

## Breakthrough in Germany and continued increase in sales

### First quarter

- Net sales reached SEK 9.6 (8.4) million.
- Loss after tax came in at SEK -11.4 (-8.1) million.
- Earnings per share were SEK -0.13 (-0.32).
- Cash and cash equivalents were SEK 26.0 (7.2) million at the end of the quarter.

### Significant events during the quarter

- Enzymatica entered into an exclusive distribution agreement with STADA Arzneimittel AG for distribution of ColdZyme® in the German market.

### Key figures

(SEK million)	Jan.-March 2017	Jan.-March 2016	Full year 2016
Net sales	9.6	8.4	36.5
Gross margin, %	62	61	61
Operating profit/loss	-11.5	-7.7	-46.2
Cash flow from operating activities	-8.9	-5.0	-38.4
Average number of employees	21	16	21

### Comments from the CEO: Collaboration with STADA

In February, we signed an exclusive distribution agreement with STADA Arzneimittel AG for the German market. STADA is a German public company with a traditionally strong presence in Europe and especially Germany. STADA has pursued a strategy of growth through trademarked products in recent years and is an extremely interesting partner. STADA is the market leader in the cold segment in the German market, with a range of symptoms relieving products, as well as in the UK and Russia. With the addition of ColdZyme to its product portfolio the company now has a complete offering for its customers. The German common cold market for over-the-counter products is substantial, with a value of approximately SEK 12 billion at the retail level, which is ten times the Swedish market, why it is legitimate to say that this is an international breakthrough for both Enzymatica and ColdZyme.

In April we were able to expand our collaboration with STADA by adding Austria and Belgium to the distribution agreement, two markets comparable to Sweden in size. For all new markets, sales will begin in the fall of 2017 and we have already initiated preparations together with our new distribution partner.

Our focus remains unchanged on expanding our geographic presence internationally, including outside Europe, though with a longer time horizon, as well as on continuing to strengthen the position of ColdZyme through product development projects and clinical documentation.

It is rewarding to see that the acquisition of the Icelandic company Zymetech in April 2016 is now beginning to pay off. The acquisition of Zymetech included patents that have made it possible to offer distributors

exclusivity, a unique production facility of enzymes that ensures reliable delivery, and product and research expertise that will facilitate development of a broader portfolio. The acquisition of Zymetech, which affected the quarter with approximately 3 MSEK compared with the corresponding quarter previous year, has undoubtedly made possible the agreement with Stada.

In addition to this strong international breakthrough, I am extremely pleased that we are continuing to grow in our home markets, especially Sweden and Denmark. Enzymatica can now report yet another quarter, the 17th in a row, with increased sales compared with the same quarter the previous year.

I look forward to good growth opportunities for Enzymatica as we continue to launch ColdZyme internationally.

Fredrik Lindberg, CEO

## Enzymatica at a glance

Enzymatica AB is a medical device 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 eight markets and reached a position over the past winter as one of the best-selling cold products 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 Finland, Greece and Spain.

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.

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



ColdZyme is sold in-house and through distributors and partners in Sweden, Denmark, Norway, Finland, the UK and Spain, as well as in Germany, Belgium and Austria beginning in 2017. An equivalent product under the PreCold brand is sold in Iceland by the acquired company Zymetech.

## Q1 performance

During the quarter, we conducted marketing campaigns in our home markets with TV, PR, social and other digital media and we also assisted our distributors in their launch efforts. ColdZyme continues to achieve good volume growth in the Swedish and Danish markets through our own sales, but especially through sales to customers from pharmacies. Efforts to find new ColdZyme users continue to be successful.

Our distribution markets are still at an early stage but are progressing according to plan.

We have entered into a distribution agreement with STADA Arzneimittel AG, an international pharmaceutical company based in Germany. STADA has a strong European presence with Germany, Britain, Italy, Spain and Russia as its top five markets. STADA Group's turnover in 2015 was MEUR 2115 and they had 10,532 employees worldwide. We expanded our collaboration with STADA in early April when we reached an agreement to include Belgium and Austria in the exclusive distribution agreement for Germany that we signed in February. The launch is planned for the fall of 2017.

In comparison with Q1 2016, the company's costs has increased. Most of the increase is related to the acquisition of Zymetech in Q2 2016, which makes it hard to do an accurate comparison with the corresponding quarter in 2015. We have also made the necessary investments in R & D and marketing, as in the short-term impact on our results.

## Sales, earnings and investments

### First quarter

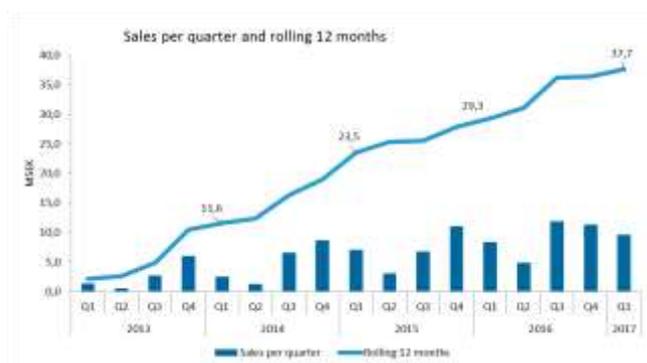
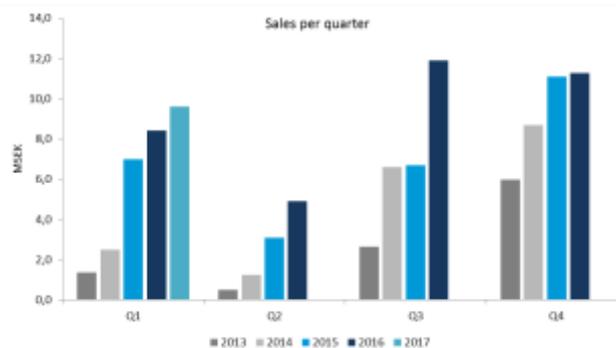
Consolidated net sales for Q1 2017 came in at SEK 9.6 (8.4) million – a 14% year-on-year increase. The majority of sales is attributable to sales in Swedish and Danish pharmacies.

The gross margin for Q1 was 62% (61%). 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.

The consolidated operating loss was SEK -11.5 (-7.7) million.

Total operating expenses for the quarter amounted to SEK 17.5 (12.8) million. The increase in operating costs compared to the corresponding quarter last year, mainly relates to increased personnel and operating costs following the acquisition of Zymetech, increased marketing efforts and costs in R & D.

Enzymatica capitalizes new development expenditure on an ongoing basis. Capitalized expenses for development projects for the quarter totaled SEK 238 (46) thousand.



### 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 component of Enzymatica's R&D activities.

Enzymatica's product development focuses both on in-depth studies aiming to better understand and broaden the use of ColdZyme and on clinical trials in new areas.

In addition, the company is working to become certified to ISO standard 13485, a quality management system for medical devices.

#### *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 places such as 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.

#### Significant events during the quarter

Enzymatica signed a distribution agreement with Stada Arzneimittel AG for Germany.

#### Funding

The Group's available funds at the end of the period totaled SEK 27.6 (7.2) million, of which SEK 26.0 (7.2) 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 quarter came in at SEK -8.9 (-5.0) million.

Total cash flow for the quarter was SEK -9.6 (-0.9) million.

#### Parent company

The parent company's sales for Q1 reached SEK 8.1 (8.4) million. Profit/loss before tax came in at SEK -10.0 (-8.1) million.

The parent company's investments in property, plant & equipment and intangible assets for the quarter totaled SEK 0.2 (0) million and cash flow was SEK -7.8 (-0.9) million.

Please see the consolidated figures for more information.

#### Staff

The number of people employed by the group, converted to full-time positions, was 21 (16) at the end of the quarter. The employees included 9 (7) men and 12 (9) women

#### 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.

All business operations are currently conducted in the parent company, which means that the consolidated and parent company accounts are basically the same.

##### *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.

##### *Audit*

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

##### *2017 AGM*

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

The Annual Report 2016 was published on April 5, 2017 and is available on Enzymatica's website [www.enzymatica.se](http://www.enzymatica.se).

##### *Upcoming financial information*

AGM 2017	April 20, 2017
Interim Report Jan-March 2017	April 20, 2017
Interim Report March-June 2017	July 20, 2017
Interim Report July-Sep 2017	November 1, 2017
Year End Report 2017	February 14, 2018

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

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:

Fredrik Lindberg, CEO, Enzymatica AB  
Tel: +46 (0)708-86 53 70 | Email: [fredrik.lindberg@enzymatica.com](mailto:fredrik.lindberg@enzymatica.com)

Bengt Jöndell, CFO, Enzymatica AB  
Tel: +46 (0)703-77 71 70 | Email: [bengt.jondell@enzymatica.com](mailto:bengt.jondell@enzymatica.com)

#### 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, April 20, 2017 at 8:30 a.m.

#### Street address

Enzymatica AB (publ)  
Corporate identity no.: 556719-9244  
Mailing address: Ideon Science Park, 223 70 LUND  
Street address: Scheelevägen 19, Ideon, Lund  
Tel: +46 (0)46-286 31 00 | [info@enzymatica.se](mailto:info@enzymatica.se) | [www.enzymatica.se](http://www.enzymatica.se)

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 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Operating income</b>			
Net sales	9 610	8 412	36 482
Cost of goods sold	-3 625	-3 291	-14 253
<b>Gross profit</b>	<b>5 985</b>	<b>5 121</b>	<b>22 230</b>
Sales & Marketing expenses	-8 833	-6 830	-31 135
Administrative expenses	-6 596	-4 354	-26 183
Research and development costs	-3 093	-1 848	-19 970
Other operating income	823	156	1 257
Capitalized development expenditure	238	46	7 625
<b>Operating profit/loss</b>	<b>-11 477</b>	<b>-7 709</b>	<b>-46 177</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items	43	-	779
Interest expenses and similar profit/loss items	-376	-390	-1 434
<b>Profit/loss after financial items</b>	<b>-11 811</b>	<b>-8 099</b>	<b>-46 831</b>
Tax expenses	364	-	1 826
<b>Profit/loss for the period</b>	<b>-11 446</b>	<b>-8 099</b>	<b>-45 006</b>
Other comprehensive income:			
Total other comprehensive income, net of tax	-53	0	1 007
<b>Total comprehensive income for the period</b>	<b>-11 499</b>	<b>-8 099</b>	<b>-43 999</b>
Share attributable to parent company shareholders	<b>-11 499</b>	<b>-8 099</b>	<b>-43 999</b>
<b>Per share data</b>	<b>Jan-Mar 2017</b>	<b>Jan-Mar 2016</b>	<b>Jan-Dec 2016</b>
Earnings per share, SEK (basic and diluted)	-0,13	-0,32	-0,69
Equity per share, SEK	1,44	0,58	1,56
Equity-asset ratio, %	88%	35%	87%
Number of outstanding shares	90 887 808	24 961 438	90 887 808
Average number of outstanding shares (basic and diluted)	90 887 808	24 961 438	64 821 180

### 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 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net sales	9 610	11 275	11 904	4 892	8 412
Gross profit/loss	5 985	6 314	7 691	3 104	5 121
Gross margin in %	62%	56%	65%	63%	61%
Overhead costs	-18 522	-26 022	-17 118	-21 116	-13 032
Operating profit/loss	-11 477	-18 530	-7 662	-12 275	-7 709
Profit/loss for the period	-11 446	-17 589	-6 508	-12 809	-8 099
Cash flow	-9 554	-14 310	22 993	19 711	-866

## Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2017-03-31	2016-03-31	2016-12-31
<b>Assets</b>			
Intangible assets	98 577	13 683	99 586
Property, plant & equipment	4 318	244	4 375
Financial assets	2 655	-	2 333
Inventories	6 413	9 984	6 987
Trade receivables	5 956	8 194	9 510
Other receivables	3 733	1 407	4 258
Cash and cash equivalents	26 009	7 199	35 593
<b>Total assets</b>	<b>147 661</b>	<b>40 711</b>	<b>162 641</b>
<b>Equity and liabilities</b>			
Equity	130 542	13 886	142 041
Long-term interest-bearing liabilities	6 952	-	7 399
Current interest-bearing liabilities	1 706	15 112	1 468
Trade payables	2 880	7 173	4 476
Other liabilities	5 581	4 540	7 256
<b>Total equity and liabilities</b>	<b>147 661</b>	<b>40 711</b>	<b>162 641</b>

## Consolidated statement of changes in equity

All amounts in SEK thousand	2017-03-31	2016-03-31	2016-12-31
Opening balance	142 041	21 985	21 985
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	-	-	-
Minority shareholding	-	-	355
Exchange rate difference	-53	-	1 007
Profit/loss for the period	-11 446	-8 099	-45 006
<b>Closing balance</b>	<b>130 542</b>	<b>13 886</b>	<b>142 041</b>

## Consolidated cash flow statement

All amounts in SEK thousand	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Profit/loss after financial items</b>	-11 811	-8 099	-46 831
Adjustments for non-cash items	1 332	694	4 988
<b>Cash flow from operating activities before changes in working capital</b>	<b>-10 479</b>	<b>-7 405</b>	<b>-41 843</b>
Changes in working capital	1 544	2 399	3 409
<b>Cash flow from operating activities</b>	<b>-8 935</b>	<b>-5 006</b>	<b>-38 434</b>
Acquisition of subsidiary	-	-	-5 108
Capitalization of development expenditure	-238	-45	-7 625
Acquisition/disposal of intangible assets	-	-	-4 365
Acquisition/disposal of property, plant & equipment	-173	12	-1 898
<b>Cash flow from investing activities</b>	<b>-411</b>	<b>-33</b>	<b>-18 995</b>
New share issue	-	-	100 245
Transaction costs attributable to new share issue	-	-	-8 958
Change in bank overdraft facilities	-209	4 173	-6 668
<b>Cash flow from financing activities</b>	<b>-209</b>	<b>4 173</b>	<b>84 619</b>
<b>Total cash flow for the period</b>	<b>-9 554</b>	<b>-866</b>	<b>27 189</b>
Cash and cash equivalents at start of period	35 593	8 065	8 065
Translation difference cash and cash equivalents	-30	-	339
<b>Cash and cash equivalents at end of period</b>	<b>26 009</b>	<b>7 199</b>	<b>35 593</b>

## Parent company income statement

All amounts in SEK thousand	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Operating income</b>			
Net sales	8 147	8 412	33 132
Cost of goods sold	-2 651	-3 291	-12 038
<b>Gross profit</b>	<b>5 496</b>	<b>5 121</b>	<b>21 094</b>
Sales & Marketing expenses	-8 690	-6 830	-30 282
Administrative expenses	-4 780	-4 354	-19 352
Research and development costs	-2 001	-1 848	-15 195
Other operating income	0	156	156
Capitalized development expenditure	238	46	7 625
<b>Operating profit/loss</b>	<b>-9 737</b>	<b>-7 709</b>	<b>-35 954</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items	107	-	766
Interest expenses and similar profit/loss items	-359	-390	-1 087
<b>Profit/loss after financial items</b>	<b>-9 989</b>	<b>-8 099</b>	<b>-36 275</b>
Tax expenses	-	-	-
<b>Profit/loss for the period</b>	<b>-9 989</b>	<b>-8 099</b>	<b>-36 275</b>

## Parent company statement of comprehensive income

All amounts in SEK thousand	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Profit/loss for the period	-9 989	-8 099	-36 275
Other comprehensive income:	-	-	-
Total other comprehensive income, net of tax:	0	0	0
<b>Total comprehensive income for the period</b>	<b>-9 989</b>	<b>-8 099</b>	<b>-36 275</b>

## Parent company balance sheet

All amounts in SEK thousand	2017-03-31	2016-03-31	2016-12-31
<b>Assets</b>			
Intangible assets	22 723	13 683	23 090
Property, plant & equipment	115	244	146
Financial assets	78 135	111	78 135
Inventories	10 119	9 984	10 555
Trade receivables	5 163	8 194	8 919
Receivables from group companies	12 703	-	13 231
Other receivables	762	1 938	1 226
Cash and bank balances	24 312	7 122	32 072
<b>Total assets</b>	<b>154 032</b>	<b>41 276</b>	<b>167 374</b>
<b>Equity and liabilities</b>			
Equity	139 806	14 270	149 795
Long-term interest-bearing liabilities	5 716	-	5 840
Current interest-bearing liabilities	1 167	15 112	1 167
Liabilities to group companies	191	191	191
Trade payables	2 287	7 173	4 142
Other liabilities	4 865	4 530	6 239
<b>Total equity and liabilities</b>	<b>154 032</b>	<b>41 276</b>	<b>167 374</b>