NAXS AB (publ)
Year-end Report 2019

January-December 2019

- Net profit/loss for the period amounted to MSEK 37.1 (18.5).
- Earnings per share amounted to SEK 3.24 (1.45).
- Net asset value amounted to MSEK 710 (SEK 63.63 per share) at December 31, 2019, compared to MSEK 736 (SEK 61.81 per share) at year-end 2018.
- Net cash amounted to MSEK 230 (SEK 20.60 per share) at December 31, 2019, compared to MSEK 261 (SEK 21.94 per share) at year-end 2018.
- The 2019 Annual General Meeting resolved to pay a dividend of 2.78 SEK per share for FY 2018.

Fourth quarter 2019

- Net profit/loss for the quarter amounted to MSEK 10.8 (-3.7).
- Earnings per share amounted to SEK 0.96 (-0.31).

Distribution of profits

The Board of Directors proposes a dividend of SEK 3.00/share for the fiscal year 2019.

In addition, the Board of Directors proposes to the Annual General Meeting to vote on a continued share repurchase mandate.

Comments by the CEO

NAXS continued on its positive trajectory during 2019, seeing its net asset value per share increase by 7.5% during the year.
On the investment side, NAXS made in the fourth quarter a new commitment to the JAB Consumer Fund – Global Consumer Brands III. NAXS was already an investor in JAB's predecessor fund. The Global Consumer Brands III provides an exposure to recent transactions by JAB Holding, notably those in the pet care industry, where JAB is now the second largest player globally.
As to the underlying funds, they acquired 5 new portfolio companies and signed or closed 14 exits during 2019.
In June, NAXS paid a dividend of SEK 2.78/share and actively repurchased its own shares throughout 2019, acquiring in excess of 6% of the total number of shares.
The Company has now distributed a cumulative SEK 24.81 per share over the last 5 years to its shareholders through dividends and share repurchases.
At the end of 2019, NAXS had in excess of 32% of cash on its balance sheet, which leaves the Company well-positioned to take advantage of potential investment opportunities.

Lennart Svantesson

Financial summary

	2019 1/1–12/31	**2018** 1/1–12/31	**2019** 10/1-12/31	**2018** 10/1-12/31
Net profit/loss for the period, KSEK	37 130	18 488	10 756	-3 691

	2019 12/31	**2018** 12/31
Private equity fund investments, KSEK	439 638	406 861
Private equity fund investments in % of equity	62	55
Remaining commitments, KSEK	97 116	86 953
Total exposure to private equity fund investments, KSEK	536 754	493 814
Other investments, KSEK	40 824	56 784
Net cash, KSEK	229 748	261 444
Private equity fund investments per share, SEK	39.42	34.15
Other investments per share, SEK	3.66	4.77
Net cash per share, SEK	20.60	21.94
Net asset value per share, SEK	63.63	61.81
Share price, SEK	49.30	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 financial markets generally experienced positive developments during 2019, despite an uncertain macro-economic backdrop, with concerns over the declining rate of global economic growth, trade war between the US and China, as well as Brexit uncertainty. Private equity activity remained at a good level throughout the year, supported by readily available financing and the high levels of dry powder held by managers as the result of a prolonged strong fundraising environment for the asset class.

Investments

Private equity fund investments

As of December 31, 2019, NAXS had commitments to 11 private equity funds (10 buyout funds and 1 special situations fund):

- private equity fund investments amounted to MSEK 440, which corresponds to 62 percent of the Company's equity;
- remaining commitments amounted to MSEK 97.

Other investments

As of December 31, 2019, NAXS held 2 direct investments in listed shares:

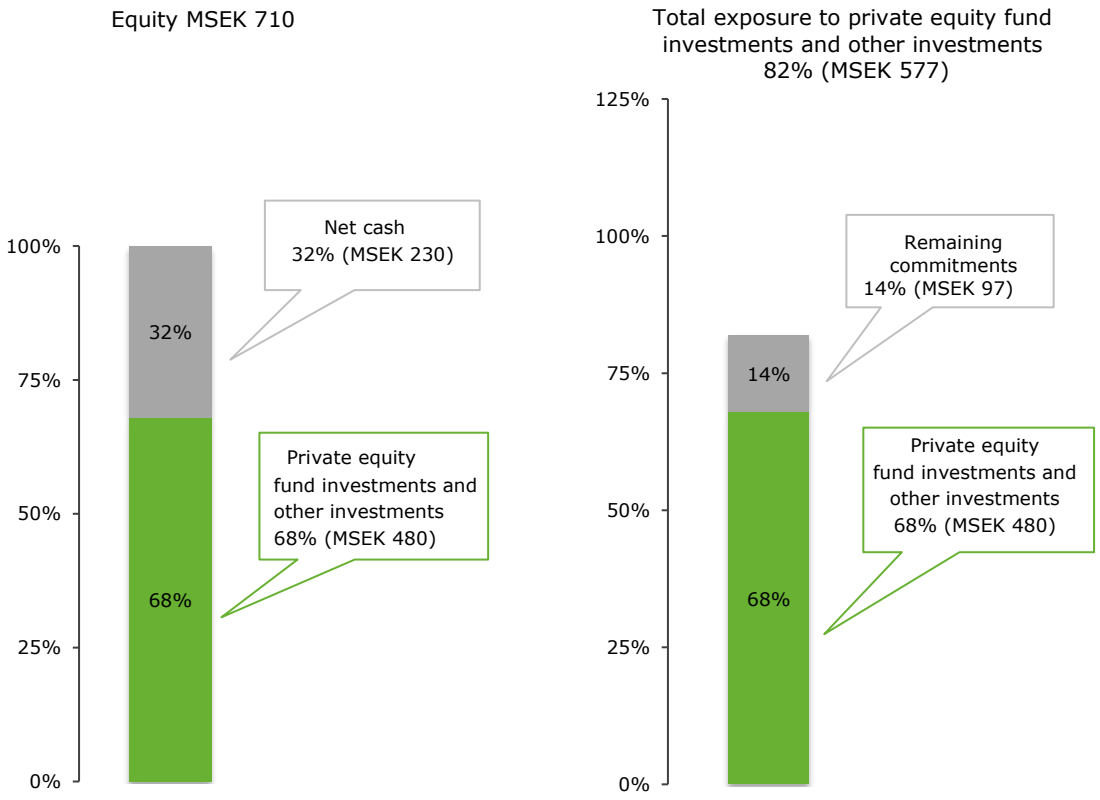
- 375,437 shares in Scout Gaming Group AB (publ), a provider of Fantasy Sport and Daily Fantasy Sports solutions to online gaming operators. As of December 31, 2019, the holding of NAXS in Scout Gaming Group was valued at MSEK 4.9 (11.5);
- 828,319 shares in Awilco Drilling Plc, a UK-based drilling contractor. The shares are listed on the Oslo Stock Exchange. As of December 31, 2019, the holding of NAXS in Awilco Drilling was valued at KSEK 13.6 (21.0).

In addition, NAXS held at December 31, 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 December 31, 2019, the holding of NAXS in Jacktel was valued at KSEK 22.4 (24.2).

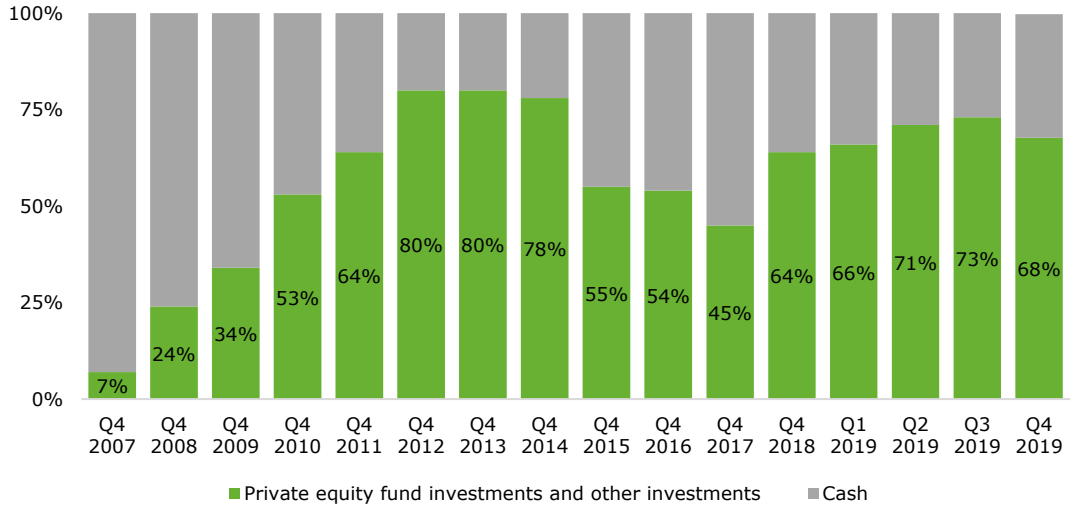
Exposure to private equity fund investments and other investments

As of December 31, 2019, the total exposure to private equity fund investments and other investments amounted to MSEK 577, which corresponds to 82 percent of the Company's equity.

