Hansa Medical

Prospectus regarding admission to trading of shares in Hansa Medical AB (publ)

Information to investors

Certain definitions
"**Hansa Medical**" or the "**Company**" means, depending on the context, Hansa Medical AB (publ), a subsidiary of Hansa Medical AB (publ) or the corporate group of which Hansa Medical AB (publ) is the parent company.
"**Euroclear**" means Euroclear Sweden AB, Box 191, 101 23 Stockholm.
"**IFRS**" means International Financial Reporting Standards as adopted by the EU.
"**Code**" means the Swedish Code of Corporate Governance.
"**Group**" means the corporate group of which Hansa Medical AB (publ) is the parent company.
"**SEK '000**" means SEK thousands.
"**MSEK**" means SEK millions.
"**Prospectus**" means this prospectus regarding the admission to trading of shares in Hansa Medical.
"**SEK**" means Swedish kronor.
"**Stockholm Stock Exchange**" or "**Nasdaq Stockholm's main market**" means Nasdaq OMX Stockholm AB or the regulated marketplace operated by Nasdaq OMX Stockholm AB, depending on the context.

A word list is set forth on pages 107-110 of the Prospectus of the scientific and medical terms used in the Prospectus.

No measure has been taken, or will be taken, by Hansa Medical in order to permit an offer to be made to the general public in any jurisdiction other than Sweden. This Prospectus may not be made public, published or distributed in the United States, Canada, Japan, Australia, Hong Kong, Switzerland, Singapore, South Africa or New Zealand, or any country where such measure requires registration measures or other measures beyond those required by Swedish law. Any person who comes into possession of the Prospectus is obligated to inform himself/herself regarding, and to comply with, the above-stated restrictions and particularly not publish or distribute the Prospectus in contravention of applicable laws and rules. Any actions in contravention of the above-stated restrictions may constitute violations of applicable securities law.

The publication of the Prospectus does not entail that the information contained herein is current and updated as of any date other than the date of the Prospectus, or that no change has taken place regarding the Company's business operations, or that the information contained in the Prospectus is correct on any date after the date of the Prospectus. A supplemental prospectus will only be produced and registered to the extent such an obligation exist.

As a consequence of the IPO, the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with provisions contained in Chapter 2, sections 25 and 26 of the Financial Instruments Trading Act (1991:980). Approval and registration does not mean that the Financial Supervisory Authority warrants that factual information contained in the Prospectus is correct or complete.

Any disputes regarding, or arising as a consequence of, the IPO, the content of the Prospectus, or associated legal circumstances shall be decided exclusively according to Swedish law and by a Swedish court of law.

The Prospectus is available on the Company's website at www.hansamedical.com and on the Financial Supervisory Authority's website at www.fi.se/register/prospektregistret. The information on the Company's website has not been incorporated into the Prospectus and does not constitute a part of the Prospectus other than as set forth in the Prospectus.

The Prospectus contains forward-looking statements which reflect Hansa Medical's current view of future events as well as financial, operating, and other developments. These forward-looking statements apply only as per the date of the Prospectus. The Company does not undertake to publish updates or revisions of forward-looking statements as a consequence of new information, future events or suchlike, other than as required according to the provisions governing supplemental prospectuses pursuant to the Financial Instruments Trading Act. Even if Hansa Medical is of the opinion that the expectations described in such forward-looking statements are reasonable, there is no guarantee that these forward-looking statements will be realized or prove to be correct. Consequently, no future investor should place undue importance on these and other forward-looking statements.

The section entitled "*Risk factors*" contains a description (however not complete) of factors which may entail that actual results or developments differ significantly from the forward-looking statements. The Prospectus contains historical market information and industry forecasts. Some information has been obtained from several different outside sources and the Company has endeavoured to reproduce such information correctly in the Prospectus. Even if the Company believes these sources to be reliable, no independent verification has been carried out and therefore the correctness or completeness of the information cannot be guaranteed. However, as far as the Company is aware and able to ascertain through comparisons with other information made public by the third parties from which the information has been obtained, no information has been omitted in a manner which would render the information reproduced erroneous or misleading. Certain figures contained in the Prospectus have been rounded off. This entails that certain tables do not appear to tally correctly. This is the case when sums are stated in thousands or millions and is particularly prevalent in the section entitled *Financial information in brief, Comments on financial development* and *Equity structure and other financial information* set forth below. Other than as expressly stated, no information contained in the Prospectus has been reviewed or audited by the Company's auditors.

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The shares in brief at the time of admission for trading on Nasdaq Stockholm's main market

Place of trading	Nasdaq Stockholm's main market
ISIN code for the shares	SE0002148817
Ticker name for the shares	HMED

Financial calendar

Estimated first day for trading on Nasdaq Stockholm	November 2, 2015
Interim report January – September 2015	October 28, 2015
Year-end Report 2015	February 18, 2016
Annual report for 2015	March 31, 2016
Interim report January – March 2016	April 27, 2016
Annual general meeting	April 27, 2016
Interim report January – June 2016	July 21, 2016
Interim report January – September 2016	November 10, 2016

Summary

The summary consists of information requirements organized in various points. The points are numbered in the sections A-E (A.1-E.7). The summary set forth in this Prospectus contains all of the points which are required of a summary for this type of securities and issuer. Since certain points are not applicable to all types of prospectuses, there are gaps in the numbering of the points.

Even if it is required that a point be included in the summary for the relevant securities and issuer, it is possible that no relevant information can be provided regarding the point in question. In such cases, the information has been replaced with a brief description of the point together with the words "not applicable".

SECTION A – INTRODUCTION AND WARNINGS			
A.1	Introduction and warnings		This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration by the investor of the Prospectus as a whole. Where a claim relating to the information in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States, have to bear the costs of translating the Prospectus before the judicial proceedings are initiated. Civil liability may only attach to those persons who produced the summary, including any translations thereof, but only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus or if, together with other parts of the Prospectus, it fails to provide key information to help investors when considering investing in such securities.
A.2	Financial intermediaries		Not applicable; admission for trading on a regulated market will take place without the issuance of shares.
SECTION B – ISSUER			
B.1	Company name and trade name		The Company's registered name and trade name is Hansa Medical AB (publ). The Company's registration number is 556734-5359.
B.2	Domicile and legal form of the issuer		Hansa Medical AB (publ) is a public company founded in 2007 in Sweden with its registered office located in the municipality of Lund, Sweden. The Company's operations are regulated in accordance with the Swedish Companies Act (SFS 2005:551).
B.3	Main business operations		Hansa Medical is a biotechnology company focusing on new and innovative immune modulating enzymes, i.e. enzymes which have an effect on the immune system. The Company is a development company which does not yet have any products on the market, with the exception of HBP-assay which was launched to a limited extent for research purposes. The Company's primary pharmaceutical candidate in clinical development (IdeS) inactivates antibodies and may have a large treatment potential in transplants and uncommon autoimmune diseases (diseases which can arise when the body's immune system reacts against the body's own structures). In addition, the Company has developed HBP, a biomarker launched on the market for the diagnosis and prediction of severe sepsis (diagnosed or suspected infection in combination with the patient

			having a life-threatening systemic inflammatory condition) and is conducting preclinical research regarding EndoS, a bacterial antibody-modulating enzyme.
B.4a	Tendencies affecting the issuer and the industry in which it operates		To the best knowledge of the board of directors, other than general uncertainty related to the development of medical, chemical and biotechnical products, there are no known trends, uncertainty factors, potential claims or other claims, undertakings or events which may be anticipated to have a material effect on the Company's future prospects.
B.5	Description of the Group		Hansa Medical is the parent company of a corporate group with a wholly-owned subsidiary, Cartela R&D AB. The subsidiary is located in Sweden and conducts business operations in the Group's area of operations.
B.6	Major shareholders		As of 31 July 2015, the following shareholders of Hansa Medical hold share capital and voting capital that are subject to a notification obligation pursuant to the disclosure rules set forth in the Swedish Financial Instruments Trading Act: Nexttobe AB (29.14 per cent of the share capital and voting capital), Farstorps Gård AB (21.98 per cent of the share capital and voting capital) and Försäkringsaktiebolaget Avanza Pension (7.48 per cent of the share capital and voting capital). All shares carry equal entitlement to voting.
B.7	Summary of historical financial information		The financial reports regarding historical financial information for the 2014, 2013 2012 financial years which are included in this Prospectus were prepared in accordance with International Financial Reporting Standards (”IFRS”) as adopted by the EU. The financial reports regarding historical financial information for the 2014, 2013 in 2012 financial years have been taken from Hansa Medical's audited, revised financial reports. The financial reports regarding historical financial information for the period January – June 2015 which are incorporated through reference in this Prospectus were prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report has been reviewed by the Company's auditor, but not audited.

