



## Interim Report January – September 2019



*Above: This shows a layout of how an improvement of our flue-gas cleaning will look in our plant in Åsensbruk*

## Interim report Scandinavian Enviro Systems AB (publ) January – September 2019

### Enviro's writes two term sheets with partner in the US

*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

#### Q3 2019

- Net revenues for the period were MSEK 0.2 (0.3)
- Earnings after tax for the period were MSEK -10.2 (-8.9)
- Earnings per share for the period (before dilution) was SEK -0.03 (-0.07)
- Cash flow for the period after investments was MSEK -8.9 (-6.3)
- Enviro signs a term sheet with TreadCraft Carbon LLC regarding a plant for recovering of Carbon Black, oil and steel from ELT (End of Life Tyres)
- Enviro is going to start up a fully owned holding company in the US as part of the establishment of local plants
- The company signs another term sheet with TreadCraft Carbon LLC, this time regarding the terms and conditions for a license agreement
- Enviro develops financing solutions for plants based on international corporate bonds
- Additional capital of around MSEK 48.6 MSEK before transaction costs has been allocated to the Company through the exercise of warrants (TO2)

#### Jan-September 2019

- Net revenues for the period were MSEK 0.5 (0.9)
- Earnings after tax for the period were MSEK -31.7 (-28.0)
- Earnings per share for the period (before dilution) was SEK -0.10 (-0.23)
- Cash flow for the period after investments was MSEK -29.0 (-19.6)
- Trelleborg Lanka places a serial sales order amounting to a yearly value of around KEUR 180,000
- Elysium Aps (which is a possible candidate to become a joint venture with Enviro as co-owner) signs a rental agreement in Denmark for a plant in Nyborg
- A Life Cycle Analysis (LCA) covering Enviro's recovered carbon black concludes that its creation saves around 80% CO2 emissions compared to production of virgin carbon black (see graph below)

#### Significant events after end of period

- No events to report

**Scandinavian Enviro Systems AB (publ)** is an environmental business that offers profitable recycling of tyres and refined material primarily for the rubber industry. The company sells and plans to (co)own environmental plants to/together with industrial investors and operates its own facility for End of Life tyres in Åsensbruk, Sweden. Enviro, with its head quarter in Gothenburg, Sweden, was founded in 2001, and has around 20 employees. It is listed on Nasdaq First North with Mangold Fondkommission AB as certified advisor, telephone +46 8 503 015 50, E-mail [ca@mangold.se](mailto:ca@mangold.se), [www.envirosystems.se](http://www.envirosystems.se)

## **Enviros' recovery technology has the potential to solve the pivotal sustainability issues we are facing in the tyre and rubber industry**

**Our proprietary technology for the efficient and profitable recovery of end-of-life tyres is attracting increasing interest. Of course, this has a lot to do with the prevailing trends and legislation in the industry, but it also has a lot to do with the clear benefit we offer the customer. Our technology offers our customers solutions to issues relating to resources and the environment, while simultaneously generating revenue from the recovered materials - a win-win combination, the benefits of which are becoming increasingly apparent.**

The manufacture of virgin carbon black, a central component in rubber production, is very resource and energy intensive, meaning that both the manufacturing process and use of end products have a significant impact on the environment. For this reason, many markets have an explicit producer responsibility, which means that manufacturers are required to take back and recover end-of-life car tyres. However, the options for material recovery are not very extensive today. A significant proportion of collected end-of-life tyres are simply incinerated as fuel in a number of industrial processes (in cement production, for example). Or, end-of-life tyres may be shredded into fine granules for use in a variety of construction applications. These methods do not allow important materials, such as carbon black, oil and steel to find their way back to the tyre manufacturers - materials they need for the production of new tyres and rubber components.

In the past, it has not been possible to recover carbon black at the quality level needed for products that demand higher levels of quality, but due to recent technical advances - which continue at a rapid pace - the interest in materials recovery has been steadily increasing in the rubber industry. We can see this firsthand in our day-to-day customer contacts. And recently, there was clear evidence of this shift when the tyre manufacturer Continental signed a five-year supply agreement with our German competitor Pyrolyx.

If one looks at the big picture purely from a business perspective, there are clearly tremendous benefits to be had by tyre manufacturers when more resource efficient recovery methods are used. Added to this is another dimension that is equally important, if not more important - sustainability. This is where the value and benefit that our technology offers the customer come in. Our method does more than simply turning end-of-life tyres into granules, it provides the opportunity to reuse not only the carbon black but the oil and steel as well. According to IVL, the Swedish Environmental Research Institute, rubber produced from recovered carbon black instead of virgin carbon black results in between 79 to 84 percent lower carbon dioxide emissions. The recovered oil can be reused in a number of industrial applications as can the recovered steel.

