

INVISIO COMMUNICATIONS

Year-End Report

January – December 2012



Year-End Report January – December 2012

October – December

- ⇒ Total income increased to SEK 17.9 m (9.5)
- ⇒ Sales for the business area Professional Products increased with 89.3 percent to SEK 17.9 m compared with the corresponding period 2011 (9.5)
- ⇒ Gross profit amounted to SEK 7.4 m (4.1). For Professional Products SEK 7.4 m (4.1)
- ⇒ Gross margin amounted to 41.1 percent (43.0)
- ⇒ Operating loss amounted to SEK -6.4 m (-7.0)
- ⇒ Loss after tax amounted to SEK -7.8 m (-8.9)
- ⇒ Loss per share amounted to SEK -0.22 (-0.34)
- ⇒ The order book for the business area Professional Products was SEK 27.9 m (3.7) at the end of the quarter

January – December

- ⇒ Total income increased to SEK 43.0 m (41.5)
- ⇒ Sales for the business area Professional Products increased with 12.6 percent to SEK 43.0 m compared with the corresponding period 2011 (38.2)
- ⇒ Gross profit amounted to SEK 18.1 m (20.3). For Professional Products SEK 18.1 m (18.0)
- ⇒ Gross margin amounted to 42.1 percent (49.0)
- ⇒ Operating loss amounted to SEK -25.8 m (-24.2)
- ⇒ Loss after tax amounted to SEK -29.5 m (-28.6)
- ⇒ Loss per share amounted to SEK -0.83 (-1.10)

Important Events October – December

- ⇒ INVISIO has received the by far largest order in the company's history, from the Armed Forces of a NATO country through a leading radio manufacturer. The order was for a large number of INVISIO's new communications system INVISIO V60 and the order value was approximately SEK 19 m.
- ⇒ INVISIO has received an additional order amounting to SEK 13 m from the same Armed Forces of a NATO country through a leading radio manufacturer as above. The additional order was also for the same product, the INVISIO V60 Communication System.
- ⇒ INVISIO launched a new advanced communications- and hearing protection system for modern military forces, INVISIO V60. With the new system the user gets a very light, compact and flexible communication system with built-in hearing protection and full 360 degree situational awareness. The system provides crystal-clear communication even in the most extreme and noisy conditions. Due to increased sales- and marketing costs including products for testing in connection with the launch of our new communications system, our costs were temporarily higher during the quarter compared with previous quarters this year.



- The Board of INVISIO Communications AB decided November 30 on a directed share issue to a smaller group of investors of a total 2 272 724 shares, corresponding to about 6.3 percent of the total currently outstanding shares in the Company. With the share issue, the Company's share capital increased with 2 272 724 SEK. The subscription price was SEK 4.40 per share and is assessed to correspond to the share's market value. The share issue provided the Company with a total of SEK 10 m before issuance costs. The background for the share issue is to strengthen the Company's financial position and to cover the Company's short term need for working capital in forms of purchasing of components and manufacturing concerning the Company's recently communicated record order.

Important Events after the period

- INVISIO has received a loan of SEK 15 m from a leading Swedish commercial bank. The loan currency has been used to pay a previous loan from Alecta of SEK 10 m and a loan of SEK 5 m from Erik Penser Bankaktiebolag. The loan from the bank is free of amortization charges during 2013 and will be amortized with SEK 6 m in 2014 and with SEK 9 m in 2015. Yggdrasil has guaranteed the loan from the bank with SEK 15 m. INVISIO has pledged the securities against Yggdrasil instead of as previously against Alecta and Erik Penser Bankaktiebolag. INVISIO will pay an annual guarantee commission of 3.5 percent to Yggdrasil and the board of INVISIO has the view that the agreement with Yggdrasil is according to market conditions.

About INVISIO Communications AB

INVISIO Communications AB is a public company listed on the NASDAQ OMX First North Premier Segment (ticker code: IVSO) an alternative market on NASDAQ OMX Stockholm. INVISIO specializes in voice communications in difficult conditions. The company develops, manufactures, markets and sells communication solutions such as advanced headsets control units and accessories for use with two-way radio, primarily for professional users who often work in difficult environments. The customers are for example found in the military and military Special Forces, police and SWAT teams, emergency services, the security sector, and various industries throughout the world. Additional information is available on the company's web site at www.invisio.com. Mangold Fondkommission AB is Certified Adviser for INVISIO Communications AB.



