

NAXS AB (publ) Interim Report January-September 2019

Nine months 2019

- Net profit/loss for the period amounted to MSEK 26.4 (22.2).
- Earnings per share amounted to SEK 2.29 (1.70).
- Net asset value amounted to MSEK 717 (SEK 64.16 per share) at September 30, 2019, compared to MSEK 736 (SEK 61.81 per share) at year-end 2018. The fact that the total net asset value decreased, while the net asset value per share increased is due to the shares repurchases made during the period.
- Net cash amounted to MSEK 194 (SEK 17.40 per share) at September 30, 2019, compared to MSEK 261 (SEK 21.94 per share) at year-end 2018.
- The 2019 Annual General Meeting resolved that a dividend of 2.78 SEK per share to the shareholders for FY 2018.

Third quarter 2019

- Net profit/loss for the quarter amounted to MSEK 11.7 (10.6).
- Earnings per share amounted to SEK 1.05 (0.86).

Comments by the CEO



NAXS delivered a steady performance during the third quarter of 2019, with the NAV/share growing by 3% during the quarter and by 7.4% over 12 months, including the dividend paid.

NAXS has a robust balance sheet and the Company continues to assess potential investment opportunities.

Lennart Svantesson

Financial summary

	2019	2018	2019	2018
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Net profit/loss for the period, KSEK	26 375	22 180	11 679	10 611
			2019	2018
			09/30	12/31
Private equity fund investments, KSEK			479 362	406 861
Private equity fund investments in % of equity			67	55
Remaining commitments, KSEK			57 645	86 953
Total exposure to private equity fund investments, KSEK			537 007	493 814
Other investments, KSEK			43 473	56 784
Net cash, KSEK			194 391	261 444
Private equity fund investments per share, SEK			42.91	34.15
Other investments per share, SEK			3.89	4.77
Net cash per share, SEK			17.40	21.94
Net asset value per share, SEK			64.16	61.81
Share price, SEK			46.90	47.90

Operations

NAXS AB (publ) ("NAXS" or the "Company") is a company listed on NASDAQ Stockholm and investing primarily in private equity funds with a Nordic focus. NAXS may also make direct investments or co-investments alongside private equity or other alternative assets funds. In addition, NAXS may, to a limited extent, make other types of investments. Operations commenced on April 17, 2007, and the Company was listed on First North on May 14, 2007, where it traded until its change of listing to NASDAQ Stockholm on June 8, 2010.

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

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

Market review

The third quarter was marked by a continued weakening in the global economic data, offset by further monetary easing from the US and Europe. Private equity activity in NAXS's core markets experienced a relative slowdown during the quarter as managers took a more prudent approach to deal-making.

Investments

Private equity fund investments

As of September 30, 2019, NAXS had commitments to 10 private equity funds (9 buyout funds and 1 special situations fund):

- private equity fund investments amounted to MSEK 479, which corresponds to 67 percent of the Company's equity;
- remaining commitments amounted to MSEK 58.

Other investments

As of September 30, 2019, NAXS held 2 direct investments in listed shares:

- 375,437 shares in Scout Gaming Group AB (publ), a provider of Fantasy Sport and Daily Fantasy Sports solutions to online gaming operators. As of September 30, 2019, NAXS's holding in Scout Gaming Group was valued at KSEK 5.6 (11.5)
- 828,319 shares in Awilco Drilling Plc, a UK-based drilling contractor. The shares are listed on the Oslo Stock Exchange. As of September 30, 2019, NAXS's holding in Awilco Drilling was valued at KSEK 13.5 (21.0).

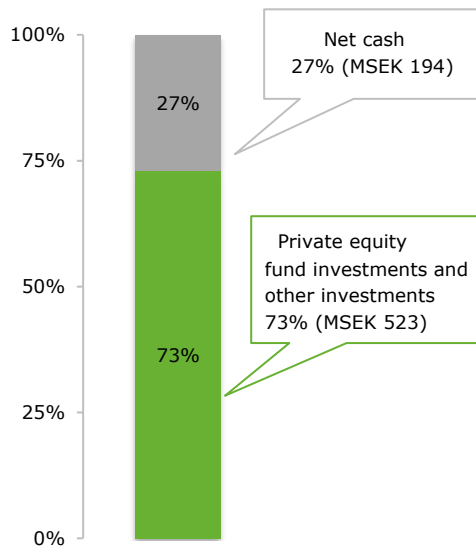
In addition, NAXS held as of September 30, 2019, a senior secured bond issued in 2018 by Jacktel AS, a wholly owned subsidiary of Master Marine AS. The Bond has a tenor of 5 years and a coupon of 10% p.a., with quarterly interest payments. As of September 30, 2019, NAXS's holding in Jacktel was valued at KSEK 24.4 (24.2).

