

Company announcement no 5 2015/16

Copenhagen, 17 June 2015

Interim Report for the period 1 February 2015 – 30 April 2015

Scandinavian Private Equity A/S (SPEAS) posted a profit for Q1 2015/16 of DKK 52.1m. Equity stood at DKK 832m, corresponding to a book value per share of DKK 19,137 before dividend of DKK 1,500 per share which was distributed on 3 June 2015.

The Board of Directors of SPEAS has today considered and approved the Company's Interim Report for the period 1 February 2015 – 30 April 2015. The Interim Report contains the following highlights:

- Investments in private equity funds generated a return of DKK 53.0m. Less costs incurred of DKK 0.7m, depreciation and amortisation of DKK 0.6m and net financials of DKK 0.5m, net profit for the period came to DKK 52.1m.
- Investments in private equity funds amounted to DKK 745m, or 90% of net assets.
- In Q1 2015/16 SPEAS contributed DKK 11.2m to the private equity funds under the investment commitments made.
- In the same period, the Company received DKK 70.1m as proceeds from exits, recapitalisation, etc.
- Immediately following the Annual General Meeting, the Company distributed dividend of DKK 1,500 per share, equal to a total of DKK 65m excluding dividend on treasury shares. The dividend was distributed on 3 June 2015.
- Equity stood at DKK 832m at 30 April 2014, corresponding to a book value per share of DKK 19,137 (before distribution of dividend of DKK 1,500 per share).
- Return on equity came to 6.5% in Q1 2015/2016.
- Given the Company's current asset allocation, SPEAS expects a long-term return on equity of 8-9% pa. Full-year results will depend on the development in financial markets.

For further information, please contact:

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About SPEAS

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

Scandinavian Private Equity A/S

CVR no 29 82 40 88

Interim Report

1 February 2015 – 30 April 2015

Financial highlights

	2014/2015	Q1 2014/15	Q1 2015/16
(DKK 1,000)	01.02.2014 – 31.01.2015	01.02.2014 – 30.04.2014	01.02.2015 – 30.04.2015
Income statement			
Income from investment activities	114,882	28,423	52,984
Operating profit (EBIT)	107,976	26,217	51,673
Profit before tax	105,495	26,573	52,215
Balance sheet			
Equity	780,081	974,301	832,171
Investments in private equity funds	751,184	737,288	745,305
Total cash and cash equivalents	28,008	233,108	85,669
Total assets	781,774	975,270	832,991
Financial ratios			
Number of issued shares, end of period	44,697	50,050	44,697
Number of treasury shares, end of period	1,211	5,353	1,211
Average number of shares	44,169	44,836	43,486
Average number of shares, diluted	44,170	44,836	43,492
Earnings per share (EPS) (DKK)	2,383	593	1,198
Earnings per share, diluted (DEPS) (DKK)	2,383	593	1,198
Book value per share (DKK)	17,939	21,798	19,137
Book value per share, diluted (DKK)	17,936	21,798	19,134
Paid dividend per share (DKK)	5,700	0	0
Quoted price (latest trade), end of period (DKK)	17,740	19,000	18,390
Quoted price/book value	0.98	0.87	0.96
Cost:equity ratio (%)	0.5	0.1	0.1
Return on equity (%)	12.0	2.8	6.5
Investment commitments to private equity funds			
Investments in private equity funds (DKKm)	751.2	737.3	745.3
- Investments as % of equity	96	76	90
- Return on private equity funds (%)	15.4	3.8	7.1
Uncalled investment commitments (DKKm)	122.2	190.4	125.9
Total exposure to private equity funds (DKKm)	873.4	927.7	871.2
- Total exposure as % of equity	112	95	105

Management's Review

Results for the period

Profit for the period came to DKK 52.1m, which is considered satisfactory. Investments in private equity funds generated a return of DKK 53.0m.

Equity stood at DKK 832m at 30 April 2015, corresponding to a book value per share of DKK 19,137 before dividend of DKK 1,500 per share which was distributed on 3 June 2015.

Return on equity came to 6.5% in Q1 2015/2016.

Investing activities

Investments in private equity funds

At 30 April 2015, SPEAS had made investment commitments to eight selected private equity funds which SPEAS considers to be among the top funds within their segments: EQT V and VI, IK 2007, Litorina III and IV, Apax Europe VII, Herkules III and Norvestor VI. The selection of and access to successful private equity funds is imperative to the return. For further information on the individual private equity funds, please see SPEAS's website, www.speas.dk.

