



## PROBI AB INTERIM REPORT 1 January 2016 - 31 March 2016

# HIGHEST NET SALES TO DATE FOR A SINGLE QUARTER: MSEK 87.0 (68.9)

### FIRST QUARTER OF 2016

- **NET SALES** amounted to MSEK 87.0 (68.9).
- **OPERATING PROFIT** totalled MSEK 35.3 (27.3).
- **PROFIT AFTER TAX** amounted to MSEK 26.9 (22.4).
- **PROFIT AFTER TAX PER SHARE** was SEK 2.95 (2.45).
- **CASH FLOW** amounted to MSEK 10.0 (18.5).

### SIGNIFICANT EVENTS DURING THE FIRST QUARTER:

- Probi Järn<sup>®</sup>, Probi's product to increase iron absorption, was launched in Sweden.
- Launch of Probi's products in Singapore.
- Probi acquired license for new probiotic strains for food applications from Swedish company Probac.

### SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD:

- New agreement with Ipsen Pharma for the launch of Probi's digestive health capsules in 18 markets

### CEO COMMENTS ON THE OPERATIONS AND FUTURE DEVELOPMENT:

"The first quarter of 2016 was a new record quarter for Probi with net sales of MSEK 87.0. This represents growth of 26%, compared with the very strong first quarter of 2015. Adjusted for currency effects, which were minor, net sales amounted to MSEK 85.2, representing growth of 24%. The operating margin was slightly higher year-on-year, despite heavy reinforcement of the organisation with some ten new recruitments in 2015. While Probi's growth continued in the US, other markets – including Sweden and South Korea – also contributed to the first-quarter increase. We have high expectations of our new agreement with Ipsen Pharma, and expect the partnership to generate considerable volumes in a few years' time, since it covers a number of markets with high potential that are new for us. The agreement is of major strategic importance to Probi and our assessment is that it could be the most comprehensive distribution agreement to date for Probi. Although we anticipate faster growth than the overall market for the full-year 2016, we do not expect to achieve the same percentage growth rate as in 2015," says Peter Nählstedt, CEO of Probi.

### INVITATION TO TELECONFERENCE (SWEDISH):

Time: Wednesday, 27 April 2016 at 10:00 a.m. Tel: +46 (0)8 566 42 665. Participants from Probi: Peter Nählstedt, CEO and Niklas Brandt, CFO. The presentation is available at [www.probi.se](http://www.probi.se) and [www.financialhearings.com](http://www.financialhearings.com)

### FOR FURTHER INFORMATION, PLEASE CONTACT:

Peter Nählstedt, CEO, Probi, tel: +46 (0)46-286 89 23 or +46 (0)723-86 99 83, e-mail: [peter.nahlstedt@probi.se](mailto:peter.nahlstedt@probi.se)  
Niklas Brandt, CFO, Probi, tel: +46 (0)46-286 89 26 or +46 (0)706-62 98 83, e-mail: [niklas.brandt@probi.se](mailto:niklas.brandt@probi.se)

*This information is such that Probi AB is required to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 27 April 2016 at 8:45 a.m.*

*This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails*

### ABOUT PROBI

Probi AB is a Swedish publicly traded bioengineering company that develops effective and well-documented probiotics. Through its world-leading research, Probi has created a strong product portfolio in the gastrointestinal health and immune system niches. Probi's products are available to consumers in more than 30 countries worldwide. Probi's customers are leading food, health-product and pharmaceutical companies in the Functional Food and Consumer Healthcare segments. Probi had sales of MSEK 216 in 2015. The Probi share is listed on NASDAQ OMX Stockholm, Small Cap. Probi has about 3,500 shareholders. For more information, please visit [www.probi.se](http://www.probi.se).

## ABOUT THE OPERATIONS

Following the end of the report period, Probi signed a license and distribution agreement with the French company Ipsen Pharma. The agreement applies to Probi's patented digestive health capsule, which contains the bacterial strain *Lactobacillus plantarum* 299v (LP299V<sup>®</sup>), and to 18 markets, primarily markets within the EU and a number of emerging markets. Probi will supply bulk LP299V<sup>®</sup> capsules and Ipsen will be responsible for packaging, marketing and selling the product. The product is planned to be marketed primarily through pharmacies. It is expected to be launched in the first half of 2017 as a food supplement in the European markets, and then, in other key markets such as Russia and China, depending on regulatory approval. The agreement covers in total 18 markets, many with high growth potential, with an option to include additional countries. The product will be marketed under Ipsen's key brand and Probi's trademark LP299V<sup>®</sup>.

