

Continued growth during the first quarter

First quarter

- Net sales reached SEK 15.1 (9.6) million.
- Net profit after tax came in at SEK -10.1 (-11.4) million.
- Earnings per share, basic and diluted, were SEK -0.11 (-0.13).
- Cash and cash equivalents were SEK 8.2 (26.0) million.

Significant events during the quarter

- ColdZyme® Mouth Spray continued to exhibit double-digit growth in the Swedish market in both value and volume. Also a replenishment order from STADA for the German and Belgian market contributed to the positive sales increase.

Significant events after the quarter

- Favorable results from a study of elite athletes who used ColdZyme.
- At the Ear-Nose-Throat conference in Linköping on April 11, Enzymatica presented the results of an in vitro study, which shows that ColdZyme reduces the viral load of the second most common cold virus, Corona, by 99.9%.

Key figures for group

(SEK million)	Jan -Mar 2018	Jan -Mar 2017	Full year 2017
Net sales	15.1	9.6	59.4
Gross margin, %	71	62	61
Operating profit/loss	-9.6	-11.5	-30.2
Cash flow from operating activities	-1.6	-8.9	-22.5
Average number of employees	23	21	21

CEO statement: Strong sales in Sweden and Germany

During the first quarter of 2018 Enzymatica continued to show good growth compared with the corresponding quarter in 2017. Sales on the Swedish and German markets in particular contributed to this growth. This was the 17th consecutive quarter that we demonstrated sales growth compared with the previous year. Sales of ColdZyme rose by about 16% in value, compared with barely 10% growth for the cold segment as a whole. ColdZyme thereby had the third highest growth among the top ten cold products in Sweden and strengthened its market share, which is now 5.2%. Sales in the German market

also contributed to our growth because STADA placed a follow-up order.

After the quarter we published two interesting studies involving ColdZyme. One was a study of elite athletes who used ColdZyme with favorable results. The study shows that the use of ColdZyme helped to prevent colds, as well as to reduce the severity and duration of colds, thereby confirming the findings from a previous study of elite athletes. The other study is an in vitro study which demonstrated that ColdZyme deactivates

coronavirus by 99.9%. Coronavirus is the second most common cold virus and it is also the underlying cause of serious diseases such as MERS and SARS. With these results added to our in vitro study of virus deactivation by ColdZyme published in 2017, we now have proven an effect on the five most frequent viruses causing common cold.

During the quarter we also confirmed several important “influencer collaborations” with opinion shapers to spread the message about the positive effects of ColdZyme. Famous athletes and health bloggers such as Malin Ewerlöf and Jonas Colting are among those who use ColdZyme regularly. We have had favorable experience with this type of collaboration and consider it to be an important path to reach key target groups such as the elderly, young people, families with children, health-conscious people and athletes.

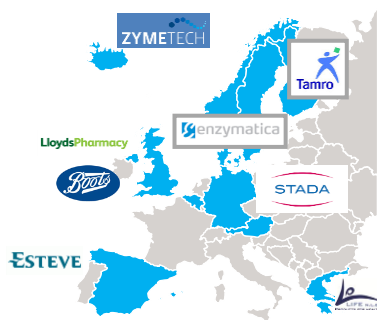
Fredrik Lindberg, CEO

Enzymatica at a glance

Enzymatica AB is a life science company whose business concept is to develop medical devices based on barrier technology and marine enzymes for self-care in major market segments. The Company developed ColdZyme®, a unique mouth spray for fighting colds, launched the product on about ten markets and since the launch in 2013 reached a position over the past winter as one of the most-sold brands in Swedish pharmacies measured in SEK. Enzymatica has its own sales organization in Scandinavia and collaborates with a contract sales organization in the UK. Enzymatica also sells via distributors in Spain, Greece, Finland, Iceland, Belgium, Germany and Austria.

Our development focuses on products for upper respiratory infections, dermatology and oral health. An enzyme extracted from deep-sea cod is a key sub-component in product development.

Enzymatica was founded in 2007, has its head office in Lund, Sweden, and has been listed on the Nasdaq First North since June 15, 2015.



ColdZyme is sold both in-house and via distributors and partners in Sweden, Denmark, Norway, Finland, the UK, Greece and Spain, and from fall 2017 under the ViruProtect® brand in Belgium, Germany and Austria. An equivalent product under the PreCold® brand is sold in Iceland through the acquired company Zymetech.

Performance during the quarter

During the first quarter the total cold product category increased by about 10% in value, while sales of ColdZyme (20 and 7 ml) increased in the Swedish market to consumers by about 16% in value and about 18% in volume. ColdZyme had the third best sales performance, both in value and volume, in the top ten list of cold product brands during the first quarter, according to statistics from the market research firm Nielsen. In terms of sales volume, the 7 ml and 20 ml packages are about equal. ColdZyme increased its market share from 4.6% to 5.2% on a rolling 12-month basis. During the first quarter Enzymatica continued its marketing communication initiatives including TV advertising, digital campaigns and “influencer marketing” aimed at various ColdZyme target groups.

In the Danish market, ColdZyme sales declined slightly during the first quarter after the strong performance during the fourth quarter of 2017. Sales of ViruProtect increased on the Belgian market after a replenishment order from STADA. In the UK ColdZyme also experienced good sales growth, albeit from modest levels. Sales on other markets progressed according to plan.

Sales, earnings and investments

First quarter

Consolidated net sales for Q1 2018 came in at SEK 15.1 (9.6) million, a 57% year-on-year increase. The majority of the increase is attributable to sales to Swedish pharmacies and STADA.

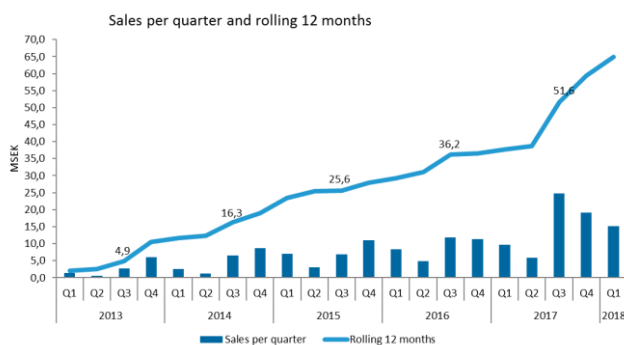
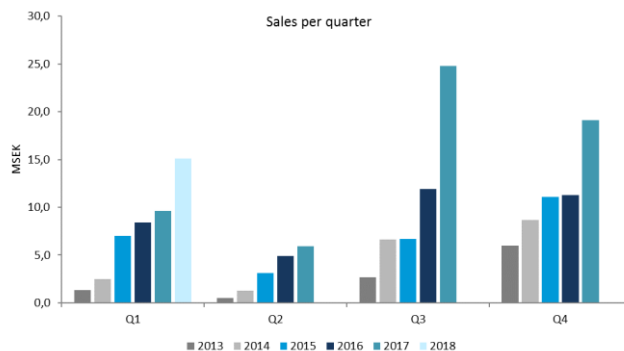
The gross margin during the quarter was 71% (62%). Enzymatica has experienced fluctuations in its gross margins between individual quarters as a result of the distribution of sales via its own organization or distributors, the product mix and exchange rates.

Total operating expenses for the quarter amounted to SEK 20.3 (17.5) million. The increase in operating expenses compared with Q1 2017 is primarily due to higher research and development costs. No expenses for development projects were capitalized during the quarter, SEK 0 (238) thousand.

The consolidated operating loss was SEK -9.6 (-11.5) million.

Seasonal variations

Cold products have a seasonal peak in the winter, while sales level out in the summer months.



Research and development

Strengthening the documentation for the ColdZyme cold spray is a key part of Enzymatica’s R&D activities. Total consolidated research and development expenses amounted to SEK 4.8 (2.9) million for the first quarter of 2018.

In addition, work is progressing according to plan to certify the company to ISO standard 13485, the quality management system standard for medical devices.

Barrier technology with enzyme from deep-sea fish

An enzyme from a deep-sea cod is a key sub-component in Enzymatica's product development efforts for creating effective products with barriers against viruses and bacteria. The enzyme, which is called cold-adapted trypsin, is formed in the cod's pancreas and becomes hyperactive when it comes into contact with the warm skin and sinuses of humans. Together with glycerol, the enzyme forms a temporary barrier on the skin or sinuses. The barrier makes it more difficult for viruses and bacteria to locally infect cells and cause diseases.

Funding

The Group's available funds at the end of the period totaled SEK 9.8 (27.6) million, of which SEK 8.2 (26.0) million were in cash and cash equivalents and SEK 1.6 (1.6) million in unutilized credit facilities. In addition to the above available funds, there is an unutilized credit facility with a maximum amount of SEK 9.8 million via factoring in the parent company.

In conjunction with Enzymatica's 2016 acquisition of Zymetech, a partial payment in the form of the issuance of warrants for Zymetech's principal shareholders to acquire approximately 4,000,000 shares in Enzymatica at a subscription price of SEK 4.7 was included in the agreement. The warrants matured on April 1, 2018. Since the share price was about SEK 1 lower than the subscription price, the shareholders did not exercise the warrants.

If sales will not develop according to plan it can mean that the company will have need for additional liquidity within 12 months. The company's management and board of directors do not consider that there is any uncertainty of the Group's future financing since there are measures planned to secure a future need for financing.

Cash flow from operating activities for the quarter came in at SEK -1.6 (-8.9) million.

Total cash flow for the quarter was SEK -2.8 (-9.6) million.

Parent company

The parent company's sales for Q1 reached SEK 13.7 (8.1) million. Profit/loss before tax came in at SEK -11.1 (-10.0) million.

The parent company's investments in property, plant & equipment and intangible assets for the quarter totaled SEK 0 (0.2) million and cash flow was SEK -4.4 (-7.8) million.

Please see the consolidated figures for more information.

Staff

The number of people employed by the group, converted to full-time positions, was 23 (21) at the end of the period. The employees included 10 (9) men and 13 (12) women.

Significant events after the quarter

Enzymatica announced favorable results from a study of elite athletes who used ColdZyme. They show that 81% of reported colds were experienced as milder and/or shorter than usual when using ColdZyme. Among participants who did not catch a cold, 69% believed that ColdZyme had prevented or could have prevented the cold.

At the Ear-Nose-Throat conference in Linköping on April 11 Enzymatica

presented the results of an in vitro study showing that ColdZyme has the ability to deactivate human coronavirus, the second most common cold virus. The results show that ColdZyme reduces the cytopathic (cell damaging) effect of the virus by 99.9% in vitro. Along with the in vitro results from a study published in the autumn of 2017, ColdZyme has been shown to be able to deactivate over 90% of the known viruses that cause colds.

Other information

Group

Enzymatica AB (publ) (corporate identity no. 556719-9244), with its head office in Lund, Sweden, is the parent company of the following subsidiaries: Zymetech ehf (corporate identity no. 6406830589), with its head office in Reykjavik, Iceland, Enzymatica Care AB (corporate identity no. 556701-7495), with its head office in Lund, Sweden, and Enzymatica North America Inc, (corporate identity no. 47-1030502), with its head office in Delaware, USA.

Accounting policies

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company's financial statements have been prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The recognition and measurement policies as well as the bases of estimates and judgements applied in the 2017 Annual Report have been applied in this interim report as well, with the following addition.

New and amended standards applied from January 1, 2018

As of January 1, 2018, Enzymatica applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. In accordance with what was reported in the 2017 annual report, neither IFRS 9 nor IFRS 15 have had a material effect on Enzymatica and previous periods have not been restated.

IFRS 9 regulates classification, measurement and recognition of financial assets and liabilities. This standard replaces IAS 39, Financial Instruments, which regulates the classification and measurement of financial instruments.

The IFRS 15 standard includes a principles based five-step model for revenue recognition to be applied to all contracts with customers. The basic principle is that revenue recognition should reflect anticipated compensation in connection with performance of the various promises in the contract with the customer. Revenue must therefore reflect fulfillment of contractual obligations and correspond with the compensation to which Enzymatica is entitled at the time that control of goods and services is transferred to the counterparty.

Segment reporting

Enzymatica's business currently only spans a single operating segment, Medical devices. Please see the income statement and balance sheet for reporting on this operating segment.

Information about risks and uncertainties

Enzymatica's business is exposed to several risks, both operational and financial risks. The operational risks mainly comprise uncertainty concerning product development, supplier agreements, product liability and distribution. The financial risks primarily consist of currency, interest, price, credit and liquidity risks. For a more detailed description of the risks and uncertainties Enzymatica faces, please see the risk and

sensitivity analysis in the 2017 Annual Report, pages 59-60.

Audit

This report was not reviewed by the Company's auditors.

2018 AGM

Enzymatica's 2018 Annual General Meeting will be held in Lund at 1:00 p.m. on April 26, at the Elite Hotel Ideon in Lund, Sweden.

The 2017 annual report was published on March 28, 2018 and is available

The Board of Directors and CEO hereby confirm that this interim report provides a true and fair view of the parent company's and group's business, financial position and results of operations, and describes material risks and uncertainties faced by the parent company and group companies.

Lund, Thursday, April 26, 2018

Bengt Baron
Board Chair

Marianne Dicander Alexandersson
Board Member

Guðmundur Pálmason
Board Member

Sigurgeir Guðlaugsson
Board Member

Mats Andersson
Board Member

Louise Nicolin
Board Member

Fredrik Lindberg, CEO

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Publication

This information is information that Enzymatica is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:30 a.m. CET on April 26, 2018.

at Enzymatica's website www.enzymatica.se.

Upcoming financial information

Interim report, Jan–June 2018 July 17, 2018

Interim report, Jan–Sep 2018 October 31, 2018

Year-end report 2018 February 19, 2019

The interim reports and annual report are available on Enzymatica's website www.enzymatica.se.

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Enzymatica is listed on the Nasdaq First North. The Company is traded under the ticker symbol ENZY and ISIN code SE0003943620.

Enzymatica's certified advisor is Erik Penser Bank.

Consolidated Income Statement in Summary

All amounts in SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating income			
Net sales	15 091	9 610	59 446
Cost of goods sold	-4 383	-3 625	-23 117
Gross profit	10 708	5 985	36 329
Sales & Marketing expenses	-8 708	-8 833	-29 279
Administrative expenses	-7 051	-6 596	-27 345
Research and development costs	-4 785	-2 855	-14 450
Other operating income	228	823	4 535
Operating profit/loss	-9 607	-11 477	-30 210
Profit/loss from financial items			
Interest income and similar profit/loss items	30	43	192
Interest expenses and similar profit/loss items	-345	-376	-851
Profit/loss after financial items	-9 921	-11 811	-30 869
Tax expenses	-224	364	-576
Profit/loss for the period	-10 145	-11 446	-31 445
Other comprehensive income:			
Translation difference of subsidiaries	987	-53	-140
Total other comprehensive income, net of tax	987	-53	-140
Total comprehensive income for the period	-9 158	-11 499	-31 584
Share attributable to parent company shareholders	-9 158	-11 499	-31 584
Per share data	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Earnings per share, SEK (basic and diluted)	-0,11	-0,13	-0,35
Equity per share, SEK	1,12	1,44	1,22
Equity-asset ratio, %	81%	88%	83%
Number of outstanding shares	90 887 808	90 887 808	90 887 808
Average number of outstanding shares (basic and diluted)	90 887 808	90 887 808	90 887 808

Definitions of financial ratios

Earnings per share. Profit/loss for the period divided by average weighted number of shares

Equity-asset ratio. Equity divided by total assets.

Equity per share. Equity divided by number of shares at the end of the period.

Quarterly financial performance

All amounts in SEK thousand	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net sales	15 091	19 119	24 813	5 904	9 610
Gross profit/loss	10 708	13 821	13 787	2 737	5 985
Gross margin in %	71%	72%	56%	46%	62%
Operating costs	-20 544	-21 393	-16 463	-14 934	-18 284
Operating profit/loss	-9 607	-4 679	-2 246	-11 809	-11 477
Profit/loss for the period	-10 145	-5 603	-3 562	-10 833	-11 446
Cash flow	-2 840	1 412	-8 782	-7 731	-9 554

Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2018-03-31	2017-03-31	2017-12-31
Assets			
Intangible assets	93 471	98 577	94 832
Property, plant & equipment	5 225	4 318	4 872
Financial assets	1 576	2 655	1 705
Inventories	5 768	6 413	2 693
Trade receivables	8 023	5 956	13 509
Other receivables	2 616	3 733	5 277
Cash and cash equivalents	8 190	26 009	10 932
Total assets	124 870	147 661	133 819
Equity and liabilities			
Equity	101 720	130 542	110 695
Long-term interest-bearing liabilities	5 296	6 952	5 647
Current interest-bearing liabilities	1 758	1 706	2 375
Trade payables	9 019	2 880	6 313
Other liabilities	7 077	5 581	8 791
Total equity and liabilities	124 870	147 661	133 819

Consolidated statement of changes in equity

All amounts in SEK thousand	2018-03-31	2017-03-31	2017-12-31
Opening balance	110 695	142 041	142 041
New share issue	-	-	-
Issue expenses related to New share issue	-	-	-
Non cash issue in relation to acquisition of subsidiary	-	-	-
Issue expenses related to Non cash issue	-	-	-
Effect of employee share ownership plan	183	-	238
Minority shareholding	-	-	-
Total comprehensive income for the period	-9 158	-11 499	-31 584
Closing balance	101 720	130 542	110 695

Consolidated cash flow statement

All amounts in SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating profit/loss	-9 607	-11 811	-30 210
Adjustments for non-cash items	1 888	1 332	4 694
Cash flow from operating activities before changes in working capital	-7 719	-10 479	-25 516
Changes in working capital	6 159	1 544	2 971
Cash flow from operating activities	-1 560	-8 935	-22 545
Acquisition of subsidiary	-	-	-
Capitalization of development expenditure	-	-238	-
Acquisition/disposal of intangible assets	-	-	-
Acquisition/disposal of property, plant & equipment	-196	-173	-1 265
Cash flow from investing activities	-196	-411	-1 265
New share issue	-	-	-
Transaction costs attributable to new share issue	-	-	-
Change in bank/overdraft facilities	-1 084	-209	-846
Cash flow from financing activities	-1 084	-209	-846
Total cash flow for the period	-2 840	-9 554	-24 656
Cash and cash equivalents at start of period	10 933	35 593	35 593
Translation difference cash and cash equivalents	98	-30	-4
Cash and cash equivalents at end of period	8 190	26 009	10 933

Parent company income statement

All amounts in SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating income			
Net sales	13 687	8 147	55 760
Cost of goods sold	-5 949	-2 651	-27 462
Gross profit	7 738	5 496	28 299
Sales & Marketing expenses	-8 156	-8 690	-26 728
Administrative expenses	-5 197	-4 780	-22 706
Research and development costs	-5 350	-1 763	-14 357
Other operating income	0	0	0
Operating profit/loss	-10 964	-9 737	-35 492
Profit/loss from financial items			
Interest income and similar profit/loss items	420	107	465
Interest expenses and similar profit/loss items	-544	-359	-640
Results from subsidiaries	-	-	-60 000
Profit/loss after financial items	-11 088	-9 989	-95 667
Tax expenses	-	-	1 565
Profit/loss for the period	-11 088	-9 989	-94 102

Parent company balance sheet

All amounts in SEK thousand	2018-03-31	2017-03-31	2017-12-31
Assets			
Intangible assets	31 164	22 723	32 525
Property, plant & equipment	45	115	45
Financial assets	19 700	78 135	19 700
Inventories	4 901	10 119	2 943
Trade receivables	7 172	5 163	12 964
Receivables from group companies	0	12 703	0
Other receivables	1 555	762	1 600
Cash and bank balances	6 334	24 312	10 727
Total assets	70 872	154 032	80 506
Equity and liabilities			
Equity	44 605	139 806	55 693
Long-term interest-bearing liabilities	4 083	5 716	4 433
Current interest-bearing liabilities	1 400	1 167	1 400
Liabilities to group companies	6 211	191	5 603
Trade payables	8 402	2 287	5 318
Other liabilities	6 170	4 865	8 058
Total equity and liabilities	70 872	154 032	80 506