The benefit we offer the customer is a tremendous selling point in many of the negotiations we engage in around the world with regard to the establishment of recycling plants. Our goal is to become co-owners of these new recycling plants for a number of reasons: we get the opportunity to keep an eye on quality control for the materials recovered in these plants, and above all, we are on the receiving end of the revenue stream this method of materials recovery will create.

However, the fact that we are now striving for co-ownership of plants, which is a much different objective than our previous strategy, makes the process of establishing new plants more complicated, as it requires more complex financial and contractual arrangements. That is the reason negotiations with Danish WindSpace A/S and the American company, Treadcraft, have extended for so long. In both cases, negotiations are ongoing, and we are moving forward one step at a time. This quarter, we were excited to announce that we will start a US holding company for co-owned recycling facilities on US soil. Additionally, we also signed a term sheet with TreadCraft Carbon for the establishment of a jointly owned plant. During the quarter, we also announced that we are now working to develop a financing solution based on an international bond.

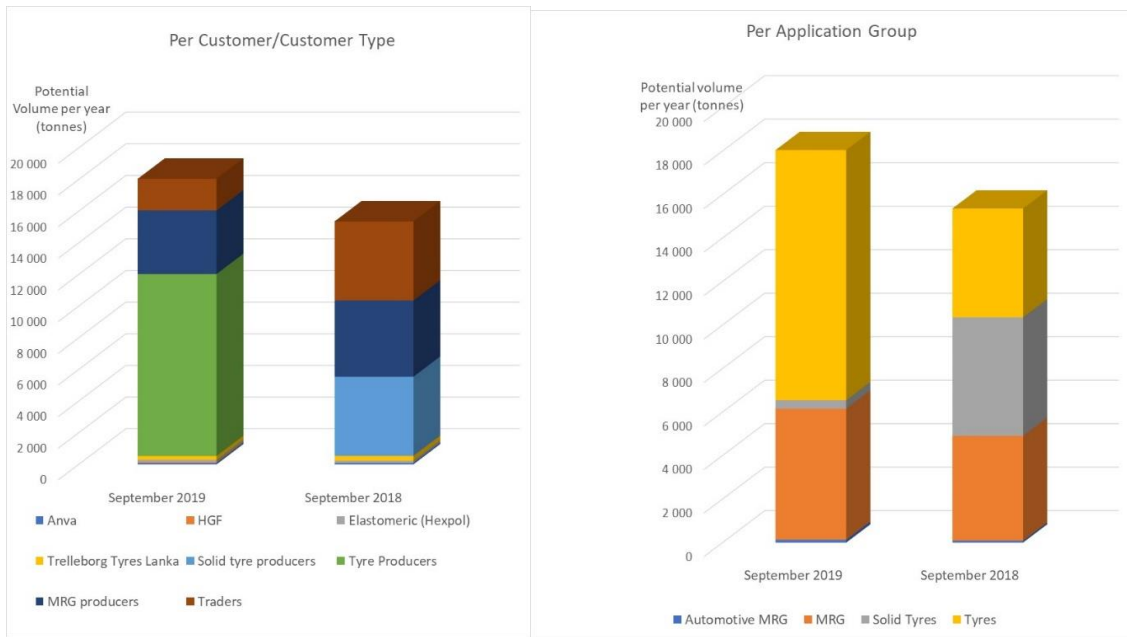
During the recently concluded quarter, the final part of last year's rights issue was also completed. The warrants issued in conjunction with this right issue expired in September. The issue has provided the company with a capital infusion of approximately SEK 48.6 million before transaction costs. We are very pleased with this result, as it places us in a great position to work further towards our first major plant deal.

Requirements for recovery and recycling present major challenges for the tyre industry. Enviro offers an attractive solution to these challenges, and we are confident that our technology and strategy will continue to benefit the company and its valued shareholders going forward.

*Thomas Sörensson*

*Chief Executive Officer*

**Below: Current status of Enviro’s carbon black and potential carbon black customers.**



The lowest status of the customers on this list is where production tests have or are being conducted.