In Q1 SPEAS's investments in private equity funds generated a profit of DKK 53.0m, including positive foreign currency translation adjustment of DKK 6.2m. This equals 7.1% of average investments in private equity funds for the period.

In the financial period, SPEAS contributed DKK 11.2m to the private equity funds in accordance with the investment commitments made and received DKK 70.1m as proceeds from exits, recapitalisation, etc.

In the period under review, Apax floated Auto Trader on the stock exchange and completed the divestment of Orange and Tnuva, respectively. After the end of the financial period, IK 2007 announced the divestment of Vistra Group, and Herkules III announced the divestment of Espresso House.

Until 30 April 2015, SPEAS had received exit proceeds from a total of 35 fully realised investments, of which 11 in the financial year 2014/15 and 2 in the financial year under review. Exit proceeds from these 35 investments totalled DKK 641m, corresponding to a net multiple of 1.7x the invested amount, and a net return as at 30 April 2015 of 14.6% pa (IRR). Exit proceeds were generally on a level with or exceeded the latest carrying amount prior to announcement of the sale.

The accumulated return on investments in private equity funds until 30 April 2015 was 38%, equal to an annual return of 8.9% (IRR).

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

At 30 April 2015, the private equity funds had invested in 85 companies. At www.speas.dk, SPEAS regularly publishes information on the funds' activities to the extent that the funds disclose such information.

AT 30 APRIL 2015, THE COMPANY HAD MADE THE FOLLOWING INVESTMENT COMMITMENTS:

Private equity fund	Original investment commitment		Uncalled investment commitment		Paid to private equity fund (DKKm)	Value		
			Currency	(DKKm)		Realised (DKKm)	Unrealised (DKKm)	
EQT V	EUR	40m	EUR	1.2m	8.8	339.7	352.7	160.9
EQT VI	EUR	10m	EUR	2.0m	15.0	59.2	0.0	68.8
IK 2007	EUR	25m	EUR	3.7m	28.0	191.0	106.7	168.7
Apax Europe VII	EUR	30m	EUR	0.7m	5.1	249.1	198.5	161.5
Litorina III	SEK	107m	SEK	21.1m	16.9	78.4	57.3	63.9
Litorina IV	SEK	46m	SEK	14.0m	11.2	27.0	0.0	24.1
Herkules III	NOK	100m	NOK	15.0m	13.3	90.8	31.4	51.5
Norvestor VI	NOK	80m	NOK	30.9m	27.6	46.5	6.0	45.9
Total					125.9	1,081.7	752.6	745.3

Liquidity

SPEAS's cash came to DKK 86m and consists of bank deposits.

Foreign currency translation adjustment of foreign currency deposits and forward exchange contracts contributed total profit of DKK 0.8m in the financial period.

Costs related to liquidity facilities in the financial period came to DKK 0.3m.

Net financials were DKK 0.5m.

Events occurred after the balance sheet date

Immediately following the Annual General Meeting held on 29 May 2015, the Company distributed dividend of DKK 1,500 per share, equal to a total of DKK 65m excluding dividend on treasury shares.

At the Annual General Meeting it was furthermore decided to reduce the share capital by cancelling the Company's holding of 1,211 treasury shares.

No other material events have occurred since the balance sheet date that may affect the assessment of the Interim Report.

Outlook

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

Results for the year will depend on the general economic climate, financial market trends, including es-

pecially the private equity market, as well as the development in the portfolio companies of the private equity funds. Earnings expectations are therefore subject to considerable uncertainty.