Exposure to private equity fund investments and other investments

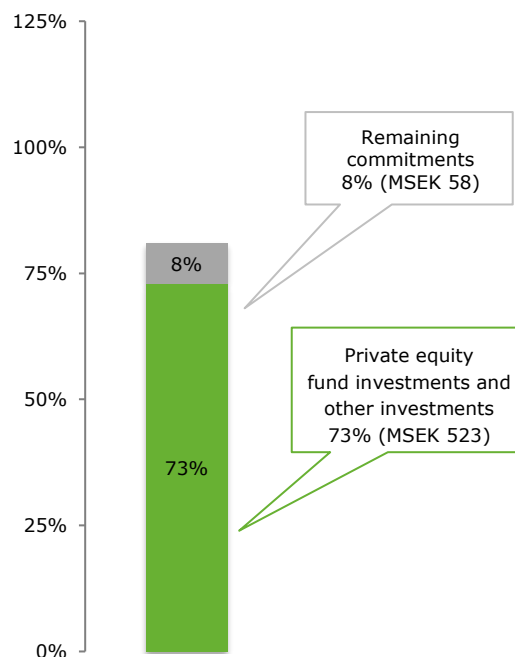
As of September 30, 2019, the total exposure to private equity fund investments and other investments amounted to MSEK 580, which corresponds to 81 percent of the Company's equity

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

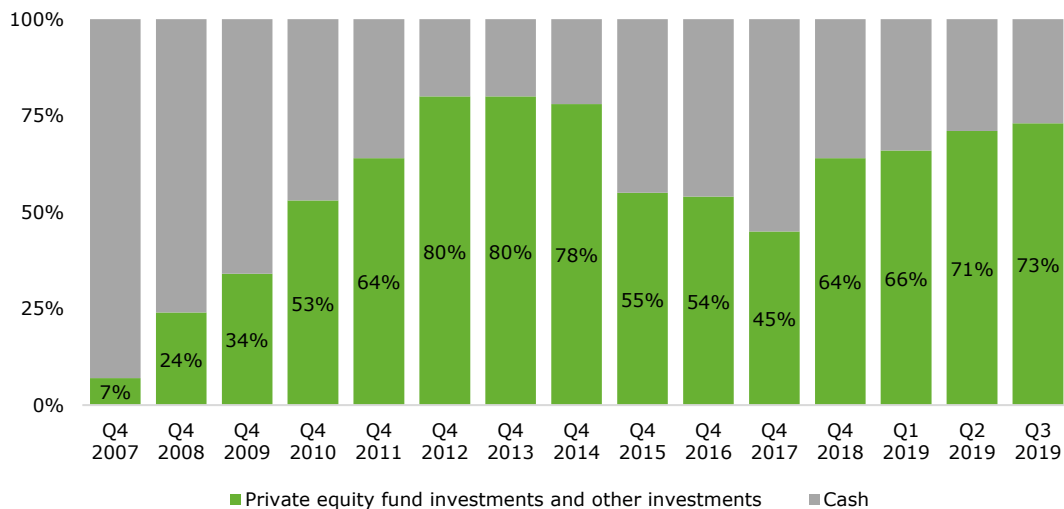
Equity MSEK 717



Total exposure to private equity fund investments and other investments
81% (MSEK 580)

