

## Geographic expansion and continued growth in 2016

### Q4

- Net sales increased to SEK 11.3 (11.1) million.
- Loss after tax came in at SEK -17.6 (-11.2) million.
- Earnings per share were SEK -0.19 (-0.45).
- Cash and cash equivalents were SEK 35.6 (8.1) million.

### Significant events in Q4

- Enzymatica signed an exclusive distribution agreement for Australia, New Zealand, Greece and Cyprus.
- Enzymatica reported results of an experimental study in healthy volunteers and a study evaluating sick days in elderly care staff.
- On December 19, 2016 an extraordinary general meeting elected a new Board of Directors of the Company

### Full year

- Net sales increased to SEK 36.5 (27.9) million.
- Loss after tax came in at SEK -45.0 (-40.8) million.
- Earnings per share were SEK -0.69 (-1.64).

### Significant events after Q4

- Enzymatica signed distribution agreement with Stada Arzneimittel AG for Germany

### Financial ratios

(SEK million)	Oct–Dec 2016	Oct–Dec 2015	Full year 2016	Full year 2015
Net sales	11.3	11.1	36.5	27.9
Gross margin, %	56	65	61	70
Operating profit/loss	-18.5	-11.1	-46.2	-40.5
Cash flow from operating activities	-4.2	-12.2	-39.8	-37.6
Average number of employees	22	17	21	16

### CEO statement: Stronger platform for expansion

In 2016, we increased sales by 31 percent to SEK 36 million compared with SEK 28 million the previous year. The increase is a result of good growth in new markets in combination with continued strong sales in the Swedish market, where ColdZyme retain its share in sales of 4.6 percent. The introduction of ColdZyme OneCold (7 ml) has performed as we had hoped. The decline in sales of ColdZyme (20 ml) that we initially saw following the introduction of ColdZyme OneCold has ended in the last quarter. We are now increasing sales of both products. Growth in Norway and the UK has slowed as a consequence of that we have cut back on marketing in anticipation of finding suitable distribution partners. The seemingly declining sales in the fourth quarter due to uneven order bookings between quarters from Swedish pharmacies, and from distributors, so the trailing 12 months sales give a better picture of the long-term growth.

In the fourth quarter we took additional steps toward the internationalization of ColdZyme by entering into two new distribution agreements. In early November, we entered into an exclusive distribution agreement with Life NLB Ltd of the Greek and Cypriot markets. We also signed an exclusive distribution agreement with Symbion (Endeavour Consumer Health), Australia's largest distributor to pharmacies and the third largest in New Zealand. Since ColdZyme has to be registered before we can begin to sell it, we expect the launch will be

in 2018 at the earliest. We have continued to dedicate considerable effort to quality and regulatory issues and have made good progress in our preparations to adapt to the new European medical device regulations that are expected to take effect over the next few months.

In December we reported the results from two studies. The experimental study on colds, Coldprev II, did not achieve the statistical targets and did not turn out as we had expected. However, the study did provide us with valuable safety data.

Our evaluation of colds and sick days among elderly care staff in Eksjö Municipality, which was published in a scientific journal in November 2016, revealed positive results while using ColdZyme. We will continue to conduct studies on ColdZyme for treatment of the natural cold in order to deepen our knowledge and broaden our product claims.

We are very pleased that we have recently signed an exclusive distribution agreement with STADA Arzneimittel AG for the German market. The agreement with Stada is a significant breakthrough for our internationalization strategy, but above all it is a recognition of our technology when a pharmaceutical company of Stada's stature, with the stated ambition of increasing its sales with

original products, chooses to enter into an agreement with Enzymatica for the sale of ColdZyme in Germany, one of the world's largest markets for over-the-counter products.

We can now close the books on a successful and eventful 2016. In many regards, the year has been influenced by the acquisition of Zymetech, which through its patent portfolio, and the production of marine enzymes from deep sea cod, made it possible to open up a dialogue with potential partners outside Scandinavia. The acquisition itself has entailed higher costs for the consolidated Company, stemming from production and research and development, which we expect to align in 2017. We also completed two share issues during the year that raised SEK 100 million before issue costs for the Company, in order to ensure implementation of our expansion plan and to be able to show potential partners that our financial situation is sustainable.