CEO's Comments

During the fourth quarter, INVISIO received the by far largest order in the company's history – an order of SEK 19 m and an additional order of SEK 13 m from the Armed Forces of a NATO country through a leading radio manufacturer. The new record order is pleasing evidence that INVISIO's communications solutions can reap success on the so called volume market with orders of thousands of units. Part of the order was delivered during the quarter and the remaining is expected to be delivered during the first quarter of 2013. Thus, the order book at the end of the year was the largest ever, SEK 27.9 m.

With the current gross margin and costs, INVISIO needs a total annual income of about SEK 100 m to show profit. INVISIO begins 2013 with an order book of close to SEK 30 m and we expect a considerable growth in sales during the year. Numerous client trials and outstanding offers are at hand, but it is very difficult to determine which quarters these orders will possibly come in. Thus there are conditions for a profitable 2013 and the coming years, but it is too early to give comments about the expected outcome for 2013.

Business Area Professional Products

Sales during the fourth quarter were the highest ever and was almost doubled compared with the corresponding period last year, SEK 17.9 m compared to SEK 9.5 m. The reason is the new record order totaling SEK 32 m and was for a large number of the new communications system INVISIO V60 – our new advanced communications- and hearing protection system developed especially for modern military forces. The communications system was launched during the quarter at the military exhibitions AUSA in Washington and FSEC in Prague and was met with great interest.

The new record order is a result of an important success in an offer within a military modernization program that includes thousands of users. We have continuously mentioned the possibilities of sales in connection with military modernization programs that are active around the world. In the programs that include radio- and communications solutions, it is often a requirement with "in-ear headsets" and hearing protection, which correspond well to INVISIO's offer. INVISIO has since the change of strategy in 2008 worked hard with developing a new product portfolio, building an organization and entering cooperations that all in all gives us possibility to make offers in larger military programs. Of the three large offers on such programs that we have outstanding, the first decision was very positive and we believe that we have good chances of winning additional offers. Decision regarding the other offers is expected during 2013.

The size of the order implies a need for increased capitalization for INVISIO, concerning purchases of components and manufacturing. Therefore a new share issue of SEK 10 m has been conducted after the end of the quarter. After the end of the quarter we also improved our financing through a loan of SEK 15 m from a leading commercial bank, which replaced previous loans. Through this arrangement we reduce the total financing costs with approximately SEK 700 000 annually and will also have a more secured long-term funding than we previously had.

Our costs were temporarily higher during the quarter compared with previous quarters this year. This due to increased sales- and marketing costs including products for testing in connection with the launch of our new communications system.

Business Area Consumer Products

During the fourth quarter no income has been accounted for (SEK 0 m).



From reporting of the first quarter 2013 we will no longer divide into the business areas Professional Products and Consumer Products. As previously communicated, INVISIO now focuses all resources on the professional products rather than new collaborations on the consumer market. The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and demanding environments remains. Therefore the Company make the judgement that long-term there is good potential for INVISIO's patented technology on the consumer market.

Yet Another Record Year for Our Professional Products

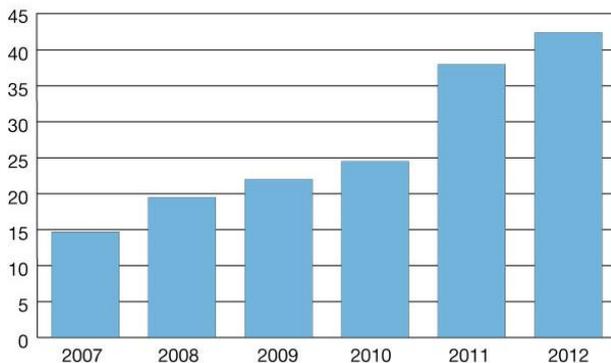
Sales wise 2012 was the best year ever for our professional products, SEK 43 m compared with about SEK 38 m the previous year, a sales increase of 12.6 percent. Total income increased with 3.8 percent compared with the previous year, which however included income from the consumer cooperation with Motorola. The order book by the end of the year was record high as well, SEK 27.9 m.

The record order that we received from the Armed Forces of a NATO country during the fourth quarter was received somewhat later than expected, which implied that the sales increase for the full year was lower than expected.

