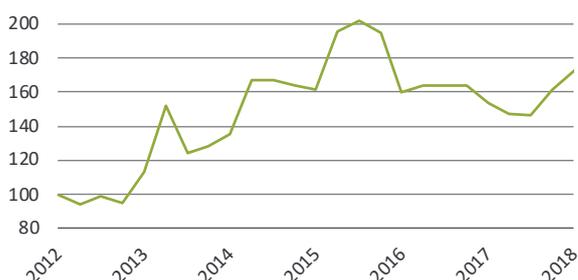


Management Comments

Q4 2017

At the end of the fourth quarter 2017, Net Asset Value per share, was 99.9 SEK. Adjusted for the bonus issue and dividends of IRRAS shares, NAV/share was 172.6 SEK, which corresponds to an increase of 12.5% for the year.

Price per share (SEK)



Serendipity Ixora

Bonus issue

As communicated in the Q3-update, Serendipity Ixora conducted bonus issue. By electing not to receive their full pro rata share of the bonus issue, Serendipity Group AB, owned jointly by Saeid Esmaeilzadeh and Ashkan Pouya, absorbed the full effect of the impairment of Serendipity Ventures AB for the benefit of all other shareholders in Serendipity Ixora AB. Hence, the impairment did not have any effect on the total value of other shareholders' holdings in Serendipity Ixora. The number of shares for all shareholders, except for Serendipity Group, increased by a factor 1.5x, and the price per share was adjusted accordingly.

Dividends

On December 15th, an Extraordinary General Meeting decided on the dividends of the IRRAS share. The shares were transferred to an escrow account to fulfill the lock-up obligation that Serendipity Ixora entered into in conjunction with the listing of IRRAS. The shares will be

According to IFRS

563_{MSEK} 99.9_{SEK} N/A

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

Adjusted for bonus issue and dividends of IRRAS*

172.6_{SEK} +12.5%

Net Asset Value per share Year-to-Date

* NAV/share calculated according to IFRS has been adjusted for effects of the bonus issue carried out at the end of 2017. The adjustment reflects the effect for all shareholders, except Serendipity Group AB, and shows what the price per share would have been if the bonus issue was not implemented and the decision to give IRRAS' shares as dividend was not taken. This adjustment also shows the true performance for the full year.

transferred to the shareholders on May 22nd, six months after the listing of IRRAS.

An Extraordinary General Meeting held on January 10th, further decided to give the shares of Xbrane Biopharma and OrganoClick as dividend to the shareholders.

Tax declaration

As these dividends of shares all took place in January 2018, they must be declared for tax in 2019. To facilitate this and provide shareholders with guidance, Serendipity Ixora will publish a statement where relevant information will be provided. The information will be sent to all shareholders by mail, email, and will be available on the website shortly.

IRRAS

IRRAS was listed on November 22nd. After a turbulent start, which was further elevated by a voluntary recall of the product due to a battery failure, the share has now recovered somewhat. Just one month after the recall the company launched an upgraded version of its IRRASflow system with an updated battery configuration and is now

focusing on sales in the EU and FDA approval in the US. Final response from the FDA is expected during the first quarter of 2018.

Shares of IRRAS were given as dividends to Serendipity Ixora's shareholders in January 2018.

Episurf

Sales continues to be the main focus of Episurf, with 300 sold implants announced in December 2017. The company received market approval in Israel and signed a distribution agreement with AMI Technologies Ltd., a leading distributor of medical devices in Israel.

With three Episealer® knee implant products currently approved and on the market in Europe, Episurf has initiated the development of a new line of personalized Episealer® implant products intended for osteochondral lesions of the talus bone in the ankle joint. The ambition is to perform the first surgeries during Q2 2018.

Episurf has previously delivered one custom-made implant solution for a patient in Germany with an ankle joint lesion. The surgery was performed in 2016 and was successful. The patient reported excellent results at the 12 months' clinical follow-up visit.

OrganoClick

OrganoClick shows a positive trend and the company reported total sales growth of 88% and an organic growth of 47% in the third quarter, giving the Group a total sales of 16.5 million for the period. Operating profit before depreciation (EBITDA) was SEK -4.1 million, compared SEK -5.7 million in 2016.

OrganoClick signed a distribution agreement for the Baltic region with Osmo Baltic, a well established provider of wooden products and wood treatment products, with sales offices in all three Baltic countries. Osmo Baltic is selling both to industrial customers as well as to consumers. Although a relatively small region, the Baltic states have a quite large wood industry with many companies working with the manufacturing of wooden houses and wooden products.

Shares of OrganoClick were given as dividends to Serendipity Ixora's shareholders in January 2018.

Voff Science

Voff reported an increase in FY 2017 run-rate pro-forma sales to 255 MSEK (170). Organic sales growth amounted

to 11% and organic EBITDA growth to 17%. EBITDA margin improvement stems from a focused margin program.

The company has established a presence in the UK with the acquisition of Nutriment and the e-commerce channel has grown steadily during the year as the platform was expanded into 6 new countries.

In retail, sales have seen growth in pet treats and bird food while growth of frozen products has been slower. During the year, private label sales also increased with new listings at existing customers.