In the first quarter of 2016, Probi Järn<sup>®</sup> was launched in the Swedish market in partnership with Bringwell. Probi's partnership with Bringwell in Consumer Healthcare began in 2010 with the products Probi Mage<sup>®</sup> and Probi Frisk<sup>®</sup>, which now have a market share in excess of 50% in the Swedish market for probiotic dietary supplements. The launch of Probi Järn was successful and several of Probi's existing business partners have shown great interest in the product. Probi Järn is based on a new third product platform, Probi FerroSorb<sup>®</sup>, established by Probi in 2015. The product platform has demonstrated in five clinical trials that Probi's probiotics can increase iron absorption in women of child-bearing age. In this group, 20-30% suffer from iron deficiency and Probi believes there is a great need for a product with bioavailable iron that is gentle on the stomach. Probi's iron product in capsule form comprises a combination of LP299V and iron.

In the first quarter, Probi's revenue in the North American market amounted to MSEK 59.7 (52.9), corresponding to almost 70% of total revenue. In 2015, NBTY upgraded its top-selling product Probiotic 10 by replacing three generic bacterial strains with Probi's documented strains for digestive and immune health. The relaunch of Probiotic 10 under the Nature's Bounty brand was highly successful, with volume growth in existing distribution channels. In early 2016, NBTY received additional listings in the US retail market, including at Walmart.

In the first quarter, a distribution agreement was signed with StarXYZ regarding a launch in Singapore. The launch will include Consumer Healthcare products from Probi's three product platforms Probi Digestis<sup>®</sup>, Probi Immune<sup>®</sup> and Probi FerroSorb. The marketing will primarily be aimed at hospital and clinics, and launch activities will be carried out in the second quarter with participants such as Professor Bengt Jeppsson from Probi. In 2015, Probi established a subsidiary in Singapore to increase market penetration in Asia.

In the Functional Food segment, NextFoods – which sells fruit juice drinks based on Probi's probiotics in the US – showed a positive trend. In 2015, NextFood's growth was just over 20% in local currency and development of the company's market offering continues. The range has recently been expanded with two products without added sugar, a protein shake in three different flavours and a carbonated fruit drink in three different flavours. In the Swedish market, sales of ProViva, which is marketed by Danone, showed a year-on-year volume increase during the first quarter.

In the first quarter of 2016, Probi signed an agreement with Swedish biotech company Probac to acquire a license for two probiotic bacterial strains for use in food applications, primarily dairy products. Probi is hereby strengthening its offering in the Functional Food segment with specific bacterial strains for these types of applications. The license agreement applies world-wide, except for the Nordic countries. The strains are currently used in the Verum<sup>™</sup> product range, which includes yoghurt and soured milk. The range is produced by Norrmejerier, which holds the rights for the Nordic market. The agreement also includes the intellectual property rights for two thermostable bacterial strains, enabling Probi to broaden its offering to new applications in new and growing market segments for probiotics.

Probi continues to invest significant resources in research and development, and a large number of clinical trials are ongoing. Three new trials commenced in the first quarter. Two of the trials involve Probi Digestis, Probi's product platform for digestive health, while the third is in the field of bone health.

## SALES AND COSTS

Probi's net sales during the quarter amounted to MSEK 87.0 (68.9). The overall increase was MSEK 18.1, or 26%. Most of Probi's sales are denominated in foreign currencies, mainly USD and EUR. At constant exchange rates compared with the first quarter of 2015, net sales would have been MEK 1.8 lower, representing growth of 24%.

Net sales in Consumer Healthcare rose MSEK 18.4, or 31%, to MSEK 77.4 (59.0). Sales in the North American market rose MSEK 6.8, due to an increase in deliveries to NBTY. Revenue from Pharmavite declined compared with the year-earlier period. In addition, sales to Sanofi in South Korea, and Bringwell in Sweden, increased. The launch of Probi Järn® in the first quarter accounted for Bringwell's increase. Net sales in Functional Food totalled MSEK 9.6 (10.0).