CONSOLIDATED INCOME STATEMENT

SEK 000'	January - June 2015	January - June 2014	1 January - 31 December 2014	1 January - 31 December 2013	1 January - 31 December 2012
Net sales	4 376	1 461	1 618	1 690	1 781
Other operating income	694	1 537	3 157	37	838
Total operating income	**5 070**	**2 998**	**4 775**	**1 727**	**2 619**
Selling and administrative costs	-17 892	-3 249	-7 609	-6 706	-5 965
Research and development costs	-20 316	-10 479	-21 742	-12 537	-13 350
Other operating costs	-47	0	-133	-113	-102
Operating earnings	**-33 185**	**-10 730**	**-24 709**	**-17 629**	**-16 798**
Net financial income	-45	-116	-4 333	67	330
Result for the period	**-33 230**	**-10 846**	**-29 042**	**-17 562**	**-16 468**
Attributable to:					
Parent company shareholders	-33 230	-10 846	-29 042	-17 562	-16 468
Earnings per share					
before dilution (SEK)	-1,11	-0,42	-1,10	-0,72	-0,71
after dilution (SEK)	-1,11	-0,42	-1,10	-0,72	-0,71
Other comprehensive income					
Items that have been, or may be reclassified to profit or loss for the year					
Fair value changes for the year on realizable financial assets	1 333	-1 810	-2 064	2 326	-262
Other comprehensive income for the period	**1 333**	**-1 810**	**-2 064**	**2 326**	**-262**
Total net comprehensive income	**-31 897**	**-12 656**	**-31 106**	**-15 236**	**-16 730**

CONSOLIDATED BALANCE SHEET

KSEK	30 June 2015	30 June 2014	31 Dec 2014	31 Dec 2013	31 Dec 2012
ASSETS					
Fixed assets					
Intangible fixed assets	36 612	38 022	36 898	38 028	37 976
Tangible fixed assets	1 407	413	1 283	298	438
Financial fixed assets	6 992	8 687	4 180	10 381	3 590
Total fixed assets	**45 011**	**47 122**	**42 361**	**48 707**	**42 004**
Current assets					
Receivables, non interest-bearing	2 555	1 288	1 798	1 817	2 375
Cash and cash equivalents	209 110	25 216	10 152	90	18 966
Totalt current assets	**211 665**	**26 504**	**11 950**	**1 907**	**21 341**
Total assets	**256 676**	**73 626**	**54 311**	**50 614**	**63 345**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	**244 072**	**68 612**	**49 804**	**45 349**	**60 585**
Long-term liabilities	**69**	**111**	**91**	**131**	**168**
Current liabilities					
Current interest-bearing liabilities	41	39	39	556	36
Current liabilities, non interest-bearing	5 306	754	2 834	1 514	1 457
Accrued expenses and deferred income	7 188	4 110	1 543	3 064	1 099
Total current liabilities	**12 535**	**4 903**	**4 416**	**5 134**	**2 592**
Total shareholders' equity and liabilities	**256 676**	**73 626**	**54 311**	**50 614**	**63 345**
Pledged assets	100	156	128	183	239
Contingent liabilities	None	None	None	None	None

CONSOLIDATED STATEMENT OF CASH FLOWS

	January - June		1 January - 31 December		
SEK 000'	2015	2014	2014	2013	2012
Operating activities					
Operating loss	-33 185	-10 730	-24 709	-17 629	-16 798
Adjustement for items not included in cash flow	485	85	1 349	152	183
Interest received and interest paid	-45	-116	-81	67	330
Income taxes paid	10	18	-81	-110	7
Cash flow from operating activities before changes in working capital	**-32 735**	**-10 743**	**-23 522**	**-17 520**	**-16 278**
Changes in working capital	7 350	797	-101	2 690	-1 621
Cash flow from operating activities	**-25 385**	**-9 946**	**-23 623**	**-14 830**	**-17 899**
Investing activities					
Acquisition of tangible fixed assets				-64	-2 707
Investments in capitalized development expenditures	-323	-194	-1 204		
Acquisition of financial assets	-1 479	-115	-115	-4 465	-3 852
Cash flow from investing activities	**-1 802**	**-309**	**-1 319**	**-4 529**	**-6 559**
Financing activities					
New share issue	246 331	37 042	37 042		46 021
Issue expenses	-21 999	-1 123	-1 481		-1 020
Warrants issue	1 833				
Loans raised				519	
Repayment of loans		-519	-519		-2 700
Repayment of leasing liabilities	-20	-19	-38	-36	-34
Cash flow from financing activities	**226 145**	**35 381**	**35 004**	**483**	**42 267**
Net cash flow	**198 958**	**25 126**	**10 062**	**-18 876**	**17 809**
Cash and cash equivalents, beginning of period	10 152	90	90	18 966	1 157
Cash and cash equivalents, end of period	**209 110**	**25 216**	**10 152**	**90**	**18 966**

Significant events during 2012

- Hansa Medical's cooperating partner Axis-Shield Diagnostics Ltd. launched a CE-marked method for HBP-assay.
- Clinical multicenter study with HBP-assay carried out with approximately 850 patients.
- European patent granted for diagnosis of severe sepsis using HBP-assay.
- Clinical research results proved that HBP is a good biomarker for diagnosis of urine tract infections.
- Patents granted in the United States and Europe for the medical use of IdeS.
- Private placement to Nexttobe AB and an immediately subsequent rights issue generated MSEK 46 for the Company, prior to deductions for issue expenses.

Significant events during 2013

- Successfully completed phase I study with the pharmaceutical candidate IdeS.
- The Company received MSEK 3.4 in financing from VINNOVA for the implementation of a phase II study of IdeS.
- The Company and Axis-Shield Diagnostics Ltd. reported very positive results from crucial clinical studies of the HBP-assay.

Significant events during 2014

- The Company reported that it successfully completed phase I study of IdeS. The study showed that IdeS inactivates antibodies

			safely, quickly and effectively. • The Company carried out a rights issue which provided the Company with MSEK 35.6 after issue expenses. • The Company commenced a clinical phase II study of IdeS in highly-sensitized patients on a waiting list for a kidney transplant. • The Company announced that the second patient in the clinical phase II study had undergone a successful transplant. • Bo Håkansson, Hansa Medical's chairman of the board of directors and founder, passed away in September 2014 following a motorcycle accident. • Birgit Stattin Norinder was appointed chairman of the board of directors of Hansa Medical following the death of Bo Håkansson. • Fredrik Lindgren was appointed the new CEO. Significant events after the close of the 2014 financial year • The clinical phase II study of highly-sensitized patients on a waiting list for a kidney transplant was successfully completed meaning that IdeS quickly and effectively reduces the levels of HLA antibodies. • Göran Arvidson was appointed CFO and subsequently also CEO. • A cooperation was commenced with the leading transplant expert in the United States, Dr. Stanley Jordan at Cedars-Sinai Medical Center in Los Angeles, and approval was obtained from the US Food and Drug Administration (FDA) to clinically trial IdeS in sensitized transplant patients. • The Company submitted a preliminary application for admission to trading on Nasdaq Stockholm's main market. • The Company took a loan in a maximum amount of MSEK 20 from its primary shareholder Nexttobe AB, of which MSEK 5 was drawn down. • The Company began the development of a new generation of molecules based on IdeS which will make possible repeated dosages and thus broaden the therapeutic possibilities to also include more chronic illnesses. Hansa Medical has obtained patent protection for the new molecules. • Hansa Medical's licensee, Axis-Shield Diagnostics Ltd., entered into a sublicense with the Chinese diagnostics company Hangzhou Joinstar Biomedical Technology Co Ltd for commercialization of HBP-assay in China. • The largest shareholder, Farstorps Gård AB, reduced its shareholdings from 43 per cent to approximately 27 per cent, and thereafter to approximately 22 per cent as a consequence of the dilution through the new issue which was carried out during the spring of 2015.

