

# Quarterly Update

## Serendipity

Q1  
2017

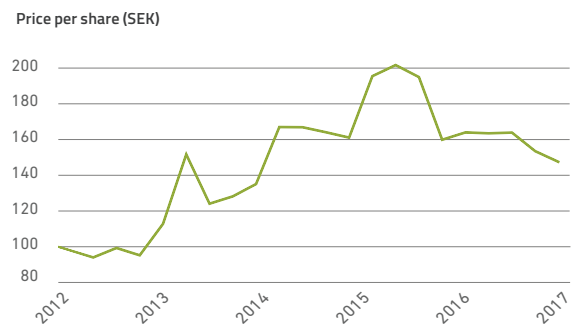
## Management Comments

### Q1 2017

At the end of the first quarter 2017, the Net Asset Value per share was 147.5 SEK, which corresponds to a decrease of 3.9% since the year-end 2016.

784<sub>MSEK</sub>    147,5<sub>SEK</sub>    -3,9%

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



#### Voff Science

During the first quarter of 2017, Voff Science initiated cross-selling activities of its product portfolio between its different brands and regions. This is in line with the company's strategy for organic growth and has already proven fruitful.

The company continues to have its active dialogues for additional expansion on the North European market.

#### Episurf Medical

During the first quarter, Episurf Medical announced its 50th Episealer® implantation in Germany, a result of the company's intensified activities in the country during 2016. Germany is a prioritized market where the company's technology has been very well received by key surgeons.

In March Episurf Medical announced the outcome of the rights issue which brought the company approximately SEK 109.5 million before issue related costs.

Episurf Medical also obtained its first granted patents in China, which is in line with Episurf Medical's strategy of securing intellectual property protection globally.

#### Premune / Nextmune

In March 2017, Nextmune signed an agreement for its fourth acquisition within 18 months, a US company engaged in allergy diagnostics and allergy treatment for pets. The closing is planned to occur no later than the third quarter of 2017. Through the new business Nextmune adds new products and markets to the Group, as well as a well-established global export network.

The new business brings annual revenues of approximately USD 6.2 million (equivalent to approximately SEK 55 million), and EBITDA (before comparative items) on an annualized basis of approximately USD 1.5 million (equivalent to approximately SEK 13 million).

### **Xbrane Biopharma**

Xbrane Biopharma reported positive in-vitro bio-similarity data on Xlucane after a comprehensive in-vitro study with several pilot-scale R&D batches of Xlucane versus several batches of the reference product. The study demonstrated no significant difference between Xlucane and the reference product on the most important parameters, which proves the quality of the product and gives us comfort for ongoing scale-up of the production to commercial scale and the upcoming clinical trials. The positive results allow the company to accelerate the out-licensing process of the product.

The company also reported positive in-vivo efficacy data on Spherotide. In the study, Spherotide demonstrated no significant difference compared to the original product on the clinically relevant endpoint, testosterone suppression 1 month after injection. Further, Spherotide demonstrated no significant difference in the safety profile compared to the original product.

Xbrane Biopharma appointed Susanna Helgesen as CFO and Head of Investor Relations. Susanna has previously been CFO at Dome Energy AB and held the position of financial analyst at Remium and Tethys Oil. Susanna Helgesen holds a BA in Business Management from the University of Stockholm.

### **OrganoClick**

During the first quarter of 2017, OrganoClick's sales increased by 174% in comparison with the first quarter of 2016. Total sales amounted to SEK 17.9 million (6.5).

OrganoWood signed a general agreement with Beijer, which has about 70 stores in Sweden, and a distribution agreement for the Benelux countries regarding the company's wood protection system.

### **IRRAS**

During the first quarter IRRAS expanded its management team through the appointment of Lance Boling as Vice President, Product Development. Mr. Boling brings over 25 years of experience in medical device development, manufacturing, and operations to IRRAS, where he will be responsible for expanding the IRRAflo™ technology portfolio in both the EU and U.S. Prior to joining IRRAS, Mr. Boling was Director of Nano Technology Development at Abbott Laboratories and has held leadership positions at Nanostim, Nevro Corporation, NeuroPace, Inc., and Autonomic Technology. Mr. Boling holds a BA in Business Management from the University of Phoenix and has participated in Post Graduate studies in Manufacturing Technology at Stanford University.