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

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

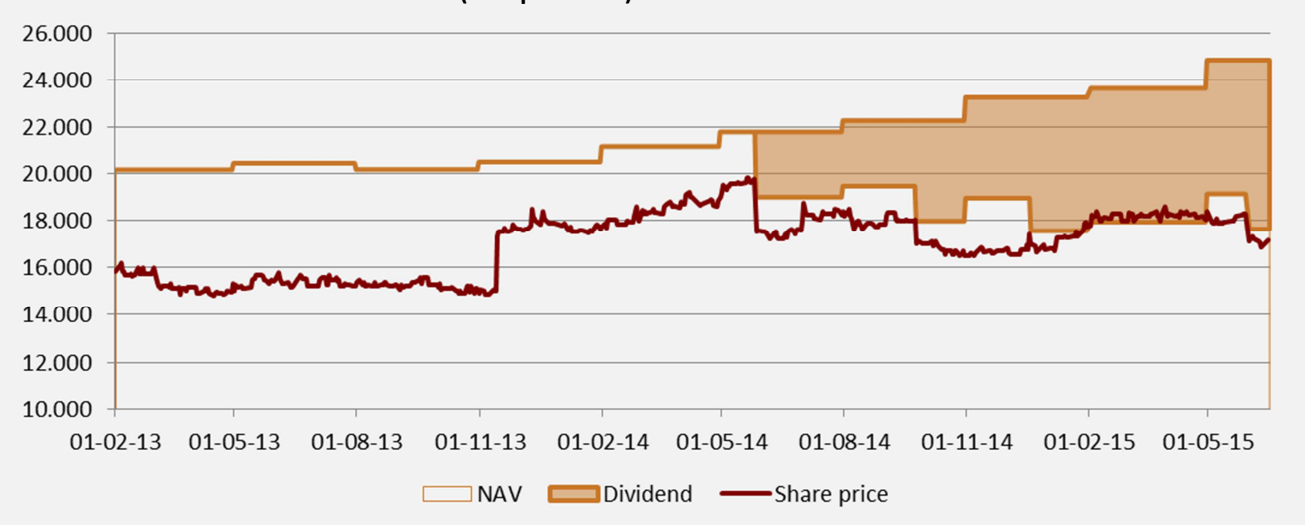
Capital structure and dividend policy

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

The Company may thus buy back own shares in the market, to the extent allowed by the liquidity position of the Company and the liquidity of the share, as SPEAS does not want to represent more than 50% of the registered turnover 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.

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

PRICE DEVELOPMENT AND BOOK VALUE (DKK per share)



Statement by the Board of Directors and the Executive Board on the Interim Report

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Scandinavian Private Equity A/S for the period 1 February 2015 – 30 April 2015.

The Interim Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The Interim Report has not been audited or reviewed by the Company's auditor.

We are of the opinion that the accounting policies are appropriate, and the Interim Report gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 April 2015 and of the results of the Company's operations and cash flows for the period 1 February 2015 – 30 April 2015.

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

Copenhagen, 17 June 2015

Board of Directors

Henning Kruse Petersen
Chairman

Niels Heering

Henrik Østenkjær Lind

Executive Board

Ole Mikkelsen
CEO

	2014/2015	Q1 2014/15	Q1 2015/16
(DKK 1,000)	01.02.2014 – 31.01.2015	01.02.2014 – 30.04.2014	01.02.2015 – 30.04.2015
Statement of comprehensive income			
Income from investment activities	114,882	28,423	52,984
Staff costs and other costs	(3,987)	(941)	(729)
Amortisation of intangible assets	(2,919)	(1,265)	(582)
Operating profit (EBIT)	107,976	26,217	51,673
Net financials	(2,481)	356	542
Profit before tax	105,495	26,573	52,215
Tax	(232)	0	(124)
Total comprehensive income	105,263	26,573	52,091
Balance sheet			
Investments in private equity funds note 3	751,184	737,288	745,305
Intangible assets note 4	2,410	4,063	1,828
Receivables	172	811	189
Total cash and cash equivalents	28,008	233,108	85,669
Total assets	781,774	975,270	832,991
Equity	780,081	974,301	832,171
Current liabilities	1,693	969	820
Total liabilities and equity	781,774	975,270	832,991
Statement of changes in equity			
Share capital, beginning of period	500,500	500,500	446,970
Capital reduction	(53,530)	0	0
Share capital, end of period	446,970	500,500	446,970
Proposed dividend, beginning of period	140,140	140,140	67,045
Distributed dividend	(140,140)	0	0
Proposed dividend	67,045	0	0
Proposed dividend, end of period	67,045	140,140	67,045
Retained earnings, beginning of period	313,574	313,574	266,066
Buyback of own shares	(28,152)	(6,486)	0
Capital reduction	53,530	0	0
Distributed dividend	(111,201)	0	0
Share-based remuneration	97	0	0
Proposed dividend	(67,045)	0	0
Total comprehensive income	105,263	26,573	52,091
Retained earnings, end of period	266,066	333,661	318,157
Total equity	780,081	974,301	832,171