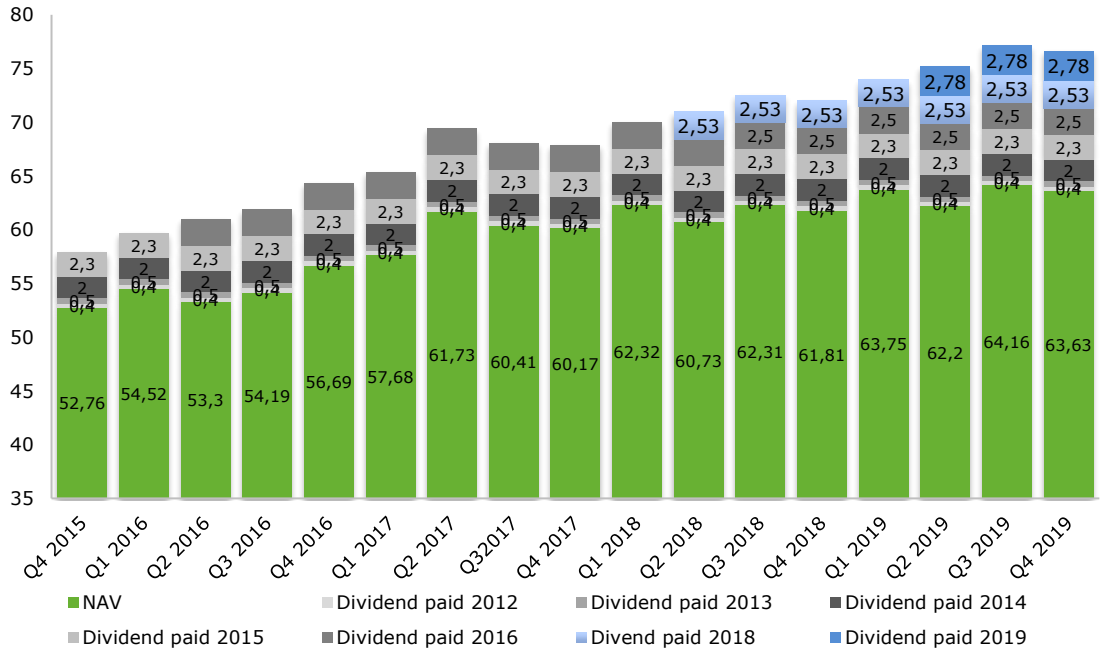
Private equity fund investments and other investments, and total exposure to private equity fund investments and other investments (in % of equity)



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



While the net asset value (NAV) per share decreased by 0.8% during the fourth quarter of 2019, it increased by 7.5% over 12 months (including dividend paid).



New investments, acquisitions and liquidity events

Investments
No new investment was made during the fourth quarter.

As of December 31, 2019, NAXS held the following direct investments:

Company	Sector	Country	Reported value
Awilco Drilling	Energy (offshore drilling operator)	Norway	MSEK 14
Master Marine	Energy (offshore accommodation provider)	Norway	MSEK 22
Scout Gaming Group	iGaming (fantasy sports solution provider)	Sweden	MSEK 5

Acquisitions
No new acquisition was made by underlying funds during the fourth quarter.

