NAXS AB (publ)
Interim report January-September 2020

Nine months 2020

- Net profit for the interim period amounted to MSEK -6.0 (26.4).
- Earnings per share amounted to SEK -0.54 (2.29).
- Net asset value amounted to MSEK 676 (SEK 60.58 per share) at September 30, 2020, compared to MSEK 710 (SEK 63.63 per share) at December 31, 2019.
- Net cash amounted to MSEK 215 (SEK 19.29 per share) at September 30, 2020, compared to MSEK 230 (SEK 20.60 per share) at December 31, 2019.
- The 2020 Annual General Meeting resolved to pay a dividend of SEK 3.00 per share for FY 2019.

Third quarter 2020

- Net profit/loss for the quarter amounted to MSEK 55.0 (11.7).
- Earnings per share amounted to SEK 4.93 (1.05).

Comments by the CEO

After the second quarter's dip, NAXS's net asset value per share recovered during the third quarter, increasing by 9.3% during the period. The increase in net asset value reflects the general valuation uplift of fund investments, based on improved trading conditions for portfolio companies and positive developments of comparative multiples.
During the third quarter, NAXS allocated some of the cash on its balance sheet, making a new commitment to Nordic Capital Fund X, the latest fund launched by Nordic Capital. The fund will focus on majority investments in companies in the Healthcare, Technology & Payments and Financial Services sectors.

Lennart Svantesson

Financial summary

	2020 1/1–9/30	**2019** 1/1–9/30	**2020** 7/1–9/30	**2019** 7/1-9/30
Net profit/loss for the period, MSEK	-5 991	26 375	54 969	11 679

	2020 9/30	**2019** 12/31
Private equity fund investments, MSEK	428 029	439 638
Private equity fund investments in % of equity	63	62
Remaining commitments, MSEK	134 504	97 116
Total exposure to private equity fund investments, MSEK	562 533	536 754
Other investments, MSEK	32 966	40 824
Net cash, MSEK	215 087	229 748
Private equity fund investments per share, SEK	38.38	39.42
Other investments per share, SEK	2.96	3.66
Net cash per share, SEK	19.29	20.60
Net asset value per share, SEK	60.58	63.63
Share price, SEK	46.00	49.30

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

Building on the momentum from the second quarter, the financial markets continued to perform strongly during the third quarter, albeit with increased volatility. Private equity buyout activity remained at a relatively low level during the quarter, as it continued to be negatively impacted by the lack of available debt financing and a widening gap between sellers' and buyers' expectations.

Investments

Private equity fund investments

At September 30, 2020, NAXS had commitments to 12 private equity funds (11 buyout funds and 1 special situations fund):

- private equity fund investments amounted to MSEK 428, which corresponds to 63 percent of the Company's equity;
- remaining commitments amounted to MSEK 135.

Other investments

At September 30, 2020, NAXS held 3 direct investments in listed shares:

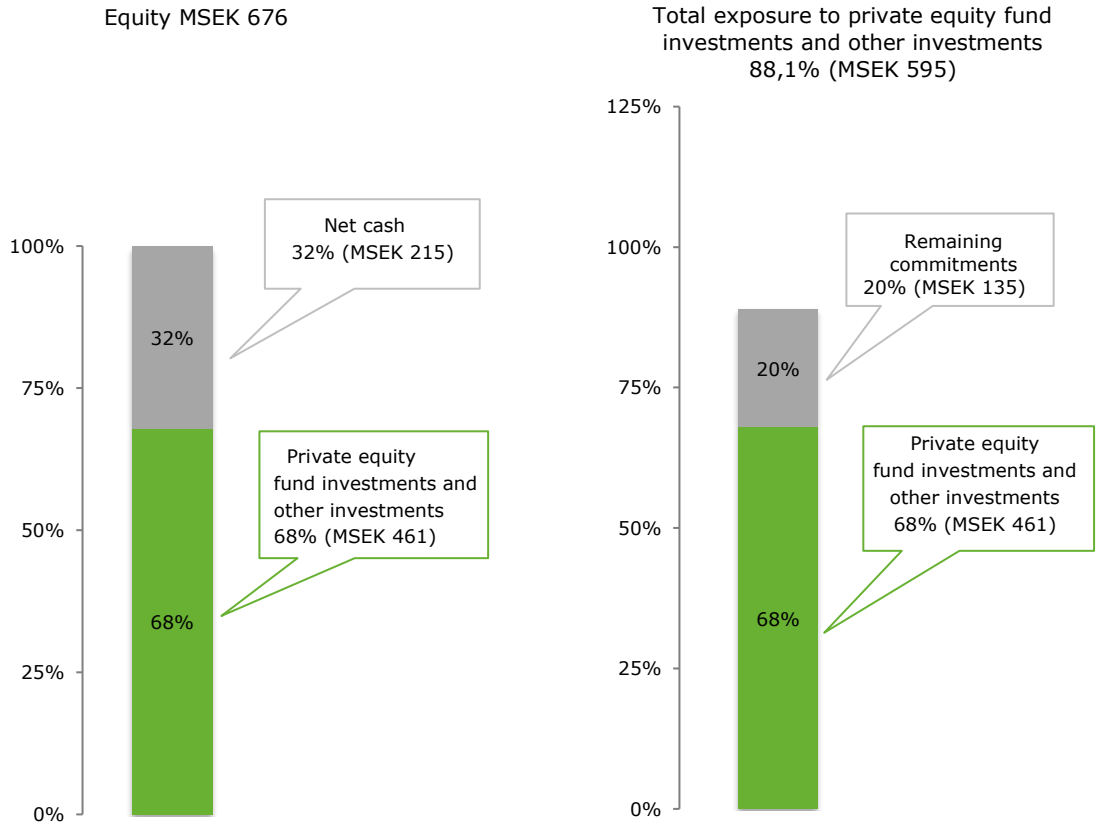
- 375,437 shares in Scout Gaming Group AB (publ), a provider of Fantasy Sport and Daily Fantasy Sports solutions to online gaming operators. As of September 30, 2020, the holding of NAXS in Scout Gaming Group was valued at MSEK 22.8 (4.9);
- 828,319 shares in Awilco Drilling Plc, a UK-based drilling contractor. The shares are listed on the Oslo Stock Exchange. As of September 30, 2020, the holding of NAXS in Awilco Drilling was valued at MSEK 2.1 (13.6);
- 10,137 shares in Keurig Dr Pepper, a leading producer and distributor of hot and cold beverages. The shares are listed on Nasdaq. As of September 30, 2020, the holding of NAXS in Keurig Dr Pepper was valued at MSEK 2.5 (-). The shares were received during the third quarter as a distribution in kind from JAB Consumer Fund – Global Consumer Brands II.

In addition, NAXS held at September 30, 2020, 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. At September 30, 2020, the holding of NAXS in Jacktel was valued at MSEK 5.5 (22.4).

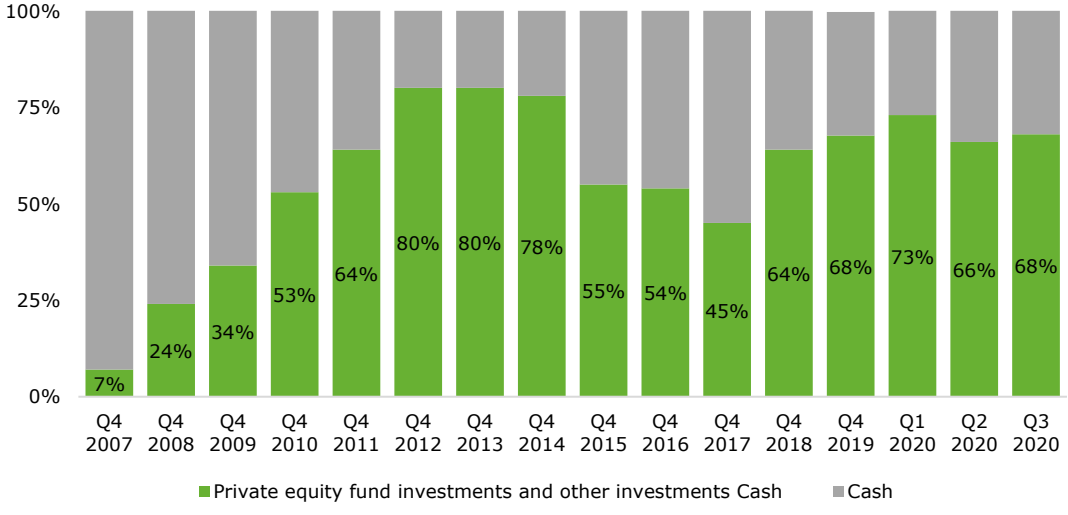
Exposure to private equity fund investments and other investments

At September 30, 2020, the total exposure to private equity fund investments and other investments amounted to MSEK 595, which corresponds to 88.1 percent of the Company's equity.