IRRAS also started delivery of the IRRAflo™ 2.0 system to customers on the German market.

### **Diamorph**

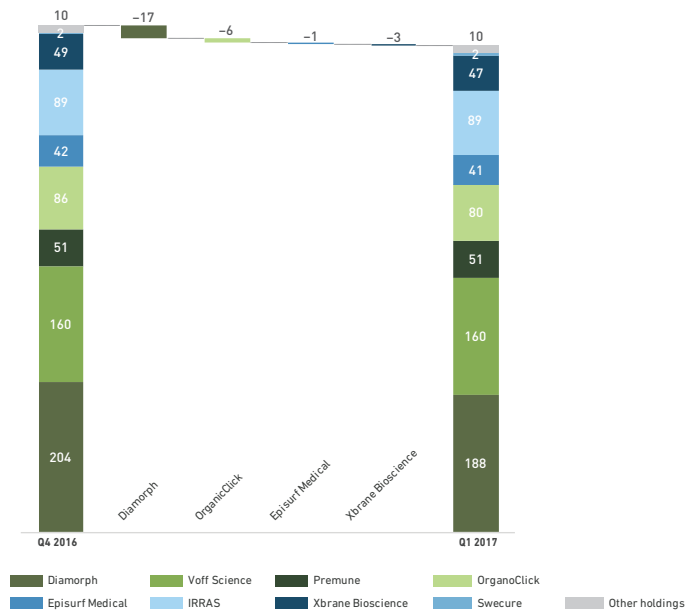
In February 2017, Diamorph gave notice to its bondholders that it was exercising its option for voluntary partial repayment of SEK 50 million out of the total SEK 500 million outstanding bonds. The repayment was made on 6 March 2017 from surplus cash resources at a premium of 102% of the nominal amount (SEK 1 million).

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.

# Q1 in numbers

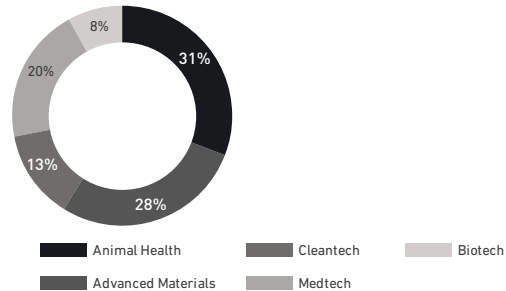
## Portfolio Development

Development of the portfolio since previous quarter (MSEK)



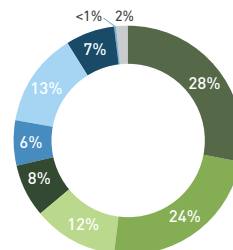
## Sector Distribution

Distribution of portfolio by sector



## Portfolio Distribution

Holding's percentage of total portfolio



Portfolio companies	Company value (SEK)	Serendipity's holding (SEK)	Serendipity's %	% of portfolio	% of NAV
Diamorph	871 972 877	187 577 379	21,5%	28,1%	23,9%
Voff Science	167 174 000	159 975 008	95,7%	24,0%	20,4%
OrganoClick*	434 946 946	80 031 025	18,4%	12,0%	10,2%
Premune/Nextmune	102 773 471	50 506 238	49,1%	7,6%	6,4%
Episurf Medical*	223 011 314	41 209 420	18,5%	6,2%	5,3%
IRRAS	482 087 732	89 266 996	18,5%	13,4%	11,4%
Xbrane Bioscience*	182 137 412	46 757 023	25,7%	7,0%	6,0%
Swecure	3 900 000	2 362 240	60,6%	0,4%	0,3%
Other holdings	1 081 897 213	9 906 368	N/A	1,5%	1,3%
<b>Total portfolio</b>	<b>3 549 900 963</b>	<b>667 591 697</b>		<b>100,0%</b>	<b>85,2%</b>

## Operations

Serendipity Ventures	114 261 667	114 261 667	100%	14,6%
Cash		6 429 073		0,8%
Financial assets		35 527 242		4,5%
Debt		-39 882 834		-5,1%
<b>Net Asset Value</b>		<b>783 926 845</b>		

Number of shares 5 316 334

**Price per share (SEK) 147,5**

\*Listed companies

## Contact

E-mail [info@serendipity.se](mailto:info@serendipity.se)

Website [www.serendipity.se](http://www.serendipity.se)

Phone **0707 983639**