

# INVISIO COMMUNICATIONS

## Interim Report

January – September 2012



## Interim Report January – September 2012

### July – September

- Total income decreased to SEK 7.0 m (11.6)
- Sales for the business area Professional products decreased to 7.0 SEK m compared with the corresponding period 2011 (11.5)
- Gross profit amounted to SEK 3.4 m (5.5). For Professional products SEK 3.4 m (5.4)
- Gross margin amounted to 49.3 percent (47.3)
- Operating loss amounted to SEK -5.6 m (-5.0)
- Loss after tax amounted to SEK -6.6 m (-6.4)
- Loss per share amounted to SEK -0.18 (-0.25)
- The order book for the business area Professional products was SEK 7.1 m (5.3) at the end of the quarter

### January – September

- Total income decreased to SEK 25.1 m (32.0)
- Sales for the business area Professional products decreased to SEK 25.1 m compared with the corresponding period 2011 (28.7)
- Gross profit amounted to SEK 10.7 m (16.2). For Professional products SEK 10.7 m (13.9)
- Gross margin amounted to 42.8 percent (50.7)
- Operating loss amounted to SEK -19.4 m (-17.1)
- Loss after tax amounted to SEK -21.6 m (-19.8)
- Loss per share amounted to SEK -0.62 (-0.77)

### Important Events July – September

- INVISIO has received an additional order from the Australian Department of Defence through its Australian distribution partner Defcon Technologies. The order is again for INVISIO M3 headsets. The total order value was approximately SEK 1.8 m and the products will be delivered during the fourth quarter of 2012.
- INVISIO has received an order from a customer in the US. The order is for a number INVISIO X5 headsets with accompanying control units and accessories. The total order value was approximately SEK 3.5 m and expected delivery is during the fourth quarter 2012.
- INVISIO has received a loan of SEK 5.0 m from Erik Penser Bankaktiebolag. The loan is running with 9.25 percent interest until May 31, 2013, but can be repaid earlier without additional costs. INVISIO has issued collateral in the form of third hand pledge in the shares of the subsidiary Nextlink IPR AB. The loan represents a part of the financing solution that INVISIO accounted for in the press release and prospectus in connection with the new share issue with shareholder precedence during the fall of 2011.



### Important Events after the period

- 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 is for a large number of INVISIO's new communications system INVISIO V60 and the order value is approximately SEK 19 m. INVISIO also expects an additional order of SEK 13 m from the same customer before the end of 2012.
- INVISIO launches 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.
- 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 is SEK 4.40 per share. The share issue provides 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. The subscription price corresponds to the share's market value.

#### 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](http://www.invisio.com). Mangold Fondkommission AB is Certified Adviser for INVISIO Communications AB.



## CEO's Comments

It is very pleasing that INVISIO after the end of the quarter has received the by far largest order in the company's history – an order from the Armed Forces of a NATO country through a leading radio manufacturer. The order is for a large number of the new communications system INVISIO V60 and the order value is SEK 19 m. We also expect an additional order of SEK 13 m from the same customer before the end of 2012.

We have continuously mentioned the possibilities of sales in connection with military modernization programs that are active around the world, where soldiers that will be out in the field are equipped with everything from new advanced technology to modern personal protection equipment. In the programs that include radio and communication solutions, it is often a requirement with "in-ear headsets" and hearing protection, which correspond well to INVISIOs 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 that consists of thousands of users. The new large record order is strong evidence for this.

Considering the size of the record order and depending on exact deliveries of our new communications system for the order, we assess to able to turn to profit and reach a positive cash-flow from the operations before year-end 2012 or during the first quarter 2013. Sales may however, as previously communicated, 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.

The size of the order implies a need for increased capitalization for INVISIO, concerning purchases of components and manufacturing. Of the Company's total loans of SEK 21.3 m, SEK 14.2 m is due within four months, SEK 5.7 m within eight months and the remaining SEK 1,4 m per end of November 2013. Therefore a new share issue of SEK 10 m has been conducted after the end of the quarter. The Board monitors the need for additional capital proactively and if applicable this will be met through new loans alternatively new share issue.