A new Board of Directors of the Company that will better reflect the ownership structure that evolved during the year was elected at an extraordinary general meeting on December 19. The new chairman of the board is Bengt Baron, who has extensive experience from various management positions in Swedish industry, including consumer products.

We are entering 2017 as a stronger company, backed by growth and with good prospects for successfully continuing our geographic expansion by reaching out with ColdZyme to new markets. While it is gratifying that we continue to grow steadily in our home-domestic markets, it is only now, with the step on the major markets, we will be able to accelerate growth I look forward to the new year with confidence as CEO of this exciting company.

*Fredrik Lindberg, CEO*

## Enzymatica at a glance

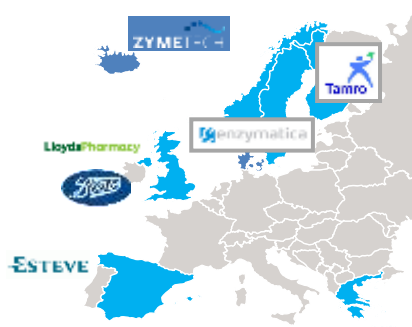
Enzymatica AB is a life science company whose business concept is to develop medical devices based on barrier technology and marine enzymes for self care in major market segments. The Company developed ColdZyme®, a unique mouth spray for fighting colds, launched the product on seven markets and reached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

Our development focuses on medical devices for upper respiratory tract infections and oral health. An enzyme from deep-sea fish is a key sub-component in product development.

## Barrier technology with enzyme from deep-sea fish

An enzyme from a deep-sea fish is an important sub-component in Enzymatica's product development efforts for creating effective 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.

Enzymatica was founded in 2007, has its head office in Lund 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, Greece, the UK and Spain. An equivalent product under the PreCold brand is sold in Iceland by acquired company Zymetech.*

## Q4 performance

In the fourth quarter the Company continued to pursue the strategy of developing ColdZyme and gaining control of the domestic market. Currently, the focus is on increasing market share in existing markets and preparing for new markets in Europe, where the Company sells through distributors. ColdZyme can be sold throughout the EU under its current registration. In markets outside the EU, the product must be registered based on national requirements for each market, which may entail a longer time to market introduction. During the quarter, we entered into an exclusive agreement with Endeavour Consumer Health for Australia and New Zealand. ColdZyme will probably be registered in a higher class in these markets and we expect a sales launch in 2018. Since these markets are in the southern hemisphere, we can even out seasonal effects with a positive impact on our earnings during our current off-season.

ColdZyme OneCold was introduced for strategic reasons as an entry-level product, in part to reach more new users and target groups. Initially we saw a cannibalization of sales of ColdZyme, but this trend has reversed. Sales volumes of both products are increasing, suggesting that OneCold is achieving its purpose of finding new ColdZyme users. From pharmacy sales statistics we are pleased to report that sales growth from Swedish pharmacies during the quarter is higher than our new orders, but also it is very difficult to predict for the individual quarters. Denmark, Iceland and Finland are following the development curve in Sweden and have more than doubled sales in 2016 compared with the previous year.

In Spain, Esteve began its ColdZyme launch to pharmacies during the quarter. The launch was successful and we have already received the first orders to replenish stocks.

In the UK, sales remain at a low level and we are continuing our efforts to find a powerful distributor for the market.

In December we reported the results from two studies. The experimental study on colds, Coldprev II, did not achieve the statistical targets and did not turn out as we had expected. Because the cold was too mild, it was not possible to find any significant differences compared with the placebo group. However, the study did provide us with valuable safety data. Our evaluation of colds and sick days among elderly care staff in Eksjö Municipality showed interesting results. The experimental group which received ColdZyme required significantly fewer sick days and experienced the disease symptoms as milder. During the period we also published a patient case report based on an evaluation of ColdZyme's ability to prevent upper respiratory infections in a patient with primary immunodeficiency disease, which showed interesting results. We will continue to conduct studies on ColdZyme for treatment of the natural cold.

Our main focus is on carrying out the international launch of our ColdZyme products. For this reason we have decided to postpone development initiatives in the veterinary segment. Consequently we decided during the quarter to terminate our relationship with Adartis, our distributor in the North American market.

The acquisition of Zymetech during the year is of great strategic importance for Enzymatica and create conditions for more rapid internationalization. The distribution agreement with STADA confirms this relationship. It also means that we have control over the entire manufacturing process. During the quarter, we completed and opened our new production facility in Iceland. The acquisition increases our opportunities to implement our expansion plan and strengthens the skills in the organization, but we now also have increased costs. This, together with the non-recurring expenses incurred during the year and impairment charges have had a negative impact on net income.

## Sales, earnings and investments

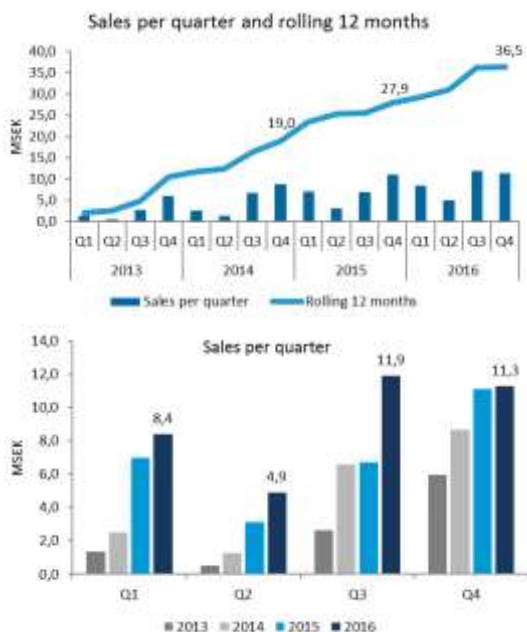
### Q4

Consolidated net sales for Q4 2016 came in at SEK 11.3 (11.1) million – a 2% year-on-year increase. The gross margin for Q4 was 56% (65%). Enzymatica has experienced fluctuations in its gross margins between individual quarters as a result of the distribution of sales by country, campaign offerings, product mix (ColdZyme 20 ml vs 7 ml) and exchange rates.

Total operating expenses for Q3 amounted to SEK 26.0 (18.7) million. Our costs increased compared with the previous year as a result of the acquisition of Zymetech and because we established our own sales in several markets.

The consolidated operating loss was SEK -18.5 (-11.1) million.

Enzymatica capitalizes new development expenditure on an ongoing basis. Capitalized expenses for development projects for Q3 totaled SEK 0.8 (0.4) million.



### Year-end report 2016

Consolidated net sales in the period from January to December 2016 came in at SEK 36.5 (27.9) million – a 31% year-on-year increase.

The gross margin for full-year 2016 was 61% (70%). The introduction of ColdZyme OneCold 7 mL in Sweden in 2015, with unexpectedly strong sales even in early 2016, as well as powerful launches on new markets pulled down the gross margin. The equalization between the smaller and larger product during the latter part of 2016 in Sweden is expected to continue in 2017, and also occur in Spain and Finland, with improved gross margins in these markets. The establishment in Germany, on the other hand, will also entail focus on 7 mL during the first year, which will put pressure on gross margin during the launch phase.

Total operating expenses for the period were SEK 77.3 (63.0) million. The increase in total operating expenses is largely due to the completed acquisition of Zymetech ehf.

The consolidated operating loss was SEK -46.2 (-40.5) million.

Enzymatica capitalizes new development expenditure on an ongoing basis. Capitalized expenses for development projects during the period totaled SEK 7.6 (3.1) million.

### Seasonal variations

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

### Research and development

Enzymatica engaged in a systematic effort to integrate product development, quality improvement, and regulatory adaptation to stricter European legislation in medical technology, with the strategic commercial objectives. The aim is to create stable basis for our international expansion of ColdZyme, but also to strengthen the entire technology platform on marine enzymes for the development of new product lines. In the short term priority product development projects around ColdZyme, including broader clinical documentation, while new indications for our technology will take place in the medium term. With the acquisition of Zymetech during the year followed an interesting portfolio of skin care products based on the same marine enzyme technology ColdZyme. In 2017, the commercial potential of this product will be evaluated.

In addition, work is ongoing to certify the company to ISO standard 13485, a quality management system for medical devices.

### Funding

The Group's available funds at the end of the period totaled SEK 37.2 (8.1) million, of which SEK 35.6 (8.1) million were in cash and cash equivalents and SEK 1.6 (0) million in unutilized credit facilities. In addition to the above available funds, there are unutilized credit facilities with a maximum amount of SEK 9.8 million via factoring in the parent company.

Cash flow from operating activities for the period totaled SEK -39.8 (-37.6) million. Cash flow from operating activities for Q4 came in at SEK -4.2 (-12.2) million.

Total cash flow for the year amounted to SEK 27.5 (-29.9) million.

### Parent company

The parent company's sales for full year 2016 reached SEK 33.1 (27.9) million. Profit/loss before tax came in at SEK -36.3 (-40.3) million.

Parent company sales for Q4 came in at SEK 9.7 (11.1) million. Profit/loss before tax came in at SEK -15.2 (-10.7) million.

The parent company's investments in property, plant & equipment and intangible assets for the period totaled SEK 10.7 (3.1) million and cash flow was SEK 24.1 (-24.9) million. The acquisition of Zymetech had a negative impact on cash flow of SEK -5.1 million during the year.

Please see the consolidated figures for more information.

### Staff

The number of people employed by the group, converted to full-time positions, was 22 (16) at the end of the period. The employees included 10 (9) men and 12 (7) women

### Acquisition of Zymetech ehf

On April 1, 2016, the group acquired 99.5 percent of the share capital in Zymetech ehf in the form of a non-cash issue of 20,905,942 new shares and 3,982,084 new warrants in Enzymatica, giving the group a controlling interest in Zymetech ehf. The acquisition price is

calculated on the basis of Enzymatica's closing price on the Nasdaq First North at March 31, 2016, which was the most recent date prior to completion of the transaction. The closing price was SEK 3.45 per share at that date. The warrants are valued at SEK 0.97 per warrant using the Black & Scholes option pricing model at March 31, 2016. The purchase price for all shares of Zymetech is thus SEK 76,343 thousand, given that non-controlling interests are measured at fair value.

This acquisition gives Enzymatica international exclusive rights to a patent-protected enzyme, a key component of ColdZyme® Mouth Spray, as well as control over production of the enzyme, access to international research and development expertise and Zymetech's research portfolio. After the acquisition, Enzymatica will thus have exclusive rights in countries with patent protection until 2020 and a technological lead of several years over the rest of the world. The goodwill arising as a result of the transaction is attributable to acquired client relationships (which are not separable) and synergy effects expected from the merger of the operations of the group and Zymetech ehf.

A final acquisition analysis for the acquisition of Zymetech has been prepared and is identical to the preliminary analysis reported in Q3, 2016. The identified surplus values of intangible assets total SEK 7,533 thousand, which are amortized over the respective useful lives of these assets. The consideration in the acquisition analysis is divided as follows:

All amounts in SEK thousand	
Purchase price	76 343
Book value of equity	-7 110
	69 233
Total value adjustments (net)	7 533
Deferred tax liability	-1 507
Goodwill	63 207
Minority shareholding	355

Zymetech's fair value of acquired net assets, goodwill and impact on the group's cash flow can be seen in the table below:

Actual value, All amounts in SEK thousands	
Intangible assets	13 641
Property, plant & equipment	2 656
Financial assets	1 568
Inventories	736
Trade receivables	411
Other receivables	2 211
Cash and cash equivalents	27
Deferred tax liability	-1 507
Current interest-bearing liabilities	-4 392
Trade payables	-320
Other liabilities	-1 896
<b>Acquired assets (net)</b>	<b>13 137</b>
Goodwill	63 207
<b>Total purchase price</b>	<b>76 343</b>
Non cash issue	-75 988
Minority shareholding	-355
Cash and cash equivalents, acquired subsidiary	-27
Transaction expenses	1 491
Issue expenses	3 644
<b>Acquired subsidiary, effect upon consolidated cash flow</b>	<b>5 108</b>

The receivables acquired are measured at fair value.