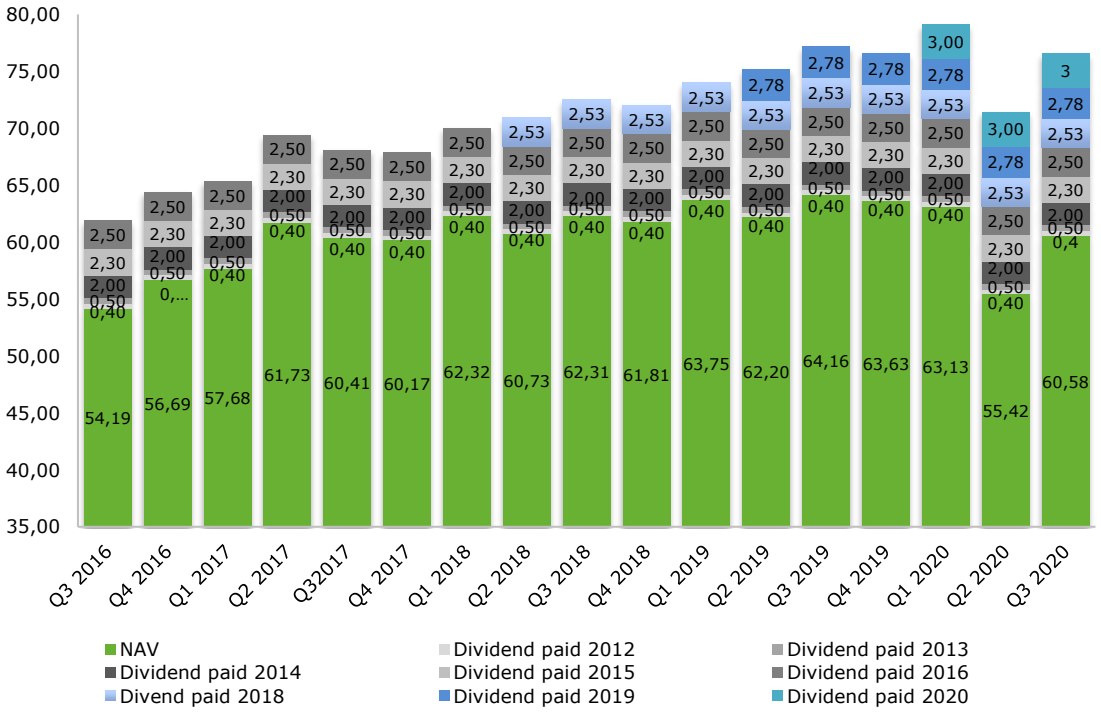
Private equity fund investments and other investments, and total exposure to private equity fund investments and other investments (in % of equity)



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



The net asset value (NAV) per share increased by 9.3% during the third quarter of 2020 but decreased by 0.9% over 12 months (including dividend paid).



New investments, acquisitions and liquidity events

Commitments
NAXS made a MEUR 2.0 commitment to Nordic Capital Fund X during the quarter. At MEUR 6,100, the fund is the largest that Nordic Capital has raised since its inception in 1989. The fund is set to continue Nordic Capital's successful strategy of focusing on majority investments in non-cyclical growth companies in the Healthcare, Technology & Payments and Financial Services sectors.

Investments
NAXS received during the third quarter 10,137 shares in Keurig Dr. Pepper through a distribution in kind from JAB Consumer Fund – Global Consumer Brands II. No other direct investment was made during the third quarter.

Acquisitions
1 new acquisition was made by underlying funds during the third quarter, with Nordic Capital Fund X acquiring Siteimproved, a global leader within website experience and digital marketing. The company is headquartered in Denmark.

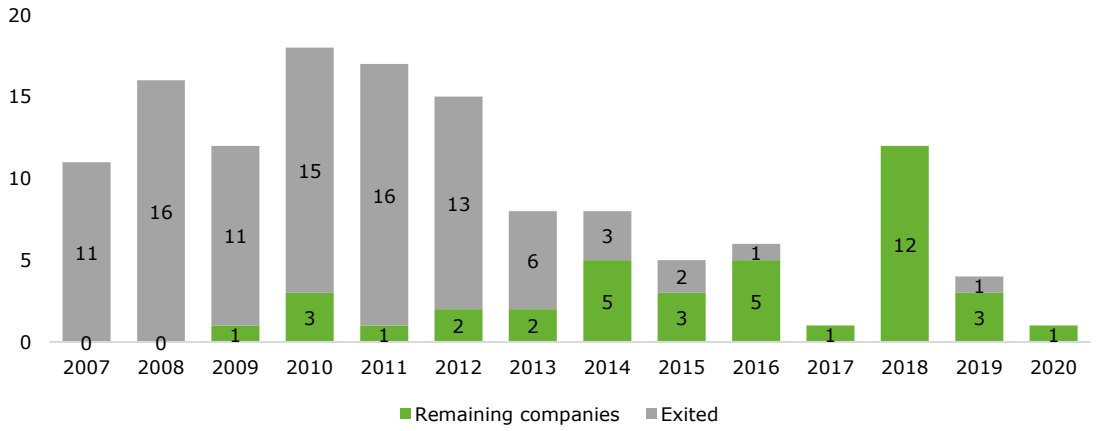
Portfolio Company	Sector	Country	Fund
Siteimproved	IT & Telecom	Denmark	Nordic Capital X

Liquidity events
1 full exit took place during the third quarter, with Intera Partners II selling its remaining shares in Kamux, a used car retailer chain that the fund had initially acquired in 2011 and listed on Nasdaq Helsinki in 2017.

