/15.

## 5. SHARE-BASED REMUNERATION

In May 2014, SPEAS established a share option scheme under which share options in the Company are granted 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

In principle, the share options will be lost if the Managing Director resigns from his position. The fair value of the options, in total DKK 97,000, were fully charged to the income statement in 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 life	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 the distribution of total dividend of DKK 11,700 per share since the time of granting. The exercise price at 31 January 2016 was DKK 7,992 (DKK 13,992 at 31 January 2015).

The expected volatility is determined on the basis of historical volatility of the price of the Company's shares over the past year prior to granting. The expected life is determined on the basis of the last exercise date of the options.

## 6. FINANCIAL INCOME

(DKK 1,000)	2014/2015	2015/2016
Realised gain on forward exchange contracts	833	566
Income from financial assets measured at fair value through profit or loss	833	566
Interest on deposits	220	102
Income from financial assets not measured at fair value through profit or loss	220	102
<b>Total</b>	<b>1,053</b>	<b>668</b>

## 7. FINANCIAL EXPENSES

(DKK 1,000)	2014/2015	2015/2016
Unrealised loss on forward exchange contracts	(788)	0
Foreign currency translation of bank accounts	(1,665)	(1,141)
Commission on credit facility and bank fees	(1,081)	(528)
<b>Financial expenses</b>	<b>(3,534)</b>	<b>(1,669)</b>

**8. FINANCIAL RISK AND FINANCIAL INSTRUMENTS**

(DKK 1,000)	31.01.2015	31.01.2016
<b>Classification of financial instruments</b>		
Investments in private equity funds	751,184	588,302
<b>Financial assets measured at fair value through profit or loss</b>	<b>751,184</b>	<b>588,302</b>
Current loans and receivables	126	126
Current prepayments	46	115
Total cash and cash equivalents	28,008	31,551
<b>Loans, advances and receivables</b>	<b>28,180</b>	<b>31,792</b>
Derivative financial instruments included in the trading portfolio	914	0
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>914</b>	<b>0</b>
Other current liabilities	779	387
<b>Financial liabilities measured at amortised cost</b>	<b>779</b>	<b>387</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 18 to which reference is made.

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

**INTEREST RATE RISK**

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

(DKK 1,000)	2014/2015	2015/2016
<b>Equity sensitivity to interest rate fluctuations</b>		
Impact if interest rate 1% lower than actual rate during the year	280	316
<b>Profit sensitivity to interest rate fluctuations</b>		
Impact if interest rate 1% lower than actual rate during the year	280	316

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:

	31.01.2015		31.01.2016	
	Currency	DKK (1,000)	Currency	DKK (1,000)
EUR (1,000)	77,455	576,575	57,493	429,059
SEK (1,000)	101,740	80,904	95,306	76,083
NOK (1,000)	111,195	93,704	105,694	83,160
<b>Total</b>		<b>751,184</b>		<b>588,302</b>

*Cash*

Cash is placed in the following currencies:

	31.01.2015		31.01.2016	
	Currency	DKK (1,000)	Currency	DKK (1,000)
EUR (1,000)	1,111	8,271	1,996	14,898
SEK (1,000)	10,213	8,122	2,598	2,074
NOK (1,000)	5,592	4,712	5,407	4,254
<b>Total</b>		<b>21,105</b>		<b>21,226</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, NOK	0-3 months	17,000	(914)
<b>31.01.2015</b>			<b>(914)</b>

The Company had no outstanding forward exchange contracts at end-2015/16.