## Business Area Professional Products

Sales during the third quarter were lower than expected and lower than the corresponding period last year, SEK 7.0 m compared to SEK 11.6 m. The third quarter 2011 was however one of our best ever, and as previously communicated, sales 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.

During the third quarter we received several important orders, among them an additional order of SEK 1.8 m from the Australian Department of Defence through our Australian distribution partner Defcon Technologies. Recurring buyers is becoming more common for us, which is very positive as it shows that our products deliver what they promise. At the end of the quarter we received an order of SEK 3.5 m from a customer in the US for a number of INVISIO X5 headsets with accompanying control units and accessories.

During the quarter we have also been working intensely with our new advanced communications- and hearing protection system INVISIO V60, which is developed especially for modern military forces. 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. The communications system was launched during October at the military exhibitions AUSA in Washington and FSEC in Prague and was met with great interest.

### **Business Area Consumer Products**

During the third quarter no income has been accounted for (SEK 0.1 m).

### **Summarizing the third quarter of 2012**

The lower sales during the quarter were balanced by the very pleasing new record order from the Armed Forces of a NATO country that we received after the end of the quarter. As previously communicated, we have during 2012 submitted offers on three large military programs where decision is expected at the earliest during the second half of 2012 and during 2013. The first decision within such a program – the new record order – was very positive and we believe and hope that it can lead to further success within these and new coming programs. Reference orders of this magnitude are very important in our continued sales work. The need for the communications systems that we offer is large and we assess that the demand will increase significantly in the coming years.

Lars Højgård Hansen  
CEO

## **Total Income and Result July – September 2012**

Total income during the third quarter decreased compared with the corresponding period 2011 and amounted to SEK 7.0 m (11.6).

Gross profit amounted to SEK 3.4 m (5.5) and the gross margin was 49.3 percent (47.3).

The order book, solely consisting of professional products, was SEK 7.1 m (5.3) at the end of the quarter.

Operating expenses for the third quarter decreased to SEK 9.0 m (10.5). Included in the expenses are depreciations of SEK 1.5 m (1.8).

Operating loss for the third quarter thus amounted to SEK -5.6 m (-5.1).

Net financial items for the third quarter amounted to SEK -1.0 m (-1.3).

Loss after tax for the third quarter amounted to SEK -6.6 m (-6.4).

Loss per share for the third quarter amounted to SEK -0.18 (-0.25).

### **Professional Products**

Sales during the third quarter for the business area Professional Products decreased compared to the corresponding period 2011 and amounted to SEK 7.0 m (11.5).

The gross profit margin increased compared to the corresponding period previous year and amounted to 49.3 percent (46.9). 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 third quarter no income has been accounted for (SEK 0.1 m).

## Total Income and Result January – September 2012

Total income during the period January – September decreased compared with the corresponding period 2011 and amounted to SEK 25.1 m (32.0). The decrease derives from no income from sales of consumer products as well as a lower third quarter for professional products.

Gross profit amounted to SEK 10.7 m (16.2) and the gross margin was 42.8 percent (50.7).

The order book, solely consisting of professional products, was SEK 7.1 m (5.3) at the end of the period.

Operating expenses for the period January – September decreased to SEK 30.2 m (33.4). Included in the expenses are depreciations of SEK 3.5 m (6.7).

Operating loss for the period January – September thus amounted to SEK -19.5 m (-17.1).

Net financial items for the period January – September amounted to SEK -2.2 m (-2.6).

Loss after tax for the period January – September amounted to SEK -21.6 m (-19.8).

Loss per share for the period January – September amounted to SEK -0.62 (-0.77).

## Professional Products

Sales during the period January – September for the business area Professional Products decreased compared to the corresponding period 2011 and amounted to SEK 25.1 m (28.7).