A trend that we noticed even stronger is the requirement for hearing protection in the communications solutions, which suits INVISIO well as we have world leading technology in the area and have several very good hearing protection certified solutions. During the year we worked intensively with our new advanced communications- and hearing protection system INVISIO V60. It is a very light, compact and flexible communications system with built-in hearing protection and electronic hear-thru for 360 degree situational awareness. The communication system provides crystal-clear communication even in the most extreme noisy conditions. INVISIO V60 is designed to meet the demanding requirements that the modern military forces have on tactical communication systems. We have put a lot of effort into reducing size and weight while at the same time increasing performance and flexibility in terms of functionality and connectivity. We have also simplified the interface to only include what the soldier needs and nothing else. We have a positive outlook on the sales opportunities for INVISIO V60 and see a continued large interest from current and new costumers for the communications solutions, which currently are being tested by a number of potential customers in different countries.

Since the change of INVISIO's strategy in 2008 to fully focus on the market for professional users we have seen a number of advancements:

- Increased sales each year (see graph).
- A broadened product portfolio from headsets only to communication solutions with headsets, control units and accessories for use with two-way radio. Most recently the communications system INVISIO V60.
- A substantial increase in the number of sales leads, queries and full-scale customer trials.
- A larger customer base and considerably more recurring customers.
- An increase in the number of resellers and strategic cooperations with for example manufacturers of radio equipment for two-way communication.
- A reduction of costs.



The graph shows the sales of INVISIO's professional products in SEK m per year since 2007, one year before the change of strategy. 2012 was yet another year that was the best ever with sales of SEK 43 m.

During the year we received a number of important orders. For example our third largest single order ever of SEK 6 m from a customer in the US. From the Australian Department of Defence we have through our Australian distribution partner Defcon Technologies received several orders totaling SEK 3.5 m. Together we have, since INVISIO products and communications solutions first was used in Australia in 2002, succeeded in building a strong reputation for INVISIO's products among the very demanding users within the Australian Defence. This type of trust we are building with costumers all over the world through extensive testing and use in their own environment. We received additional orders during the year of SEK 3 m from a military Special Force, an order of SEK 1.3 m from the European Law Enforcement Special Force that a year ago bought products from INVISIO, as well as an order of approximately SEK 3.5 m from a new costumer in the US.

By the change of strategy in 2008, we did not anticipate that the lead times in the sales work towards above all military users would be as long as proven to be. From that our products has been established and gained trust among smaller groups of users, so called early adopters that in our case for example are military Special Forces, the process of establishing among larger groups of users has taken longer than expected. Thus, result wise we have not yet reached the goal of turning to profit and achieving a positive cash flow from the operations, but we are definitely on the right track. The new record order shows that we now can offer with success on the so called volume market, for example military modernization programs that includes thousands of users. We see good opportunities for sales in these types of programs and expect a considerable growth during 2013. However, as previously communicated, sales can vary from quarter to quarter due to the lead times from first contact with customer, to inquiry, to customer testing, to quotation and to firm order.

Our costs remain stable and were for the full year of 2012 somewhat lower than the previous year.

Our considerable institutional and enduring ownership is a strength for us. During the year we conducted two new share issues with precedence rights that provided us with a total of approximately SEK 17.7 m and is a continued proof of the shareowners and investors trust in us. I want to thank all of our very competent co-workers that contributed to yet another record year in 2012. We look positive on 2013 with great opportunities to continued growth.

Lars Højgård Hansen
CEO



Total Income and Result October – December 2012

Total income during the fourth quarter increased considerably compared with the corresponding period 2011 and amounted to SEK 17.9 m (9.5).

Gross profit amounted to SEK 7.4 m (4.1) and the gross margin was 41.1 percent (43.0).

The order book, solely consisting of professional products, was SEK 27.9 m (3.7) at the end of the quarter.

Operating expenses for the fourth quarter increased to SEK 13.7 m (11.1). Included in the expenses are depreciations of SEK 1.7 m (1.4) and increased sales- and marketing costs including products for testing of SEK 1.5 m in connection with the new communications system.

Operating loss for the fourth quarter thus amounted to SEK -6.4 m (-7.0).

Net financial items for the fourth quarter amounted to SEK -1.5 m (-1.8).

