

Quarterly Update

Serendipity

Q3

2017

Management Comments

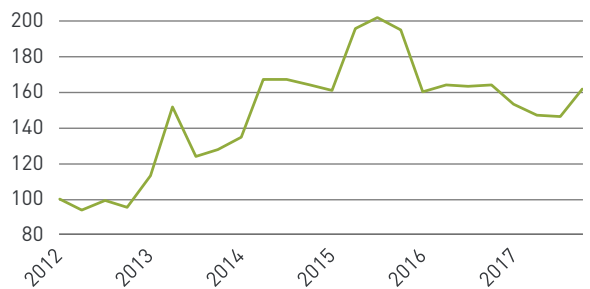
Q3 2017

At the end of the third quarter 2017, Net Asset Value per share was 161.8 SEK, which corresponds to 5% increase since the year end.

860_{MSEK} 161.8_{SEK} +5%

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

Price per share (SEK)



Serendipity Ixora

Redemption of shares

As reported in the last quarterly update, Serendipity Ixora conducted a redemption of shares during October. A total of 850 613 shares were redeemed, corresponding to SEK 130 007 691 in payments to the shareholders. All shareholders received full allocation on the applied number of shares.

Serendipity Ventures

Because of strategic change of focus, Serendipity Ventures, Serendipity Ixora's fully owned incubator, is deemed unlikely to perform as projected. Consequently, the value of Serendipity Ventures will be subject to impairment. Serendipity Group, the largest shareholder in Serendipity Ixora, has offered to eliminate the effect of this impairment for the other shareholders.

This will be done through a bonus issue, the details of which is fully disclosed in the Notice of Extraordinary General Meeting that was published on the company website on November 17th.

It is important to point out that no other transactions will take place and Serendipity Ventures, and its subsidiaries, will remain in the portfolio.

IRRAS

IRRAS' sales have gotten off to a great start and the company is headed towards an IPO on Nasdaq First North Premier Stockholm on November 22nd. The company has raised SEK 350 million of additional capital plus 15% greenshoe.

In conjunction with the listing, Serendipity Ixora's board has suggested to an Extraordinary General Meeting to decide on giving Ixora's shares in IRRAS as dividend to the shareholders of Serendipity Ixora. The shares will be subject to a customary lock-up of 6 months. For details regarding the dividend and the lock-up, please read the Notice of Extraordinary General Meeting on Serendipity Ixora's website.

Episurf

Episurf announced the 50th implantation of the Episealer® knee implant in Belgium. The company's technology has been well received by surgeons in the country and Belgium is one of the company's prioritised markets.

Moreover, Episurf announced the 100th implantation of Episealer Femoral Twin, which together with Episealer Condyle Solo and Episealer Trochlea Solo constitute Episurf Medical's product portfolio of patient-specific knee implants.

Episurf was also granted a new patent in China related to its technology for visualisation of joint damage. The patent, entitled "Method and node for manufacturing a surgical kit for cartilage repair", covers the medical image segmentation process used for joint damage visualisation as well as for manufacturing of Episurf Medical's patient-specific joint implants and surgical instruments.

On November 10th, Episurf's CEO, Pål Ryfors and Serendipity Ixora reached an agreement in which Pål Ryfors acquired 983,607 A-shares in Episurf Medical, corresponding to 3.2% of the capital and 6.8% of the votes from Serendipity Ixora. Following this transaction, Pål Ryfors will be the company's second largest shareholder counting by the votes. Following the transaction, Serendipity Ixora will hold 4,661,519 A-shares corresponding to 15.3% of capital and 32.3% of the votes in the company.

OrganoClick

OrganoClick conducted a new issue of 5,970,149 shares directed to selected Swedish and international investors. Through the share issue, OrganoClick raised approximately SEK 40 million before issue costs.

The new shareholders added through the private placement include the Salén family through Westindia AB as well as Mr. Li Chao Wang, who subscribed for shares through Sentential Holding Limited. Li Chao Wang is the founder and chairman of Vinda International Holdings Limited, active within cellulose-based tissue and hygiene products, and listed on the Hong Kong stock exchange, with a market capitalization of approximately SEK 18 billion. After having acquired the majority of Mr. Li Chao Wang's shares in 2013, SCA is now the largest owner of Vinda. Mr. Li Chao Wang owns approximately 20% of the shares in Vinda.

As the interest in the private placement was high, Serendipity Ixora sold 4,245,889 existing shares. Following the sale, Serendipity Ixora holds 8,357,422 shares, corresponding to approximately 11.2% of the company.

Voff Science

Voff started delivering a new range of products to the leading Nordic pet shop chain Musti and Mirri. The company has started the search for a new CEO with expected signing during the fourth quarter.

In October, Voff expanded its business to the UK by acquiring Nutriment Ltd, a leading raw pet food company based outside London with sales through individual specialty shops and online in the whole of UK.

Xbrane

Xbrane confirmed an additional order of Spherotide from Pooyesh Darou, its partner in the Middle East, to a value of SEK 8.5 million to be delivered in Q4 2017. With this delivery Xbrane will meet its expected sales during 2017 of approximately SEK 20 million.