Operating expenses amounted to MSEK 52.9 (44.4) during the quarter, up MSEK 8.5 year-on-year. Cost of goods sold increased MSEK 2.4, due to an increase in goods sold. Personnel costs were MSEK 0.9 higher year-on-year. Compared with the year-earlier period, the average number of employees increased by ten, and the allocation of variable remuneration to personnel decreased. Other external costs rose MSEK 5.1. Consulting services in sales and administration, and increased costs for clinical trials, accounted for most of the rise.

Operating profit for the quarter totalled MSEK 35.3 (27.3). Adjusted for currency effects, operating profit amounted to MSEK 33.6.

#### **Profit after tax**

Profit after tax was MSEK 26.9 (22.4) for the quarter. Tax expense was MSEK 7.6 (6.4).

#### **Earnings per share**

Earnings per share amounted to SEK 2.95 (2.45) for the quarter.

#### **Cash flow**

Cash and cash equivalents rose MSEK 10.0 (18.5) during the quarter, amounting to MSEK 153.1 (126.7) at the end of the reporting period. Due to increased sales in the first quarter, current receivables rose to MSEK 43.5 (36.4).

#### **Investments**

During the period, investments in intangible assets amounted to MSEK 6.5 (9.0) of which MSEK 0.3 (0.5) pertained to patents, MSEK 4.4 (8.5) to capitalised development expenditure and MSEK 1.8 to a license for bacterial strains acquired from Swedish company Probac. Capitalised development expenditure mainly pertained to clinical trials in immune and digestive health. Investments in tangible assets amounted to MSEK 0.0 (0.4).

Probi conducts prioritised research and development projects to ensure long-term growth. The R&D proportion of operating expenses, excluding goods for resale and depreciation, was 27% (34). If development expenditure capitalised during the period was included, this figure would increase to 37% (53).

### **SEGMENT INFORMATION**

#### **General information**

Probi's business operations are organised in two business segments, each with its own operational manager: Consumer Healthcare and Functional Food. The Consumer Healthcare segment focuses on developing, marketing and selling Probi's probiotics in cooperation with healthcare companies and other companies that specialise in probiotics and health and wellness products under Probi's proprietary brands or those of its partners. The Functional Food segment develops foods that generate positive health benefits. Development in this segment is conducted in partnership with leading food companies, with the aim of commercialising and marketing products with high volume potential.

No business transactions are conducted between the two segments.

**Operating revenue and profit per segment:**

SEK 000S	Q1 2016			Q1 2015		
	CHC	FF	Total	CHC	FF	Total
Sales, goods	75,407	314	<b>75,721</b>	55,705	353	<b>56,058</b>
Royalty, licenses, etc.	1,962	9,328	<b>11,290</b>	3,247	9,626	<b>12,873</b>
<b>Net sales</b>	<b>77,369</b>	<b>9,642</b>	<b>87,011</b>	<b>58,952</b>	<b>9,979</b>	<b>68,931</b>
Other revenue	1,172	100	<b>1,272</b>	2,722	90	<b>2,812</b>
<b>Operating revenue</b>	<b>78,541</b>	<b>9,742</b>	<b>88,283</b>	<b>61,674</b>	<b>10,069</b>	<b>71,743</b>
Operating expense	-45,349	-7,593	<b>-52,942</b>	-37,551	-6,848	<b>-44,399</b>
<b>Operating profit</b>	<b>33,192</b>	<b>2,149</b>	<b>35,341</b>	<b>24,123</b>	<b>3,221</b>	<b>27,344</b>

CHC = Consumer Healthcare FF = Functional Food

The revenue increase within Consumer Healthcare during the first quarter of 2016 derived mainly from the continued positive trend in the North American market. In addition, sales in countries such as South Korea and Sweden were higher year-on-year. The business area's costs increased as a result of the recruitments made during 2015. First-quarter earnings were also charged with higher consultancy costs in the areas of sales and administration compared with the year-earlier period.

**Operating income distributed by geographic market:**

SEK 000s	Q1 2016	Q1 2015	Full-year 2015
Sweden	14,863	12,658	50,670
Rest of Europe	4,150	3,899	18,640
North America	59,729	52,879	132,128
Rest of world	9,541	2,307	19,246
<b>Total</b>	<b>88,283</b>	<b>71,743</b>	<b>220,684</b>

In Sweden, sales to Bringwell increased in conjunction with the launch of Probi Järn<sup>®</sup> during the first quarter. Growth in the US is being driven by volumes sold as a result of the successful launch of Probiotic 10, which contains three bacterial strains from Probi. The increase in Rest of the world mainly comprises deliveries to Sanofi and Dongkook in South Korea. During 2015, both of these customers implemented launches featuring new product varieties based on Probi's probiotics.