Portfolio Company	Sector	Year of initial investment	Fund
Kamux	Consumer goods & services	2011	Intera II

At September 30, 2020, NAXS underlying funds had acquired a total of 134 companies, 95 of which had been fully divested. These 95 exits have generated an average gross IRR of 19%. The average holding period for the remaining 39 portfolio companies is approximately 5 years.

No. of portfolio companies acquired per year



September 30, 2020
- Total exposure to private equity fund investments: 83% of total equity
- Private equity fund investments: 63% of total equity
- Number of full exits since inception: 95
- Average gross IRR since inception generated by the 95 exits: 19%

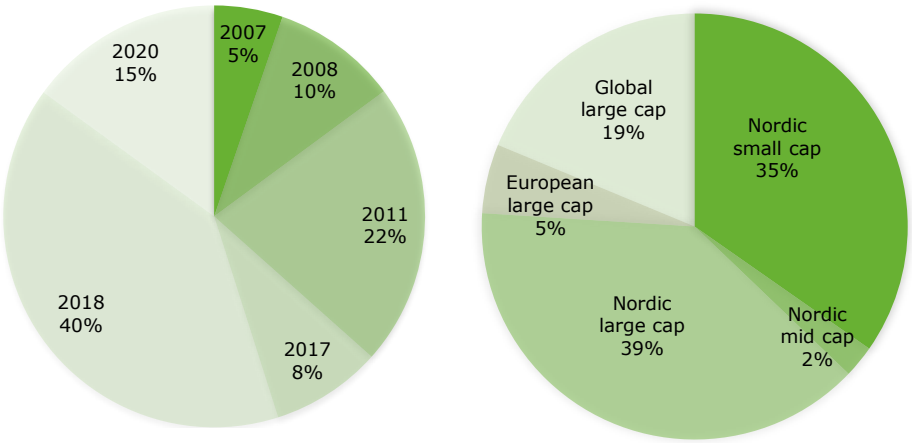
Portfolio composition/diversification

At September 30, 2020, NAXS provided the following exposure:

- 12 private equity funds (11 buyout funds and 1 special situations fund) from 8 managers:

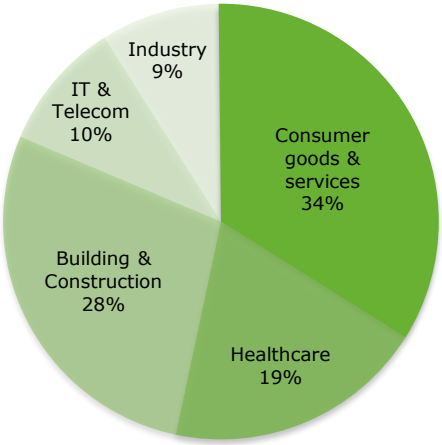
Fund	Commitment Year	Commitment Currency	Initial Commitment Amount (in 000s)
Apax Europe VII LP	2007	EUR	15,000
FSN Capital III LP	2008	EUR	10,000
Herkules Private Equity III LP	2008	NOK	40,000
Intera Fund I KY	2007	EUR	7,000
Intera Fund II KY	2011	EUR	7,250
JAB Consumer Fund – Global Consumer Brands II	2018	USD	5,000
JAB Consumer Fund – Global Consumer Brands III	2019	EUR	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
Nordic Capital Fund X LP	2020	EUR	2,000
Valedo Partners Fund II AB	2011	SEK	65,000

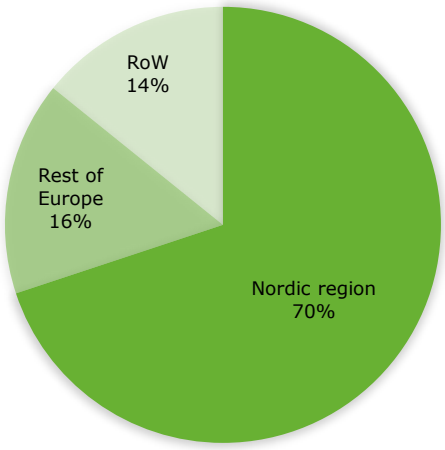
- 6 different fund vintages and a diversification in terms of size segments, as illustrated below (based on current commitments):



- 39 portfolio companies (remaining after 95 exits) acquired by underlying funds over a period of approximately 12 years, with the 10 largest portfolio companies accounting for less than 50% of the total equity and no single portfolio company accounting for more than 8.5% of the total equity.