During 2019, a total of 5 new portfolio companies were acquired by underlying funds, as summarized below (by fund and in alphabetical order):

Portfolio Company	Sector	Country	Fund
Compassion First Pet Hospitals	Veterinary clinics	Global	JAB GCB II
National Veterinary Associates	Veterinary clinics	Global	JAB GCB II
Quadriga Systems	IT & telecom	UK	Mimir Invest
Oiva Wood Solutions	Building & construction	Finland	Mimir Invest
Terraroc	Industry	UK/global	Mimir Invest

Liquidity events
5 full exits took place during the fourth quarter:
- a public tender offer made for Sophos, a security software company previously listed on the London Exchange by Apax Europe VII;
- Intera I exited Polarica, a Swedish-Finnish wild berries and game meat supplier acquired in 2010;
- Intera II divested its remaining holding in Silmäasema, a provider of ophthalmology products and services, which it had listed on Nasdaq Helsinki in 2017;
- Mimir Invest exited Quadriga, an IT solution provider to the hotel industry, which it had acquired earlier in the year; and
- Valedo II signed an agreement for the sale of Best Transport, a Swedish last-mile delivery provider acquired in 2014.

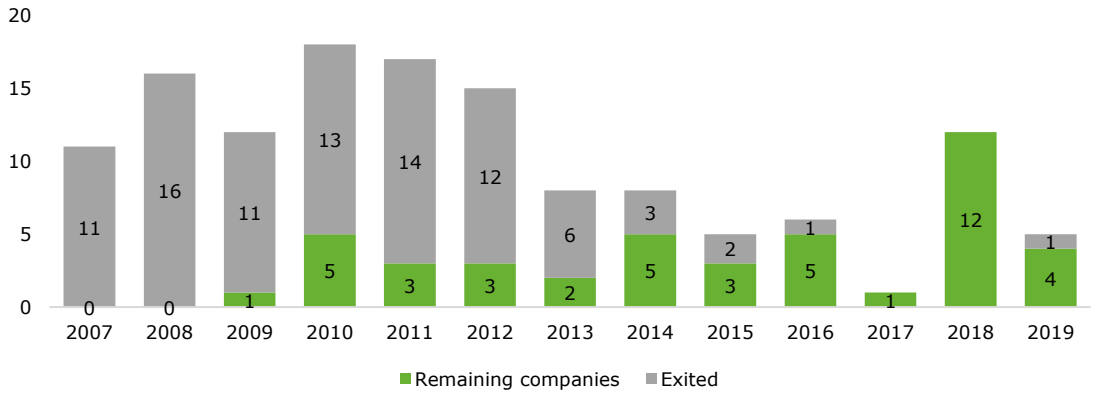
Portfolio Company	Sector	Year of initial investment	Fund
Sophos	IT & telecom	2010	Apax VII
Polarica	Consumer goods & services	2010	Intera I
Silmäasema	Healthcare	2014	Intera II
Quadriga	IT & telecom	2019	Mimir Invest
Best Transport	Financial & business services	2014	Valedo II

NAXS's underlying funds existed a total of 14 portfolio companies during 2019, as summarized below (by fund and in alphabetical order):

Portfolio Company	Sector	Year of initial investment	Fund
Acelity	Healthcare	2011	Apax VII
Electro Stocks	Building & construction	2007	Apax VII
Sophos	IT & telecom	2010	Apax VII
Normek	Building & construction	2008	Intera I
Polarica	Consumer goods & services	2010	Intera I
Trafotek	Industry	2010	Intera I
Silmäasema	Healthcare	2014	Intera II
Norsk Jerbanedrift	Building & construction	2011	Herkules III
Puzzle	IT & telecom	2010	Herkules III
Ressurs Holding	Finance	2012	Nordic Capital VII
Ellos	Consumer good & services	2013	Nordic Capital CV1
Quadriga	IT & telecom	2019	Mimir Invest
Best Transport	Financial & business services	2014	Valedo II
Cambio	Healthcare	2012	Valedo II

As of December 31, 2019, NAXS underlying funds had acquired a total of 134 companies, 90 of which had been fully divested. These 90 exits have generated an average gross IRR of 19%. The average holding period for the remaining 44 portfolio companies is approximately 4,5 years.