			• The Company carried out a fully underwritten rights issue which generated MSEK 246 for the Company prior to deductions for issue expenses. • The Company formed a medical advisory committee for IdeS in the area of kidney transplants in the United States. • Hans Schikan was elected as a new director of Hansa Medical. • Directors and senior management acquired shares in Hansa Medical. Senior management and other employees acquired warrants in Hansa Medical. • The first patient in the Company's second phase II study of IdeS underwent a kidney transplant. • The first patient in the IdeS study at Cedars-Sinai Medical Center in Los Angeles underwent a kidney transplant. • The results from a clinical multicenter study showing that quantification of HBP has the potential of becoming a very usable diagnostics method for predicting severe sepsis at emergency clinics and infection clinics were published by Critical Care Medicine. • The Company was granted Orphan Drug Status for IdeS in the United States. • Data from Hansa Medical 's first completed phase II study of IdeS at Uppsala University Hospital was presented at the 2015 ESOT Congress (17th Congress of the European Society for Organ Transplantation) in Brussels.
B.8	Selected pro forma accounts		Not applicable. The Prospectus contains no *pro forma* accounts.
B.9	Earnings forecast		Not applicable. The Prospectus contains no earnings forecast or calculation of anticipated earnings.
B.10	Remark from the auditors		Not applicable. There are no remarks in the auditor's report.
B.11	Insufficient working capital		Not applicable. It is the opinion of the Company that the current operating capital is sufficient for its needs over the next 12 months.
SECTION C – SECURITIES			
C.1	Securities offered		Shares issued by Hansa Medical (ISIN code SE0002148817).
C.2	Denomination		The Company's shares are denominated in Swedish kronor.
C.3	Total number of shares in the Company		The Company's registered share capital is SEK 32,412,003, divided into 32,412,003 shares. All of the shares are fully paid-up. Each share has a quota value of SEK 1.
C.4	Rights associated with the securities		Resolutions regarding dividends are adopted by the shareholders at general meetings. Each share in Hansa Medical entitles the holder to one vote at general meetings and each shareholder is entitled to vote for the full number of his/her shares. The shares carry equal rights to participate in the Company's profits and to any surplus in the event of liquidation. The shareholders normally have preemptive rights in

			conjunction with new issues of shares. However, a general meeting may resolve upon, or approve, exemptions from this. A resolution adopted by a generals meeting is required in order to change shareholders' rights. The terms and conditions for changing shareholders' rights correspond to the provisions set forth in law. Redemption of shares is not covered by the articles of association and is controlled instead by the rules set forth in the Swedish Companies Act.
C.5	Restrictions on transferability		Not applicable. The shares are not subject to any restrictions on transferability.
C.6	Admission to trading		The Company has applied for admission of its shares for trading on Nasdaq Stockholm's main market. The application has been granted. Since 24 June 2015, the Company's shares have been traded on First North Premier, which is not a regulated market but a trading platform.
C.7	Dividend policy		The Company's dividend policy is to not pay dividends until the Company reports sustainable profits. Future dividends will take into consideration the Company's cash flow and need to finance future expansion. To date, Hansa Medical has never paid any dividend and does not intend to pay any dividend in the next few years.
SECTION D – RISKS			
D.1	Primary risks specific to the Group and its industries		Before deciding to invest in shares in Hansa Medical, it is important to consider the risks which are believed to be of significance to the future performance of the Company and its shares. Among other things, these risks consist of the following: • Risks associated with clinical trials, production and regulatory approval where problems in obtaining or maintaining approval may significantly prejudice the Company's business and financial position. The Company has not yet launched any pharmaceutical on the market, but if the Company reaches the market with a pharmaceutical such risks may also negatively affect its future earnings. • The risk that the Company will not succeed in obtaining or defending patent protection for its inventions, or that future patents granted to parties other than the Company may limit the possibilities for the Group to commercialize intangible assets. • The value of the Company is largely dependent on continued success for the Company's leading development project (IdeS), but also to a certain extent on the sales of HBP-assay under the management of its licensee, Axis-Shield Diagnostics Ltd. The market value of the Company, its share price and financial position would be negatively affected in the event of setbacks for IdeS and/or HBP-assay. • The Company is dependent upon key persons where the loss of employees or directors might have a negative effect on the Company's business, earnings and financial position.

			• Since the type of pharmaceutical under development by the Company is financed in whole or in part by a party other than the patient, the Company is dependent on the acceptance by financiers of the products and their price. Otherwise, there is a risk that it will be more difficult to get the products to market, which can affect the Group's earnings and financial position. • The industry in which the Company operates is exposed to a high level of competition and the development of a new pharmaceutical takes a long time which entails difficulties in knowing which competing products the Company's products will face when they reach market. There is a risk that the Company will not be able to sell its products, which may affect the Company's earnings negatively. • Hansa Medical's operations are largely financed by shareholders' equity from new share issues and there is a risk that it will not be possible to acquire such capital when the Company needs it. • Far-reaching changes in legislation and regulations regarding pharmaceuticals, both in Europe as well as other parts of the world, may entail increased costs, which might have a negative impact on the Company's business, financial position and earnings. • There is a risk that product liability claims may be brought against the Company.
D.3	Significant risks associated to the securities		• Trading in shares is always associated with risks and the pricing of the shares is partially dependent on factors beyond the control of Hansa Medical, including the stock market's expectations and performance as well as economic trends in general. An investment in shares may decline in value and there is a risk that the investor will not get back the capital invested or any capital at all. • The Company's shares may be delisted from Nasdaq Stockholm's main market in the event the Company fails in the future to live up to the requirements applicable to companies whose shares are admitted for trading on Nasdaq Stockholm's main market. • Low liquidity in the shares may make it difficult for a shareholder to sell his/her shares at the desired point in time or at price levels which would apply if liquidity were good.
SECTION E – OFFERING			
E.1	Issue amount and issue costs		Not applicable. Admission for trading on a regulated market takes place without public offering.
E.2a	Reasons and use of the issue		Not applicable. No proceeds are received.

	proceeds		
E.3	Terms and conditions of the offer		Not applicable. Admission for trading on a regulated market takes place without public offering.
E.4	Interests and conflicts of interest		Not applicable. Admission for trading on a regulated market takes place without public offering.
E.5	Selling shareholder; Lock-up agreement		Not applicable. There are no lock-up agreements in conjunction with the Company's admission for trading of shares.
E.6	Dilution effect		Not applicable. Admission for trading on a regulated market takes place without public offering.
E.7	Costs imposed on the investor		Not applicable. No costs are imposed on the investor in conjunction with the Company's admission for trading shares.

Risk factors

Hansa Medical's business is influenced by a number of factors, which impact on the Company's earnings and financial position and which, in certain respects, cannot be entirely or partially controlled by the Company. In an assessment of the Company's future development, it is important, alongside the possibilities for growth in earnings, to also consider these risks. Set forth below is a description, without any internal order of priority, of the risks which are considered to have greatest significance for the Company's future development. For natural reasons, not all of the risk factors can be described. Instead, the risks which are specific to the Company or the industry are set forth here. An overall assessment must also include other information contained in the Prospectus as well as an overall assessment of extraneous factors in general.

Company-specific risks

Financial risks

Through its business operations, the Group is exposed to various types of financial risks. Hansa Medical is exposed to liquidity and financing risks, currency risks, interest rate risks, share price risks and credit risks.

Liquidity and financing risks

There is a risk that the Group will not be able at all, or only at a significantly higher cost, to obtain access to financing in order to meet its contractual obligations. If the Company fails to raise the necessary capital, this might have a negative impact on the Company's business, financial position and earnings.

Currency risks

Hansa Medical purchases research-related services in foreign currencies such as USD, GBP and EUR. A drop in the value of the Swedish krona vis-à-vis these currencies would therefore lead to increased costs for these services for the Group, all other factors being equal.

Interest rate risks

Interest rate risks consist of the risk that a change in market interest rates will have a negative effect on earnings. Some exposure to interest rate risks exists through cash and equivalents in the form of bank deposits.