Loss after tax for the fourth quarter amounted to SEK -7.9 m (-8.9).

Loss per share for the fourth quarter amounted to SEK -0.22 (-0.34).

Professional Products

Sales during the fourth quarter for the business area Professional Products increased with 89.3 percent compared with the corresponding period 2011 and amounted to SEK 17.9 m (9.5).

The gross profit margin decreased compared to the corresponding period previous year and amounted to 41.1 percent (43.0). It is characteristic of the business area that the gross margin may vary from quarter to quarter depending on product mix and on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

During the fourth quarter no income has been accounted for (SEK 0 m).

Total Income and Result January – December 2012

Total income during the period January – December increased compared with the corresponding period 2011 and amounted to SEK 43.0 m (41.5).

Gross profit amounted to SEK 18.1 m (20.3) and the gross margin was 42.1 percent (49.0).

The order book, solely consisting of professional products, was SEK 27.9 m (3.7) at the end of the period.

Operating expenses for the period January – December decreased to SEK 43.9 m (44.5). Included in the expenses are depreciations of SEK 5.2 m (8.1).

Operating loss for the period January – December thus amounted to SEK -25.8 m (-24.2).

Net financial items for the period January – December amounted to SEK -3.7 m (-4.5).

Loss after tax for the period January – December amounted to SEK -29.5 m (-28.6).

Loss per share for the period January – December amounted to SEK -0.83 (-1.10).



Professional Products

Sales during the period January – December for the business area Professional Products increased with 12.6 percent compared with the corresponding period 2011 and amounted to SEK 43.0 m (38.2).

The gross profit margin decreased compared to the corresponding period previous year and amounted to 42.1 percent (47.1). It is characteristic of the business area that the gross margin may vary from quarter to quarter depending on product mix and on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

During the period January – December no income has been accounted for (SEK 3.3 m).

Capital Expenditure, Cash flow and Liquidity, Financing and Shareholders' Equity

Capital Expenditure

During the period January – December net capital expenditures amounted to SEK -6.9 m (-6.3) of which -6.7 m (-5.7) was activated development costs.

Cash Flow and Liquidity

Cash flow from the operating activities during the period January – December amounted to SEK -26.8 m (-29.6). Cash flow from the investment activities amounted to SEK -6.9 m (-6.3). Cash flow from the financing activities amounted to SEK 20.8 m (40.5), of which the new share issue SEK 17.0 m (34.3) and taking up/payment of loans SEK -3.8 (6.2). Cash flow during the period thus amounted to SEK -12.9 m (4.6).

At the end of the period January – December, cash and cash equivalents of the Group amounted to SEK 4.2 m (17.3).

Of the Company's total loans of SEK 31.2 m per the end of December, SEK 13.5 m concerns factoring. SEK 10.7 m concerned loans that was due within three months, SEK 6.4 m are due within nine months and the remaining SEK 0.7 m per the end of November 2013.

The Company management and Board continue to work actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board is also continuously evaluating that the conditions for further operations are fulfilled. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

Financing

On January 20, 2012, INVISIO agreed with Alecta occupational pension, on a SEK 10 m loan. The loan was for one year and was repaid to Alecta in January 2013. The condition for the loan is that if INVISIO should carry out a share issue with shareholder precedence during the period of the loan, Alecta had the possibility to require early repayment of the loan. The loan ran with 12.5 percent interest. As collateral, INVISIO had made a secondary pledge of the shares in the subsidiary Nextlink IPR AB. The loan was a part of the



financing solution that INVISIO accounted for in the press release and prospect in connection with the autumn's new share issue with shareholder precedence, which also implies that INVISIO paid back the earlier loan of SEK 20 m to Alecta. Alecta controls more than 10 percent of the shares and votes in INVISIO Communications and the loan was therefore regarded as a related party transaction.