**RESEARCH AND DEVELOPMENT**

Three new trials were launched in the first quarter of 2016. The purpose of two of the trials is to increase the existing documentation of the health effects of Probi Digestis<sup>®</sup>, and also to broaden the documentation to also encompass lower age groups. The third trial is based on the results from 2014, which showed that a combination of three of Probi's bacterial strains led to reduced bone loss in mice. The purpose of the trial now being launched is to study whether the same effect can be observed in women after menopause.

Probi has long been pursuing two major trials to further strengthen clinical documentation for Probi's product platform for digestive health (Probi Digestis<sup>®</sup>) and Probi's immune health platform (Probi Defendum<sup>®</sup>). These trials are expected to be concluded in the first part of 2016.



The clinical trial launched in 2015 in a new indication area for Probi, the partnership projects with Symrise, in areas such as oral health, and the research collaboration with Professor Michiel Kleerebezem from Host-Microbe Interactomics at Wageningen University in the Netherlands, are progressing as planned.

In February 2016, a pilot study of two of Probi's bacterial strains was published in the periodical Bone Marrow Transplantation. As part of the trial, two of Probi's bacterial strains were administered to children undergoing transplantation of blood stem cells, with the aim of studying whether these children can be treated safely based on a probiotic product containing two stems of *Lactobacillus plantarum*. For further information on the study, reference is made to the article "The safety and feasibility of probiotics in children and adolescents undergoing hematopoietic cell transplantation", Ladas et al., Bone Marrow Transplant. 2016 Feb;51(2):262-6.

## EMPLOYEES

At the end of the year, Probi had 39 (26) employees, of whom 25 (18) were women and 14 (8) men. The average number of employees during the reporting period was 36 (26).

## RELATED-PARTY TRANSACTIONS

During the period, Probi has invoiced KSEK 30 (-) to its principal owner, Symrise AG, pertaining to laboratory material. Purchases and sales of goods and services from and to related parties occur on market-based terms. No other significant related-party transactions took place during the first quarter of 2016.

## SIGNIFICANT EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

After the close of the reporting period, Probi signed a new agreement with Ipsen Pharma for the launch of Probi's digestive health capsules in 18 markets. For more information, please refer to the About the operations section on page 2.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The risks and uncertainties to which Probi's operations are exposed are described on pages 51-52 of the printed 2015 Annual Report. At 31 March 2016, no significant changes are considered to have occurred in these risks or uncertainties.

## CALENDAR

2015 Annual General Meeting	27 April 2016
Interim report Q2, 2016	15 July 2016
Interim report Q3, 2016	25 October 2016
Year-end report, 2016	24 January 2017

## ACCOUNTING AND MEASUREMENT POLICIES

### The Group

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups – January 2016, the International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 "Interim Reporting" and the Swedish Annual Accounts Act. The condensed financial

statements in the interim report encompass pages 8-10. Disclosures according to IAS 34 Interim Financial Reporting are provided both here and elsewhere in the interim report.

The accounting policies that were applied when these consolidated financial statements were prepared were consistent for all presented periods, unless otherwise stated. The complete accounting policies can be found on pages 60-63 of the printed 2015 Annual Report.

The Parent Company's functional currency is the Swedish krona, which is also the reporting currency for both the Parent Company and the Group. All amounts stated have been rounded off to the nearest thousand SEK, unless otherwise stated.

Amounts and figures in parentheses pertain to comparative figures for the year-earlier period. Amounts are stated in Swedish kronor (SEK), thousands of Swedish kronor (KSEK) or millions of Swedish kronor (MSEK) according to that which is stated.

### **Parent Company**

The Parent Company applies the same accounting policies as the Group, with the exceptions and supplements stipulated in RFR 2 Accounting for legal entities – January 2016. The interim report complies with the Swedish Annual Accounts Act.

### **ASSURANCE BY THE BOARD OF DIRECTORS**

The Board of Directors and the CEO provide their assurance that this interim report gives a fair and accurate view of the Parent Company's and the Group's operations, financial position and revenue, and describes the risks and uncertainties facing the Parent Company and the Group.

Lund, 27 April 2016

Jean-Yves Parisot  
*Chairman of the Board*

Jörn Andreas  
*Board member*

Benedicte Fossum  
*Board member*

Jan Nilsson  
*Board member*

Jonny Olsson  
*Board member*

Eva Redhe  
*Board member*

Peter Nählstedt  
*CEO*



Auditor's review report of the interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act (1995:1554).

To the Board of Directors of Probi AB (publ), Corp. Reg. No. 556417-7540

#### Introduction

We have conducted a review of the interim report for Probi AB (publ) at 31 March 2016 and the three-month period that ended on this date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim financial information based on our review.

#### Focus and scope of the review

We have conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly less scope than an audit in accordance with International Standards on Auditing, ISA, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that would have been identified if an audit had been conducted. Accordingly, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Malmö, 27 April 2016

Deloitte AB

Per-Arne Pettersson

Authorized Public Accountant

**Statement of comprehensive income (Group)**

Currency: KSEK	Q1 2016	Q1 2015	Full-year 2015
<b>Operating revenue</b>			
Net sales	87,011	68,931	215,711
Other revenue	<u>1 272</u>	<u>2 812</u>	<u>4,973</u>
<b>Total operating revenue</b>	<b>88,283</b>	<b>71,743</b>	<b>220,684</b>
<b>Operating expenses</b>			
Cost of goods sold	-24,764	-22,378	-63,120
Employee benefit expenses	-11,772	-10,921	-41,251
Other external costs	-14,808	-9,720	-47,069
Depreciation of fixed assets	-1,598	-1,380	-6,070
Discarding of fixed assets	-	-	<u>-106</u>
<b>Total operating expenses</b>	<b>-52,942</b>	<b>-44,399</b>	<b>-157,616</b>
<b>Operating profit</b>	<b>35,341</b>	<b>27,344</b>	<b>63,068</b>
Financial income	352	2,012	3,248
Financial expenses	<u>-1 124</u>	<u>-631</u>	<u>-3,226</u>
<b>Profit before tax</b>	<b>34,569</b>	<b>28,725</b>	<b>63,090</b>
Tax for the period	<u>-7 639</u>	<u>-6,358</u>	<u>-14,051</u>
<b>Profit for the period</b>	<b>26,930</b>	<b>22,367</b>	<b>49,039</b>
<b>Other comprehensive income</b>			
Currency translation difference in the group	<u>7</u>	-	<u>-4</u>
<b>Total comprehensive income for the period</b>	<b>26,937</b>	<b>22,367</b>	<b>49,035</b>
Number of shares at end of the reporting period	9 115 300	9 115 300	9 115 300
Average no.of shares	9 115 300	9 115 300	9 115 300
Earnings per share before and after dilution	2,95	2,45	5,38
Net profit and total comprehensive income are attributable in their entirety to the Parent Company's shareholders			

Since the company has no outstanding convertible loans or outstanding warrants, no dilution effect arises.

During 2011, Probi bought back company shares and at the end of the reporting period owned 250,000 treasury shares, corresponding to 2.7% of the total number of shares, with a quotient value of SEK 5.00 per share.

**Income statement (Parent Company)**

Currency: KSEK	Q1 2016	Q1 2015	Full-year 2015
<b>Operating revenue</b>			
Net sales	87,011	68,931	215,711
Other revenue	<u>1 262</u>	<u>2 812</u>	<u>4,973</u>
<b>Total operating revenue</b>	<b>88,273</b>	<b>71,743</b>	<b>220,684</b>
<b>Operating expenses</b>			
Cost of goods sold	-24,764	-22,378	-63,120
Employee benefit expenses	-11,772	-10,921	-41,251
Other external costs	-12,264	-9,720	-47,142
Depreciation of fixed assets	-1,598	-1,380	-6,070
Discarding of fixed assets	-	-	<u>-106</u>
<b>Total operating expenses</b>	<b>-50,398</b>	<b>-44,399</b>	<b>-157,689</b>
<b>Operating profit</b>	<b>37,875</b>	<b>27,344</b>	<b>62,995</b>
Financial income	352	2,012	3,248
Financial expenses	-1 124	-146	-3,422
Appropriations	-	-	<u>105</u>
<b>Profit before tax</b>	<b>37,103</b>	<b>29,210</b>	<b>62,926</b>
Tax for the period	<u>-8 210</u>	<u>-6,465</u>	<u>-14,031</u>
<b>Profit for the period</b>	<b>28,893</b>	<b>22,745</b>	<b>48,895</b>

**Statement of comprehensive income (Parent Company)**

<b>Profit for the period</b>	<b>28,893</b>	<b>22,745</b>	<b>48,895</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>28,893</b>	<b>22,745</b>	<b>48,895</b>



**Consolidated statement of financial position (Group)**

	31 Mar. 2016	31 Mar. 2015	31 Dec. 2015
<b>Assets</b>			
<b>Fixed assets</b>			
Capitalised development expenses	34,937	26,250	31,250
Patents and licenses	11,152	8,986	9,570
Goodwill	2,762	2,762	2,762
Equipment, tools and fixtures	4,215	4,862	4,581
Deferred tax	-	5	-
<b>Total fixed assets</b>	<b>53,066</b>	<b>42,865</b>	<b>48,163</b>
<b>Current assets</b>			
Inventories	5,476	7,606	4,468
Current receivables	43,460	36,426	32,229
Cash and cash equivalents	<u>153,066</u>	<u>126,667</u>	<u>143,024</u>
<b>Total current assets</b>	<b>202,002</b>	<b>170,699</b>	<b>179,721</b>
<b>Total assets</b>	<b>255,068</b>	<b>213,564</b>	<b>227,884</b>
<b>Equity and liabilities</b>			
Equity	214,176	168,319	187,239
Deferred tax	122	-	122
Current liabilities	<u>40,770</u>	<u>45,245</u>	<u>40,523</u>
<b>Total equity and liabilities</b>	<b>255,068</b>	<b>213,564</b>	<b>227,884</b>

**Balance sheet (Parent Company)**

	31 Mar. 2016	31 Mar. 2015	31 Dec. 2015
<b>Assets</b>			
<b>Fixed assets</b>			
Capitalised development expenses	34,937	26,250	31,250
Patents and licenses	11,152	8,986	9,570
Equipment, tools and fixtures	4,215	4,862	4,581
Participation in Group Companies	<u>4,329</u>	<u>4,031</u>	<u>4,329</u>
<b>Total fixed assets</b>	<b>54,633</b>	<b>44,129</b>	<b>49,730</b>
<b>Current assets</b>			
Inventories	5,476	7,606	4,468
Current receivables	46,767	36,426	32,423
Cash and cash equivalents	<u>152,751</u>	<u>126,667</u>	<u>142,718</u>
<b>Total current assets</b>	<b>204,994</b>	<b>170,699</b>	<b>179,609</b>
<b>Total assets</b>	<b>259,627</b>	<b>214,828</b>	<b>229,339</b>
<b>Equity and liabilities</b>			
Equity	212,863	165,567	183,970
Untaxed reserves	555	660	555
Long-term liabilities to group companies	4,036	4,036	4,036
Current liabilities	<u>42,173</u>	<u>44,565</u>	<u>40,778</u>
<b>Total equity and liabilities</b>	<b>259,627</b>	<b>214,828</b>	<b>229,339</b>

**Changes in equity (Group)**

Currency: KSEK

Reporting period, 1 Jan. 2015 - 31 Mar. 2015	Share capital	Other contributions received	Reserves	Result brought forward	Total equity
Opening balance, 1 Jan. 2015	46,827	64,740	-	34,386	145,953
Profit for the year				22,366	22,366
<b>Equity, 31 Mar. 2015</b>	<b>46,827</b>	<b>64,740</b>	<b>-</b>	<b>56,752</b>	<b>168,319</b>

Reporting period, 1 Jan. 2016 - 31 Mar. 2016	Share capital	Other contributions received	Reserves	Result brought forward	Total equity
Opening balance, 1 Jan. 2016	46,827	64,740	-4	75,676	187,239
Profit for the year				26,930	26,930
Other comprehensive income			7		7
<b>Equity, 31 Mar. 2016</b>	<b>46,827</b>	<b>64,740</b>	<b>3</b>	<b>102,606</b>	<b>214,176</b>