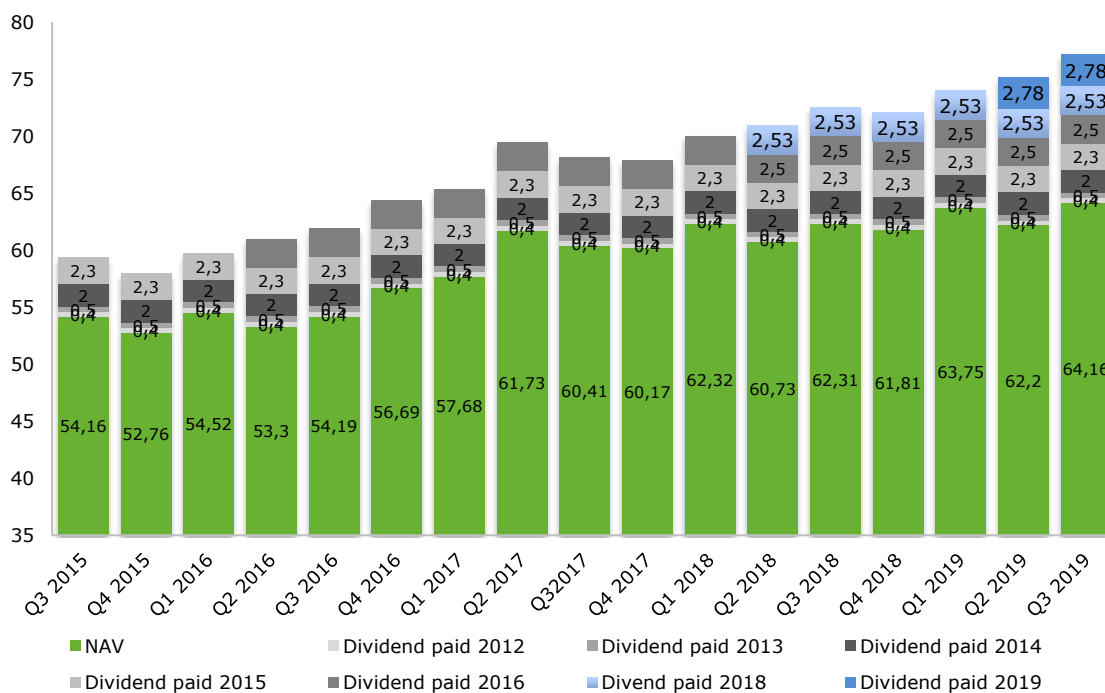


Evolution of private equity fund investments and other investments (in % of equity)



The net asset value (NAV) per share increased by 3.0% during the third quarter of 2019 and by 7.4% over 12 months (including the dividend paid).

NAV per share, SEK



New investments, acquisitions and liquidity events

Investments

No new investment was made during the quarter.

Acquisitions

1 new acquisition was made by underlying funds during the quarter, with Mimir Invest AB acquiring Oiva Wood Solutions OY, a Finnish provider of prefabricated housing and roof components.

Portfolio Company	Sector	Country	Fund
Oiva Wood Solutions	Building & construction	Finland	Mimir Invest

Liquidity events

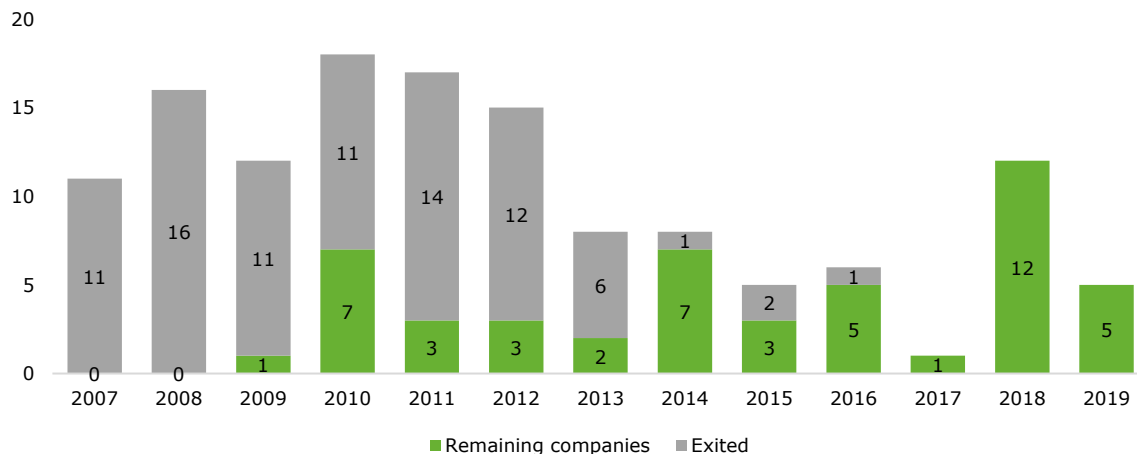
3 full exits took place during the third quarter:

- Apax VII signed an agreement for the divestment of Electro Stocks, a Spanish electrical components distributor;
- Herkules III divested Norsk Jernbanedrift, a provider of engineering, construction and machine services to the railway infrastructure in Norway; and
- Nordic Capital CV1I divested Ellos, a Nordic e-commerce leader in fashion and home furnishings.