	2014/2015	Q1 2014/15	Q1 2015/16
(DKK 1,000)	01.02.2014 – 31.01.2015	01.02.2014 – 30.04.2014	01.02.2015 – 30.04.2015
Cash flows			
Cash flows from operations	(3,250)	(1,664)	(1,620)
Additional cash flows from operating activities	(2,694)	375	418
Cash flows from operating activities	(5,944)	(1,289)	(1,202)
Investments in private equity funds	(70,567)	(5,177)	(11,227)
Realisation of investments in private equity funds	174,274	36,320	70,090
Cash flows from investing activities	103,707	31,144	58,863
Cash flows from financing activities	(279,494)	(6,486)	0
Cash, beginning of period	209,739	209,739	28,008
Cash, end of period	28,008	233,108	85,669

Notes

Note 1

Accounting policies

No changes have been made to the accounting policies since the last financial statements.

Note 2

Fair value measurement of financial instruments

Methods and assumptions for determination of fair values:

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. Assessment of the reported fair value includes, among other things, available information on relevant market conditions and company-specific and general information obtained through ongoing dialogue with the private equity funds in question. All funds invested in by SPEAS comply with the International Private Equity and Venture Capital Valuation Guidelines. The private equity funds base their 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)

2014/15				
(DKK 1,000)	Level 1	Level 2	Level 3	Total
Investments in private equity funds			751,184	751,184
Financial assets measured at fair value through profit or loss	0	0	751,184	751,184
Derivative financial instruments		914		914
Financial liabilities measured at fair value through profit or loss	0	914	0	914
Q1 2015/16				
(DKK 1,000)	Level 1	Level 2	Level 3	Total
Investments in private equity funds			745,305	745,305
Financial assets measured at fair value through profit or loss	0	0	745,305	745,305
Derivative financial instruments		31		31
Financial liabilities measured at fair value through profit or loss	0	31	0	31

Reconciliation of beginning-of-period to end-of-period balances of investments in private equity funds measured at fair value in accordance with level 3 of the fair value hierarchy appears from note 3.

The Company has a policy of recognising transfers between levels from the time an event or change in circumstances causes a change in the classification. No transfers took place between the various levels in Q1 2015/16.

Note 3

Investments in private equity funds

(DKK 1,000)	Q1 2014/15	Q1 2015/16
Fair value, beginning of period	740,008	751,184
Purchase, excl transaction costs	5,177	11,227
Sale, excl transaction costs	(36,320)	(70,090)
Profit/loss according to the statement of comprehensive income	28,423	52,984
Fair value, end of period	737,288	745,305

"Profit/loss according to the statement of comprehensive income" is recognised in the statement of comprehensive income as "Income from investment activities".

Note 4

Intangible assets

(DKK 1,000)	Q1 2014/15	Q1 2015/16
Cost, beginning of period	12,272	12,272
Additions	0	0
Cost, end of period	12,272	12,272
Amortisation, beginning of period	6,943	9,862
Amortisation for the year	1,265	582
Amortisation, end of period	8,208	10,444
Carrying amount, end of period	4,063	1,828

Note 5

Share capital and treasury shares

Movement in share capital and portfolio of treasury shares in Q1 2015/16:

(Number)	Treasury shares	Share capital
Number of shares, 1 February 2015	1,211	44,697
Number of shares, 30 April 2015	1,211	44,697
Average number of shares	1,211	44,697

Note 6

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.

There are no significant changes regarding the outstanding share options granted in 2014 relative to the information stated in the Annual Report for 2014/2015.

No further share options have been granted in the financial period under review.

Note 7

Related party transactions in the financial period

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. Other than remuneration of the Board of Directors and the Executive Board, there were no transactions with the Board of Directors and Executive Board.

Company information

Name and registered office

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Website: www.speas.dk

Principal bankers

Nykredit Bank A/S

Financial year

1 February – 31 January

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Registration numbers

ISIN: DK0060068682

CVR no: 29 82 40 88

Board of Directors

Henning Kruse Petersen, Chairman

Niels Heering

Henrik Østenkjær Lind

Executive Board

Ole Mikkelsen

About SPEAS

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