The Board for INVISIO Communications AB decided on April 19, 2012 to carry out a directed share issue to TAMT AB of a maximum of 2 500 000 shares, corresponding to about 7.4 percent of the total currently outstanding shares. Through the new share issue, the Company's share capital increased with SEK 2 500 000. The subscription price was SEK 3.10 per share. The share issue provided the Company with a total of SEK 7 750 000. There were no share issue costs. The background for the share issue was that the share issue with shareholder precedence that the Company conducted during the period November 21 to December 7, 2011, was subscribed to about 91 percent, implying a continued need for capital for the Company. To provide this need for capital and thus strengthening the Company's financial situation, the Board has decided on the existing directed share issue. The subscription price was assessed to correspond to the share's market value. In addition to the share issue, INVISIO took a credit of SEK 5.0 m from Erik Penser Bankaktiebolag, and an earlier loan guarantee from Yggdrasil AB of the same amount was not necessary.

The Board of INVISIO Communications AB decided November 30 on a directed share issue to a smaller group of investors of a total 2 272 724 shares, corresponding to about 6.3 percent of the total currently outstanding shares in the Company. With the share issue, the Company's share capital increased with 2 272 724 SEK. The subscription price was SEK 4.40 per share and is assessed to correspond to the share's market value. The share issue provided the Company with a total of SEK 10 m before issuance costs. The background for the share issue is to strengthen the Company's financial position and to cover the Company's short term need for working capital in forms of purchasing of components and manufacturing concerning the Company's recently communicated record order.

After the period, INVISIO's loan financing has changed, see the section "important events after the period" for more information.

Shareholders' Equity

The Group's reported shareholders' equity at the end of the period January – December amounted to SEK -1.8 m (11.3), which resulted into a negative equity ratio (22 percent.).

Parent Company

Net income for the Parent Company during the period January – December amounted to SEK 60.000 (60.000). Operating loss amounted to SEK -5.8 m (-6.5). The period's result was SEK -34.2 m (-43.4), where SEK 26 m (33.3) is attributable to shareholder contribution to the subsidiary.

At the end of the period January – December, cash and cash equivalents held by the Parent Company amounted to SEK 0.2 m (14.6) and shareholders' equity amounted to SEK 62.7 m (79.9), which resulted into an equity ratio of 75.7 (74.7). The Parent Company had 1 employee (1).

See the section Financing regarding the share issue with shareholder precedence and loans.



Outlook for 2013 – Considerable Growth

Since the change of strategy in 2008 a sales increase has been achieved each year. With the current gross margin and costs INVISIO needs a total annual income of about SEK 100 m to show profit. INVISIO begins 2013 with an order book of close to SEK 30 m and we expect a considerable growth in sales during the year. Numerous client trials and outstanding offers are at hand, but it is very difficult to determine which quarters these orders will possibly come in. Thus there are conditions for a profitable 2013 and the coming years, but it is too early to give comments about the expected outcome for 2013.

Professional Products

As a result of INVISIO Communications' conscious development towards becoming a communications company, where INVISIO now offers advanced communications solutions and has a product portfolio that includes headsets, control units and accessories, opportunities for orders that partly are a larger part of the value-chain and partly in new customer segments have opened.

The new large record order in November 2012 from the Armed Forces of a NATO country and previous orders from both the Danish Armed Forces and the Swedish Armed Forces during 2011 are strong evidence and important reference orders towards other military customers. This, as well as the increased marketing, the continuous efforts to increase the number of and strengthen existing cooperations, and the fact that the products deliver what they promise during trials, means that INVISIO expects a considerable long-term increase of sales in the business area. As previously communicated, sales in the business area may vary from quarter to quarter due to long lead times from first contact with customer, to inquiry, to customer testing, to quotation and to firm order.

Consumer Products

As previously communicated, INVISIO are focusing the resources on the professional products rather than new collaborations on the consumer market. Thus, the Company's expectations on income from the consumer market during 2013 are low and this will not be reported separately from 2013.

The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and demanding environments remains. Therefore the Company make the judgement that long-term there is good potential for INVISIO's patented technology on the consumer market.

Accounting Principles

This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting principles that are described in the 2011 Annual Report have been applied.

Significant Risks and Uncertainties

INVISIO's business and earnings are affected by a number of external and internal factors. A continuous process is conducted to identify all risks and to assess how each respective risk shall be managed.



The risks that the Company is mainly exposed to are market-related risks (including legislation and political decisions, global economic situation, competition, technological risks and market acceptance of new products and dependency of suppliers), operational risks (including the ability to manage growth, customers and cooperation agreements, product liability, immaterial rights, dependence on key persons and employees, as well as risks related to financial reporting) and financial risks (including primarily currency risk, financing risks and liquidity risks).