The gross profit margin decreased compared to the corresponding quarter previous year and amounted to 42.8 percent (48.5). 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 – September 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 – September net capital expenditures amounted to SEK -5.5 m (-4.9) of which -5.4 m (-4.3) was activated development costs.

### Cash Flow and Liquidity

Cash flow from the operating activities during the period January – September amounted to SEK -12.3 m (-15.5). Cash flow from the investment activities amounted to SEK -5.5 m (-4.9). Cash flow from the financing activities amounted to SEK 1.3 m (8.8), of which the new share issue SEK 7.6 m (0) and taking up/payment of loans SEK -6.3 (8.8). Cash flow during the period thus amounted to SEK -16.5 m (-11.6).



At the end of the period January – September, cash and cash equivalents of the Group amounted to SEK 0.7 m (1.2).

Of the Company's total loans of SEK 21.3 m per the end of September, SEK 14.2 m are due within four months, SEK 5.7 m within eight months and the remaining SEK 1.4 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.

The Board monitors the need for additional capital proactively and if applicable this will be met through new loans alternatively new share issue.

## Financing

On January 20, 2012, INVISIO agreed with Alecta occupational pension, Mutual, on a SEK 10 m loan. The loan is for one year and shall be 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 has the possibility to require early repayment of the loan. The loan is running with 12.5 percent interest. As collateral, INVISIO has made a secondary pledge of the shares in the subsidiary Nextlink IPR AB. The loan is 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 is 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 emission, 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.

## Shareholders' Equity

The Group's reported shareholders' equity at the end of the period January – September amounted to SEK 3.8 m (-13.4), which resulted into a negative equity ratio (neg.).



## Parent Company

Net income for the Parent Company during the period January – September amounted to SEK 45.000 (45.000). Operating loss amounted to SEK -4.4 m (-4.8). The period's result was SEK -20.7 m (-31.0), where SEK 15 m (25.3) is attributable to shareholder contribution to the subsidiary.

At the end of the period January – September, cash and cash equivalents held by the Parent Company amounted to SEK 0.5 m (0.1) and shareholders' equity amounted to SEK 66.8 m (57.8), which resulted into an equity ratio of 75.4 (65.7). The Parent Company had 1 employee (1).

See the section Financing regarding the share issue with shareholder precedence and loan guarantee as per April 19, 2012.

## Outlook for 2012

Since the change of strategy in 2008, the Company has achieved a sales increase every year. Depending on exact deliveries of the new record order for the communications system INVISIO V60 to the Armed Forces of a NATO country, we assess to be able to turn to profit and reach a positive cash-flow from the operations before year-end 2012 or during the first quarter 2013. Furthermore, the Company's costs during 2012 are estimated to remain on the same level as 2011.

### 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 will short-term focus all 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 2012 are low.

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.

The Board will during the year proactively monitor the need for additional capital and if applicable this will be met through new loans alternatively new share issue.

## 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. The Company has not compensated Lage Jonason for his current security responsibility.

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



## Future Reporting Dates

- ➔ Year-End Report 2012: February 15, 2013
- ➔ General Annual Meeting 2013: March 21, in Stockholm

Stockholm, November 30, 2012

Lars Röckert  
Chairman of the Board

Anders Persson  
Director

Jan Samuelson  
Director

Mats Warstedt  
Director

Lage Jonason  
Director

Lars Højgård Hansen  
CEO

### For further information, please contact:

Lars Højgård Hansen, CEO  
+45-5372 7722  
Lars.HojgaardHansen@invisio.com

Thomas Larsson, CFO  
+45 5372 7735  
Thomas.Larsson@invisio.com

### Address and contact information:

INVISIO Communications AB (publ.)  
Box 49149  
100 29 Stockholm  
Sweden  
Registered number: 556651-0987



## Report of Review of Interim Financial Information

### Introduction

We have reviewed this report for the period January 1, 2012 to September 30, 2012 for INVISIO Communications AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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

Stockholm, November 30, 2012

PricewaterhouseCoopers

.....

Michael Bengtsson  
Authorised Public Accountant  
Auditor in charge



## Financial reports

### Consolidated Income Statement

SEK 000s

Income statement	Jul - Sept 2012	Jul - Sept 2011	Jan - Sept 2012	Jan - Sept 2011	Jan - Dec 2011
Sales	6 959	11 582	25 092	31 980	41 463
Cost of goods sold	-3 526	-6 104	-14 354	-15 754	-21 162
<b>Gross Profit</b>	<b>3 433</b>	<b>5 478</b>	<b>10 738</b>	<b>16 226</b>	<b>20 301</b>
Operating expenses <sup>1/</sup>	-9 028	-10 533	-30 196	-33 371	-44 475
<b>Operating profit/loss</b>	<b>-5 595</b>	<b>-5 055</b>	<b>-19 458</b>	<b>-17 145</b>	<b>-24 174</b>
Net financial items	-1 037	-1 349	-2 156	-2 608	-4 451
<b>Profit/loss before tax</b>	<b>-6 632</b>	<b>-6 404</b>	<b>-21 614</b>	<b>-19 753</b>	<b>-28 625</b>
Income tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-6 632</b>	<b>-6 404</b>	<b>-21 614</b>	<b>-19 753</b>	<b>-28 625</b>
<b>Other comprehensive income</b>					
Translation differences during the period from translation of foreign businesses	-649	371	-1 047	679	-6
<b>Comprehensive income for the period</b>	<b>-7 281</b>	<b>-6 033</b>	<b>-22 661</b>	<b>-19 074</b>	<b>-28 631</b>

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

1/ Of which, depreciation	-1 463	-1 769	-3 494	-6 691	-8 085
---------------------------	--------	--------	--------	--------	--------

Per-share data	Jul - Sept 2012	Jul - Sept 2011	Jan - Sept 2012	Jan - Sept 2011	Jan - Dec 2011
Earnings per share, SEK	-0,18	-0,25	-0,62	-0,77	-1,10
Earnings per share after dilution, SEK	-0,18	-0,25	-0,62	-0,77	-1,10
Shareholders' equity per share, SEK	neg.	neg.	neg.	neg.	0,35
Shareholders' equity per share after dilution, SEK	neg.	neg.	neg.	neg.	0,35
Equity ratio	neg.	neg.	neg.	neg.	22%
Number of shares outstanding	36 167 437	25 851 452	36 167 437	25 851 452	32 704 351
Average number of shares outstanding	36 167 437	25 851 452	34 967 791	25 747 002	25 919 371
Number of shares outstanding after dilution	36 167 437	25 851 452	36 167 437	25 851 452	32 704 351
Share price, SEK	4,53	7,00	4,53	7,00	3,70

### Consolidated Balance Sheet

#### Condensed balance sheet

SEK 000s

Assets	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Intangible assets	16 724	15 735	16 562	15 336
Property, plant and equipment	219	768	365	576
Financial assets	638	663	665	678
Inventories	3 989	4 576	4 540	5 215
Accounts receivable - trade	4 885	11 209	10 182	5 668
Other receivables, prepaid expenses and accrued income <sup>2/</sup>	1 167	1 483	1 577	6 039
Cash and bank balances	690	1 171	2 391	17 305
<b>Total assets</b>	<b>28 312</b>	<b>35 605</b>	<b>36 282</b>	<b>50 817</b>

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

Shareholders' equity and liabilities	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Shareholders' equity	-3 787	-13 444	3 494	11 287
Liabilities to credit institutions	21 271	35 372	20 664	27 736
Accounts payable - trade	6 243	7 164	5 867	6 284
Other liabilities, accrued expenses and deferred income	4 585	6 513	6 257	5 510
<b>Total shareholders' equity and liabilities</b>	<b>28 312</b>	<b>35 605</b>	<b>36 282</b>	<b>50 817</b>

Changes in shareholders' equity	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Opening balance	11 287	5 630	11 287	5 630
New issues	7 587	-	7 587	34 288
Comprehensive income for the period	-22 661	-19 074	-15 380	-28 631
<b>Closing balance</b>	<b>-3 787</b>	<b>-13 444</b>	<b>3 494</b>	<b>11 287</b>





**Statement of financial position, Group**  
SEK 000s

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
<b>Interim period 1/1/2012 – 9/30/2012</b>				
Opening balance, 1/1/2012	32 704	241 761	-263 178	11 287
Issues during registration 31/12/2011	963	-963	-	-
New Issues	2 500	5 250	-	7 750
Issues expenses	-	-163	-	-163
Comprehensive income for the period	-	-	-22 661	-22 661
<b>Shareholders' equity, 9/30/2012</b>	<b>36 167</b>	<b>245 885</b>	<b>-285 839</b>	<b>-3 787</b>

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
<b>Interim period 1/1/2011 – 9/30/2011</b>				
Opening balance, 1/1/2011	23 501	216 676	-234 547	5 630
Issues during registration 31/12/2010	2 350	-2 350	-	0
Comprehensive income for the period	-	-	-19 074	-19 074
<b>Shareholders' equity, 9/30/2011</b>	<b>25 851</b>	<b>214 326</b>	<b>-253 621</b>	<b>-13 444</b>

**Statement of cash flows – Group**  
SEK 000s

Cash flow	Jul - Sept 2012	Jul - Sept 2011	Jan - Sept 2012	Jan - Sept 2011	Jan - Dec 2011
<b>Operating activities</b>					
Profit/loss before tax	-6 632	-6 404	-21 614	-19 753	-28 625
Adjustments for non-cash items	1 628	1 990	3 542	6 873	8 123
Taxes	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5 004</b>	<b>-4 414</b>	<b>-18 072</b>	<b>-12 880</b>	<b>-20 502</b>
Cash flow from changes in working capital	4 910	1 049	5 760	-2 580	-9 138
<b>Cash flow from operating activities</b>	<b>-94</b>	<b>-3 365</b>	<b>-12 312</b>	<b>-15 460</b>	<b>-29 640</b>
<b>Investing activities</b>					
Capitalization of non-current assets	-2 165	-1 153	-5 437	-4 344	-5 701
Acquisition/divestment of property, plant and equipment	2	-149	-102	-559	-562
<b>Cash flow from investing activities</b>	<b>-2 163</b>	<b>-1 302</b>	<b>-5 539</b>	<b>-4 903</b>	<b>-6 263</b>
<b>Financing activities</b>					
New issues	-	-	7 587	-	29 473
Issues during registration	-	-	-	-	4 815
Change in financial assets	671	-850	-6 278	8 750	6 185
<b>Cash flow from financing activities</b>	<b>671</b>	<b>-850</b>	<b>1 309</b>	<b>8 750</b>	<b>40 473</b>
<b>Cash flow for the period</b>	<b>-1 586</b>	<b>-5 517</b>	<b>-16 542</b>	<b>-11 613</b>	<b>4 570</b>
Cash and bank balances at start of period	2 391	6 730	17 305	12 752	12 752
Translation differences in cash and bank balances	-115	-42	-73	32	-17
Cash and bank balances at end of period	690	1 171	690	1 171	17 305