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





- direct investments in 3 listed companies and 1 bond:

Company	Sector	Type of instrument	Timing of initial investment	Reported value
Scout Gaming Group	iGaming	listed share (NASDAQ First North)	Q4 2017	MSEK 22.8
Awilco Drilling	Energy	listed share (Oslo Exchange)	Q1 2018	MSEK 2.1
Keurig Dr Pepper	Consumer goods & services	Nasdaq	Q3 2020	MSEK 2.5
Jacktel/Master Marine	Energy	senior secured bond	Q4 2018	MSEK 5.5

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	8	28
FSN Capital III	MEUR 375	mid cap	2008	Norway/Nordic	1	9
Herkules PE III[1]	MNOK 6,000	mid cap	2008	Norway/Nordic	0	11
Intera Partners I[2]	MEUR 125	small cap	2007	Finland	0	7
Intera Partners II	MEUR 200	small cap	2011	Finland	5	6
JAB Consumer Fund – GCB II	MUSD 5,000	large cap	2018	Global	4	0
JAB Consumer Fund – GCB III	MUSD 3,800	large cap	2020	Global	1[3]	0
Mimir Invest	<MSEK 500	small cap	2017	Primarily Nordic	5	1
Nordic Capital VII	MEUR 4,300	mid/large cap	2008	Primarily Nordic	1	18
Nordic Capital CV1	MEUR 2,500	mid/large cap	2018	Primarily Nordic	8	1
Nordic Capital X	MEUR 6,100	mid/large cap	2020	Primarily Nordic & DACH	1	0
Valedo Partners II	MSEK 2,000	small cap	2011	Sweden	6	5

[1] *the fund exited its last portfolio company during Q2 2020*
[2] *the fund exited its last operational portfolio company during Q4 2019 and currently only holds legacy real estate assets*
[3] *also a JAB Consumer Fund – GCB II portfolio company*

Group

Financial performance, Third quarter 2020

Operating profit/loss

The operating profit/loss amounted to MSEK 55,646 (12,401) for the quarter. The operating profit/loss includes a change in value of MSEK 58,829 (14,939), whereof MSEK 43,327 (20,687) is a change in value of private equity fund investments and MSEK 15,502 (-5,748) is a change of value of other financial investments. The currency effects are included in the changes in value and amounted to MSEK -5,540 (8,460) for the third quarter. Operating expenses amounted to MSEK 3,183 (2,538).

Financial performance, Nine months 2020

Operating profit/loss

The operating profit/loss amounted to MSEK -6,220 (29,239) for the interim period. The operating profit/loss includes a change in value of MSEK 4,111 (38,701), whereof MSEK 10,444 (55,459) is a change in value of private equity fund investments, and MSEK -6,333 (-16,758) is a change in value of other investments. Realized profit/loss in investments in private equity funds amounted to MSEK -9,336 (16,657), and reversal of unrealized changes in value of divested portfolio companies and unrealized changes in value of remaining portfolio companies in the funds to MSEK 19,780 (38,802). The currency effects are included in the changes in value and amounted to MSEK -474 (15,411) for the interim period. Realized profit/loss in other investments amounted to MSEK 2,075 (2,115), and unrealized profit/loss amounted to MSEK -8,408 (-18,873). Operating expenses amounted to MSEK 10,331 (9,642).

January 1– September 30, 2020

- Changes in value of private equity fund investments: MSEK 10,444, whereof currency effects on private equity fund investments MSEK -474
- Changes in value of other investments: MSEK -6,333

Financial items

Financial items net totaled MSEK 229 (-2,864) for the interim period. Interest expenses on cash in banks amounted to -171 (-579). Exchange rate profit/loss amounted to MSEK 400 (-2,285).

Tax and net profit

The Group's profit/loss after financial items for the interim period amounted to MSEK -5,991 (26,375). Income taxes amounted to MSEK 0 (0), which is mainly due to non-taxable dividends and changes in value being included in profit before tax. Net profit/loss after tax amounted to MSEK -5,991 (26,375). Earnings per share were SEK -0.54 (2.29).

Investments, financing and liquidity

Private equity fund investments

During the interim period, net investments (-)/repayments (+) from private equity funds amounted to MSEK 27,750 (-1,069) whereof MSEK -9,336 (16,657) is realized profit/loss in investments in private equity funds. As of September 30, 2020, private equity fund investments amounted to MSEK 428,029 (439,638).