In the Company's opinion, no additional significant risks or uncertainties have arisen during the year, apart from those reported in this Interim Report and on the pages 40-42 and 55-57 in INVISIO's Annual Report for 2011.

As noted in the section "Cash Flow and Liquidity", the Company management and Board are working actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board continuously tests that the conditions for continued operation exist. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

Related Party Transaction

Lage Jonason with related parties is one of the Company's largest individual shareholders. Lage Jonason has personally stood surety for some of the Company's undertakings vis-à-vis suppliers. Lage Jonason has the right to 1.5 percent annual reimbursement concerning his surety.

The Company has agreed with Alecta occupational pension, Mutual, on a SEK 10 m loan. For more information, see the section Financing.

Election Committee

At the Company's Annual General Meeting on May 29, 2012, it was decided to appoint an Election Committee for preparation and submission of proposals for the Shareholders at the Annual General Meeting concerning the number of Board members, election of Board members and, where applicable, auditor and also remuneration to Board and auditors and other queries which may appear at an Election Committee in accordance with Swedish code of corporate governance. The Election Committee, as now appointed, consists of Lage Jonason, representing himself with family and company, Ramsay Brufer, representing Alecta occupational pension, Mutual, Björn Franzon, representing Swedbank Robur fonder and Lars Röckert, INVISIO's Chairman of the Board.

This Interim Report has not been reviewed by the Company's auditor.



Future Reporting Dates

- General Annual Meeting 2013: April 24, 2013, in Stockholm
- Interim Report January – March: April 24, 2013
- Interim Report April – June: August 15, 2013
- Interim Report July – September: November 7, 2013
- Year-End Report 2013: February 19, 2014

Stockholm, February 15, 2013

Lars Röckert
Chairman of the Board

Anders Persson
Director

Jan Samuelson
Director

Mats Warstedt
Director

Lage Jonason
Director

Lars Højgård Hansen
CEO

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Financial reports

Consolidated Income Statement

SEK 000s

Income statement	Okt - Dec 2012	Okt - Dec 2011	Jan - Dec 2012	Jan - Dec 2011
Sales	17 939	9 483	43 031	41 463
Cost of goods sold	-10 560	-5 408	-24 914	-21 162
Gross Profit	7 379	4 075	18 117	20 301
Operating expenses ^{1/}	-13 734	-11 104	-43 930	-44 475
Operating profit/loss	-6 355	-7 029	-25 813	-24 174
Net financial items	-1 522	-1 843	-3 678	-4 451
Profit/loss before tax	-7 877	-8 872	-29 491	-28 625
Income tax	-	-	-	-
Profit/loss for the period	-7 877	-8 872	-29 491	-28 625
Other comprehensive income				
Translation differences during the period from translation of foreign businesses	406	-685	-641	-6
Comprehensive income for the period	-7 471	-9 557	-30 132	-28 631

Profit for the period as well as comprehensive income are entirely attributable to equity holders of the parent.

1/ Of which, depreciation -1 732 -1 394 -5 226 -8 085

Per-share data	Okt - Dec 2012	Okt - Dec 2011	Jan - Dec 2012	Jan - Dec 2011
Earnings per share, SEK	-0,22	-0,34	-0,83	-1,10
Earnings per share after dilution, SEK	-0,22	-0,34	-0,83	-1,10
Shareholders' equity per share, SEK	neg.	0,35	neg.	0,35
Shareholders' equity per share after dilution, SEK	neg.	0,35	neg.	0,35
Equity ratio	neg.	0,22	neg.	0,22
Number of shares outstanding	38 440 161	32 704 351	38 440 161	32 704 351
Average number of shares outstanding	36 470 467	26 436 479	35 344 507	25 919 371
Number of shares outstanding after dilution	38 440 161	32 704 351	38 440 161	32 704 351
Share price, SEK	5,00	3,70	5,00	3,70

Consolidated Balance Sheet

Condensed balance sheet

SEK 000s

Assets	12/31/2012	12/31/2011
Intangible assets	16 832	15 336
Property, plant and equipment	139	576
Financial assets	670	678
Inventories	3 240	5 215
Accounts receivable - trade	17 362	5 668
Other receivables, prepaid expenses and accrued income ^{2/}	1 488	6 039
Cash and bank balances	4 240	17 305
Total assets	43 971	50 817