**Parent Company Income Statement**  
SEK 000s

Income statement	Jul - Sept 2012	Jul - Sept 2011	Jan - Sept 2012	Jan - Sept 2011	Jan - Dec 2011
Operating income	15	15	45	45	60
Operating expenses <sup>3)</sup>	-1 380	-1 544	-4 483	-4 856	-6 593
<b>Operating loss</b>	<b>-1 365</b>	<b>-1 529</b>	<b>-4 438</b>	<b>-4 811</b>	<b>-6 533</b>
Net financial items <sup>4)</sup>	-360	-15 764	-16 250	-26 263	-36 824
<b>Loss before tax</b>	<b>-1 725</b>	<b>-17 293</b>	<b>-20 688</b>	<b>-31 074</b>	<b>-43 357</b>
Income tax	-	-	-	-	-
<b>Loss for the period</b>	<b>-1 725</b>	<b>-17 293</b>	<b>-20 688</b>	<b>-31 074</b>	<b>-43 357</b>

<sup>3/</sup> Of which, depreciation

<sup>4/</sup> Of which, SEK 15 m in shareholder contribution to subsidiaries as per 9/30/2012 ( 25,3 m as per 9/30/2011)



**Parent Company Balance Sheet**

**Condensed balance sheet**

SEK 000s

Assets	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Financial assets/shares in subsidiaries	81 512	81 819	81 512	81 512
Receivables from Group companies	6 366	5 651	1 915	5 902
Other receivables, prepaid expenses and accrued income <sup>2)</sup>	155	400	355	4 860
Cash and bank balances	516	164	255	14 597
<b>Total assets</b>	<b>88 549</b>	<b>88 034</b>	<b>84 037</b>	<b>106 871</b>

<sup>2)</sup> Other receivables include cash in the trust account at 2011-12-31 about 4.1 m

Shareholders' equity and liabilities	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Shareholders' equity	66 751	57 847	68 477	79 852
Liabilities to credit institutions	19 000	27 050	13 500	23 500
Accounts payable - trade	1 126	1 204	626	1 826
Liabilities to Group companies	111	106	111	111
Other liabilities, accrued expenses and deferred income	1 561	1 827	1 323	1 582
<b>Total shareholders' equity and liabilities</b>	<b>88 549</b>	<b>88 034</b>	<b>84 037</b>	<b>106 871</b>

Changes in shareholders' equity	9/30/2012	9/30/2011	6/30/2012	12/31/2011
Opening balance	79 852	88 921	79 852	88 921
New issues	7 750	-	7 750	34 265
Issues expenses	-163	-	-162	-4 792
Issues during registration	-	-	-	4 815
Issues expenses issues during registration	-	-	-	-
Loss for the period <sup>4)</sup>	-20 688	-31 074	-18 963	-43 357
<b>Closing balance</b>	<b>66 751</b>	<b>57 847</b>	<b>68 477</b>	<b>79 852</b>

<sup>4)</sup> Of which, SEK 15 m in shareholder contribution to subsidiaries as per 9/30/2012 ( 25,3 m as per 9/30/2011)

**Consolidated Income Statement - Segmental Breakdown**

SEK 000s

Income statement, per segment, Jul - Sept 2012	Professional	Consumer	Other	Total
	Products	Products		
Sales	6 959	-	-	6 959
Cost of goods sold	-3 526	-	-	-3 526
<b>Gross Profit</b>	<b>3 433</b>	<b>-</b>	<b>-</b>	<b>3 433</b>
Selling and marketing expenses	-3 046	-	-173	-3 219
Administrative expenses	-1 571	-	-1 081	-2 652
Research and development costs	-3 104	-	-53	-3 157
<b>Operating profit/loss <sup>5)</sup></b>	<b>-4 288</b>	<b>-</b>	<b>-1 307</b>	<b>-5 595</b>
Net financial items	-608	-	-429	-1 037
<b>Profit/loss before tax</b>	<b>-4 896</b>	<b>-</b>	<b>-1 736</b>	<b>-6 632</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-4 896</b>	<b>-</b>	<b>-1 736</b>	<b>-6 632</b>

<sup>5)</sup> Includes depreciation of SEK 1463 thousand for the period Jul - Sept 2012