**Below: Status ongoing customer contacts regarding future plants**

Customer	Cap. 'tonnes tyres/year	Status	Type	Country
TreadCraft	30	Signed Term sheet	Recycling	USA
WindSpace	30	MoU	Investor	Denmark
EE-TTD Cleveland LLC	30	Under structuring	Tyre recycling	USA
Not official	30	Quotation	Recycling/Investmen	USA
Not official	30	Quotation	Investor/Industri	Abu Dhabi
Not official	30	Quotation	Tyre Manufacturer	Chile

The above listed projects are the ones Enviro assesses as having the biggest probability to be realised. As a result of the new business model we will prioritize projects where we evaluate that a co-ownership will be the most favourable one. A clearer focus will result in the fact that this list will be shorter due to more efficient utilisation of our resources and possibilities where we can create the best profitability according to the business model.

## Financial summary

### Q3 2019

#### Group revenues and results

Net revenues for the period were MSEK 0.2 (0.3). Operating results totalled MSEK -10.2 (-8.2), and earnings after tax were MSEK -10.2 (-8.9).

On the other hand, total turnover and gross profit has been stabilised and has increased during Q3 as the plant has been taken into operation after a number of investment projects during spring and summer. The decrease of the result is mainly explained by higher external costs of MSEK 1.7 consisting of mainly legal costs in connection with creation of future agreements, patent costs and running costs that are not balanced during the implementation of the plant in Åsensbruk. Further the personnel costs of totally MSEK 0.4 higher than last year mainly in connection with additional employment of staff, travelling expenses and staff returning from maternity leave. The interest net is MSEK 0.6 better than last year thanks to that all interest-bearing short-term loans in the mother company have been amortized.

#### Investments and financial standing

During the quarter investments made were of MSEK 1.8 (0.1). The investments are related to additional investments in the plant in Åsensbruk as well as ongoing patents. Cash flow from operating activities after investing activities for the period were MSEK -8.9 (-6.3). The decrease is mainly due to lower operating income as well as interest net of MSEK 1. compared to Q3 2018, but also due to a higher CAPEX of MSEK 1.4 compared to last year. This is compensated with an improvement of the change of the working capital of MSEK 0.7 compared to the same period last year. The warrant (TO2), which was a part of the rights issue from 2018-2019, has been effectuated during the quarter. The exercise percentage was 58 percent, which lead to an allocation of around MSEK 48.6 before transaction costs. The final registration of the new shares occurred in the beginning of October 2019. The share capital increased from around MSEK 13,7 to MSEK 18,6. The dilution effect for the shareholders who did not participate in the exercise was around 26 percent.

### JANUARY – JUNE 2019

#### Group revenues and results

Net revenues for the period were MSEK 0.5 (0.9). Operating results totalled MSEK -31.4 (-26.6), and earnings after tax were MSEK -31.7 (-28.0). The decrease of the result compared to last year is mainly explained of by the following factors: A lower gross profit due to lower utilisation of the recovery plant during the first six months (MSEK 0.2), higher fixed costs in connection with legal support for future agreements, marketing costs and running costs in connection with improvements in the plant in Åsensbruk of totally MSEK 3.0. The personnel costs of totally MSEK 1.5 higher than last year mainly in connection with additional employment of staff, travelling expenses and staff returning from maternity leave. The interest net is MSEK 1.1 lower thanks to that all interest-bearing loans in the mother company now have been amortised.

#### Investments and financial standing

Investments of the group in fixed assets amounted to MSEK 6.3 (0.3). On top of that the company has paid a deposit of MSEK 0.2 in connection with a new office rental contract. The investments consist of additional investments in the plant in Åsensbruk and of patent application costs. The cash flow from operating activities after investing activities for the period were MSEK -29.0 (-19.6). The decrease in the cashflow is mainly due to lower operating income after adjustment of working capital of MSEK 3.2 as well as higher investments of MSEK 6.0 compared to the same period 2018.

The group cash amounted to MSEK 72.4 (7.6) at the end of the period.

The equity/assets ratio was 91 (75) percent.

#### Mother company

The net revenues for the parent company totalled MSEK 2.4 (2.4), and profit after financial items was MSEK -34.5 (-32.0). All revenues are for services charged to subsidiaries. The most significant cause of the reduced result is higher operating expenses, mainly legal costs and marketing expenses which are MSEK 2.4 higher than last year as well as staff expenses, which are MSEK 1.0 higher than last year in connection with among others travelling expenses and staff returning from maternity leave. The interest net has improved with MSEK 0.9 due to that all interest bearing, short term liabilities have been amortized. The investments in fixed assets

amounted to MSEK 0.4 (0.3). The investments of the year are mainly related to the patents of the Company.

