

## Continued strong growth in Sweden, but lower total sales during the quarter

### First quarter

- Net sales reached SEK 13.3 (15.1) million.
- Result after tax came in at SEK -12.2 (-10.1) million.
- Earnings per share, basic and diluted, were SEK -0.09 (-0.11).
- Cash and cash equivalents were SEK 53.9 (8.2) million.

### Significant events in Q1

- Enzymatica presented the final results from the German multicenter study for assessment of ColdZyme® during the 2018 cold season. The convincing results strengthen and broaden ColdZyme's product claims.
- Enzymatica initiated a double-blind, placebo-controlled study to evaluate the effects of ColdZyme on the common cold. The extensive study includes more than 600 patients and is being conducted at ten study centers in Germany.

### Significant events after the quarter

- ABEX Pharmaceuticals began to sell ColdGuard® (ColdZyme) on the South African market.
- Enzymatica has finalized the enrolment to the above mentioned placebo-controlled study in Germany of about 700 patients, whereof more than 400 have caught a cold according to plan.

### Key figures for group

(SEK million)	Jan-Mar 2019	Jan-Mar 2018	Full year 2018
Net sales	13.3	15.1	52.6
Gross margin, %	74	71	70
Operating profit/loss	-11.9	-9.6	-40.6
Cash flow from operating activities	-15.6	-1.6	-28.8
Average number of employees	20	22	21

### CEO statement: Increased market share and fourth largest brand in Sweden

Enzymatica's sales during the first quarter totaled SEK 13.3 million, compared with about SEK 15 million the corresponding period in 2018. The reduction can mainly be explained by the absence of sales in Spain due to an

uneven inflow of orders from our distributor between quarters, and in Germany due to restrictions imposed on the marketing of ViruProtect® (ColdZyme). Rolling 12-months sales as of March 31, 2019 excluding STADA's

sales in Germany and Austria show an increase of about 5% compared with the corresponding rolling 12-months sales as of March 31, 2018. Sales on the Swedish home market were extremely strong during the first quarter as sales of ColdZyme to consumers rose by almost 23%, corresponding to a market share of 6.4%. Thus ColdZyme has passed Bisolvon in sales value and is now the fourth largest brand in the cold product category on the pharmacy market in Sweden. An effective cold product, loyal customers with a high repurchase rate and successful marketing underlie this strong trend for ColdZyme.

In the beginning of the quarter we began the recruitment of participants for the double-blind, placebo-controlled study in Germany to evaluate the effects of ColdZyme on the common cold. In the beginning of May we announced that the enrolment to the study had been finalized with about 700 patients in total. More than 400 have caught a cold, which is according to plan. Those who do develop colds will be divided into two groups: one that uses ColdZyme and one that uses the placebo product in a double-blind design. The study was planned based on the highly convincing results, especially regarding quality of life, of the German methodological study, the final results of which were presented in early 2019. The results of the ongoing placebo study are expected to be ready this autumn.

In April our partner ABEX Pharmaceuticals began to sell ColdGuard (ColdZyme) on the South African market, which is an important milestone for Enzymatica. ABEX is conducting an extensive marketing campaign, including advertising in traditional media and in-store advertising, as well as commercials and marketing in various digital media channels, to ensure effective market awareness to the South African consumers. This is the first market to even out ColdZyme's current seasonal variation in sales, since the cold season in the southern hemisphere lasts from April to September.

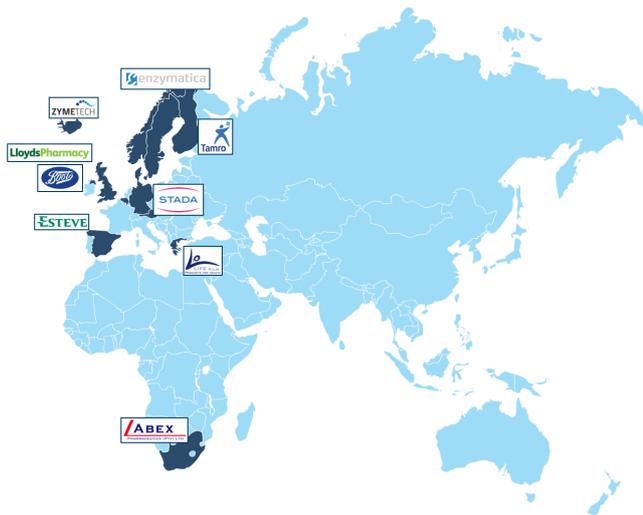
*Fredrik Lindberg, CEO*

## 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. During the second quarter of 2019, ColdZyme also began to be sold in South Africa through our partner ABEX Pharmaceuticals. In the fall of 2019 sales are planned to begin in Hong Kong & Macau through the partner Evergreen Health.

Development work is currently focused on products related to upper respiratory tract infections. 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 directly and through 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 is sold in Iceland under the PreCold® brand and in Spain under the Cortagrip® brand. During the second quarter of 2019, ABEX Pharmaceuticals began to sell ColdZyme under the ColdGuard® brand on the South African market.

## Performance during the quarter

During the first quarter the total cold product category in Sweden increased by about 0.6% in value, while sales of ColdZyme (20 and 7 ml) increased in the market to consumers by about 23% in value and about 22% in volume, according to statistics from market analysts Nielsen Data. With a market share of 6.4%, ColdZyme has now passed Bisolvon in sales and is currently the fourth largest brand in the cold product category on the pharmacy market in Sweden. As individual products, ColdZyme 20 ml is the third most sold and ColdZyme 7 ml the eighth most sold cold product. During the first quarter Enzymatica continued its marketing communication initiatives including TV advertising, digital campaigns and

“influencer marketing” aimed at various ColdZyme target groups.

On the Danish market, ColdZyme had a 10% increase in sales, which is a good result since the market as a whole retreated by 12%. In Spain, sales of Cortagrip declined for Enzymatica due to an uneven inflow of orders between the quarters. Nevertheless, the underlying sales trend for Cortagrip in Spain remains positive. Enzymatica’s partner Esteve is assessing an intensive marketing campaign of the product that was conducted in Catalonia during the fourth quarter of 2018, with a doubled market share and sales growth of 85% to end customers. Sales on other markets progressed according to plan.

## Sales, earnings and investments

### First quarter

Consolidated net sales for Q1 2019 came in at SEK 13.3 (15.1) million, a 12% year-on-year decrease. The majority of this reduction can be attributed to no sales in Spain due to an uneven inflow of orders between quarters and the lack of sales in Germany due to restrictions imposed on the marketing of ViruProtect (ColdZyme).

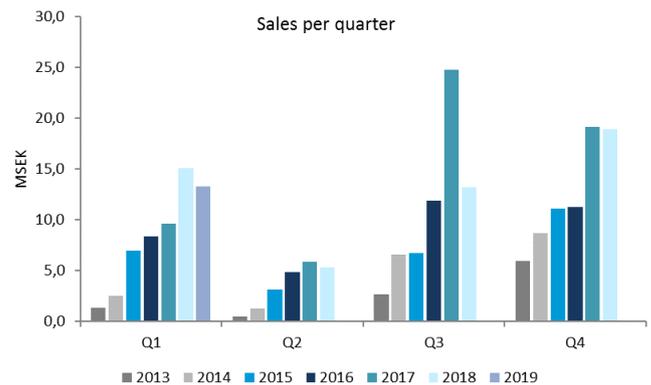
The gross margin during the quarter was 74% (71%). Enzymatica has experienced fluctuations in its gross margins between individual quarters as a result of the distribution of sales via its own organization or distributors, the product mix and exchange rates.

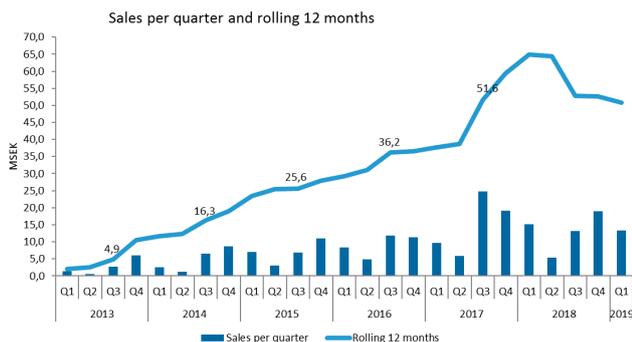
Total operating expenses for the quarter amounted to SEK 21.7 (20.3) million. The increase in operating expenses compared with Q1 2018 is primarily due to higher research and development costs, primarily through the ongoing placebo study of ColdZyme in Germany. No expenses for development projects were capitalized during the quarter SEK 0 (0) thousand.

The consolidated operating loss was SEK -11.9 (-9.6) 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 clinical documentation for ColdZyme is a key part of Enzymatica's R&D activities. Total consolidated research and development expenses in the Group were in line with the plan and amounted to SEK 6.2 (4.8) million for the first quarter.

### 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. The enzyme, which is called cold-adapted trypsin, is formed in the cod's pancreas and becomes active 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 to locally infect cells and cause diseases.

## Funding

The Group's available funds at the end of the period totaled SEK 55.4 (9.8) million, of which SEK 53.9 (8.2) million were in cash and cash equivalents and SEK 1.5 (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.

Cash flow from operating activities for the quarter came in at SEK -15.6 (-1.6) million. The difference is mainly due to lower accounts payable and higher accounts receivable compared with the same period the previous year.

Total cash flow for the quarter was SEK -16.3 (-2.8) million.

## Parent company

The parent company's sales for Q1 reached SEK 12.1 (13.7) million. Profit/loss before tax came in at SEK -13.6 (-11.1) million.

The parent company's investments in property, plant & equipment and intangible assets for the quarter totaled SEK 0 (0) million and cash flow was SEK -21.2 (-4.4) million.

Please see the consolidated figures for more information.

## Staff

The number of people employed by the group, converted to full-time positions, was 20 (22) at the end of the period. The employees included 8 (9) men and 12 (13) women. Claus Egstrand, Chief Commercial Officer (CCO), was promoted to Chief Operating Officer (COO), with responsibility for daily operations. Fredrik Lindberg remains as Chief Executive Officer (CEO) and also has the responsibility of the Chief Medical Officer (CMO).

## 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, and Enzymatica Care AB (corporate identity no. 556701-7495), with its head office in Lund.

### 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 2018 Annual Report have been applied in this interim report as well, with the following addition.

### New and amended standards applied from January 1, 2019

IFRS 16 Leases is being applied from January 1, 2019 and is replacing IAS 17. Under the new standard, essentially all leases are recognized in the balance sheet; the right to use the leased item is recognized as an asset and the remaining lease payments are recognized as a current or noncurrent liability. In the income statement, the leasing cost has been replaced by depreciation of the assets and interest expense on the lease liabilities. Key figures such as the equity-asset ratio and the debt-equity ratio have been affected since the liabilities in the balance sheet increased. The leases recognized in the balance sheet mainly relate to rent for premises. Enzymatica has used a simplified method for the transition to IFRS 16. Under the simplified method, the opening balance is adjusted for the right-to-use asset and the liability is calculated as the remaining payments. The value of the right-to-use asset is based on the liability. Leases shorter than 12 months have not been taken into account. When calculating the liability for the remaining lease payments, an interest rate of 3% has been used as a discount. As a result of the transition to IFRS 16 the balance sheet total increased by SEK 1,300 as of January 1, 2019.

### 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, regulatory permits, 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 2018 Annual Report, page 41.

### Audit

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

## 2019 AGM

Enzymatica's 2019 Annual General Meeting will be held in Lund at 2:30 p.m. on May 7, at the Elite Hotel Ideon in Lund, Sweden.

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

The 2018 annual report was published on Monday, April 1, 2019 and is available at Enzymatica's website [www.enzymatica.se](http://www.enzymatica.se).

## Upcoming financial information

Interim report, January–June 2019	July 17, 2019
Interim report, January–September 2019	November 5, 2019
Year-end report 2019	February 13, 2020

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, Tuesday, May 7, 2019

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

## For questions about this report, please contact:

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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 Tuesday, May 7, 2019.

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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.  
Tel: +46 (0)8-463 83 00  
Email: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se)

## Consolidated Income Statement in Summary

All amounts in SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
<b>Operating income</b>			
Net sales	13 289	15 091	52 560
Cost of goods sold	-3 512	-4 383	-15 756
<b>Gross profit</b>	<b>9 777</b>	<b>10 708</b>	<b>36 805</b>
Sales & Marketing expenses	-8 911	-8 708	-29 236
Administrative expenses	-6 708	-7 051	-28 559
Research and development costs	-6 233	-4 785	-20 815
Other operating income	184	228	1 225
<b>Operating profit/loss</b>	<b>-11 891</b>	<b>-9 607</b>	<b>-40 580</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items	224	30	768
Interest expenses and similar profit/loss items	-218	-345	-2 337
<b>Profit/loss after financial items</b>	<b>-11 885</b>	<b>-9 921</b>	<b>-42 150</b>
Tax expenses	-334	-224	-429
<b>Profit/loss for the period</b>	<b>-12 219</b>	<b>-10 145</b>	<b>-42 579</b>
<b>Other comprehensive income:</b>			
<i>Items that have been redirected or may be included in the profit/loss:</i>			
Translation difference of subsidiaries	-251	987	-309
<b>Total other comprehensive income, net of tax</b>	<b>-251</b>	<b>987</b>	<b>-309</b>
<b>Total comprehensive income for the period</b>	<b>-12 469</b>	<b>-9 158</b>	<b>-42 888</b>
Share attributable to parent company shareholders	-12 469	-9 158	-42 888
<b>Per share data</b>	<b>Jan-Mar 2019</b>	<b>Jan-Mar 2018</b>	<b>Jan-Dec 2018</b>
Earnings per share, SEK (basic and diluted)	-0,09	-0,11	-0,45
Equity per share, SEK	1,03	1,12	1,12
Equity-asset ratio, %	87%	81%	86%
Number of outstanding shares	142 823 696	90 887 808	90 887 808
Average number of outstanding shares (basic and diluted)	142 823 696	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 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	13 289	18 945	13 232	5 293	15 091
Gross profit/loss	9 777	14 126	9 253	2 718	10 708
Gross margin in %	74%	75%	70%	51%	71%
Operating costs	-21 852	-21 420	-18 627	-18 019	-20 544
Operating profit/loss	-11 891	-6 778	-9 175	-15 019	-9 607
Profit/loss for the period	-12 219	-7 361	-9 561	-15 512	-10 145
Cash flow	-16 306	60 841	6 308	-4 882	-2 840

## Consolidated Balance Sheet in Summary

All amounts in SEK thousand	2019-03-31	2018-03-31	2018-12-31
<b>Assets</b>			
Intangible assets	88 021	93 471	89 383
Property, plant & equipment	5 706	5 225	4 538
Financial assets	888	1 576	1 236
Inventories	6 988	5 768	5 552
Trade receivables	10 140	8 023	10 443
Other receivables	3 263	2 616	3 719
Cash and cash equivalents	53 917	8 190	70 301
<b>Total assets</b>	<b>168 922</b>	<b>124 870</b>	<b>185 172</b>
<b>Equity and liabilities</b>			
Equity	147 375	101 720	159 660
Long-term interest-bearing liabilities	3 780	5 296	3 873
Current interest-bearing liabilities	2 503	1 758	1 749
Trade payables	7 298	9 019	10 222
Other liabilities	7 967	7 077	9 668
<b>Total equity and liabilities</b>	<b>168 922</b>	<b>124 870</b>	<b>185 172</b>

## Consolidated statement of changes in equity

All amounts in SEK thousand	2019-03-31	2018-03-31	2018-12-31
Opening balance	159 660	110 695	110 695
New share issue	-	-	98 678
Issue expenses related to New share issue	-	-	-7 569
Effect of employee share ownership plan	184	183	745
Total comprehensive income for the period	-12 469	-9 158	-42 888
<b>Closing balance</b>	<b>147 375</b>	<b>101 720</b>	<b>159 660</b>

## Consolidated cash flow statement

All amounts in SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
<b>Operating profit/loss</b>	-11 891	-9 607	-40 580
Financial items	6	-314	-1 568
Adjustments for non-cash items	1 629	2 202	6 804
<b>Cash flow from operating activities before changes in working capital</b>	<b>-10 256</b>	<b>-7 719</b>	<b>-35 345</b>
Changes in working capital	-5 303	6 159	6 552
<b>Cash flow from operating activities</b>	<b>-15 558</b>	<b>-1 560</b>	<b>-28 793</b>
Capitalization of development expenditure	-	-	-
Acquisition/disposal of property, plant & equipment	-315	-196	-520
<b>Cash flow from investing activities</b>	<b>-315</b>	<b>-196</b>	<b>-520</b>
New share issue	-	-	98 678
Transaction costs attributable to new share issue	-	-	-7 569
Change in bank/overdraft facilities	-433	-1 084	-2 368
<b>Cash flow from financing activities</b>	<b>-433</b>	<b>-1 084</b>	<b>88 740</b>
<b>Total cash flow for the period</b>	<b>-16 306</b>	<b>-2 840</b>	<b>59 428</b>
Cash and cash equivalents at start of period	70 301	10 932	10 932
Translation difference cash and cash equivalents	-78	98	-60
<b>Cash and cash equivalents at end of period</b>	<b>53 917</b>	<b>8 190</b>	<b>70 301</b>

## Parent company income statement

All amounts in SEK thousand	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
<b>Operating income</b>			
Net sales	12 117	13 687	48 028
Cost of goods sold	-5 279	-5 949	-19 128
<b>Gross profit</b>	<b>6 839</b>	<b>7 738</b>	<b>28 900</b>
Sales & Marketing expenses	-8 417	-8 156	-26 409
Administrative expenses	-5 046	-5 197	-21 756
Research and development costs	-6 737	-5 350	-22 482
Other operating income	2	0	0
<b>Operating profit/loss</b>	<b>-13 360</b>	<b>-10 964</b>	<b>-41 748</b>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items	0	40	97
Interest expenses and similar profit/loss items	-196	-164	-1 710
<b>Profit/loss after financial items</b>	<b>-13 556</b>	<b>-11 088</b>	<b>-43 361</b>
Tax expenses	-	-	-
<b>Profit/loss for the period</b>	<b>-13 556</b>	<b>-11 088</b>	<b>-43 361</b>

## Parent company balance sheet

All amounts in SEK thousand	2019-03-31	2018-03-31	2018-12-31
<b>Assets</b>			
Intangible assets	25 714	31 164	27 077
Property, plant & equipment	10	45	12
Financial assets	20 017	19 700	20 017
Inventories	4 873	4 901	3 992
Trade receivables	9 264	7 172	9 847
Receivables from group companies	0	0	0
Other receivables	2 196	1 555	2 812
Cash and bank balances	47 564	6 334	68 776
<b>Total assets</b>	<b>109 639</b>	<b>70 872</b>	<b>132 532</b>
<b>Equity and liabilities</b>			
Equity	89 886	44 605	103 442
Long-term interest-bearing liabilities	2 683	4 083	3 033
Current interest-bearing liabilities	1 400	1 400	1 400
Liabilities to group companies	2 020	6 211	6 508
Trade payables	6 935	8 402	9 755
Other liabilities	6 715	6 170	8 394
<b>Total equity and liabilities</b>	<b>109 639</b>	<b>70 872</b>	<b>132 532</b>