Portfolio Company	Sector	Year of initial investment	Fund
Electro Stocks	Building & construction	2007	Apax Europe VII
Norsk Jernbanedrift	Building & construction	2011	Herkules III
Ellos	Retail	2013	Nordic Capital CV1

As of September 30, 2019, NAXS underlying funds had acquired a total of 134 companies, 85 of which had been fully divested. These 85 exits have generated an average gross IRR of 19%. The average holding period for the remaining 49 portfolio companies is approximately 4.5 years.

No. of portfolio companies acquired per year



September 30, 2019

- Total exposure to private equity fund investments: 75% of total equity
- Private equity fund investments: 67% of total equity
- Number of full exits since inception: 85
- Average gross IRR since inception generated by the 85 exits: 19%

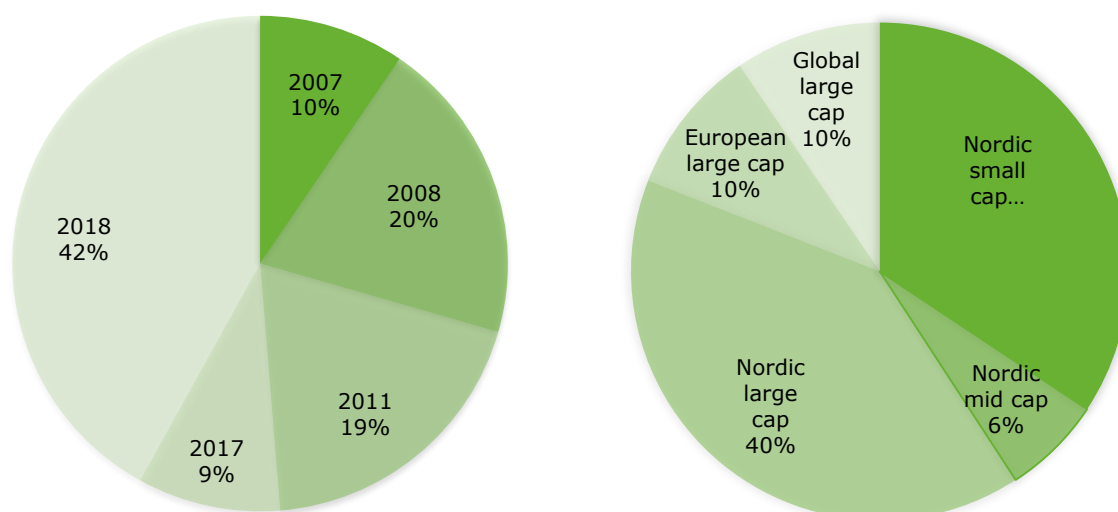
Portfolio composition/diversification

As of September 30, 2019, NAXS provided the following exposure:

10 private equity funds (9 buyout funds and 1 special situations fund) from 8 managers:

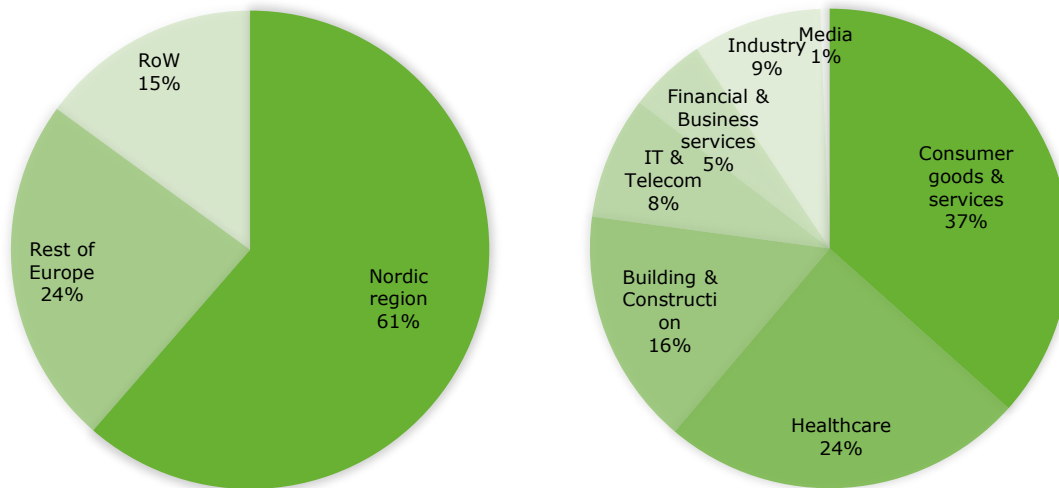
Fund	Commitment Year	Commitment Currency	Initial Commitment Amount (in 000s)
Apax Europe VII LP	2007	EUR	15,000
FSN Capital III LP	2008	EUR	10,000
Herkules Private Equity III LP	2008	NOK	40,000
Intera Fund I KY	2007	EUR	7,000
Intera Fund II KY	2011	EUR	7,250
JAB Consumer Fund – Global Consumer Brands II	2018	USD	5,000
Mimir Invest AB	2017	SEK	50,000
Nordic Capital CV1	2018	EUR	15,394
Nordic Capital Fund VII LP	2008	EUR	20,000
Valedo Partners Fund II AB	2011	SEK	65,000