The Equity/assets ratio at the period-end was 97 (86) %.

#### Staff and Organisation

The group has 20 (16) employees at the period-end.

#### Executed transactions with related parties

There has been no transactions with related parties during the period.

#### Number of shares

Total shares outstanding at the end of the period was 343,249,764 (116,370,291). Additional to that there are 121,411,128 shares, which were registered in the beginning of October 2019, as a result of the exercise of TO2, a warrant that

was a part of the latest share rights issue. After this registration of the latest shares the total number of shares is 464,660,892.

#### Risks and uncertainties

A detailed description of risks and uncertainty factors is provided on pages 18-22 in the 2018 share issue prospectus. No new risks are assessed to have arisen in relation to those listed there.

#### FINANCIAL KEY RATIOS

##### Accounting policies

The consolidated reports for the group are prepared in compliance with the Swedish Annual Accounts Act, and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3). Applicable accounting policies are detailed in the company consolidated annual report note 1.

## Financial Key Ratios

	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
EBITDA (KSEK)	-21,830	-17,100	-23,445
Operating margin (%) <sup>1)</sup>	neg.	neg.	neg.
Equity ratio (%)	91,1%	76,3%	83,6%
Return on capital employed (%) <sup>2)</sup>	-17,3%	-20,9%	-23,0%
Interest-bearing liabilities (KSEK) <sup>3)</sup>	7,904	23,072	22,280
Earnings per share before dilution (SEK)	-0,10	-0,23	-0,32

<sup>1)</sup> Operating income as a percentage of net sales.

<sup>2)</sup> Capital employed; equity plus interest bearing liabilities. Return on capital employed is calculated as earnings after financial items plus interest expenses divided by average capital employed.

<sup>3)</sup> Interest bearing liabilities, ending balance.

## Largest shareholders

October 11, 2019\*

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Shareholders	Ownership share
Pegroco Invest AB (including Pegroco Holding AB)	7,82%
Försäkringsbolaget Avanza Pension	6,99%
Nordnet Pensionsförsäkring AB	4,07%
TAMT AB (including main owner)	3,32%
Lennart Persson	2,56%
<b>10 largest owners</b>	<b>30,12%</b>
<b>Others</b>	<b>69,88%</b>

\*Includes the registration of new shares in connection with the warrant, TO2



### Planned reporting schedule

Year End Report 2019	Feb 28, 2020
Annual Report 2019	Apr 23, 2020
Interim Report Jan-Mar 2020	May 19, 2020
General Meeting 2020	May 19, 2020

Gothenburg Nov 21, 2019

The board of directors and Chief Executive Officer

Scandinavian Enviro Systems AB (publ)

This interim report has not been subject to auditing by the company's auditors.

### Questions answered by

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Urban Folcker, CFO, Phone: +46 760 00 13 11, [urban.folcker@envirosystems.se](mailto:urban.folcker@envirosystems.se)



**CONSOLIDATED STATEMENT OF INCOME**

Amounts in KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
<b>Operating income</b>					
Net sales	189	251	480	865	1,129
Other operating income	-	-	33	37	345
Changes in stocks of finished goods	235	- 15	116	- 127	- 17
	<b>424</b>	<b>237</b>	<b>629</b>	<b>775</b>	<b>1,457</b>
<b>Operating expenses</b>					
Raw materials and consumables	- 217	- 144	- 442	- 426	- 600
Other external costs	- 3,603	- 1,926	- 10,505	- 7,500	- 10,608
Personnel costs	- 3,581	- 3,176	- 11,511	- 9,949	- 13,693
Depreciation of tangible and intangible assets	- 2,880	- 2,862	- 8,608	- 8,568	- 11,433
Amortization of acquired goodwill	- 305	- 305	- 914	- 914	- 1,219
	- 10,585	- 8,412	- 31,981	- 27,357	- 37,554
<b>Operating profit/loss</b>	<b>- 10,162</b>	<b>- 8,176</b>	<b>- 31,352</b>	<b>- 26,583</b>	<b>- 36,097</b>
<b>Profit/loss from financial items</b>					
Interest income and similar items	34	23	94	42	61
Interest expenses and similar items	- 122	- 758	- 399	- 1,409	- 2,749
	- 88	- 736	- 305	- 1,367	- 2,689
<b>Profit/loss after financial items</b>	<b>- 10,250</b>	<b>- 8,911</b>	<b>- 31,657</b>	<b>- 27,950</b>	<b>- 38,786</b>
Tax for the period	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>- 10,250</b>	<b>- 8,911</b>	<b>- 31,657</b>	<b>- 27,950</b>	<b>- 38,786</b>
Number of shares at the end of the period	343,249,764	128,839,140	343,249,764	128,839,140	132,019,140
Average number of shares before dilution	343,249,764	125,974,162	320,811,346	119,800,639	122,720,995
Average number of shares after dilution	343,249,764	125,974,162	320,811,346	119,800,639	122,720,995
Earnings per share before dilution (SEK)	- 0,03	- 0,07	- 0,10	- 0,23	- 0,32
Earnings per share after dilution (SEK)	- 0,03	- 0,07	- 0,10	- 0,23	- 0,32

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in KSEK	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
<b>Committed but not paid capital</b>	-	-	<b>45,069</b>
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development	36,182	41,299	40,020
Patents and similar rights	4,091	4,295	4,200
Goodwill	5,181	6,400	6,095
	<b>45,454</b>	<b>51,994</b>	<b>50,316</b>
<i>Property, plant and equipment</i>			
Machinery and other technical facilities	66,972	66,364	65,349
Equipment, tools, and installations	116	75	72
	<b>67,088</b>	<b>66,439</b>	<b>65,421</b>
<i>Financial non-current assets</i>			
Other non-current receivables	148	-	-
	<b>148</b>	<b>-</b>	<b>-</b>
<b>Total fixed assets</b>	<b>112,690</b>	<b>118,433</b>	<b>115,737</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Raw materials and consumables	82	38	97
Goods in progress	-	10	63
Finished products and goods for resale	295	59	116
	<b>377</b>	<b>106</b>	<b>276</b>
<i>Current receivables</i>			
Trade receivables	95	186	148
Other receivables	2,183	2,163	2,011
Prepaid costs and accrued income	1,185	764	847
	<b>3,464</b>	<b>3,113</b>	<b>3,006</b>
<i>Cash and cash equivalents</i>			
	<b>72,480</b>	<b>7,647</b>	<b>24,869</b>
<b>Total current assets</b>	<b>76,320</b>	<b>10,867</b>	<b>28,151</b>
<b>TOTAL ASSETS</b>	<b>189,010</b>	<b>129,300</b>	<b>188,957</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13,730	5,281	5,281
Other capital contributions	382,197	272,350	344,728
Other capital, including profit/loss for the year	- 223,668	- 179,000	- 192,011
	<b>172,259</b>	<b>98,630</b>	<b>157,997</b>
<b>Non-current liabilities</b>			
Other liabilities to credit institutions	4,736	7,904	7,112
	<b>4,736</b>	<b>7,904</b>	<b>7,112</b>
<b>Current liabilities</b>			
Amounts owed to credit institutions	3,168	3,168	3,168
Trade payables	1,027	1,557	2,629
Other current liabilities	2,891	15,078	14,787
Accrued expenditures and prepaid income	4,929	2,962	3,263
	<b>12,015</b>	<b>22,766</b>	<b>23,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>189,010</b>	<b>129,300</b>	<b>188,957</b>

**CHANGES IN EQUITY, CONSOLIDATED**

Amounts in KSEK	Jan 1 - Sep 30, 2019		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>5,281</b>	<b>344,728</b>	<b>- 192,011</b>
Profit/loss for the period	-	-	- 31,657
Fund for development costs	-	-	- 186
Profits brought forward	-	-	186
New share issue	8,449	40,115	-
Expenses related to issue	-	- 2,646	-
<b>Closing balance, equity</b>	<b>13,730</b>	<b>382,197</b>	<b>- 223,668</b>

Amounts in KSEK	Jan 1 - Sep 30, 2018		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>4,655</b>	<b>261,742</b>	<b>- 153,226</b>
Profit/loss for the period	-	-	- 27,950
Fund for development costs	-	-	- 279
Profits brought forward	-	-	279
New share issue	626	12,996	-
Expenses related to issue	-	- 213	-
<b>Closing balance, equity</b>	<b>5,281</b>	<b>274,525</b>	<b>- 181,175</b>

	Jan 1 - Dec 31, 2018		
	Share capital	Other capital contributions	Other equity, including profit/loss for the year
<b>Opening balance, equity</b>	<b>4,655</b>	<b>261,742</b>	<b>- 153,226</b>
Profit/loss for the period	-	-	- 38,786
Fund for development costs	-	-	- 279
Profits brought forward	-	-	279
New share issue	626	97,488	-
Expenses related to issue	-	- 14,502	-
<b>Closing balance, equity</b>	<b>5,281</b>	<b>344,728</b>	<b>- 192,011</b>

**STATEMENT OF CASH FLOW, CONSOLIDATED**

Amounts in KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
<i>Operating activities</i>					
Operating profit/loss	- 10,162	- 8,176	- 31,352	- 26,583	- 36,097
Adjustments for items not part of the cash flow	3,184	3,167	9,522	9,483	12,652
Capital gain/loss on fixed assets	-	-	-	4	4
Interest received	34	23	94	42	61
Interest paid	- 122	- 758	- 399	- 1,409	- 2,749
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 7,066</b>	<b>- 5,745</b>	<b>- 22,135</b>	<b>- 18,464</b>	<b>- 26,130</b>
<i>Cash flow from changes in working capital</i>					
Increase (-) / reduction (+) in inventories	- 156	31	- 101	174	4
Increase (-) / reduction (+) in trade receivables	- 1	30	53	- 116	- 78
Increase (-) reduction (+) in other receivables	- 169	128	- 510	- 35	33
Increase (+)/reduction (-) in trade payables	- 959	- 513	- 1,602	- 7	1,065
Increase (+)/reduction (-) in current liabilities	1,197	- 161	1,770	- 858	152
<b>Cash flow from ordinary course of business</b>	<b>- 7,153</b>	<b>- 6,231</b>	<b>- 22,525</b>	<b>- 19,306</b>	<b>- 24,953</b>
<b>Investment activities</b>					
Acquisition of intangible assets	- 174	- 117	- 381	- 338	- 402
Acquisition of property, plant and equipment	- 1,594	-	- 5,947	-	- 409
Changes in long-term receivables	-	-	- 148	-	-
<b>Cash flow from investment activities</b>	<b>- 1,769</b>	<b>- 117</b>	<b>- 6,476</b>	<b>- 338</b>	<b>- 811</b>
<b>Financing activities</b>					
New rights issue	-	5,796	45,069	11,319	13,622
Expenses related to issue	- 2,212	- 213	- 2,646	- 213	- 14,502
Ongoing rights issue	48,564	2,303	48,564	2,303	39,423
Amortisation/Increase of debts	- 792	- 992	- 14,376	4,416	2,624
<b>Cashflow from financing activities</b>	<b>45,560</b>	<b>6,894</b>	<b>76,611</b>	<b>17,825</b>	<b>41,167</b>
<b>Cash flow for the period</b>	<b>36,638</b>	<b>546</b>	<b>47,610</b>	<b>- 1,819</b>	<b>15,403</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>35,841</b>	<b>7,101</b>	<b>24,869</b>	<b>9,466</b>	<b>9,466</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>72,479</b>	<b>7,647</b>	<b>72,479</b>	<b>7,647</b>	<b>24,869</b>

**STATEMENT OF INCOME, PARENT COMPANY**

Amounts in KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
<b>Operating revenues</b>					
Net sales	798	798	2,394	2,394	3,192
Other Operating Income	-	-	33	37	345
	<b>798</b>	<b>798</b>	<b>2,427</b>	<b>2,431</b>	<b>3,537</b>
<b>Operating expenses</b>					
Other external costs	- 8,515	- 7,251	- 25,375	- 22,971	- 30,760
Personnel expenses	- 2,188	- 2,082	- 7,247	- 6,271	- 8,575
Depreciation of tangible and intangible assets	- 1,457	- 1,441	- 4,341	- 4,304	- 5,745
	- 12,160	- 10,774	- 36,963	- 33,547	- 45,081
<b>Operating profit/loss</b>	<b>- 11,362</b>	<b>- 9,976</b>	<b>- 34,536</b>	<b>- 31,116</b>	<b>- 41,545</b>
<b>Profit/loss from financial items</b>					
Interest income and similar items	34	-	94	4	4
Interest expenses and similar items	- 0	- 611	- 29	- 927	- 2,032
	34	- 611	65	- 923	- 2,028
<b>Profit/loss after financial items</b>	<b>- 11,328</b>	<b>- 10,587</b>	<b>- 34,470</b>	<b>- 32,039</b>	<b>- 43,573</b>
Group contributions	-	-	-	-	6,200
<b>Profit/loss after balance sheet allocations</b>	<b>- 11,328</b>	<b>- 10,587</b>	<b>- 34,470</b>	<b>- 32,039</b>	<b>- 37,373</b>
Tax on net profits for the period					
<b>Profit/loss for the period</b>	<b>- 11,328</b>	<b>- 10,587</b>	<b>- 34,470</b>	<b>- 32,039</b>	<b>- 37,373</b>