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>2014/2015</b>	<b>2015/2016</b>
<b>Equity sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(58,485)	(44,396)
Impact if SEK rate 10% lower than actual price	(8,902)	(7,816)
Impact if NOK rate 10% lower than actual price	(11,274)	(8,741)
<b>Total</b>	<b>(78,661)</b>	<b>(60,953)</b>
<b>Profit sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(58,485)	(44,396)
Impact if SEK rate 10% lower than actual price	(8,902)	(7,816)
Impact if NOK rate 10% lower than actual price	(11,274)	(8,741)
<b>Total</b>	<b>(78,661)</b>	<b>(60,953)</b>
<b>Uncalled commitments' sensitivity to exchange rate fluctuations</b>		
Impact if EUR rate 10% lower than actual price	(5,522)	(5,081)
Impact if SEK rate 10% lower than actual price	(3,051)	(2,646)
Impact if NOK rate 10% lower than actual price	(3,645)	(2,107)
<b>Total</b>	<b>(12,218)</b>	<b>(9,834)</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 valuation 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 generally accepted valuation methods and 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' valuation of each portfolio company. Assess-

ment 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 valuation 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 valuation methods for which all significant inputs are based on observable market data (level 2)
- Valuation methods for which any significant input is not based on observable market data (level 3)

<b>31.01.2015</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>
<b>31.01.2016</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			588,302	588,302
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>588,302</b>	<b>588,302</b>

At 31 January 2016, the Company has no financial liabilities measured at fair value through profit or loss.

## 9. 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 8.

(DKK 1,000)	2014/2015	2015/2016
Fair value, beginning of year	740,008	751,184
Purchase, excl transaction costs	70,567	31,419
Sale, excl transaction costs	(174,274)	(303,091)
Profit/loss according to statement of comprehensive income	114,882	108,790
<b>Fair value, year-end</b>	<b>751,184</b>	<b>588,302</b>
<b>Profit/loss according to statement of comprehensive income</b>		
Realised value adjustment	81,573	168,784
Unrealised value adjustment (incl. reversal of revaluation on realisation)	33,309	(59,994)
<b>Profit/loss according to statement of comprehensive income</b>	<b>114,882</b>	<b>108,790</b>

"Realised value adjustment" and "Unrealised value adjustment" are recognised in "Income from investment activities" 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 relevant 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 the fair value is affected by macroeconomic and financial conditions. Both equity and profit are sensitive to fluctuations in the value of the Company's investments in unlisted private equity funds.

(DKK 1,000)	2014/2015	2015/2016
<b>Equity sensitivity to fluctuations in the fair value of private equity funds</b>		
Impact if fair value 10% lower than actual fair value	(75,118)	(58,830)
<b>Profit sensitivity to fluctuations in the fair value of private equity funds</b>		
Impact if fair value 10% lower than actual fair value	(75,118)	(58,830)

**10. INTANGIBLE ASSETS**

<b>(DKK 1,000)</b>	<b>2014/2015</b>	<b>2015/2016</b>
Cost, beginning of year	12,272	12,272
Additions	0	0
Cost, year-end	12,272	12,272
Amortisation, beginning of year	6,943	9,862
Amortisation for the year	2,919	2,128
Amortisation, year-end	9,862	11,990
<b>Carrying amount, year-end</b>	<b>2,410</b>	<b>282</b>

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

<b>(DKK 1,000)</b>	<b>2014/2015</b>	<b>2015/2016</b>
Tax on foreign share dividends	232	285
<b>Tax on profit for the year</b>	<b>232</b>	<b>285</b>

**12. CURRENT LOANS AND RECEIVABLES**

<b>(DKK 1,000)</b>	<b>31.01.2015</b>	<b>31.01.2016</b>
Deposits, interest receivable, etc	126	126
<b>Total</b>	<b>126</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.

**13. CURRENT PREPAYMENTS**

<b>(DKK 1,000)</b>	<b>31.01.2015</b>	<b>31.01.2016</b>
Accrued expenses	46	115
<b>Total</b>	<b>46</b>	<b>115</b>

**14. TOTAL CASH AND CASH EQUIVALENTS**

<b>(DKK 1,000)</b>	<b>31.01.2015</b>	<b>31.01.2016</b>
Deposits in bank accounts	28,008	31,551
<b>Total</b>	<b>28,008</b>	<b>31,551</b>

The Company's cash consists of deposits with Danish banks.