No. of portfolio companies acquired per year



December 31, 2019
- Total exposure to private equity fund investments: 76% of total equity
- Private equity fund investments: 62% of total equity
- Number of full exits since inception: 90
- Average gross IRR since inception generated by the 90 exits: 19%

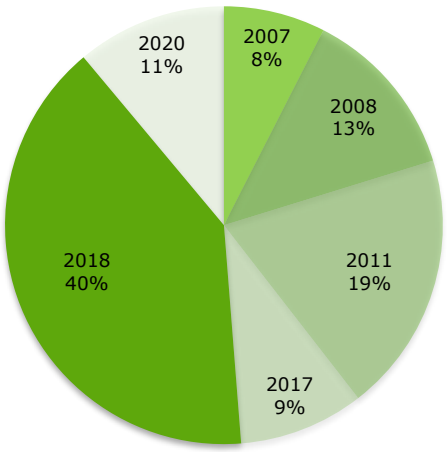
Portfolio composition/diversification

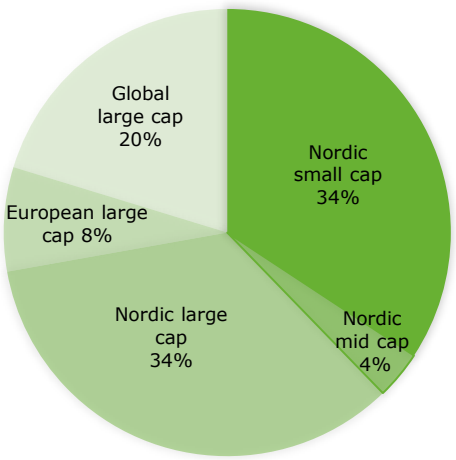
As of December 31, 2019, NAXS provided the following exposure:

- 11 private equity funds (10 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
Valedo Partners Fund II AB	2011	SEK	65,000

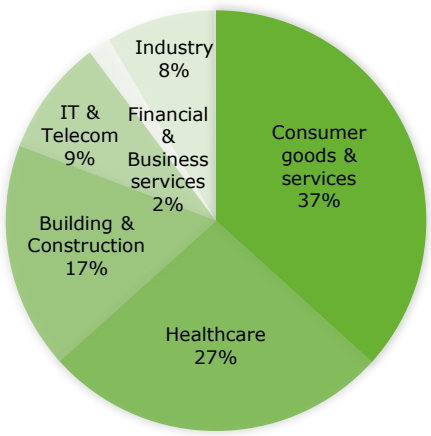
- 6 different fund vintages and a diversification in terms of size segments, as illustrated below (based on current commitments):

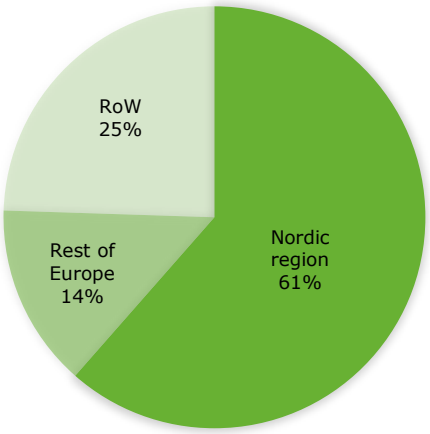




- 44 portfolio companies (remaining after 90 exits) acquired by underlying funds over a period of approximately 11 years, with the 10 largest portfolio companies accounting for less than 44% of the total equity and no single portfolio company accounting for more than 8% of the total equity.

- 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 2 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 5
Awilco Drilling	Energy	listed share (Oslo Exchange)	Q1 2018	MSEK 14
Jacktel/Master Marine	Energy	senior secured bond	Q4 2018	MSEK 22

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	9	27
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	0*	7
Intera Partners II	MEUR 200	small cap	2011	Finland	6	5
JAB Consumer Fund – GCB II	MUSD 5,000	large cap	2018	Global	4	0
JAB Consumer Fund – GCB III	N/A	large cap	2020	Global	0	0
Mimir Invest	<MSEK 500	small cap	2017	Primarily Nordic	6	1
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 II	MSEK 2,000	small cap	2011	Sweden	7	4

**the fund exited its last operational portfolio company during Q4 2019*

Group

Financial performance, Fourth quarter 2019

Operating profit/loss

The operating profit/loss amounted to KSEK 9,236 (-4,149) for the quarter. The operating profit/loss includes a change in value of KSEK 14,001 (-553), whereof KSEK 14,773 (22,183) is a change in value of private equity fund investments, and KSEK -772 (-22,736) is a change in value of other investments. Operating expenses amounted to KSEK 4,766 (3,596).