September 30, 2020
- Private equity fund investments per share: SEK 38.38

Other investments

As of September 30, 2020, Other Investments amounted to MSEK 32,966 (40,824). During the interim period MSEK - (3,279) was invested in Other Investments. NAXS received during the third quarter 10,137 shares in Keurig Dr. Pepper through a distribution in kind from JAB Consumer Fund – Global Consumer Brands II.

Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to MSEK 675,629 (709,659) at the end of the first interim period, corresponding to SEK 60.58 (63.63) per share and an equity/asset ratio of 100 (100) percent. Repurchases of own shares amounted to - (39,276) and dividend to shareholders for the financial year 2019 amounted to MSEK 33,458 (31,055) corresponding to SEK 3.00 (2.78) per share.

September 30, 2020
- Equity per share: SEK 60.58

Net cash

At the end of the interim period, net cash amounted to MSEK 215,087 (229,748), which corresponds to SEK 19.29 (20.60) per share. During the interim period, cash and cash equivalents were invested in interest-bearing instruments or held on interest-bearing bank accounts, in accordance with the Company's policy.

September 30, 2020
- Net cash per share: SEK 19.29

Significant risks and uncertainty factors

Significant risks and uncertainty factors are described in the Annual Report 2019.
Since the publication of the Annual Report, the Covid-19 virus outbreak has generated material new risks and uncertainty factors. NAXS follows the Covid-19 developments closely and in any event the company can be considered well positioned in view of its available liquidities and the fact that its assets are fully equity-financed.

Future prospects

We expect the current environment of increased volatility and limited buyout investment activity to remain in place for the remainder of 2020.

Parent company

The parent company has not had any sales during the interim period. The profit/loss after financial items amounted to MSEK -2,456 (-2,037). The net interest income amounted to MSEK 139 (-221) and exchange rate profit/loss amounted to MSEK 360 (1,169). Income tax amounted to MSEK 0 (0). The net profit/loss amounted to MSEK -2,456 (-2,037).

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 2020 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

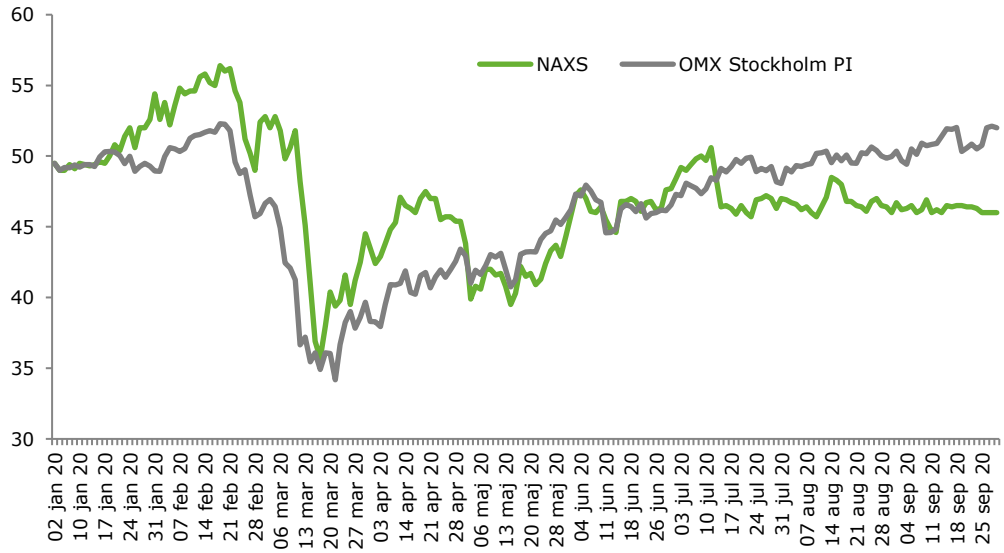
The NAXS share was initially listed on First North on May 14, 2007. Since June 8, 2010, the share is traded on NASDAQ Stockholm. The share trades under the designation "*NAXS*".

The number of outstanding shares in the Company at the beginning and at the end of the interim period was 11,152,585.

In March, the company made a share cancellation of 757,476 repurchased shares. Prior to the cancellation of the repurchased shares, the total number of shares and voting rights in NAXS was 11,910,061. The number of shares and voting rights decreased by 757,476 through the share cancellation. Following completion of the share cancellation, the total number of shares and voting rights in NAXS is 11,152,585.

At the end of the interim period, the NAXS share price was SEK 46.00 and the total shareholders' equity per share was SEK 60.58. The Company's market capitalization was MSEK 513 and the number of shareholders was 2,609.