The fair value of the non-controlling interests in Zymetech ehf, which is an unlisted company, is calculated using the consideration for the acquisition of 0.5% of Zymetech ehf.

The total transaction costs came in at SEK 2,023 thousand. Issue-related expenses totaled SEK 3,644 thousand (SEK 2,842 thousand after tax). SEK 1,491 thousand of the transaction costs impacted the 2016 loss (SEK 532 thousand 2015) for the group and were capitalized in the parent company. Issue expenses after tax have been charged to equity.

For the period from April to December 2016, Zymetech ehf contributed revenue of SEK 3,786 thousand and a loss of SEK -7,034 thousand to the consolidated income statement. The corresponding amounts contributed for the period from January to December 2016 were SEK 4,796 thousand in revenue and a loss of SEK -9,004 thousand.

### Significant events after the end of the period

In February we signed an important agreement with Stada Arzneimittel AG. In the first stage of the agreement, ColdZyme will be introduced in Germany, but the agreement with Stada also offers options for Stada to be able to call off additional markets in Europe. Stada is the market leader in Germany in the cold segment and a very strong partner in a number of other markets in the EU.

### 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, with its head office in Delaware, USA (corporate identity no. 47-1030502).

### *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 2015 Annual Report have been applied in this interim report as well. New or revised standards that came into force in 2016 did not have any material impact on the group.

### *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. For a more detailed description of the risks and uncertainties Enzymatica faces, please see the risk and sensitivity analysis in the 2015 Annual Report.

### *2017 AGM*

Enzymatica's 2017 Annual General Meeting will be held in Lund on April 20, 2017.

Shareholders who wish to have an item added to the agenda of the AGM may submit a written request by email to: [ir@enzymatica.se](mailto:ir@enzymatica.se) or by regular mail to the following address: Styrelsen, Enzymatica AB, Ideon Science Park, 223 70 Lund. Requests must be received no later than seven weeks prior to the AGM to be eligible for inclusion in the meeting notice and thus the AGM agenda.

### *Audit*

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

### *Upcoming financial information*

Interim report, Jan–March 2017	April 20, 2017
2017 AGM	April 20, 2017

The interim reports and annual report are available on Enzymatica's website [www.enzymatica.se](http://www.enzymatica.se).

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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, February 16, 2017

Bengt Baron  
*Board Chair*

Marianne Dicander Alexandersson  
*Board Member*

Mats Andersson  
*Board Member*

Gudmundur Palmason  
*Board Member*

Sigurgeir Guðlaugsson  
*Board Member*

Louise Nicolin  
*Board Member*

Fredrik Lindberg  
*CEO*

### For questions about this report, please contact:

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### Publication

Enzymatica AB (publ) is required by Swedish law (the Securities Market Act and/or the Financial Instruments Trading Act) to publish the information in this interim report. The information was submitted for publication on Thursday, February 16, 2017 at 8:30 a.m.

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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	Oct-Dec 2016	Oct-dec 2015	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2015
<b>Operating income</b>					
Net sales	11 275	11 052	36 482	27 912	27 912
Cost of goods sold	-4 962	-3 862	-14 253	-8 486	-8 486
<b>Gross profit</b>	<b>6 314</b>	<b>7 190</b>	<b>22 230</b>	<b>19 426</b>	<b>19 426</b>
Sales & Marketing expenses	-11 603	-10 493	-31 135	-31 203	-31 203
Administrative expenses	-8 169	-6 497	-26 183	-20 906	-20 906
Research and development costs	-6 250	-1 695	-19 970	-10 898	-10 898
Other operating income	354	-	1 257	9	9
Capitalized development expenditure	824	361	7 625	3 054	3 054
<b>Operating profit/loss</b>	<b>-18 530</b>	<b>-11 134</b>	<b>-46 177</b>	<b>-40 518</b>	<b>-40 518</b>
<b>Profit/loss from financial items</b>					
Interest income and similar profit/loss items	443	3	779	133	133
Interest expenses and similar profit/loss items	-230	-72	-1 434	-445	-445
<b>Profit/loss after financial items</b>	<b>-18 317</b>	<b>-11 203</b>	<b>-46 831</b>	<b>-40 830</b>	<b>-40 830</b>
Tax expenses	728	-	1 826	-	-
<b>Profit/loss for the period</b>	<b>-17 589</b>	<b>-11 203</b>	<b>-45 006</b>	<b>-40 830</b>	<b>-40 830</b>
Other comprehensive income:					
Total other comprehensive income, net of tax	0	0	0	0	0
<b>Total comprehensive income for the period</b>	<b>-17 589</b>	<b>-11 203</b>	<b>-45 006</b>	<b>-40 830</b>	<b>-40 830</b>
Share attributable to parent company shareholders	-17 589	-11 203	-45 006	-40 830	-40 830
<b>Per share data</b>	<b>Oct-Dec 2016</b>	<b>Oct-dec 2015</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2015</b>	<b>Jan-Dec 2015</b>
Earnings per share, SEK (basic and diluted)	-0,19	-0,45	-0,69	-1,64	-1,64
Equity per share, SEK	1,56	0,88	1,56	0,88	0,88
Equity-asset ratio, %	88%	50%	88%	50%	50%
Number of outstanding shares	90 887 808	24 961 438	90 887 808	24 961 438	24 961 438
Average number of outstanding shares (basic and diluted)	90 887 808	24 961 438	64 821 180	24 961 438	24 961 438

### 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	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net sales	11 275	11 904	4 892	8 412	11 052
Gross profit/loss	6 314	7 691	3 104	5 121	7 190
Gross margin in %	56%	65%	63%	61%	65%
Overhead costs	-26 022	-17 118	-21 116	-13 032	-18 324
Operating profit/loss	-18 530	-7 662	-12 275	-7 709	-11 134
Profit/loss for the period	-17 589	-6 508	-12 809	-8 099	-11 203
Cash flow	-14 310	22 993	19 711	-866	-1 611



## Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2016-12-31	2015-12-31
<b>Assets</b>		
Intangible assets	99 586	13 776
Property, plant & equipment	4 375	276
Financial assets	2 333	-
Inventories	6 987	11 410
Trade receivables	9 510	9 495
Other receivables	3 917	830
Cash and cash equivalents	35 593	8 065
<b>Total assets</b>	<b>162 300</b>	<b>43 852</b>
<b>Equity and liabilities</b>		
Equity	142 041	21 985
Kortfristiga skulder, ej räntebärande	7 417	-
Current interest-bearing liabilities	1 166	10 939
Trade payables	4 476	5 980
Other liabilities	7 199	4 948
<b>Total equity and liabilities</b>	<b>162 300</b>	<b>43 852</b>

## Consolidated statement of changes in equity

All amounts in SEK thousand	2016-12-31	2015-12-31
Opening balance	21 985	62 425
New share issue	100 245	-
Issue expenses related to New share issue	-8 888	-
Non cash issue in relation to acquisition of subsidiary	75 988	-
Issue expenses related to Non cash issue	-3 644	-
Effect of employee share ownership plan	0	390
Minority shareholding	355	-
Exchange rate difference	1 007	-
Profit/loss for the period	-45 006	-40 830
<b>Closing balance</b>	<b>142 041</b>	<b>21 985</b>

## Consolidated cash flow statement

All amounts in SEK thousand	Oct-Dec 2016	Oct-dec 2015	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2015
<b>Profit/loss after financial items</b>	-18 317	-11 203	-46 831	-40 830	-40 830
Adjustments for non-cash items	1 744	781	3 496	1 550	1 550
Tax paid	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-16 573</b>	<b>-10 422</b>	<b>-43 335</b>	<b>-39 280</b>	<b>-39 280</b>
Changes in working capital	12 352	-1 768	3 521	1 632	1 632
<b>Cash flow from operating activities</b>	<b>-4 221</b>	<b>-12 190</b>	<b>-39 814</b>	<b>-37 648</b>	<b>-37 648</b>
Acquisition of subsidiary	-	-	-5 108	-	-
Capitalization of development expenditure	-824	-360	-7 625	-3 053	-3 053
Acquisition/disposal of intangible assets	-3 120	-	-3 120	-	-
Acquisition/disposal of property, plant & equipment	-660	-	-1 344	-93	-93
<b>Cash flow from investing activities</b>	<b>-4 604</b>	<b>-360</b>	<b>-17 196</b>	<b>-3 146</b>	<b>-3 146</b>
New share issue	-	-	100 245	-	-
Transaction costs attributable to new share issue	-2 080	-	-8 958	-	-
Change in bank overdraft facilities	-3 405	10 939	-6 748	10 939	10 939
<b>Cash flow from financing activities</b>	<b>-5 485</b>	<b>10 939</b>	<b>84 539</b>	<b>10 939</b>	<b>10 939</b>
<b>Total cash flow for the period</b>	<b>-14 310</b>	<b>-1 611</b>	<b>27 528</b>	<b>-29 855</b>	<b>-29 855</b>
Cash and cash equivalents at start of period	49 903	9 676	8 065	37 920	37 920
<b>Cash and cash equivalents at end of period</b>	<b>35 593</b>	<b>8 065</b>	<b>35 593</b>	<b>8 065</b>	<b>8 065</b>

## Parent company income statement

All amounts in SEK thousand	Oct-Dec 2016	Oct-dec 2015	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2015
<b>Operating income</b>					
Net sales	9 726	11 052	33 132	27 912	27 912
Cost of goods sold	-3 774	-3 862	-12 038	-8 486	-8 486
<b>Gross profit</b>	<b>5 952</b>	<b>7 190</b>	<b>21 094</b>	<b>19 426</b>	<b>19 426</b>
Sales & Marketing expenses	-11 584	-10 493	-30 282	-31 203	-31 203
Administrative expenses	-6 184	-5 965	-19 352	-20 372	-20 372
Research and development costs	-4 077	-1 695	-15 195	-10 898	-10 898
Other operating income	0	-	156	9	9
Capitalized development expenditure	824	361	7 625	3 054	3 054
<b>Operating profit/loss</b>	<b>-15 070</b>	<b>-10 602</b>	<b>-35 954</b>	<b>-39 984</b>	<b>-39 984</b>
<b>Profit/loss from financial items</b>					
Interest income and similar profit/loss items	458	3	766	117	117
Interest expenses and similar profit/loss items	-128	-72	-1 087	-447	-447
<b>Profit/loss after financial items</b>	<b>-14 740</b>	<b>-10 671</b>	<b>-36 275</b>	<b>-40 314</b>	<b>-40 314</b>
Tax expenses	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-14 740</b>	<b>-10 671</b>	<b>-36 275</b>	<b>-40 314</b>	<b>-40 314</b>

## Parent company statement of comprehensive income

All amounts in SEK thousand	Okt-Dec 2016	Oct-dec 2015	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2015
Profit/loss for the period	-14 740	-10 671	-36 275	-40 314	-40 314
Other comprehensive income:	-	-	-	-	-
Total other comprehensive income, net of tax:	0	0	0	0	0
<b>Total comprehensive income for the period</b>	<b>-14 740</b>	<b>-10 671</b>	<b>-36 275</b>	<b>-40 314</b>	<b>-40 314</b>

## Parent company balance sheet

All amounts in SEK thousand	2016-12-31	2015-12-31
<b>Assets</b>		
Intangible assets	23 090	13 776
Property, plant & equipment	146	276
Financial assets	78 135	111
Inventories	10 555	11 410
Trade receivables	8 919	9 495
Receivables from group companies	13 231	-
Other receivables	885	1 362
Cash and bank balances	32 072	7 988
<b>Total assets</b>	<b>167 033</b>	<b>44 418</b>
<b>Equity and liabilities</b>		
Equity	149 795	22 370
Long-term liabilities	5 840	-
Current interest-bearing liabilities	1 167	10 939
Liabilities to group companies	191	191
Trade payables	4 142	5 980
Other liabilities	5 898	4 938
<b>Total equity and liabilities</b>	<b>167 033</b>	<b>44 418</b>