- 5 different fund vintages and a diversification in terms of size segments, as illustrated below (based on current commitments):



- 49 portfolio companies (remaining after 85 exits) acquired by underlying funds over a period of approx. 12 years, with the 10 largest portfolio companies accounting for less than 43% of the total equity and no single portfolio company accounting for more than 8% of the total equity.

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



- direct investments in 2 listed companies and 1 bond:

Company	Sector	Type of instrument	Timing of initial investment	Acquisition cost
Scout Gaming Group	iGaming	listed share (NASDAQ First North)	Q4 2017	MSEK 9.3
Awilco Drilling	Energy	listed share (Oslo Exchange)	Q1 2018	MNOK 28.1
Jacktel/Master Marine	Energy	senior secured bond	Q4 2018	MUSD 3.0

Underlying funds

Summary information regarding NAXS' underlying funds is provided below:

Fund	Fund size	Segment	Vintage	Geographic focus	# of portfolio companies	# of exits
Apax Europe VII	MEUR 11,000	large cap	2008	Europe/Global	10	26
FSN Capital III	MEUR 375	mid cap	2008	Norway/Nordic	1	9
Herkules PE III	MNOK 6,000	mid cap	2008	Norway/Nordic	1	10
Intera Partners I	MEUR 125	small cap	2007	Finland	1	6
Intera Partners II	MEUR 200	small cap	2011	Finland	7	4
JAB Consumer Fund – GCB II	MEUR 5,000	large cap	2018	Global	4	0
Mimir Invest	<MSEK 500	small cap	2017	Primarily Nordic	7	0
Nordic Capital VII	MEUR 4,300	mid/large cap	2008	Primarily Nordic	2	17
Nordic Capital CV1	MEUR 2,500	mid/large cap	2018	Primarily Nordic	8	1
Valedo Partners I*	MSEK 1,000	small cap	2007	Sweden	0	9
Valedo Partners II	MSEK 2,000	small cap	2011	Sweden	8	3

* the fund reached its term in 2018 and was subsequently liquidated

Group

Financial performance, Third quarter 2019

Operating profit/loss

The operating profit/loss amounted to KSEK 12,401 (10,474) for the quarter. The operating profit/loss includes a change in value of KSEK 14,939 (13,497), whereof KSEK 20,687 (11,730) is a change in value of private equity fund investments, and KSEK -5,748 (1,767) is a change in value of other investments. Operating expenses amounted to KSEK 2,538 (3,022).

Financial performance, Nine months 2019

Operating profit/loss

The operating profit/loss amounted to KSEK 29,239 (29,873) for the interim period. The operating profit/loss includes a change in value of KSEK 38,701 (42,950), whereof KSEK 55,459 (31,415) is a change in value of private equity fund investments and KSEK -16,758 (11,535) is a change in value of other investments. Realized profit/loss in private equity fund investments amounts to KSEK 16,657 (35,295), and reversal of unrealized changes in value of divested portfolio companies and unrealized changes in value of remaining portfolio companies in the funds to KSEK 38,801 (-3,880). The currency effects are included in the changes in value and amounted to KSEK 15,411 (8,347) for the interim period. Realized profit/loss in other investments amounts to KSEK 2,115 (1,230), and unrealized profit/loss amounted to KSEK -18,872 (10,305). Operating expenses amounted to KSEK 9,462 (13,077).