Financial performance, January-December 2019

Operating profit/loss

The operating profit/loss amounted to KSEK 38,474 (25,723) for the year. The operating profit/loss includes a change in value of KSEK 52,702 (42,397), whereof KSEK 40,037 (53,598) is a change in value of private equity fund investments, and KSEK -20,363 (-11,201) is a change in value of other investments. Realized profit/loss in investments in private equity funds amounts to KSEK 30,195 (40,274), and unrealized profit/loss amounted to KSEK 35,351 (13,324). The currency effects are included in the changes in value and amounted to KSEK 4,686 (7,295) for the year. Dividends and interest income related to other investments amounted to 2,834 (1,623) TSEK and unrealized profit/loss amounted to KSEK -20,363 (-12,824). Operating expenses amounted to KSEK 14,228 (16,674).

January 1–December 31, 2019
Changes in value of private equity fund investments: KSEK 40,037 whereof currency effects on private equity fund investments KSEK 4,686
Changes in value of other investments: KSEK -20,363

Financial items

Financial items net totaled KSEK -1,344 (-7,235) for the year. Interest income amounted to KSEK 82 (7) and interest expenses on bank deposits amounted to -817 (-1,816). Exchange rate profit/loss amounted to KSEK -609 (-5,426)

Tax and net profit

The Group's profit/loss after financial items for the year amounted to KSEK 37,130 (18,488). Income taxes amounted to KSEK 0 (0). Net profit/loss after tax amounted to KSEK 37,130 (18,488). Earnings per share were SEK 3.24 (1.45).

Investments, financing and liquidity

Private equity fund investments

During the year, net investments (-)/repayments (+) from private equity funds amounted to KSEK 41,031 (4,517) whereof KSEK 30,195 (40,274) is realized gains. As of December 31, 2019, Private equity fund investments amounted to KSEK 439,638 (406,861).

December 31, 2019
Private equity fund investments per share: SEK 39.42

Other investments

As of December 31, 2019, Other Investments amounted to KSEK 40,824 (56,784). During the interim period KSEK 3,285 (24,909) was invested in other investments.

Financing

The Group is financed with shareholders' equity. Shareholders' equity amounted to KSEK 709,659 (736,371) at the end of the year, corresponding to SEK 63.63 (61.81) per share and an equity/asset ratio of 100 (100) percent. Repurchases of own shares amounted to 39,276 (88,408) and dividend to shareholders for the financial year 2018 amounted to KSEK 31,055 (32,209) corresponding to SEK 2.78 (2.53) per share.

December 31, 2019
Equity per share: SEK 63.63

Net cash

At the end of the year, net cash amounted to KSEK 229,748 (261,444), which corresponds to SEK 20.60 (21.94) per share. During the 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.

December 31, 2019
Net cash per share: SEK 20.60

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.

Events after the end of the financial year

No significant events after the end of the financial year can be reported.

Future prospects

We expect the uncertain macro-economic background that prevailed during 2019 to continue during the coming quarters. It remains to be seen whether these conditions will, unlike during 2019, result in capital market dislocations and asset repricing. With its strong balance sheet, NAXS remains well-positioned to seize potential investment opportunities that may arise during 2020.

Parent company

The parent company has not had any sales during the period. The profit/loss after financial items amounted to KSEK -4,108 (16,525). During the year, dividend from subsidiaries amounting to KSEK - (20,675) was received. The net interest income amounted to KSEK -258 (-806) and exchange rate profit/loss amounted to KSEK 398 (1,016). Income tax amounted to KSEK 0 (0). The net profit/loss amounted to KSEK -4,108 (16,525).