**15. SHARE CAPITAL**

	<b>2014/15</b>		<b>2015/16</b>	
	<b>Amount (number)</b>	<b>Nom value DKK (1,000)</b>	<b>Amount (number)</b>	<b>Nom value DKK (1,000)</b>
Share capital, beginning of year	50,050	500,500	44,697	446,970
Capital reduction	(5,353)	(53,530)	(1,211)	(12,110)
<b>Share capital, year-end</b>	<b>44,697</b>	<b>446,970</b>	<b>43,486</b>	<b>434,860</b>

All shares carry the same rights, and the share capital has been fully paid up. No changes in equity have been registered the past five financial years apart from the capital reductions in 2014/15 and 2015/16, respectively.

**16. TREASURY SHARES**

	<b>2014/15</b>			<b>2015/16</b>		
	<b>Amount (number)</b>	<b>Nom value DKK (1,000)</b>	<b>Proportion of share capital %</b>	<b>Amount (number)</b>	<b>Nom value DKK (1,000)</b>	<b>Proportion of share capital %</b>
Treasury shares, beginning of year	5,001	50,010	10.0	1,211	12,110	2.7
Purchase	1,563	15,630	3.5	127	1,270	0.3
Sale	0	0	0	0	0	0
Capital reduction	(5,353)	(53,530)	(10.7)	(1,211)	(12,110)	(2.7)
<b>Treasury shares, year-end</b>	<b>1,211</b>	<b>12,110</b>	<b>2.7</b>	<b>127</b>	<b>1,270</b>	<b>0.3</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 treasury shares of a maximum nominal amount of DKK 86,972,000, equal to 20% of the share capital, until 23 May 2016. During the financial year, the Company bought 127 treasury shares at an average price of DKK 12,560 per share (adjusted for distributed dividend during the financial year). At the Annual General Meeting in May 2015 it was decided to reduce the share capital by cancelling the Company's holding of 1,211 treasury shares.

During the financial year 2014/15, the Company bought 1,563 treasury shares at an average price of DKK 14,532 per share (adjusted for dividend distributed during the financial year 2014/15).

The market value of the Company's portfolio of 127 treasury shares amounted to DKK 1.9m measured at the market price of DKK 15,010 prevailing at 31 January 2016.

**17. OTHER CURRENT PAYABLES**

<b>(DKK 1,000)</b>	<b>31.01.2015</b>	<b>31.01.2016</b>
Audit fee due	144	188
Other costs due	635	199
Market value of forward exchange contracts	914	0
<b>Total</b>	<b>1,693</b>	<b>387</b>

Other current payables primarily relate to audit and advisory services costs as well as company costs payable in connection with closing of the accounts.

Other current payables fall due for payment within 12 months.

**18. CHANGE IN NET WORKING CAPITAL**

<b>(DKK 1,000)</b>	<b>2014/2015</b>	<b>2015/2016</b>
Receivables	24	(69)
Current liabilities	(172)	(392)
<b>Total</b>	<b>(148)</b>	<b>(461)</b>

**19. 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 2016, this proportion amounted to DKK 98.3m distributed as follows:

<b>(DKK 1,000)</b>	<b>Currency million</b>	<b>DKK million</b>
EUR	6.8	50.8
SEK	33.1	26.4
NOK	26.8	21.1

As appears from the above, the Company's uncalled investment commitments are primarily in EUR, and the Company finds the related exchange rate risk limited. Furthermore, the Company finds the exchange rate risk related to the remaining commitments made in SEK and NOK insignificant, and forward exchange contracts are thus no longer used to hedge this exposure.

The Company has entered into an agreement to rent office premises with a notice period of six months. The rental obligations amount to DKK 170,000 in the notice period.

## 20. 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.

Transactions with the Board of Directors and the Executive Board appear from notes 4 and 5.

## 21. 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:

<b>Shareholder</b>	<b>Announced share of votes and ownership</b>
Henrik Lind DK-8240 Risskov	16.9%
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%

## 22. 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 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 a portfolio of private equity funds with activities in the Nordic countries. At present, SPEAS prioritises distribution to shareholders over new investment commitments.