Evolution of the share price during the interim period 2020



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 2019. The new and amended IFRS standards and interpretations applied as of 2020 have not had and are not expected to have any significant 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.

Financial information

Year-end report 2020: January 28, 2021
Annual report 2020: Week 5, 2021
Annual General Meeting: March 11, 2021
Interim Report (3 months): April 22, 2021
Interim Report (6 months): July 14, 2021
Interim Report (9 months): October 21, 2021
Year-End Report 2021: January 27, 2022

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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 20, 2020.

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

Stockholm, October 20, 2020

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

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Financial reports summary

Consolidated Income Statement

Amounts in SEK 000s

		2020	2019	2020	2019
		1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Change in value		4 111	38 701	58 829	14 939
Operating costs	Note 1	-10 331	-9 462	-3 183	-2 538
Operating profit/loss		**-6 220**	**29 239**	**55 646**	**12 401**
Net financial items		229	-2 864	-677	-722
Profit/loss after financial items		**-5 991**	**26 375**	**54 969**	**11 679**
Income taxes		-	-	-	-
Net profit/loss		**-5 991**	**26 375**	**54 969**	**11 679**
Attributable to:					
Parent company shareholders		**-5 991**	**26 375**	**54 969**	**11 679**
Earnings per share, SEK*		-0,54	2,29	4,93	1,05
Average number of shares, 000s*		11 153	11 541	11 153	11 171

* Basic and diluted

Consolidated Statement of Comprehensive Income

Amounts in SEK 000s

	2020	2019	2020	2019
	1/1-9/30	1/1-9/30	7/1-9/30	7/1-9/30
Net profit/loss	-5 991	26 375	54 969	11 679
Other comprehensive income				
Items which will be reversed to the income statement				
Exchange differences	5 418	23 382	2 558	10 170
Total comprehensive income	**-573**	**49 757**	**57 527**	**21 849**
Attributable to:				
Parent company shareholders	-573	49 757	57 527	21 849
Total comprehensive income	**-573**	**49 757**	**57 527**	**21 849**

Consolidated Balance Sheet
Amounts in SEK 000s

	2020 9/30	2019 12/31
Assets		
Private equity fund investments	428 029	439 638
Other long-term holdings of securities	32 966	40 824
Total non-current assets	**460 995**	**480 462**
Other receivables	199	166
Cash and cash equivalents	215 087	229 748
Total current assets	**215 286**	**229 914**
Total assets	**676 281**	**710 376**
Equity	**675 629**	709 659
Current liabilities	**652**	717
Total equity and liabilities	**676 281**	**710 376**

Consolidated Net cash
Amounts in SEK 000s

	2020 9/30	2019 12/31
Cash, bank and short-term investments	215 087	229 748
Total net cash	**215 087**	**229 748**

Consolidated Statement of Changes in Equity
Amounts in SEK 000s

	2020 1/1-9/30	2019 1/1-12/31	2019 1/1-9/30
Equity at the beginning or the year	709 660	736 371	736 371
Repurchase of own shares	-	-39 276	-38 387
Dividend	-33 458	-31 055	-31 055
Total comprehensive income for the period	-573	43 619	49 757
Shareholder's equity at the end of the period	**675 629**	**709 659**	**716 686**

Consolidated Statement of cash flows analysis

Amounts in SEK 000s

	2020 1/1-9/30	2019 1/1-9/30
Profit/loss after financial items	-5 991	26 375
Adjustment for non-cash items, etc.	-2 425	-14 472
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	-8 416	11 903
Cash flow changes in working capital	-96	12 154
Cash flow from operating activities	**-8 512**	**24 057**
Acquisitions of private equity fund investments	-27 136	-47 954
Disposals of private equity fund investments	54 886	30 228
Acquisitions of other long-term holdings of securities	-	-3 279
Cash flow from investing activities	**27 750**	**-21 005**
Repurchase of own shares	-	-38 387
Dividend	-33 458	-31 055
Cash flow from financing activities	**-33 458**	**-69 442**
Cash flow during the period	**-14 220**	**-66 390**
Cash and cash equivalents, beginning of the year *	229 748	261 444
Exchange-rate differences in cash and cash equivalents	-441	-663
Cash and cash equivalents at the end of the period	**215 087**	**194 391**

* Including short-term investments

Parent Company Income Statement
Amounts in SEK 000s

	2020	2019	2020	2019
	1/1-9/30	1/1-9/30	7/1-9/30	7/1–9/30
Operating costs	-2 955	-2 985	-904	-796
Operating profit/loss	**-2 955**	**-2 985**	**-904**	**-796**
Net financial items	499	948	223	395
Profit /loss after financial items	**-2 456**	**-2 037**	**-682**	**-400**
Income taxes	-	-	-	-
Net profit/loss for the period	**-2 456**	**-2 037**	**-682**	**-400**