2/ Other receivables include cash in the trust account at 12/31/2011 about 4.1 m

Shareholders' equity and liabilities	12/31/2012	12/31/2011
Shareholders' equity	-1 814	11 287
Liabilities to credit institutions	31 245	27 736
Accounts payable - trade	8 840	6 284
Other liabilities, accrued expenses and deferred income	5 700	5 510
Total shareholders' equity and liabilities	43 971	50 817

Changes in shareholders' equity	12/31/2012	12/31/2011
Opening balance	11 287	5 630
New issues	17 031	34 288
Comprehensive income for the period	-30 132	-28 631
Closing balance	-1 814	11 287

Statement of financial position, Group

SEK 000s

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2012 – 12/31/2012				
Opening balance, 1/1/2012	32 704	241 761	-263 178	11 287
Issues during registration 31/12/2011	963	-963	-	-
New Issues	4 773	12 977	-	17 750
Issues expenses	-	-719	-	-719
Comprehensive income for the period	-	-	-30 132	-30 132
Shareholders' equity, 12/31/2012	38 440	253 056	-293 310	-1 814

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2011 – 12/31/2011				
Opening balance, 1/1/2011	23 501	216 676	-234 547	5 630
Issues during registration 31/12/2010	2 350	-2 350	-	-
New Issues	6 853	27 412	-	34 265
Issues expenses	-	-4 792	-	-4 792
Issues during registration 31/12/2011	-	4 815	-	4 815
Comprehensive income for the period	-	-	-28 631	-28 631
Shareholders' equity, 12/31/2011	32 704	241 761	-263 178	11 287

Statement of cash flows – Group

SEK 000s

Cash flow	Okt - Dec 2012	Okt - Dec 2011	Jan - Dec 2012	Jan - Dec 2011
Operating activities				
Profit/loss before tax	-7 877	-8 872	-29 491	-28 625
Adjustments for non-cash items	1 770	1 250	5 312	8 123
Taxes	-	-	-	-
Cash flow from operating activities before changes in working capital	-6 107	-7 622	-24 179	-20 502
Cash flow from changes in working capital	-8 404	-6 558	-2 644	-9 138
Cash flow from operating activities	-14 511	-14 180	-26 823	-29 640
Investing activities				
Capitalization of non-current assets	-1 360	-1 357	-6 797	-5 701
Acquisition/divestment of property, plant and equipment	-43	-3	-145	-562
Cash flow from investing activities	-1 403	-1 360	-6 942	-6 263
Financing activities				
New issues	9 444	29 473	17 031	29 473
Issues during registration	-	4 815	-	4 815
Change in financial assets	10 073	-2 565	3 795	6 185
Cash flow from financing activities	19 517	31 723	20 826	40 473
Cash flow for the period	3 603	16 183	-12 939	4 570
Cash and bank balances at start of period	690	1 171	17 305	12 752
Translation differences in cash and bank balances	-53	-49	-126	-17
Cash and bank balances at end of period	4 240	17 305	4 240	17 305

Parent Company Income Statement

SEK 000s

Income statement	Okt - Dec 2012	Okt - Dec 2011	Jan - Dec 2012	Jan - Dec 2011
Operating income	15	15	60	60
Operating expenses ³⁾	-1 424	-1 737	-5 907	-6 593
Operating loss	-1 409	-1 722	-5 847	-6 533
Net financial items ⁴⁾	-12 096	-10 561	-28 346	-36 824
Loss before tax	-13 505	-12 283	-34 193	-43 357
Income tax	-	-	-	-
Loss for the period	-13 505	-12 283	-34 193	-43 357

^{3/} Of which, depreciation - - - -

^{4/} Of which, SEK 26 m in shareholder contribution to subsidiaries as per 12/31/2012 (33,3 m as per 12/31/2011)

Parent Company Balance Sheet

Condensed balance sheet

SEK 000s

Assets	12/31/2012	12/31/2011
Financial assets/shares in subsidiaries	81 512	81 512
Receivables from Group companies	825	5 902
Other receivables, prepaid expenses and accrued income ^{2/}	254	4 860
Cash and bank balances	205	14 597
Total assets	82 796	106 871

2/ Other receivables include cash in the trust account at 12/31/2011 about 4.1 m

Shareholders' equity and liabilities	12/31/2012	12/31/2011
Shareholders' equity	62 690	79 852
Liabilities to credit institutions	17 800	23 500
Accounts payable - trade	523	1 826
Liabilities to Group companies	111	111
Other liabilities, accrued expenses and deferred income	1 672	1 582
Total shareholders' equity and liabilities	82 796	106 871

Changes in shareholders' equity	12/31/2012	12/31/2011
Opening balance	79 852	88 921
New issues	17 750	34 265
Issues expenses	-719	-4 792
Issues during registration		4 815
Issues expenses issues during registration		-
		-400
		105
Loss for the period ^{4/}	-34 193	-43 062
Closing balance	62 690	79 852

4/ Of which, SEK 26 m in shareholder contribution to subsidiaries as per 12/31/2012 (33,3 m as per 12/31/2011)

Consolidated Income Statement - Segmental Breakdown

SEK 000s

Income statement, per segment, Oct- Dec 2012	Professional Products	Consumer Products	Other	Total
Sales	17 939	-	-	17 939
Cost of goods sold	-10 560	-	-	-10 560
Gross Profit	7 379	-	-	7 379
Selling and marketing expenses	-5 898	-	-244	-6 142
Administrative expenses	-1 639	-	-973	-2 612
Research and development costs	-4 909	-	-71	-4 980
Operating profit/loss ^{5/}	-5 067	-	-1 288	-6 355
Net financial items	-81	-	-1 441	-1 522
Profit/loss before tax	-5 148	-	-2 729	-7 877
Tax	-	-	-	-
Profit/loss for the period	-5 148	-	-2 729	-7 877

5/ Includes depreciation of SEK 1 732 thousand for the period Oct - Dec 2012

Income statement, per segment, Jan - Dec 2012	Professional Products	Consumer Products	Other	Total
Sales	43 030	-	1	43 031
Cost of goods sold	-24 914	-	-	-24 914
Gross Profit	18 116	-	1	18 117
Selling and marketing expenses	-17 626	-	-737	-18 363
Administrative expenses	-6 364	-	-4 592	-10 956
Research and development costs	-14 380	-	-231	-14 611
Operating profit/loss ^{6/}	-20 254	-	-5 560	-25 813
Net financial items	-918	-	-2 760	-3 678
Profit/loss before tax	-21 172	-	-8 320	-29 491
Tax	-	-	-	-
Profit/loss for the period	-21 172	-	-8 320	-29 491

6/ Includes depreciation of SEK 5 226 thousand for the period Jan - Dec 2012



Income statement, per segment, Oct - Dec 2011	Professional Products	Consumer Products	Other	Total
Sales	9 474	9	-	9 483
Cost of goods sold	-5 404	-4	-	-5 408
Gross Profit	4 070	5	-	4 075
Selling and marketing expenses	-4 356	-43	-122	-4 521
Administrative expenses	-1 554	-16	-1 487	-3 057
Research and development costs	-3 394	-87	-45	-3 526
Operating profit/loss⁷⁾	-5 234	-141	-1 654	-7 029
Net financial items	-379	-	-1 464	-1 843
Profit/loss before tax	-5 613	-141	-3 118	-8 872
Tax	-	-	-	-
Profit/loss for the period	-5 613	-141	-3 118	-8 872

7/ Includes depreciation of SEK 1 394 thousand for the period Oct - Dec 2011

Income statement, per segment, Jan - Dec 2011	Professional Products	Consumer Products	Other	Total
Sales	38 197	3 266	-	41 463
Cost of goods sold	-20 210	-952	-	-21 162
Gross Profit	17 987	2 314	-	20 301
Selling and marketing expenses	-15 587	-228	-396	-16 211
Administrative expenses	-6 163	-78	-5 766	-12 007
Research and development costs	-14 206	-1 919	-132	-16 257
Operating profit/loss⁷⁾	-17 969	89	-6 294	-24 174
Net financial items	-1 344	-	-3 107	-4 451
Profit/loss before tax	-19 313	89	-9 401	-28 625
Tax	-	-	-	-
Profit/loss for the period	-19 313	89	-9 401	-28 625

7/ Includes depreciation of SEK 8 085 thousand for the period Jan. - Dec. 2011