Income statement, per segment, Jan - Sept 2012	Professional	Consumer	Other	Total
	Products	Products		
Sales	25 091	-	1	25 092
Cost of goods sold	-14 354	-	-	-14 354
<b>Gross Profit</b>	<b>10 737</b>	<b>-</b>	<b>1</b>	<b>10 738</b>
Selling and marketing expenses	-11 728	-	-493	-12 221
Administrative expenses	-4 725	-	-3 619	-8 344
Research and development costs	-9 471	-	-160	-9 631
<b>Operating profit/loss <sup>6)</sup></b>	<b>-15 187</b>	<b>-</b>	<b>-4 272</b>	<b>-19 458</b>
Net financial items	-837	-	-1 319	-2 156
<b>Profit/loss before tax</b>	<b>-16 024</b>	<b>-</b>	<b>-5 591</b>	<b>-21 614</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-16 024</b>	<b>-</b>	<b>-5 591</b>	<b>-21 614</b>

<sup>6)</sup> Includes depreciation of SEK 3 494 thousand for the period Jan. - Sept 2012



Income statement, per segment, Jul - Sept 2011	Professional	Consumer	Other	Total
	Products	Products		
Sales	11 515	67	-	11 582
Cost of goods sold	-6 112	8	-	-6 104
<b>Gross Profit</b>	<b>5 403</b>	<b>75</b>	-	<b>5 478</b>
Selling and marketing expenses	-3 875	-81	-135	-4 091
Administrative expenses	-1 230	-27	-1 291	-2 548
Research and development costs	-3 677	-172	-45	-3 894
<b>Operating profit/loss<sup>7)</sup></b>	<b>-3 379</b>	<b>-205</b>	<b>-1 471</b>	<b>-5 055</b>
Net financial items	-616	-	-733	-1 349
<b>Profit/loss before tax</b>	<b>-3 995</b>	<b>-205</b>	<b>-2 204</b>	<b>-6 404</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-3 995</b>	<b>-205</b>	<b>-2 204</b>	<b>-6 404</b>

7/ Includes depreciation of SEK 1769 thousand for the period Jul - Sept 2011

Income statement, per segment, Jan - Sept 2011	Professional	Consumer	Other	Total
	Products	Products		
Sales	28 723	3 257	-	31 980
Cost of goods sold	-14 806	-948	-	-15 754
<b>Gross Profit</b>	<b>13 917</b>	<b>2 309</b>	-	<b>16 226</b>
Selling and marketing expenses	-11 231	-185	-274	-11 690
Administrative expenses	-4 609	-62	-4 279	-8 950
Research and development costs	-10 812	-1 832	-87	-12 731
<b>Operating profit/loss<sup>8)</sup></b>	<b>-12 735</b>	<b>230</b>	<b>-4 640</b>	<b>-17 145</b>
Net financial items	-965	-	-1 643	-2 608
<b>Profit/loss before tax</b>	<b>-13 700</b>	<b>230</b>	<b>-6 283</b>	<b>-19 753</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-13 700</b>	<b>230</b>	<b>-6 283</b>	<b>-19 753</b>

8/ Includes depreciation of SEK 6 691 thousand for the period Jan. - Sept 2011

Income statement, per segment, Jan - Dec 2011	Professional	Consumer	Other	Total
	Products	Products		
Sales	38 197	3 266	-	41 463
Cost of goods sold	-20 210	-952	-	-21 162
<b>Gross Profit</b>	<b>17 987</b>	<b>2 314</b>	-	<b>20 301</b>
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
<b>Operating profit/loss<sup>9)</sup></b>	<b>-17 969</b>	<b>89</b>	<b>-6 294</b>	<b>-24 174</b>
Net financial items	-1 344	-	-3 107	-4 451
<b>Profit/loss before tax</b>	<b>-19 313</b>	<b>89</b>	<b>-9 401</b>	<b>-28 625</b>
Tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-19 313</b>	<b>89</b>	<b>-9 401</b>	<b>-28 625</b>

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