January 1–September 30, 2019

- Changes in value of private equity fund investments: KSEK 55,459, whereof currency effects on private equity fund investments: KSEK 15,411
- Changes in value of other investments: KSEK -16,758

Financial items

Financial items net totaled KSEK -2,864 (-7,693) for the interim period. Interest expenses on cash in banks amounted to KSEK -579 (-1,482). Exchange rate profit/loss amounted to KSEK -2,285 (6,211).

Tax and net profit

The Group's profit/loss after financial items for the interim period amounted to KSEK 26,375 (22,180). Income taxes amounted to KSEK 0 (0), which is mainly because non-taxable dividends and changes in value are included in profit before tax. Net profit/loss after tax amounted to KSEK 26,375 (22,180). Earnings per share were SEK 2.29 (1.70).

Investments, financing and liquidity

Private Equity Fund Investments

During the first half-year, net investments (-)/repayments from (+) private equity funds amounted to KSEK -1,069 (-49,592), whereof KSEK 16,657 (35,295) is realized gains. As of September 30, 2019, private equity fund investments amounted to KSEK 479,362 (406,861).

September 30, 2019

Private equity fund investments per share: SEK 42.91

Other investments

As of September 30, 2019, Other Investments amounted to KSEK 43,473 (56,784). During the interim period KSEK 3,279 (24,909) was invested in other investments.

Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to KSEK 716,686 (736,371) at the end of the interim period, corresponding to SEK 64.16 (61.81) per share and an equity/asset ratio of 100 (100) percent.

September 30, 2019

Equity per share: SEK 64.16

Net cash

At the end of the interim period, net cash amounted to KSEK 194,391 (261,444), which corresponds to SEK 17.40 (21.94) per share. During the interim period, liquid funds have only been invested in interest-bearing bank accounts, which is in accordance with the Company's policy that cash and cash equivalents only should be invested in interest-bearing instruments or held on interest-bearing bank accounts.

September 30, 2019

Net cash per share: SEK 17.40

Significant risks and uncertainty factors

Significant risks and uncertainty factors are described in the Annual Report 2018. There has been no significant change in relation to risks and uncertainty factors since the publication of the Annual Report.

Future prospects

We expect the backdrop of slowing global economic growth and sliding business confidence to result in a more bearish sentiment, which is likely to affect to the general investment activity in the short to medium term.

Parent company

The parent company has not had any sales during the period. The profit/loss after financial items amounted to KSEK -2,037 (17,901). During the period, dividend from subsidiaries amounting to KSEK - (20,675) was received. The net interest income amounted to KSEK -221 (-659) and exchange rate profit/loss amounted to KSEK 1,169 (1,100). Income tax amounted to KSEK 0 (0). The net profit/loss amounted to KSEK -2,037 (17,901).

Organization

The Company's CEO is Lennart Svantesson. The Board of Directors consists of John D. Chapman (chairman), Damhnait Ni Chinneide, Tony Gardner-Hillman and Andrew Wignall, who were re-elected at the 2019 Annual General Meeting.

Nomination Committee

The Nomination Committee consists of Meg Eisner, representing QVT Fund LP, Amaury de Poret representing himself, and NAXS's chairman John D. Chapman. The Nomination Committee can be contacted via e-mail to: chapman.jd@gmail.com.

The share

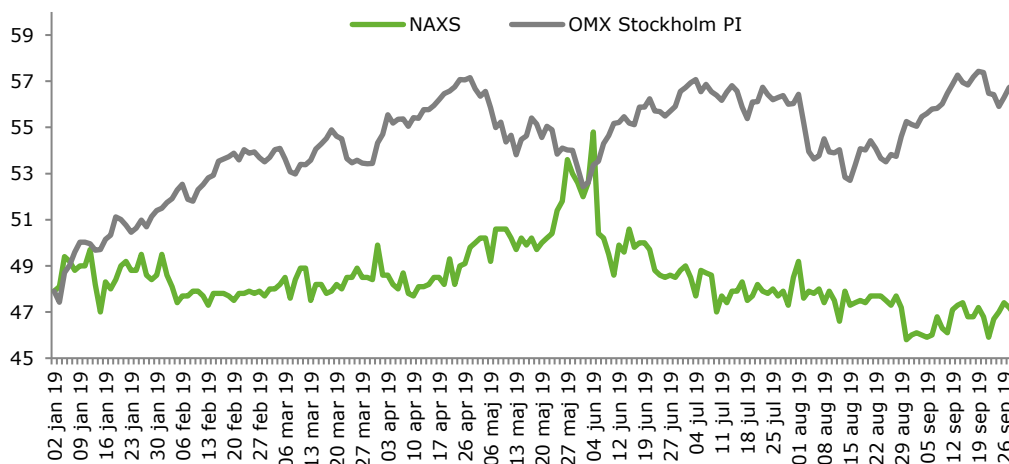
The NAXS share was initially listed on First North on May 14, 2007. Since June 8, 2010, the share is traded on NASDAQ Stockholm. The share trades under the designation "NAXS".