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

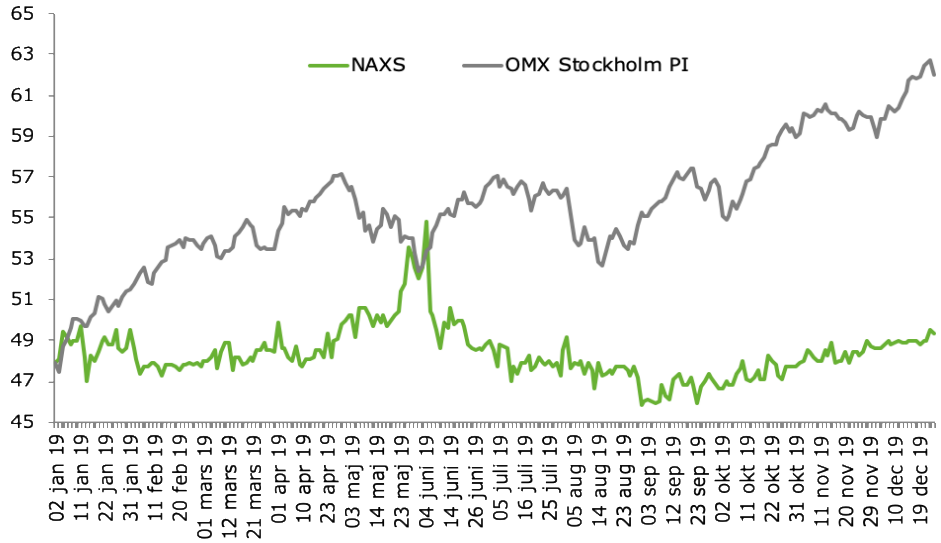
The NAXS share was initially listed on First North on May 14, 2007. Since June 8, 2010, the share is traded on NASDAQ Stockholm. The share trades under the designation "*NAXS*".

The number of outstanding shares in the Company at the beginning of the year was 11,914,261. During the year 761,676 shares were repurchased. The number of outstanding shares in the Company at the end of the year was 11,152,585.

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 December 31, 2019, the NAXS share price was SEK 49.30 and the total shareholders' equity per share was SEK 63.63. The Company's market capitalization was MSEK 550 and the number of shareholders was 1,504.

Evolution of the share price during 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.

Financial information

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 2019: January 28, 2021

Contact persons

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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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 17.45 CET on January 29, 2020.

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

The Board of Directors declares that the undersigned year-end report provides a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, January 29, 2020

John D. Chapman *Chairman*	Tony Gardner-Hillman *Director*	Damhnait Ni Chinneide *Director*
Andrew Wignall *Director*	Lennart Svantesson *Chief Executive Officer*	

This report has not been subject to review by the Company's auditors.

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

		2019	2018	2019	2018
		1/1-12/31	1/1-12/31	10/1-12/31	10/1-12/31
Change in value		52 702	42 397	14 001	-553
Operating costs	Note 1	-14 228	-16 674	-4 766	-3 596
Operating profit/loss		**38 474**	**25 723**	**9 236**	**-4 149**
Net financial items		-1 344	-7 235	1 521	458
Profit/loss after financial items		**37 130**	**18 488**	**10 756**	**-3 691**
Income taxes		-	-	-	-
Net profit/loss		**37 130**	**18 488**	**10 756**	**-3 691**
Attributable to:					
Parent company shareholders		**37 130**	**18 488**	**10 756**	**-3 691**
Earnings per share, SEK*		3,24	1.45	0,96	-0.31
Average number of shares, 000s*		11 446	12 750	11 162	11 915

* Basic and diluted

Consolidated Statement of Comprehensive Income

Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-12/31	1/1-12/31	10/1-12/31	10/1-12/31
Net profit/loss	37 130	18 488	10 756	-3 691
Other comprehensive income				
Items which will be reversed to the income statement				
Exchange differences	6 489	17 933	-16 893	-2 397
Total comprehensive income	**43 619**	**36 421**	**-6 137**	**-6 088**
Attributable to:				
Parent company shareholders	43 619	36 421	-6 137	-6 088
Total comprehensive income	**43 619**	**36 421**	**-6 137**	**-6 088**

Consolidated Balance Sheet
Amounts in SEK 000s

	2019 12/31	2018 12/31
Assets		
Private equity fund investments	439 638	406 861
Other long-term holdings of securities	40 824	56 784
Total non-current assets	**480 462**	**463 645**
Other receivables	166	12 330
Cash and cash equivalents	229 748	261 444
Total current assets	**229 914**	**273 774**
Total assets	**710 376**	**737 419**
Equity	**709 659**	**736 371**
Current liabilities	**717**	**1 048**
Total equity and liabilities	**710 376**	**737 419**

Consolidated Net cash
Amounts in SEK 000s

	2019 12/31	2018 12/31
Cash, bank and short-term investments	229 748	261 444
Total net cash	**229 748**	**261 444**

Consolidated Statement of Changes in Equity
Amounts in SEK 000s

	2019 1/1-12/31	2018 1/1-12/31
Equity at the beginning or the year	736 371	820 567
Repurchase of own shares	-39 276	-88 408
Dividend	-31 055	-32 209
Total comprehensive income for the period	43 619	36 421
Shareholder's equity at the end of the period	**709 659**	**736 371**