**STATEMENT OF FINANCIAL POSITION, PARENT COMPANY**

Amounts in KSEK	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
<b>Committed but not paid capital</b>	-	-	<b>45,069</b>
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Capitalized expenditures for development	36,132	41,249	39,970
Patents and similar rights	4,091	4,295	4,200
	<b>40,223</b>	<b>45,544</b>	<b>44,170</b>
<i>Tangible fixed assets</i>			
Equipment, tools, and installations	116	75	72
	<b>116</b>	<b>75</b>	<b>72</b>
<i>Financial non-current assets</i>			
Investments in group companies	36,891	36,891	36,891
Long-term receivables, group enterprises	29,666	25,326	29,211
Other long-term receivables	148	-	-
	<b>66,704</b>	<b>62,216</b>	<b>66,101</b>
<b>Total fixed and non-current assets</b>	<b>107,043</b>	<b>107,836</b>	<b>110,344</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Other receivables	2,074	2,038	1,951
Prepaid costs, accrued earnings	771	390	473
	<b>2,845</b>	<b>2,428</b>	<b>2,425</b>
<i>Cash and cash equivalents</i>			
	<i>71,003</i>	<i>6,198</i>	<i>23,553</i>
<b>Current assets, total</b>	<b>73,848</b>	<b>8,626</b>	<b>25,978</b>
<b>TOTAL ASSETS</b>	<b>180,891</b>	<b>116,462</b>	<b>181,391</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	13,730	5,281	5,281
Share capital not registered	4,856	-	8,449
Statutory reserve	502	502	502
Fund for development expenses	2,913	3,285	3,192
<i>Unrestricted equity</i>			
Share premium reserve	335,343	271,848	274,024
Ongoing share issue	43,708	2,175	76,043
Share right issue costs	- 2,212	-	- 14,290
Retained earnings	- 188,100	- 151,099	- 151,006
Profit/loss for the period	- 34,470	- 32,039	- 37,373
	<b>176,271</b>	<b>99,953</b>	<b>164,822</b>
<b>Current liabilities</b>			
Amounts owed to credit institutions	-	-	-
Trade payables	464	853	1,141
Other current liabilities	1,399	13,618	13,367
Accrued costs and prepaid income	2,758	2,038	2,061
	<b>4,620</b>	<b>16,509</b>	<b>16,568</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,891</b>	<b>116,462</b>	<b>181,391</b>

**CHANGES IN EQUITY, MOTHER COMPANY**

Amounts in KSEK									Jan 1-Sep 30, 2019			
	Restricted equity				Fund for development costs	Unrestricted equity						
	Share capital	Ongoing rights issue	Statutory reserve			Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period			
<b>Opening balance, equity</b>	<b>5,281</b>	<b>8,449</b>	<b>502</b>		<b>3,193</b>	<b>274,024</b>	<b>61,753</b>	<b>- 151,006</b>	<b>- 37,373</b>			
Adjustment of previous year's profit and loss	-	-	-	-	-	-	-	- 37,373	37,373			
Profit/loss for the period	-	-	-	-	-	-	-	-	- 34,470			
Fund for development costs	-	-	-	-	- 279	-	-	279	-			
New share issue	8,449	- 3,593	-	-	-	76,043	- 18,045	-	-			
Expenses related to issue	-	-	-	-	-	- 14,724	- 2,212	-	-			
<b>Closing balance, equity</b>	<b>13,730</b>	<b>4,856</b>	<b>502</b>		<b>2,914</b>	<b>335,343</b>	<b>41,496</b>	<b>- 188,100</b>	<b>- 34,470</b>			

									Jan 1-Sep 30, 2018			
	Restricted equity				Fund for development costs	Unrestricted equity						
	Share capital	Ongoing rights issue	Statutory reserve			Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period			
<b>Opening balance, equity</b>	<b>4,655</b>	<b>-</b>	<b>502</b>		<b>3,565</b>	<b>261,240</b>	<b>-</b>	<b>- 115,885</b>	<b>- 35,493</b>			
Adjustment of previous year's profit and loss	-	-	-	-	-	-	-	- 35,493	35,493			
Profit/loss for the period	-	-	-	-	-	-	-	-	- 32,039			
Fund for development costs	-	-	-	-	- 279	-	-	279	-			
New share issue	626	-	-	-	-	12,995	-	-	-			
Expenses related to issue	-	-	-	-	-	- 213	-	-	-			
<b>Closing balance, equity</b>	<b>5,281</b>	<b>-</b>	<b>502</b>		<b>3,286</b>	<b>274,022</b>	<b>-</b>	<b>- 151,099</b>	<b>- 32,039</b>			

									Jan 1-Dec 31, 2018			
	Restricted equity				Fund for development costs	Unrestricted equity						
	Share capital	Ongoing rights issue	Statutory reserve			Share premium reserve	Ongoing rights issue	Retained earnings	Profit/loss for the period			
<b>Opening balance, equity</b>	<b>4,655</b>	<b>-</b>	<b>502</b>		<b>3,565</b>	<b>261,240</b>	<b>-</b>	<b>- 115,885</b>	<b>- 35,493</b>			
Adjustment of previous year's profit and loss	-	-	-	-	-	-	-	- 35,493	35,493			
Profit/loss for the period	-	-	-	-	-	-	-	-	- 37,373			
Fund for development costs	-	-	-	-	- 372	-	-	372	-			
New share issue	626	8,449	-	-	-	12,996	76,043	-	-			
Expenses related to issue	-	-	-	-	-	- 212	- 14,290	-	-			
<b>Closing balance, equity</b>	<b>5,281</b>	<b>8,449</b>	<b>502</b>		<b>3,193</b>	<b>274,024</b>	<b>61,753</b>	<b>- 151,006</b>	<b>- 37,373</b>			



**STATEMENT OF CASH FLOW, MOTHER COMPANY**

<b>Amounts in KSEK</b>	<b>Jul-Sep 2019</b>	<b>Jul-Sep 2018</b>	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>	<b>Jan-Dec 2018</b>
<i>Operating activities</i>					
Operating profit/loss	- 11,362	- 9,976	- 34,536	- 31,116	- 41,545
Adjustments for items not part of the cash flow	1,457	1,441	4,341	4,304	5,745
Capital gain/loss on fixed assets	-	-	-	4	4
Interest received	34	-	94	4	4
Interest paid	- 0	- 611	- 29	- 927	- 2,032
<b>Cash flow from operating activities before changes in working capital</b>	<b>- 9,871</b>	<b>- 9,147</b>	<b>- 30,129</b>	<b>- 27,731</b>	<b>- 37,824</b>
<i>Cash flow from changes in working capital</i>					
Increase (-) reduction (+) in other receivables	- 146	52	- 420	- 21	- 17
Increase (+)/reduction (-) in trade payables	- 269	- 307	- 677	409	696
Increase (+)/reduction (-) in current liabilities	154	6	729	- 918	- 147
<b>Cash flow from ordinary course of business</b>	<b>- 10,132</b>	<b>- 9,395</b>	<b>- 30,497</b>	<b>- 28,260</b>	<b>- 37,291</b>
<b>Investment activities</b>					
Acquisition of intangible assets	- 174	- 117	- 381	- 338	- 402
Changes in long-term receivables	1,515	1,815	- 603	6,045	2,160
<b>Cash flow from investment activities</b>	<b>1,341</b>	<b>1,698</b>	<b>- 1,041</b>	<b>5,707</b>	<b>1,758</b>
<b>Financing activities</b>					
New rights issue	-	5,795	45,069	11,319	13,622
Expenses related to issue	- 2,212	- 213	- 2,646	- 213	- 14,502
Ongoing rights issue	48,564	2,303	48,564	2,303	39,423
Group Contributions	-	-	-	-	6,200
Amortisation/increase of debts	-	- 200	- 12,000	7,000	6,000
<b>Cashflow from financing activities</b>	<b>46,352</b>	<b>7,685</b>	<b>78,987</b>	<b>20,409</b>	<b>50,743</b>
<b>Cash flow for the period</b>	<b>37,561</b>	<b>- 11</b>	<b>47,450</b>	<b>- 2,144</b>	<b>15,210</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>33,441</b>	<b>6,210</b>	<b>23,553</b>	<b>8,342</b>	<b>8,342</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>71,002</b>	<b>6,198</b>	<b>71,002</b>	<b>6,198</b>	<b>23,553</b>