Share price risks

Hansa Medical is exposed to share price risks through its holdings of shares in Genovis AB, which is listed on First North. In the event the share price for shares in Genovis AB were to drop, this might negatively effect the Company's earnings and financial position.

Credit risks

Credit risk refers to the risk of loss if a counterparty fails to fulfil its obligations. The Group's credit risks are primarily related to bank deposits.

Clinical trials, production and regulatory approvals

Before a pharmaceutical is launched on the market, its safety and effectiveness in the treatment of people must be proven for each stated indication. Following this, application for registration and approval for marketing must be filed with a relevant regulatory authority, such as the Food and Drug Administration ("FDA") for the United States and the European Medicines Agency ("EMA") for the EU. This takes place through preclinical and clinical trials. The results of preclinical trials do not, however, always correspond with the results subsequently achieved in clinical trials, which are carried out on people. The results from previous clinical studies, for example what are commonly referred to as phase I studies, which are carried

out on healthy people, do not always provide an accurate result regarding which effects can be achieved in conjunction with later clinical trials which are carried out on people suffering from the disease or the condition to which the relevant indication relates. There is a risk that the preclinical or clinical trials carried out by Hansa Medical, independently or in cooperation with partners, will not show that the Company's pharmaceutical candidates are sufficiently safe and effective or otherwise fulfil the requirements imposed in order to be able to obtain the necessary governmental approvals. If the Company receives approval for the marketing of a pharmaceutical, there is also a risk that such a pharmaceutical will subsequently prove to have such defects that the approval is withdrawn, that the Company is forced to recall products which are already on the market, and/or that sanctions will be imposed on the Company. There is also a risk that the requirements applicable today for approval of pharmaceuticals will be made stricter and thus require further or more extensive studies in order to be able to obtain approval which, in turn, gives rise to increased costs for market launch. If any of these risks are realized, it may prejudice the Company's business and financial position. The Company has not yet launched any pharmaceutical on the market but if the Company reaches market with a pharmaceutical and any of the above-stated risks occur, this may also negatively affect future earnings.

Intellectual property risks

The value of Hansa Medical is largely dependent on its ability to obtain and defend patents and its ability to protect specific knowledge. The Company's product candidates are developed, among other things, through the use of technologies which the Company has acquired from researchers pursuant to various agreements. Protection for biomedical and biotech companies can be uncertain and involve complicated legal and technical questions. There is a risk that patents will not be granted for inventions, that patents granted will not provide sufficient protection, or that patents granted will be circumvented or withdrawn. Litigating the validity of a patent is normally associated with significant costs. Through access to significant economic resources, competitors may be better prepared than Hansa Medical to handle such costs. In certain legal systems, these costs may be incurred by Hansa Medical even in a case in which the outcome for the Company is otherwise positive. If the Company is unable to obtain or defend patent protection for its inventions, competitors may be afforded an opportunity to freely use the Group's pharmaceutical candidates or diagnostic methods, which may negatively affect the Company's ability to commercialize its business. In addition, it may make it more difficult for the Company to enter into important cooperation agreements. Future patents may be granted to parties other than Hansa Medical which, in turn, may limit the Group's possibility of commercializing its intangible assets. If such patents are granted, it may negatively affect the Group’s business, earnings and financial position. There is a risk that the Company will infringe the intellectual property rights of third parties and be exposed to claims for compensation for this. In such cases, the Company may also be enjoined upon pain of fine from continuing to use such rights.

Dependence on cooperation

Hansa Medical is involved in the research and development of pharmaceuticals and, for many years, has cooperated with well-established researchers with whom the Company has had long-term relationships. However, some of these cooperation projects are governed by agreements with terms of only one year each time. Were these agreements to terminate or not be renewed, it might have negative consequences both for the Company's business operations as well as its earnings and financial position.

The Company has an exclusive licensing agreement with Axis-Shield Diagnostics Ltd. regarding the sale and development of HBP-assay in which Axis-Shield has been granted an exclusive license to use and sublicense the licensed HBP-assay technology for the prediction of severe sepsis. The Company is dependent on this cooperation functioning well in order to be able to obtain revenues for the HBP-assay. If the Company is unable to maintain this, it may negatively affect the Company's business and earnings in the form of lost milestone compensation and royalties.

Concentration of products

The value of the Company is to a large degree dependent on the continued success the Company's leading development project, IdeS, but also to a certain degree on the sales of HBP-assay under the management of its licensee, Axis-Shield. The market value of the Company and thus its share price, but also its financial position, would be very negatively affected by a setback for IdeS. The market value of the Company, its share price and financial position would, to a certain extent, be negatively affected by a setback for HBP-assay.

Market and competition

The industry for the development of new pharmaceuticals and diagnostic methods is heavily exposed to competition. Developing a new pharmaceutical from invention to finished product requires a great deal of time. Not the least for this reason, when development is underway it is uncertain whether there will be any market for the product when it is finally developed and, in such case, how large this market will be, as well as which competing products the Company's products will encounter when they reach the market. To the extent competition consists of existing preparations or methods, Hansa Medical's success is dependent on its ability to induce potential customers to replace known products or methods with those of Hansa Medical. Another risk is that competitors, who in many cases have greater resources than the Company, will develop alternative preparations which are more effective, more secure, or cheaper than those offered by Hansa Medical. This may lead to the Company not being able to sell its products which may negatively effect the Company's earnings.

Purchasing and pricing

On many markets, purchases of pharmaceuticals of the type being developed by the Company are financed, in whole or in part, by a party other than the patient, for example caregivers, insurance companies or governmental authorities subsidizing pharmaceuticals. If the Company does not achieve acceptance for its products and the pricing of the products by such financiers, this may make it more difficult for the products to reach the market and may prejudice their commercial potential, which may negatively effect the Group's earnings and financial position.

Dependence on key persons

Hansa Medical is, to a high degree, dependant on key persons, both employees as well as directors. The Company's future earnings are effected by its ability to attract and retain qualified key persons. In cases where one or more key persons leave the Company and the Company is not successful in replacing such person, this might have a negative effect on the Company's business, financial position and earnings.

Trade secrets

The Company is dependent on ensuring that trade secrets which are not covered by patents or other intellectual property rights can also be protected, including among other things information regarding inventions for which patent applications have not yet been filed. The employees of the Group and its cooperating partners are normally subject to confidentiality undertakings but there is always a risk that someone who has access to information of great value to the Group disseminates or uses the information in a way which renders it impossible for the Company to obtain a patent, or otherwise damages the Group from a competition perspective, which may have a negative effect on the Company’s business and financial position.

Dependence on development financing and working capital

The development of pharmaceuticals of the types being developed by Hansa Medical is extremely costly. At the same time, the Group has thus far only generated small revenues, which means that Hansa Medical will require access to capital in the future before its cash flow turns positive. Access to such

capital may be limited at times when it is needed by the Group, which may prejudice the Company's financial position and its possibility to commercialize its innovations.

Legislation

The pharmaceuticals industry is effected to a large degree by legislation and other regulations. The regulations includes approval processes, quality controls and documentation requirements. Over time new legislation is formed and introduced that can significantly alter the regulatory framework that governs the trial, regulatory approval, production and marketing of the regulated product in question. In addition, regulations from supervisory authorities, and their guiding advices, may be revised or reinterpreted in ways that can significantly affect the Company's operations. Such changes may entail the request for further results or studies, changes in production methods, withdrawal, replacement or termination of authorization for certain products and increased documentation obligations. Extensive changes in legislation and regulations regarding pharmaceuticals, both in Europe as well as in other parts of the world, may entail increased costs which might have a negative impact on the Company's business, financial position and earnings. In addition, changes in legislation and regulations may effect the conditions for the Company's business operations.

Product liability

The clinical trialing and marketing as well as sales of pharmaceuticals products entail a significant risk of product liability claims. There is a risk that the product liability insurances which the Company has purchased will not cover any claims regarding product liability which may be brought. Disputes regarding product liability may be very costly and can lead to extensive negative publicity for the Group which may negatively effect the Company's financial position.

The Company has supplier agreements which contain extensive liability disclaimers for the suppliers. In the event the Company incurs a loss as a consequence of defects in products supplied, there is a risk that this loss will not be compensated by the supplier, which might have a negative effect on the Company’s business and earnings.