Parent Company Statement of Comprehensive Income
Amounts in SEK 000s

	2020	2019	2020	2019
	1/1-9/30	1/1-9/30	7/1-9/30	7/1–9/30
Net profit/loss for the period	-2 456	-2 037	-682	-400
Total comprehensive income for the period	**-2 456**	**-2 037**	**-682**	**-400**

Parent Company Balance Sheet
Amounts in SEK 000s

	2020	2019
	9/30	12/31
Assets		
Shares in subsidiaries	481 802	481 802
Receivables on group companies	27 086	26 726
Total non-current assets	**508 888**	**508 528**
Other receivables	201	167
Cash and cash equivalents	69 930	106 416
Total current assets	**70 131**	**106 583**
Total assets	**579 019**	**615 111**
Equity	**578 485**	**614 399**
Current liabilities	**534**	**712**
Total equity and liabilities	**579 019**	**615 111**

Parent Company Statement of Changes in equity
Amounts in SEK 000s

	2020	2019	2019
	1/1-9/30	1/1-12/31	1/1-9/30
Equity at the beginning of the year	614 399	688 838	688 838
Repurchase of own shares	-	-39 276	-38 387
Dividend	-33 458	-31 055	-31 055
Total comprehensive income for the period	-2 456	-4 108	-2 037
Shareholder's equity at the end of the period	**578 485**	**614 399**	**617 359**

Note 1

Operating costs
Amounts in SEK 000s

	2020	2019	2020	2019
	1/1-9/30	1/1-9/30	7/1-9/30	7/1–9/30
Fee to the investment advisor	-4 684	-4 796	-1 416	-1 505
Carried interest to the investment advisor	-2 273	-1 285	-745	-156
Personnel expenses	-1 146	-1 154	-384	-386
Other operating costs	-2 228	-2 227	-638	-491
	-10 331	**-9 462**	**-3 183**	**-2 538**

No related party transaction occurred during the interim period, except for remunerations to the board members and the managing director and dividend to 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 and Alternative performance measures

NAXS applies the guidelines issued by the European Securities and Markets Authority (ESMA) for alternative key ratios. Alternative key figures are financial measures of historical or future earnings trend, financial position, financial results or cash flows that are not defined or specified in the applicable rules for financial reporting
Alternative key ratios are stated when, in their context, they provide clearer or more in-depth information than the measures defined in applicable financial reporting rules. The alternative key figures are derived from the consolidated financial statements. Alternative key ratios are stated when, in their context, they supplement the measures defined in IFRS. The starting point for the provided alternative key figures is that they are used by management to assess the financial development and are thus considered to provide valuable information to analysts and other stakeholders. NAXS regularly uses alternative key ratios as a complement to those key ratios that generally constitute good accounting practice.
Below are definitions and all the alternative key figures used.

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

*Equity ratio**
Equity in relation to total assets.

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 shareholders' equity attributable to the Parent Company's shareholders) in relation to the number of outstanding shares at the end of the period

*Net cash**
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 cash.

Total exposure to private equity fund investments
Private equity funds investments and remaining commitments to private equity funds.

Total exposure to private equity fund investments and other investments
Total exposure to private equity funds increased with other investments.

* Refers to alternative key figures according to the European Securities and Markets Authority (ESMA).

Reconciliations of significant alternative key ratios

Below are reconciliations of significant alternative key figures against the most directly reconcilable item, sub-sum or total sum stated in the financial statements for the corresponding period.

Net cash
Net cash or cash available at short notice, are defined as cash and cash equivalents, current investments, financial investments and interest-bearing current and short-term receivables. Deductions are made for interest bearing short- and long-term liabilities.

Group, MSEK	2020 9/30	2019 12/31
Cash and cash equivalents	215 087	229 748
Net cash	**215 087**	**229 748**

Total assets
The net of all assets and liabilities that are not included in the net cash.

Group, MSEK	2020 9/30	2019 12/31
Equity	675 629	709 659
Net cash	-215 087	-229 748
Total assets	**460 542**	**479 911**

Net asset value, SEK per share
Equity attributable to the Parent Company's shareholders in relation to the number of shares outstanding on the balance sheet date.

Group September 30, 2020 TSEK			Net asset value, SEK per share
Net asset value	675 629	=	60.58
Number of shares outstanding	11 152 585		

Group December 31, 2019 TSEK			Net asset value, SEK per share
Net asset value	709 659	=	63.63
Number of shares outstanding	11 152 585		

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, 2020 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 den 20 oktober 2020

Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant