

Quarterly Update

Serendipity

Q2

2016

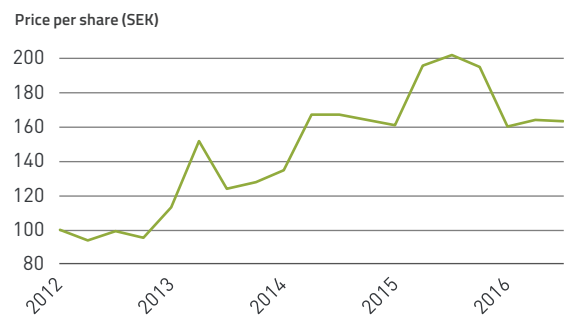
Management Comments

Q2 2016

At the end of the Second quarter 2016, Net Asset Value per share was 163.5 SEK, which corresponds to an increase of 2% since the year end.

869 M SEK 163.5 SEK +2%

Net Asset Value Net Asset Value per share Year-to-Date



Premune

Premune announced a strategic partnership with Fidelio Capital to build a leading Animal Health Company through acquisitions and expansion of products to new geographies.

Fidelio is a growth-oriented investment company founded 2010 with Katarina Martinson, part of the Lundberg family, as its sole external investors. The company has extensive experience in acquisitions and has consolidated over 90 veterinary clinics in 3 years to build Anicura, one of Europe's leading animal hospital chains. In 2014 Nordic Capital acquired a majority stake in Anicura.

The strategic partnership means that Premune and Fidelio co-invest in a common holding structure owned 50/50 between companies.

The first joint acquisition was Dutch ArtuVet Animal Health, formerly part of Danish allergy company ALK Abello.

ArtuVet is the European leader in immunotherapy for dogs and cats and has well-established direct sales channels to veterinary clinics in Scandinavia, the Netherlands, and the UK.

After the acquisition, ArtuVet expanded its European collaboration with a world leading diagnostics company. This is expected to generate substantial increase in sales and profit during in 2016.

Episurf

Episurf has now surpassed the milestone of 100 sold implants across 10 European countries without a single revision after 3.5 years.

The company is set to present its 2 years' data at the Swedish Orthopedics' Week in Visby on August 31. Episurf reports that the results show statistically significant clinical improvements from preoperatively to 12 and 24 months' follow-up of the patients. No complications were noted and X-rays at follow-up show that the implants are in a correct and secure position.

OrganoClick

OrganoClick initiated a project together with a consortium of Swedish regional healthcare providers to replace current plastic risk waste containers with a container based on renewable materials thus reducing the carbon footprint. The project is funded by Vinnova and Västra Götalandsregionen. OrganoClick's new technology within green biocomposite materials, OrganoComp™, will be used. Västra Götalands läns landsting and Landstinget i Värmland, who will set the requirements for the product, alone use over 200 000 risk waste containers annually. The total funding from Vinnova and VGR will be SEK 1.9 millions of which OrganoClick is granted SEK 1.1 millions.

Jan Johansson was elected as the Chairman of the Board at the General Annual Meeting. Jan has a long industrial experience from leading positions within multinational companies and Swedish industry. He has a Master of Law from Stockholm University and has held several positions

within Shell, Vattenfall, and Telia before serving as CEO and President of Boliden 2001-2007. Jan was CEO and President of SCA between 2007 and 2015. Currently, he is a Director of the Board of the Finnish specialty paper and nonwoven producer Alhström and SCA's listed Chinese subsidiary Vinda International Holdings.

Xbrane

Xbrane entered into an agreement with Biotechpharma UAB regarding scale-up of the production of Xlucane, Xbrane's Ranibizumab biosimilar, in GMP approved facility, further process optimization, the required biochemical characterization, and development of the CMC documentation.

The company also completed the construction of a state of the art laboratory that allows significantly increased capacity and efficiency in the biosimilar development. The laboratory is located in Xbrane's new facilities in Hagalund's industrial park in Solna. The new equipment in combination with several key recruitments of specialists to the team allows Xbrane to accelerate the development of its biosimilars.

IRRAS

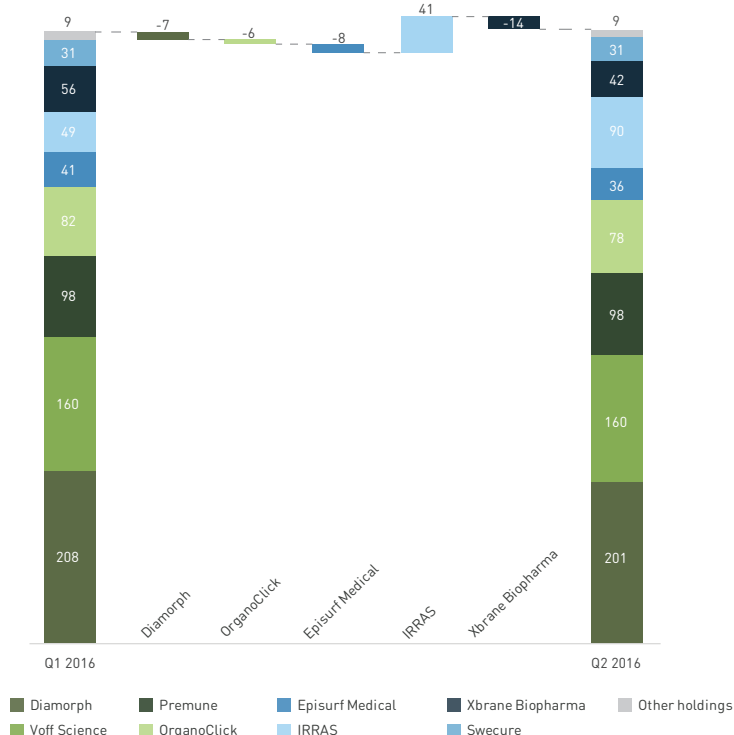
IRRAS announced the completion of a round of financing. The capital raise totaled 91.25 Mkr and its intended use is to establish operations in the US, broaden commercialization of IRRAflo™ in Germany and additional key European markets with the goal to become profitable by 2018. IRRAS also plans to aggressively pursue expansion opportunities for IRRAflo™ in abdominal, thoracic, and orthopedic applications, including targeted drug delivery.

We would like to stress that not too much emphasis should be placed on quarterly results. Changes in NAV over a period of 3-5 years is a much better indicator of the company's performance. As short term results, actual operational development in the portfolio companies is a better indicator than short-term fluctuations in NAV.

Q2 in numbers

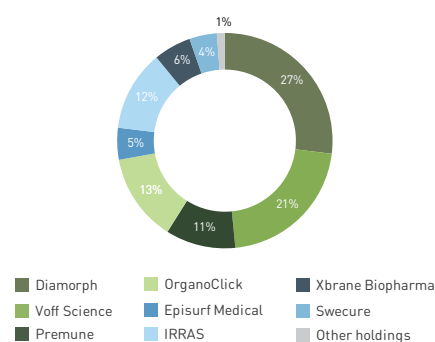
Portfolio Development

Development of the portfolio since previous quarter (Mkr)



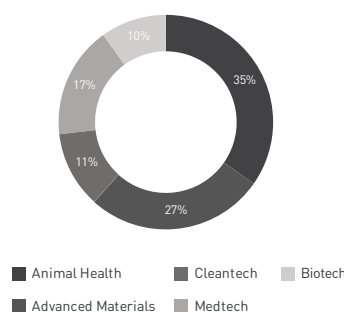
Portfolio Distribution

Holding's percentage of total portfolio



Sector Distribution

Distribution of portfolio by sector



Portfolio companies	Company value (SEK)	Serendipity's holding (SEK)	Serendipity's %	% of portfolio	% of NAV
Diamorph	838 943 601	200 547 923	23.9%	26,9%	23.1%
Voff Science	167 174 000	160 000 000	95.7%	21,5%	18,4%
OrganoClick*	416 192 738	78 140 528	18.8%	10,5%	9,0%
Premune	200 000 002	98 286 528	49.1%	13,2%	11,3%
Episurf Medical*	200 967 530	35 564 294	17.7%	4,8%	4,1%
IRRAS	430 435 475	90 302 675	21.0%	12,1%	10,4%
Xbrane Biopharma*	158 579 670	41 873 783	26.4%	5,6%	4,8%
Swecure	50 735 387	30 730 550	60.6%	4,1%	3,5%
Other holdings	862 231 926	8 852 938	N/A	1,2%	1,0%
Total portfolio	3 325 260 329	744 299 219		100.0%	85.6%

Operations

Serendipity Ventures	114 261 667	114 261 667	100%	13.1%
Cash		14 456 370		1.7%
Financial assets		35 329 532		4.1%
Debt		-39 266 290		-4.5%
Net Asset Value		869 080 498		100.0%

Number of shares	5 316 334
Price per share (SEK)	163.5

*Listed companies

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