Dependence on reliable production

The preclinical and clinical trials which are carried out require production of the relevant substance in sufficient quantity and with sufficiently good quality. There is a risk that Hansa Medical will not be able to meet such needs at each relevant point in time, something which may delay the development of the Company's projects. Hansa Medical and its cooperating partners retain the services of, and enter into agreements with, certain external parties for parts of its research and production operations, primarily with respect to clinical trials, development of production processes for production of pharmaceutical candidates, and subsequent production of pharmaceutical candidates. There is a risk that such external parties will not perform their services in a manner satisfactory to the Company, which may make the future development of Hansa Medical's projects more expensive or may delay and/or impede such development.

Production facilities must also be approved in government inspections before marketing approval can be obtained. Production facilities will be regularly inspected by supervisory authorities. Such inspections may result in questions regarding regulatory compliance and noncompliance with the regulations may prevent or delay approval of marketing, and remedial measures may require financial or other resources. If the Company, its cooperating partners, or its third-party manufacturers fail to fulfil applicable governmental requirements, the Company may be subject to fines, revocation of supervisory authority approval, a recall or seizure of products, other restrictions on the business or criminal sanctions, which might have a negative impact on the Company's business, financial position and earnings.

Hansa Medical is not currently planning to conduct its own manufacturing of products on a commercial scale but rather, in a market launch, will be dependent on suppliers. In the event Hansa Medical is unable to secure reliable suppliers who can deliver at competitive prices, this may negatively affect Hansa Medical's business and future earnings. This also applies if a contracted supplier is unable to deliver a sufficient quantity of the right quality at the right time.

Dependence on distributors

In a market launch, Hansa Medical may be dependent on distributors in order to get its products to market. If Hansa Medical is unable to establish a distributor organization which can distribute the Group's products to the end customers on terms and conditions advantageous to Hansa Medical, this may negatively affect Hansa Medical's business and future earnings. This also applies if distributors with whom Hansa Medical has established a cooperation decide to discontinue the cooperation.

Securities-related risks

Changes in the share price

Trading in securities is always associated with risks and risk-taking. Since an investment in equities can both increase and decrease in value, it is not certain that an investor will recoup all or even a part of the capital invested. In addition, it should be noted that the pricing of the Company's shares partly is dependent on factors beyond the control of Hansa Medical including, among other things, the stock market expectations and its development as well as the economy in general. Investments in Hansa Medical's shares should therefore be made following a thorough analysis of the Company, its competitors, and extraneous factors in general as well as general information regarding the industry. An investment in shares should never be viewed as a quick way of generating a return, but rather as a long-term investment which is made with capital one can afford to do without. The price of shares may be subject to fluctuations as a consequence of changes in opinions on the capital market regarding the shares or similar securities, due to various circumstances and events such as changes in applicable legislation and other rules which effect the Company's business, or changes in the Company's earnings and business development. The stock market may experience significant fluctuations from time to time regarding prices and volumes which need not be related to the Company's business or future prospects. In addition, the Company's earnings and future prospects may, from time to time, be lower than the expectations of capital markets, analysts or investors. One or more of these factors may result in a drop in the price of the share.

Listing requirements

The Company’s shares have been approved for admission to trading on Nasdaq Stockholm’s main market. The Company’s shares may be delisted in the event the Company fails in the future to live up to the requirements applicable to companies whose shares are admitted to trading on Nasdaq Stockholm’s main market.

Liquidity in the Company's shares

The Company is unable to predict to what extent investor interest will lead to the development and maintenance of active and liquid trading in the Company's current shares. If it is not possible to maintain active and liquid trading, this may entail difficulties in selling the shares.

Effect of sales by major shareholders

The Company's two largest shareholders own approximately 51 per cent of the shares. Were any major shareholder to decide to sell its holdings on the market, or if the market were to believe that such a sale may be relevant, this might negatively effect the share price.

The possibility for major shareholders to influence matters at general meetings

The largest shareholders in the Company own approximately 51 per cent of the shares. The interests of these shareholders may deviate significantly from, or compete with, the Company's interests or the interests of other shareholders, and these shareholders may exercise their influence over the Company in a manner which is not in the interest of the other shareholders. Such conflicts may have a material negative impact on the Company's business, earnings and financial position.

Offering of shares in the future

Hansa Medical may issue shares or other securities in the future in order, for example, to be able to carry out acquisitions or make other investments. Any future share issue or issue of other securities may negatively effect the share price.

Dividends

Hansa Medical has thus far never paid a dividend and does not intend to pay a dividend over the next few years. The Company's dividend policy is to not pay a dividend until the Company is reporting sustainable profits. Future dividends will take into consideration the Company's cash flow and financing of future expansion. Moreover, the terms and conditions of future loans or credit facilities may prevent Hansa Medical from paying a dividend. As a consequence of this, an increase in the price of Hansa Medical's shares will constitute the only possibility for return for a shareholder of the Company within the foreseeable future.

Background and reasons

Background

IdeS is a bacterial enzyme which cleaves IgG antibodies and which is a unique molecule with an entirely new treatment mechanism. IdeS inactivates all IgG specifically, quickly and effectively. IdeS has been tested for safety and efficacy in a large number of models both *in vitro* and *in vivo*. In 2013, a successful phase I study was carried out on 29 healthy individuals, which showed that IdeS has good effect and is well tolerated with an advantageous safety profile. In 2014 and 2015, a clinical phase II study was carried out with IdeS in sensitized kidney transplant patients (patients with antibodies to Human Leukocyte Antigens, HLAs). Data from the study indicates that IdeS has a good effect in highly sensitized patients who are on the waiting list for a kidney transplant. The study shows that IdeS has the capacity to make sensitized patients eligible for transplantation by lowering the HLA antibodies to levels acceptable for transplantation. IdeS has treatment potential within transplantation and a large number of autoimmune diseases where effective treatments are currently insufficient. IdeS is protected by a number of different patents and has been described in a number of articles published in peer-reviewed scientific publications.

IdeS is an enzyme which very specifically inactivates IgG antibodies. Donor-specific antibodies are of the IgG type and Hansa Medical's treatment method consists of a single intravenous dose of IdeS in conjunction with the kidney transplantation. IdeS has the potential of removing the antibody barrier within a few minutes thus enabling transplantation for patients who currently are referred to many years in dialysis. Dialysis is a costly method of treatment which works relatively safely for a short period of time. However, many years of dialysis is associated with a significantly higher mortality rate mainly due to strokes and/or heart disease. Approximately 1/3 of dialysis patients die waiting for a transplant. For a more extensive description, reference is made to the section entitled *Hansa Medical's business operations and market*.

The investment rationale for IdeS

The sales potential for IdeS in transplants is believed to be considerable.* The potential for IdeS also includes acute treatment of a number of uncommon diseases in which IgG antibodies play a crucial role in the development of the disease. Some examples of this are the neurological condition Guillain-Barrés syndrome and anti-GBM disease (also called Goodpasture's disease). In September 2015, Hansa Medical received Orphan Drug Designation for IdeS in the United States. The Company therefore believes that both the investment need and the time frames for bringing this pharmaceutical candidate to market approval are less than those of a traditional pharmaceutical project.

Reasons

The board of directors of the Company has decided that a listing of the Company's shares on Nasdaq Stockholm's main market is a natural next step in order to reach a more liquid market for the Company's shares, create better conditions for growth in the future for the Company's shareholders, and for acquiring additional capital. Through the stock exchange listing, greater opportunities open up for institutional ownership, increased knowledge and insight regarding the Company and its shares on the part of analysts and media, and increased interest in Hansa Medical and its business.

Hansa Medical's shares were listed on First North on 17 October 2007 and, since then, the Company has built up and developed an organization which is sufficiently large for both the Company's future development as well as the requirements entailed in a listing on Nasdaq Stockholm's main market. The

*The Company's opinion based on the number of treatable patients, the pricing of other biological pharmaceuticals for the treatment of uncommon diseases, and the cost of dialysis.

board of directors therefore believes that a listing of Hansa Medical's shares on the stock exchange is a natural and positive step in the Company's development. Hansa Medical's shares were listed on 24 June 2015 on First North Premier as a step in the process underway for the Company's IPO.

The first day for trading in Hansa Medical 's shares on Nasdaq Stockholm's main market is anticipated to be 2 November 2015.