The number of outstanding shares in the Company at the beginning of the year was 11,914,261. During the interim period 743,419 shares were repurchased. The number of outstanding shares in the Company at the end of the interim period was 11,170,842.

In June, the company made a share cancellation of 309,369 repurchased shares. Prior to the cancellation of the repurchased shares, the total number of shares and voting rights in NAXS was 12,219,430. The number of shares and voting rights decreased by 309,369 through the share cancellation. Following completion of the share cancellation, the total number of shares and voting rights in NAXS is 11,910,061.

At the end of the interim period, the NAXS share price was SEK 46.90 and the total shareholders' equity per share was SEK 64.16. The Company's market capitalization was MSEK 524 and the number of shareholders was 1,375.

Evolution of the share price to September 30, 2019



Accounting principles

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

The accounting principles applied in this report are described in the Annual Report 2018. IFRS 16 which entered into force on 1 January 2019, have not had a material effect on the Group's financial results and position.

The Parent Company follows the Swedish Annual Reporting legislation and the Swedish Financial Reporting Board RFR 2 for legal entities, which provides that the IFRS principles shall apply.

Alternative performance measures

The definitions for the alternative performance measures net asset value, net cash/net debt and gross IRR performance measures are provided in the 2018 Annual Report and in the definitions on page 20 of this report. The equity ratio is defined as equity in relation to total assets. These alternative performance measures are essential for the understanding and evaluation of NAXS's business.

Financial information

Year-End Report 2019: January 29, 2020
Annual report 2019: Week 6, 2020
Annual General Meeting: March 12, 2020
Interim Report (3 months): April 22, 2020
Interim Report (6 months): July 14, 2020
Interim Report (9 months): October 20, 2020
Year-End Report 2020: January 28, 2021

Contact persons

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

Ticker codes

NAXS SS in Bloomberg
NAXS.ST in Reuters

This information is information that NAXS AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 17.45 CET on October 18, 2019.

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

Stockholm, October 18, 2019

John D. Chapman
Chairman

Tony Gardner-Hillman
Director

Damhnait Ni Chinneide
Director

Andrew Wignall
Director

Lennart Svantesson
Chief Executive Officer

This report and other information are available on www.naxs.se

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

Consolidated Income Statement

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Change in value	38 701	42 950	14 939	13 497
Operating costs Note 1	-9 462	-13 077	-2 538	-3 022
Operating profit/loss	29 239	29 873	12 401	10 474
Net financial items	-2 864	-7 693	-722	136
Profit/loss after financial items	26 375	22 180	11 679	10 611
Income taxes	-	-	-	-
Net profit/loss	26 375	22 180	11 679	10 611
Attributable to:				
Parent company shareholders	26 375	22 180	11 679	10 611
Earnings per share, SEK*	2,29	1,70	1,05	0,86
Average number of shares, 000s*	11 541	13 028	11 171	12 324

* Basic and diluted

Consolidated Statement of Comprehensive Income

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-9/30	1/1-39/30	1/7-9/30	1/7-9/30
Net income	26 375	22 180	11 679	10 611
Other comprehensive income				
<i>Items which will be reversed to the income statement</i>				
Exchange differences	23 382	20 330	10 170	-602
Net income	49 757	42 510	21 849	10 009
Attributable to:				
Parent company shareholders	49 757	42 510	21 849	10 009
Total comprehensive income	49 757	42 510	21 849	10 009

Consolidated Balance Sheet

Amounts in SEK 000s

	2019	2018
	9/30	12/31
Assets		
Private equity fund investments	479 362	406 861
Other financial investments	43 473	56 784
Total non-current assets	522 835	463 645
Other receivables	194	12 330
Cash and cash equivalents	194 391	261 444
Total current assets	194 585	273 774
Total assets	717 420	737 419
Equity		
	716 686	736 371
Current liabilities	734	1 048
Total equity and liabilities	717 420	737 419