Consolidated Statement of cash flows analysis

Amounts in SEK 000s

	2019 1/1-12/31	2018 1/1–12/31
Profit/loss after financial items	37 130	18 488
Adjustment for non-cash items, etc.	-19 069	4 978
Income tax paid	-	-
Cash flow from operating activities before changes in working capital	18 061	23 466
Cash flow changes in working capital	12 193	-12 111
Cash flow from operating activities	**30 254**	**11 355**
Acquisitions of private equity fund investments	-51 473	-94 857
Disposals of private equity fund investments	62 309	71 449
Acquisitions of other long-term holdings of securities	-3 285	-55 366
Cash flow from investing activities	**7 551**	**-78 774**
Repurchase of own shares	-39 276	-88 408
Dividend	-31 055	-32 209
Cash flow from financing activities	**-70 331**	**-120 617**
Cash flow during the period	**-32 526**	**-188 036**
Cash and cash equivalents, beginning of the year *	261 444	449 671
Exchange-rate differences in cash and cash equivalents	830	-191
Cash and cash equivalents at the end of the period	**229 748**	**261 444**

* Including short-term investments

Parent Company Income Statement
Amounts in SEK 000s

	2019 1/1-12/31	2018 1/1-12/31	2019 10/1-12/31	2018 10/1-12/31
Operating costs	-4 248	-4 360	-1 263	-1 144
Operating profit/loss	**-4 248**	**-4 360**	**-1 263**	**-1 144**
Income from shares in group companies	-	20 675	-	-
Net financial items	140	210	-807	-231
Profit /loss after financial items	**-4 108**	**16 525**	**-2 070**	**-1 375**
Income taxes	-	-	-	-
Net profit/loss for the period	**-4 108**	**16 525**	**-2 070**	**-1 375**

Parent Company Statement of Comprehensive Income
Amounts in SEK 000s

	2019 1/1-12/31	2018 1/1-12/31	2019 10/1-12/31	2018 10/1-12/31
Net profit/loss for the period	-4 108	16 525	-2 070	-1 375
Total comprehensive income for the period	**-4 108**	**16 525**	**-2 070**	**-1 375**

Parent Company Balance Sheet
Amounts in SEK 000s

	2019 12/31	2018 12/31
Assets		
Shares in subsidiaries	481 802	481 802
Receivables on group companies	26 726	26 328
Total non-current assets	**508 528**	**508 130**
Other receivables	167	133
Cash and cash equivalents	106 416	181 203
Total current assets	**106 583**	**181 336**
Total assets	**615 111**	**689 466**
Equity	**614 399**	**688 838**
Current liabilities	**712**	**628**
Total equity and liabilities	**615 111**	**689 466**

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

	2019	2018
	1/1–12/31	1/1–12/31
Equity at the beginning of the year	688 838	792 930
Repurchase of own shares	-39 276	-88 408
Dividend	-31 055	-32 209
Total comprehensive income for the period	-4 108	16 525
Shareholder's equity at the end of the period	**614 399**	**688 838**

Note 1

Operating costs
Amounts in SEK 000s

	2019	2018	2019	2018
	1/1-12/31	1/1-12/31	10/1-12/31	10/1-12/31
Fee to the investment advisor	-6 460	-6 984	-1 664	-1 607
Carried interest to the investment advisor	-3 061	-4 778	-1 776	-760
Personnel expenses	-1 564	-1 853	-410	-525
Other operating costs	-3 143	-3 059	-916	-704
	-14 228	**-16 674**	**-4 766**	**-3 596**

No related party transaction occurred during the 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 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, KSEK	2019-12-31	2018-12-31
Cash and cash equivalents	229 748	261 444
Net cash	229 748	261 444

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

Group, KSEK	2019-12-31	2018-12-31
Equity	709 659	736 371
Net cash	229 748	261 444
Total assets	939 407	997 815

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 2019-12-31, KSEK	2019		Net asset value, SEK per share
Net asset value	709 659	=	63,63
Number of shares outstanding	11 152 585		

Group 2018-12-31, KSEK			Net asset value, SEK per share
Net asset value	736 371	=	61,81
Number of shares outstanding	11 914 161		