The board of directors of Hansa Medical, consisting of chairman Birgit Stattin Norinder and directors Anders Blom, Stina Gestrelius, Hans Schikan, Per-Olof Wallström and Cindy Wong, with the Company's registered office located in Lund, is responsible for the information contained in the Prospectus. The board of directors of Hansa Medical hereby provides an assurance that all reasonable precautionary measures have been taken to ensure that, as far as the board of directors is aware, the information contained in the Prospectus corresponds to the actual facts and that nothing has been omitted which might affect the interpretation of the Prospectus.

Lund 26 October 2015
Hansa Medical AB (publ)
The board of directors

Hansa Medical's business operations and market

Set forth below is a general description of Hansa Medical's business and the markets on which Hansa Medical operates. Some of the information has been obtained from external sources and Hansa Medical has reproduced this information correctly in the Prospectus. Even if the Company believes these sources to be reliable, no independent verification has taken place and therefore the correctness or completeness of the information cannot be guaranteed. However, as far as the Company is aware, and is able to assure itself through comparison with other information made public by the third party from which the information has been obtained, no information has been omitted in such a way as to render the information reproduced erroneous or misleading.

Introduction

Hansa Medical is a biotechnology company focusing on new and innovative immune modulating enzymes. The Company's leading pharmaceutical candidate in clinical development (IdeS) inactivates antibodies and has a treatment potential in transplants and unusual autoimmune diseases. In addition, the Company has developed HBP, a biomarker for the diagnosis and prediction of severe sepsis which has been launched for research purposes. The Company also conducts preclinical research regarding EndoS, a bacterial anti-body modulating enzyme. The activities are based in Lund, Sweden. The Company's shares (HMED) are listed for trading on First North Premier in Stockholm.

IdeS is a bacterial enzyme which cleaves IgG antibodies and which is a unique molecule with an entirely new treatment mechanism. IdeS inactivates all IgG specifically, quickly and effectively. IdeS has been tested for safety and efficacy in a large number of models both *in vitro* and *in vivo*. In 2013, a successful phase I study was carried out on 29 healthy individuals, which showed that IdeS has good effect and is well tolerated with an advantageous safety profile. In 2014 and 2015, a clinical phase II study was carried out with IdeS in sensitized kidney transplant patients (patients with antibodies to HLA antibodies). Data from the study indicates that IdeS is effective in highly sensitized patients who are on the waiting list for a kidney transplant. The study shows that IdeS has the capacity to make sensitized patients eligible for transplantation by lowering the HLA antibodies to levels acceptable for transplantation. IdeS has treatment potential within transplantation and a large number of autoimmune diseases where effective treatments are currently insufficient. IdeS is protected by a number of different patents and has been described in a number of articles published in peer-reviewed scientific publications.

Vision

Hansa Medical's vision is to create a pharmaceutical company which develops profitable innovative pharmaceuticals.

Targets

The short-term financial target is to gradually secure the financing required in order to be able to launch IdeS on the market. The additional funds required can either be acquired by the Company or contributed by a cooperating party within the scope of a development cooperation.

Over a longer term, the Company's financial target is to achieve positive operating earnings and cash flow on a full-year basis, which is estimated to take place in approximately 2020.

Business model

Hansa Medical develops new pharmaceuticals for introduction on the international market. The Company carries out innovation focusing on immune modulating enzymes. Innovative substances, production processes, or medical uses are regularly patented in order to secure the fundamental commercial rights. Research takes place through the Company's own research organization and through long term

cooperation with academic research groups. Product development in the form of preclinical experiments and preclinical and clinical studies is carried out by the Company in-house, in cooperation with researching and practicing physicians, and physicians groups as well as by retaining external contract research organizations. With respect to the choice between carrying out experiments in-house or externally, please see the comments set forth below in the section entitled *Development strategy*. Analyses of the medical and regulatory conditions for product candidates are carried out continuously by the Company's own personnel and by external consultants and scientific advisors with particular expertise. Production on a small scale for use in preclinical experiments is carried out by the Company itself or at academic research partners, while production on a larger and quality-assured scale for use in preclinical and clinical studies and for sales takes place through contracting producers. Commercialization through market introduction is planned to be carried out by the Company itself and, on certain markets, through partners of various types. The preferred alternative is to develop IdeS internally until market launch, provided the necessary financing can be acquired without the anticipated return on shareholders' equity being unacceptably low. Industrial cooperations and sublicensing of rights are however evaluated regularly and may cover both territorial as well as global rights.

The Company has previously developed the HBP-assay which was sublicensed to Axis Shield Diagnostics.

Strategies

Strategies for intellectual property rights

Hansa Medical routinely applies for patent protection for innovations for the purpose of securing fundamental commercial rights. Patents are obtained for entirely new innovations, and for innovations which support or strengthen an earlier innovation or patent. The patent application may relate to the substances *per se*, production processes, or medical uses. Since, in certain cases, the innovations involve naturally occurring substances, it is not always possible to patent the substance *per se*. Consequently, patents are instead focused on the production process or use of the substances, medicinal or otherwise. Patent applications regularly cover the United States, the European Union and Japan, but also other international markets where the possibilities for success with a patent application are considered to be good at the same time as the commercial potential is considered to be sufficiently great in order to justify the cost of the patent application. The documentation for the patent applications is prepared by the Company's in-house research organization and, to a certain extent, in cooperation with academic research groups and other inventors or rights holders. The formalization and registration of patent applications is carried out through international patent agents. For some time, the Company has had solid cooperation with a leading international patent agency headquartered in London. After a patent application is filed, there is extensive work in answering questions from various patent agencies and rebutting challenges from other possible rights holders. After the patent has been granted, regular monitoring of the validity of the patent is carried out as well as any possible infringement of the patent protection and monitoring of possible competing patent applications from other parties.

In addition to its own patent applications, the Company analyzes the possibilities to license or acquire rights to other parties' patents. Other parties may hold patents which either limit the possibilities for the Company to utilize the rights within the scope of its own patent protection or which entail a new use of rights for the Company. Licensing and acquisition are only carried out where believed to be of sufficient commercial value.

In addition to patent protection, the Company applies for other types of rights protection. In the pharmaceuticals industry, market exclusivity is common, in part for orphan drugs and in part for innovative biological substances (Biologics). In the United States, the Food and Drug Administration (FDA) grants market exclusivity for orphan drugs for up to seven years for a particular indication, and market

exclusivity for innovative biological substances for up to twelve years for a particular indication. The Company believes that both of these types of market exclusivity may be relevant for its product candidates and will actively apply for such market exclusivity at the appropriate times. In September 2015, Hansa Medical was awarded orphan drug designation for IdeS in the United States. In Europe, the European Medicines Agency (EMA) can grant market exclusivity for orphan drugs for up to ten years for a particular indication, and market exclusivity for innovative substances for up to eleven years for a particular indication.

Research strategy

Research by the Company takes place through the Company's own research organization and through long-term cooperation with academic research groups. The Company's own research organization carries out its own preclinical experiments, as well as ongoing studies of leading research in the academic fields of interest to the Company's business.

Cooperation with academic research groups is of a long-term nature. In exchange for providing monetary support to the academic research, the Company obtains commercialization rights for interesting research results. The Company primarily cooperates in research with:

- Professor Lars Björck, Lund University
- Associate Professor Mattias Collin, Lund University
- Professor Heiko Herwald, Lund University

Interesting research results are analyzed and evaluated in several stages. Successfully implemented research normally leads to a patent application and is documented either in the form of internal research reports or a scientific articles for publication in peer-reviewed journals.