Xbrane

Serendipity Group provided a credit facility of SEK 50 million to Xbrane that can be utilized over a period of 18 months. The interest rate is 3 percent per year. The credit facility is a bridge financing that can be utilized until a long-term financing is in place that could replace it. Hence the need for a new share issue was eliminated.

In February Xbrane announced the signing of a licensing agreement Spherotide in China with CR Pharma, one of the largest pharmaceutical companies in China. Xbrane will receive a license fee in high single digit million USD range upon signing and on milestones up until market authorization of Spherotide in China. Xbrane will supply the product to the Chinese market at an agreed transfer price. CR Pharma will be responsible for financing local clinical trials required to obtain market authorization in China.

Xbrane has also signed a non-binding letter of intent with CR Pharma regarding out-licensing of Xlucane for the Chinese market.

Shares of Xbrane were given as dividends to Serendipity Ixora's shareholders in January 2018.

Premune/Nextmune

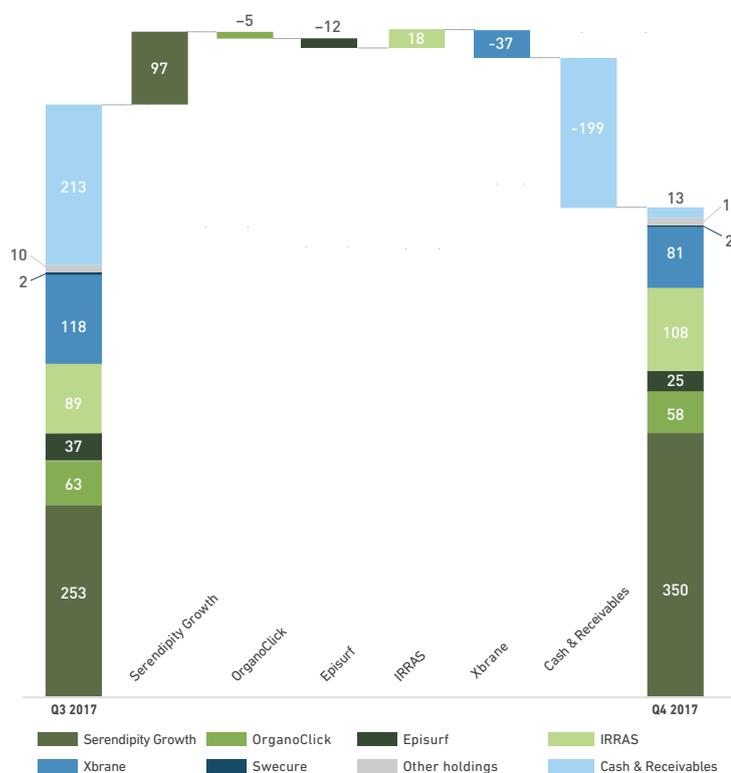
Premune's operative company Nextmune reported an increase in FY 2017 run-rate pro-forma sales to 138 MSEK (85). Organic sales growth amounted to 2% and EBITDA growth to 6%. Premune's EBITDA thereby grew to 18 MSEK (11). Organic growth was lower than expected due to weak post-acquisition performance of the US business. A strong focus has been given to the US business and beginning of the new year sees positive development.

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.

Q4 in numbers

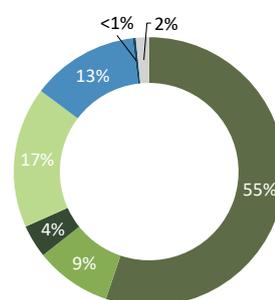
Portfolio Development

Development of the portfolio since previous quarter (Mkr)



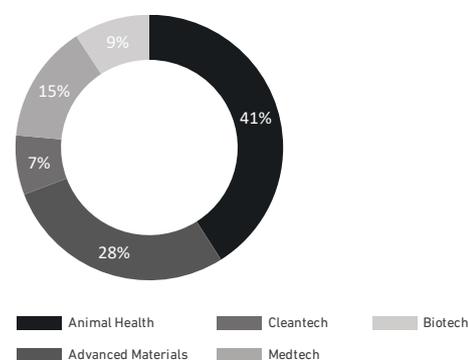
Portfolio Distribution

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
Serendipity Growth	700 916 058	350 458 029	50.0%	55.2%
OrganoClick*	517 536 830	58 084 083	11.2%	9.1%
Episurf Medical*	164 967 273	25 172 203	15.3%	4.0%
IRRAS	681 461 654	107 735 990	15.8%	17.0%
Xbrane Bioscience*	391 657 628	81 268 447	20.7%	12.8%
Swecure	3 900 000	2 362 240	60.6%	0.4%
Other holdings	1 113 123 896	10 033 127	N/A	1.6%
Total portfolio	3 573 563 339	635 114 118		100.0%

Operations		
Serendipity Ventures	1 395 390	100%
Cash	4 354 297	
Financial assets	9 074 174	
Debt**	-87 062 754	
Net Asset Value	562 875 226	
Number of shares	5 634 460	
Price per share (SEK)	99.9	Pro forma*** 172.6

*Listed companies

** Approx. SEK 85 million booked as debt as a result of the decision to give IRRAS shares as dividends. in accordance with IFRS regulations

*** Adjusted for bonus issue and dividends of IRRAS

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