Consolidated Net cash

Amounts in SEK 000s

	2019	2018
	9/30	12/31
Cash, bank and short-term investments	194 391	261 444
Total net cash	194 391	261 444

Consolidated Statement of Changes in Equity

Amounts in SEK 000s

	2019	2018	2018
	1/1-9/30	1/1-12/31	1/1-9/30
Equity at the beginning or the year	736 371	820 567	820 567
Repurchases of own shares	-38 387	-88 408	-88 304
Dividend	-31 055	-32 209	-32 209
Total comprehensive income for the period	49 757	36 421	42 510
Shareholder's equity at the end of the period	716 686	736 371	742 564

Consolidated Statement of cash flows analysis

Amounts in SEK 000s

	2019	2018
	1/1-9/30	1/1-9/30
Profit/loss after financial items	26 375	22 180
Adjustment for non-cash items, etc.	-14 472	-457
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	11 903	21 723
Cash flow changes in working capital	12 154	-168
Cash flow from operating activities	24 057	21 555
Acquisitions of private equity fund investments	-47 954	
Disposals of private equity fund investments	30 228	
Acquisitions of other long-term holdings of securities	-3 279	73 945
Cash flow from investing activities	-21 005	-73 945
Repurchases of own shares	-38 387	-88 304
Dividend	-31 055	-32 209
Cash flow from financing activities	-69 442	-120 513
Cash flow during the period	-66 390	-172 903
Cash and cash equivalents, beginning of the year *	261 444	449 671
Exchange-rate differences in cash and cash equivalents	-663	397
Cash and cash equivalents at the end of the period*	194 391	277 165

* Including short-term investments

Parent Company Income Statement

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Operating costs	-2 985	-3 216	-796	-1 018
Operating profit/loss	-2 985	-3 216	-796	-1 018
Income from shares in group companies	-	20 675	-	-
Net financial items	948	441	395	-507
Profit /loss after financial items	-2 037	17 900	-400	-1 524
Income taxes	-	-	-	-
Net profit/loss for the period	-2 037	17 900	-400	-1 524

Parent Company Statement of Comprehensive Income

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Net profit/loss for the period	-2 037	17 900	-400	-1 524
Total comprehensive income for the period	-2 037	17 900	-400	-1 524

Parent Company Balance Sheet

Amounts in SEK 000s

	2019	2018
	9/30	12/31
Assets		
Shares in subsidiaries	481 802	481 802
Receivables on group companies	27 498	26 328
Total non-current assets	509 300	508 130
Other receivables	195	133
Cash and cash equivalents	108 541	181 203
Total current assets	108 736	181 336
Total assets	618 036	689 466
Equity	617 359	688 838
Current liabilities	677	628
Total equity and liabilities	618 036	689 466

Parent Company Statement of Changes in equity

Amounts in SEK 000s

	2019	2018	2018
	1/1-9/30	1/1-12/31	1/1-9/30
Equity at the beginning of the year	688 838	792 930	792 930
Repurchases of own shares	-38 387	-88 408	-88 304
Dividend	-31 055	-32 209	-32 209
Total comprehensive income for the period	-2 037	16 525	17 900
Shareholder's equity at the end of the period	617 359	688 838	690 317

Note 1

Operating costs

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Fee to the investment advisor	-4 796	-5 376	-1 505	-1 551
Carried interest to the investment advisor	-1 285	-4 018	-155	-337
Personnel expenses	-1 154	-1 328	-386	-418
Other operating costs	-2 227	-2 355	-492	-716
	-9 462	-13 077	-2 538	-3 022

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

Note 2

Financial assets and liabilities

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

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

Definitions

Buyout fund

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

Cash & cash equivalents

Cash, bank and short-term investments

Cash per share

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

Commitment

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

Current commitments

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

Gross IRR

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

Net asset value (NAV)

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

Net asset value (NAV) per share

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

Net cash/Net debt

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

Other long-term holdings of securities/ Other investments

Investments in financial instruments other than private equity funds

Private equity fund investments

Fair value of investments in private equity funds

Profit per share

Profit for the year attributable to the Parent Company's shareholders divided by the average number of shares.

Special situations fund

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

Total assets

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

Total exposure to private equity fund investments and other investments

Private equity funds investments and remaining commitments to private equity funds, as well as other investments.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

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

Introduction

We have reviewed the condensed interim report for NAXS AB (publ) as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm

Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

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