General comments about the development of pharmaceuticals

A completely new pharmaceutical is typically developed through the identification of an interesting medical mechanism (disease factor) and the production of a potential candidate drug (molecule) for the purpose of affecting the medical mechanism. The production of potential candidate drugs entails that a molecule is modified in several stages which cover preliminary testing in various cell and animal models. One or more potential drug candidates are tested for effects in animal models which are representative of the disease mechanism. A preliminary toxicology study in animals may also be carried out. The nominated candidate drug is then produced on a limited, preliminary quality-ensured scale for toxicology studies in one or more animal species in order to assess the safety of repeated and escalating doses in groups of animals, normally compared with placebo. If the candidate drug demonstrates acceptable safety in toxicological studies, and if a medicinal effect can be considered credible, authorization can be obtained from the regulatory authorities and ethical review boards to test the safety of the candidate drug in healthy individuals, normally younger men, through what is commonly referred to as a phase I study. For completely new pharmaceuticals, normally only single dose is given. For biopharmaceuticals, normally several different dosage levels are tested in a number of groups of subjects. In order to test the effects of the candidate drug, authorization can then be given to test in a limited, relevant group of patients who have the relevant disease, through a so-called phase II study. In order to obtain approval to market a pharmaceutical, the necessary clinical studies must be carried out in patients in order to study the long-term effects and safety of the candidate drug. These studies normally cover a sufficient number of patients to create a statistical basis for analysis. Additional, toxicology studies can also be required in order to study e.g. drug interactions with other pharmaceuticals (in human). A candidate drug can then receive approval to be marketed for the specific purpose (the disease). Such approval can be given with or without conditions for certain follow-up to take place over time, possibly through so-called phase IV studies. When a pharmaceutical is approved for marketing, there is nothing which prevents additional

studies from being carried out in order to study the effects of the pharmaceutical in diseases other than the disease initially studied.

Development strategy

The Company's product development consists of preclinical experiments and preclinical and clinical studies the purpose of which is to demonstrate that the Company's pharmaceutical candidates are sufficiently effective and safe in order to obtain approval for marketing. The product development is led, and to a certain extent performed, by the Company's own personnel. The employees who work with product development are primarily PhD researchers with vast experience in both medical research as well as the development of pharmaceuticals. The Company's in-house research and development organization consists of 15 people. However, the Company is also dependent on external resources for the product development work.

Preclinical experiments primarily involve experiments in various cell and animal models which are carried out in order to study the mechanisms, effects and safety of the pharmaceutical candidate. These experiments can take place in-house in the Company's own research organization, in cooperation with academic research groups, or on an outsourcing basis by preclinical contract research organizations. If the Company's in-house organization has access to relevant models and personnel, the experiments are carried out in-house. Otherwise, the experiments are carried out in cooperation with external research groups or contract research organizations, depending on which choice is most price worthy and yields the highest quality. However, in these cases, the Company's in-house personnel retain project management responsibility.

Preclinical toxicological studies are regularly carried out on an outsourcing basis by specialized contract research organizations which specialize in this type of business and which possess all of the necessary approvals for conducting the activities.

The project management of clinical studies is often handled by the Company's in-house personnel while the actual testing is carried out by researching and practicing physicians and physicians groups which have access to, and treat, patients. Other physicians and scientific experts regularly monitor the implementation of the study and any questions which arise regarding the safety of the pharmaceutical candidate. Analyses of the medical and regulatory conditions for product candidates are carried out continuously by the Company's in-house personnel as well as by external consultants and scientific advisors with particular expertise.

Production strategy

The production of the Company's drug candidates is a complex process, which involves recombinant production and purification in many steps along the way to the final product. The risk of impurities is always present and can give rise to serious consequences. For a properly functioning product, not only a pure drug substance is required but also a pharmacologically functioning and medically practical formulation.

Production of the drug candidate takes place by different means depending on the stage of the development of the drug candidate. For preclinical experiments, production takes place on a small and experimental scale in-house or by academic research partners. Production for toxicology studies and for clinical phase I and phase II studies normally takes place on a limited scale and with preliminary quality-assurance by a contracting manufacturer, which is the case for IdeS. Production for clinical studies and for subsequent marketing and sales takes place on a larger and ultimately quality-assured scale by contracted manufacturers. This production can involve several different contracting manufacturers and it

may involve other contracting manufacturers than those which were retained for the original clinical studies. Hansa Medical has recently ensured this for IdeS.

Commercialization

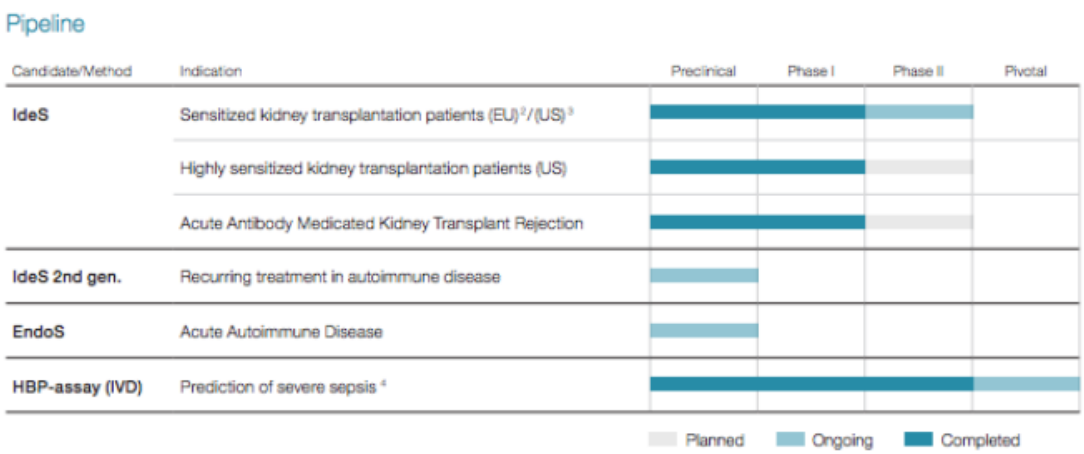
The Company's fundamental strategy for commercialization is to develop pharmaceutical candidates through necessary studies up to approval for marketing and then to introduce pharmaceuticals on the international market. The preferred alternative is to develop IdeS in-house up to market approval, provided the necessary financing can be acquired without the expected return on shareholders' equity being unacceptably low. The intention is to build up an in-house sales organization. In order to achieve a solid distribution organization, various types of geographically or therapeutically defined partnerships will be required. Appropriate partners may be pharmaceutical companies focusing on orphan drugs in a particular geographical area or focusing on a particular area of therapy. Such partnerships can be achieved either through sublicensing of rights, distributorships, or agencies.

However, the Company also evaluates other types of industrial partnerships with various types of pharmaceutical companies on a regular basis. Possible partnerships include, among others, manufacturing partnerships and product development partnerships. A manufacturing partnership is conceivable through a company with production capacity for biological pharmaceuticals receiving production rights, and possibly other rights, in exchange for investments in process development. A product development partnership may entail another pharmaceutical company taking over the responsibility for pharmaceutical development, in whole or in part, and at least large portions of the commercialization rights, probably in exchange for monetary compensation in the form of advance payments, milestone payments or royalties.

Financing strategy

The Company's capital requirements have historically been satisfied primarily through new issues of shares subject to preemptive rights for the shareholders. On one occasion, a new issue was directed to a new investor on market terms and conditions. As the Company's drug candidates achieve success in development, additional possibilities are opened up for financing. As a Swedish limited company, the first choice for the Company is issuing new shares subject to preemptive rights for its shareholders. Secondary possibilities include sublicensing rights to drug candidatess and a new issue of shares to new investors, provided this can take place on terms and conditions favorable to the current shareholders. Debt financing is not considered an appropriate form of financing other than on a temporary basis before the Company has achieved profitability and positive cash flow.

Project overview



The leading project, IdeS, is an enzyme which inactivates antibodies and has great treatment potential in transplants and uncommon autoimmune diseases. Other projects include EndoS (a bacterial antibody modulating enzyme which is in preclinical development), and HBP-assay, a method of diagnostics for predicting severe sepsis. A first version of HBP-assay for research use has been introduced on the market. Additional versions are in development.

IdeS

Background in preclinical development

The immunoglobulin G-degrading enzyme of *Streptococcus pyogenes* (IdeS) is an enzyme with strict specificity for immunoglobulin G (IgG). Hansa Medical's strategy benefits from IdeS' quality of specifically and effectively inactivating IgG in order to treat or prevent diseases where the pathogenic IgG antibodies constitute a central part of the development of the disease. IdeS-mediated IgG breakdown constitutes a new principal for the treatment of IgG-mediated diseases in humans.

Preclinical studies of IdeS have been carried out regarding efficacy and safety. Studies have also been carried out of the treatment effect in various disease models in animals, for example collagen antibody induced arthritis (CAIA), idiopathic thrombocytopenic purpura (ITP), and Goodpastures disease (GP). IdeS proved to be effective in neutralizing IgG in all three models.