**Statement of cash flows**

	Q1 2016	Q1 2015	Full-year 2015
<b>Operating activities</b>			
Profit before tax	34,569	28,725	63,090
Depreciation and discarding of fixed assets	1,598	1,380	6,176
Capital gains/losses from disposal of tangible fixed assets	-	-	31
Income tax paid	<u>-4,883</u>	<u>-3,652</u>	<u>-16,689</u>
<b>Cash flow from operating activities before changes in working capital</b>	<b>31,284</b>	<b>26,453</b>	<b>52,608</b>
Change in inventories	-1,008	-4,045	-907
Change in operating receivables	-11,218	-7,098	-2,901
Change in operating liabilities	<u>-2,515</u>	<u>12,539</u>	<u>13,286</u>
<b>Cash flow from operating activities</b>	<b>16,543</b>	<b>27,849</b>	<b>62,086</b>
<b>Investing activities</b>			
Acquisition of intangible fixed assets	-6,480	-9,024	-18,256
Acquisition of tangible fixed assets	-21	-339	-1,238
Divestment of tangible fixed assets	-	-	-
<b>Cash flow from investing activities</b>	<b>-6,501</b>	<b>-9,363</b>	<b>-19,494</b>
<b>Change in cash and cash equivalents</b>			
Dividend to shareholders	-	-	<u>-7,749</u>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-7,749</b>
<b>Change in cash and cash equivalents</b>	<b>10,042</b>	<b>18,486</b>	<b>34,843</b>
Cash and cash equivalents at the beginning of the year	143,024	108,181	108,181
Cash and cash equivalents at the end of the period	153,066	126,667	143,024
<b>Interest paid and received</b>			
Interest received	2	59	128
Interest paid	-	-	-19

Key ratios	Def.	2016	2015				2014		
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales Functional Food, quarterly		9 642	10 600	8 417	9 148	9 979	8 360	8 641	9 296
Net sales Consumer Healthcare, quarterly		77 369	25 339	43 446	49 830	58 952	31 560	28 415	22 586
Total net sales, quarterly		87 011	35 939	51 863	58 978	68 931	39 920	37 056	31 882
EBITDA, quarterly	1	36 939	5 290	17 991	17 239	28 724	11 687	10 377	6 723
Operating profit, quarterly		35 341	3 683	16 347	15 694	27 344	6 567	9 025	5 329
Growth, accumulated, %	2	26,2	59,5	88,6	119,5	161,3	32,3	25,3	12,2
R&D expenses as part of operating income, %		8	13	12	11	10	16	18	18
EBITDA margin, %	3	42,5	14,7	34,7	29,2	41,7	29,3	28,0	21,1
Operating margin, %	4	40,6	10,2	31,5	26,6	39,7	16,5	24,4	16,7
Net margin, %	5	39,7	29,2	33,1	33,3	41,7	20,8	22,1	20,7
Average no. of employees		36	32	31	28	26	26	25	25
Assets		255 068	221 697	220 060	210 861	213 564	175 989	167 203	154 464
Working capital	6	161 232	139 198	139 137	127 056	125 454	111 179	105 920	100 839
Liquid ratio, %	7	482	432	483	409	260	460	491	569
Equity ratio, %	8	84,0	82,2	83,8	81,3	78,8	82,9	84,0	86,4
Debt/equity ratio, %	9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Return on total assets, %	10	14,6	31,3	30,1	22,3	14,1	17,2	13,5	8,0
Return on equity, %	11	17,2	37,9	36,0	26,9	18,3	20,3	15,5	9,1
Equity per share, SEK		23,50	20,54	20,24	18,80	18,47	16,01	15,42	14,65
Cash flow per share, SEK		1,10	3,82	3,82	1,47	2,03	1,85	0,69	0,33
Share price, SEK		121,00	141,50	138,50	131,00	108,75	61,50	46,80	50,50
Market cap		1 102 951	1 289 815	1 262 469	1 194 104	991 289	560 591	426 596	460 323

**Definitions of key ratios**

1. Operating profit before depreciation, discarding, financial items and tax
2. Change in net sales
3. EBITDA as a percentage of net sales, quarterly
4. Operating income as a percentage of net sales, quarterly
5. Profit before tax as a percentage of net sales
6. Total current assets less current liabilities
7. Total current assets excluding inventories as a percentage of current liabilities
8. Equity as a percentage of balance sheet total
9. Interest-bearing liabilities as a percentage of equity
10. Operating income and interest income as a percentage of average total assets
11. Profit before tax as a percentage of average equity