Spherotide was launched in Iran in July 2017 under the local brand name Microrelin® and since then more than 10,000 doses have been sold.

Dina Jurman, Head of Clinical Affairs at Xbrane, was added to Xbrane's management team. Dina holds a M.Sc. in Biomedicine from Uppsala University and has previously worked as Director Clinical Operations at IRW Consulting AB as well as Clinical Operations Manager consultant at Amgen Sweden.

Premune/Nextmune

Nextmune has completed its European go-to-market strategy, with an aligned product portfolio and messaging. The company also finished an updated corporate appearance, with a one-look-and-feel being introduced at the annual European congress of veterinary dermatology in Lausanne in September.

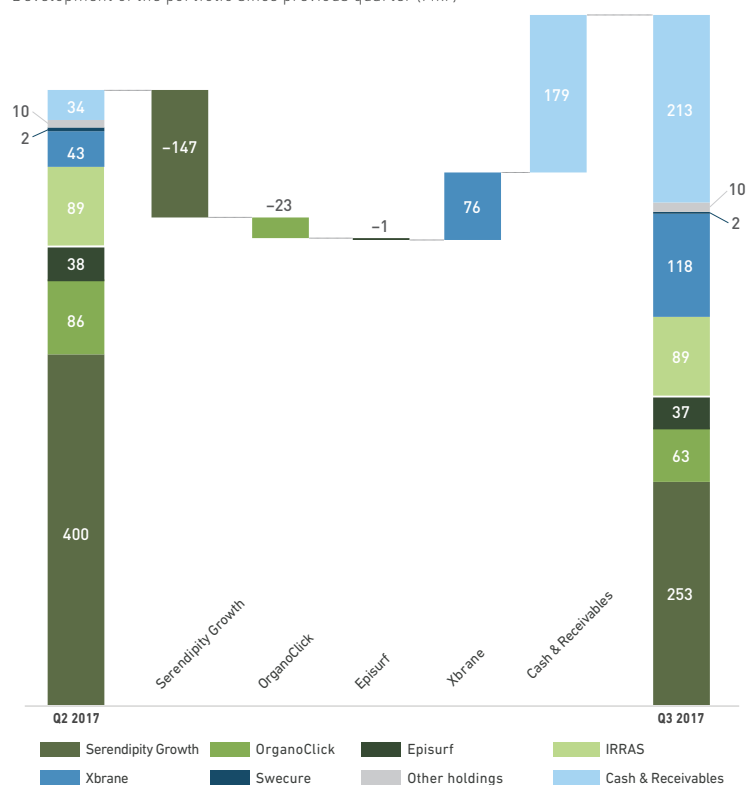
The Nextmune group has total sales of EUR 13.9 million with an adjusted EBITDA of EUR 3.6 million, LTM-September 2017. Premune holds 50% of the shares in Nextmune's holding company, a 50/50 partnership with Fidelio Capital.

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.

Q3 in numbers

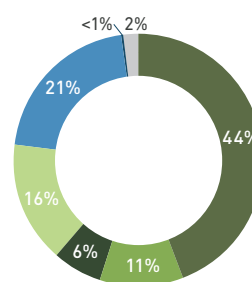
Portfolio Development (pro forma)

Development of the portfolio since previous quarter (Mkr)



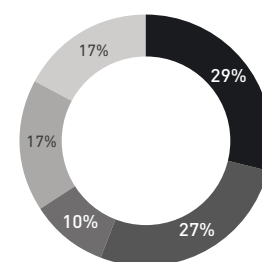
Portfolio Distribution

Holding's percentage of total portfolio



Sector Distribution

Distribution of portfolio by sector



Animal Health
 Cleantech
 Biotech

Advanced Materials
 Medtech

Portfolio companies	Company value (SEK)	Serendipity's holding (SEK)	Serendipity's %	% of portfolio	% of NAV
Serendipity Growth	506 659 861	253 329 931	50.0%	44.2%	29.5%
OrganoClick*	558 492 983	62 680 665	11.2%	10.9%	7.3%
Episurf Medical*	200 099 192	36 975 575	18.5%	6.5%	4.3%
IRRAS	482 087 732	89 266 996	18.5%	15.6%	10.4%
Xbrane Bioscience*	577 806 690	118 418 570	20.5%	20.7%	13.8%
Swecure	3 900 000	2 362 240	60.6%	0.4%	0.3%
Other holdings	1 081 897 213	9 906 368	N/A	1.7%	1.2%
Total portfolio	3 410 943 671	572 940 345		100.0%	66.6%

Operations

Serendipity Ventures	114 261 667	114 261 667	100%	13.3%
Cash		180 056 407		20.9%
Financial assets		32 740 814		3.8%
Debt		-39 878 785		-4.6%
Net Asset Value		860 120 448		100.0%

Number of shares	5 316 334
Price per share (SEK)	161.8

*Listed companies

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