Experiments on serum taken from highly sensitized kidney patients clearly showed that IdeS rapidly reduces the level of anti-HLA antibodies, and that IdeS could convert a positive cross test into a negative one. These results strengthen the idea of further developing IdeS as a pharmaceuticals candidate for desensitizing patients prior to transplant.

Hansa Medical's clinical development is initially focused on desensitizing HLA-immunized patients prior to kidney transplant and treatment of antibody mediated organ rejection. Beyond treatment in conjunction with transplants, the Company has identified a number of indications within the areas of neurology, kidney medicine and haematology in which IdeS treatment has significant medical potential.

Second-generation IdeS

Hansa Medical is also developing a new generation of molecules based on IdeS, with the aim of creating variants of IdeS which can be used for repeated dosages. Repeated dosages are relevant for most IgG-mediated autoimmune diseases. Hansa Medical has filed patent applications regarding the second-generation IdeS.

Clinical phase I study

In 2013 and 2014, Hansa Medical carried out a clinical phase I study. The study was a randomized, placebo-controlled dosage escalation study with 29 (20 active + nine placebos) healthy test subjects. The primary goal was to assess the safety and tolerability of IdeS in conjunction with intravenous injections.

The secondary goals were the effects regarding IgG-cleavage, pharmacokinetic and immunogenicity for IdeS. The initial dose was 0.01 mg of IdeS per kilogram of body weight, and the highest dose which was tested was 0.24 mg of IdeS per kilogram. IdeS proved to be safe and no serious side effects were reported. In July 2015, the results from the phase I study were published in PLOS ONE (http://dx.plos.org/10.1371/journal.pone.0132011).

Based on this study data, the decision was taken to move from healthy test subjects to patients for which it is possible to measure both the effect IdeS has on IgG in plasma and the effect on specific pathogenic IgG antibodies. Data from the phase I study showed that IdeS has the potential to be a treatment

alternative for several acute antibody-mediated diseases in transplants, neurology, kidney medicine and haematology.

IdeS in transplants

Transplants for sensitized patients

Approximately 1/3 of all kidney patients in need of dialysis are sensitized against HLA (human leukocyte antigen). Antibodies which react with a potential organ donor – donor specific HLA antibodies (DSA) – have been, until quite recently, a significant impediment to transplant due to the high risk of antibody mediated rejection (AMR), and hyper acute rejection. Sensitized patients are forced to wait longer for their transplants and, despite the high priority and various strategies employed to increase the number of available donors, only a fraction of the highly sensitized patients undergo a transplant each year. Patients who cannot be offered a transplant are cared for using dialysis at a high cost, with diminished quality of life and an increased risk of death.

The percentage of patients who survive in the long term after desensitizing is significantly higher as compared with patients who continue to be treated with dialysis, despite the increased risk of AMR. The current protocols for desensitization are not always effective; they are expensive and time-consuming, associated with serious side effects, and have a significant effect on the patient's well-being. IdeS has the potential of quickly and effectively lowering the levels of anti-HLA IgG in sensitized patients thus making it possible for them to undergo a transplant.

Antibody-mediated rejection

Kidney transplants improve the rate of survival and the quality of life and reduce the costs as compared with dialysis and is thus the treatment which is preferred for kidney patients in dialysis. The immune system's response to the transplanted organ has always been the primary impediment to the success of the treatment. It has recently been discovered that antibody-mediated mechanisms lead to higher levels of rejection in HLA-incompatible kidney transplants, and more than 60 per cent of the latter cases of kidney failure are associated with AMR.

There are no approved pharmaceuticals for the treatment of AMR and no strong evidence supporting the correct guidelines for treatment. Transplants after desensitizing patients who are DSA positive has also created a new group of patients with a higher risk of developing AMR.

Insufficiently treated AMR often leads to complete rejection of the transplanted organ. The ability of IdeS to quickly and effectively inactivate IgG means that IdeS also has the potential to prevent progression of AMR and effectively treat severe AMR.

Clinical development program for transplants

IdeS is a pharmaceutical candidate which effectively breaks down IgG within minutes after intravenous injection. Since IdeS can be injected, it will be simple to administer and easy to obtain access to as compared with a technically complicated method such as plasmapheresis. Hansa Medical has identified two critical situations in the area of transplants in which the elimination of IgG is of crucial significance: desensitizing prior to the transplant and treatment of AMR.

First clinical phase II study in transplants

In 2014 and 2015, the first clinical phase II study of IdeS treatment of sensitized patients was carried out and completed. The primary goal of the study was to identify safe and effective dosage levels and the intention was not to carry out transplants with the aid of IdeS treatment. Eight dialysis patients were included in the study, from highly immunized and broadly immunized to moderately immunized. One

patient group received 0.12 mg of IdeS per kilogram of body weight and one group received 0.25 mg of IdeS per kilogram of body weight.

The efficacy was measured as the level of HLA antibodies, cytotoxic reactivity in the cross test against hypothetical donors, and IgG levels in serum/blood at various points in time after treatment with IdeS. In light of the effect of the pharmaceutical and the medical need for treatment of sensitized patients, Hansa Medical has concluded that the weighing of risks and advantages clearly speaks in favor of IdeS in conjunction with desensitizing prior to transplant.

It was not planned that the patients in this study would undergo a transplant within the scope of the study protocol. However the patients were not removed from the waiting list and the second patient in the study underwent a transplant with an incompatible kidney directly after having concluded treatment with IdeS. Prior to the IdeS treatment, the cross test between the donor and the recipient was positive, but after the treatment it was negative and the patient could undergo a transplant. Stable organ function has been maintained for more than a year with normal creatinine levels without any signs of rejection.

The data from the study provides strong support for additional development in three different areas: (i) as a replacement for plasmapheresis/immuno absorption in moderately sensitized patients who are currently considered to be appropriate for desensitization and transplant; (ii) for desensitizing highly sensitized/broadly sensitized patients who currently cannot undergo desensitization and transplant with the current protocol; and (iii) for treatment of severe AMR.

(i) Desensitizing moderately sensitized patients

IdeS is currently being studied in two separate phase II studies to explore the possibilities of replacing plasmapheresis in the existing desensitizing protocols. The first study is being carried out at two transplant centers in Sweden: the Uppsala University Hospital and the Karolinska University Hospital in Stockholm. The second study is being carried out at Cedars-Sinai in Los Angeles.

Phase II in Uppsala and Stockholm

The first patient in the study received a dose of 0.25 mg of IdeS per kilogram of body weight during the first half of 2015. The study will include up to ten highly-sensitized patients who are on a waiting list and the study allows for dose escalation. The selected group consists of patients who are moderately sensitized against HLA and thus might be relevant for desensitizing with the aid of, for example, plasmapheresis. The goal of the study is to examine both the effects on HLA antibodies and the safety of IdeS in conjunction with transplants. Patients will receive a single dose of IdeS and, if the patients' cross tests are negative, they will undergo a transplant with a kidney from a living or deceased donor. All of the patients will be followed-up for a period of six months and the results are expected in the middle of 2016.

Investigator-led phase I / II in Los Angeles

This is a study initiated and led by Professor Stanley Jordan at Cedars-Sinai. The first patient was treated in the middle of 2015. Doctor Jordan has developed a desensitizing protocol which allows transplantation of highly sensitized patients using kidneys from deceased donors, something which is very difficult with treatment protocols based on plasmapheresis. Several hundred sensitized patients have undergone transplants at Cedars-Sinai within the scope of this protocol, and Dr. Jordan has a large database of historical controls. The protocol is based on alternating high doses of IVIg and anti-CD 20 treatments in order to lower the levels of HLA antibodies and prevent re-formation of antibodies after an incompatible transplant. The patients participate in the program for many months while they are waiting for an organ from a deceased donor.

Dr. Jordan has shown that the combination of high doses of IVIg and anti-CD 20 can increase the probability of finding an acceptable donor. In those cases where the treatment is not considered to be sufficient, plasmapheresis is also added prior to the transplant. IdeS is being studied in combination with the protocol using high doses of IVIg and anti-CD 20. The study will contain up to 20 patients and the patients will be followed-up for a period of six months.

The goal is to study both the effects (i.e. reduction of PRA and the reduction of AMR frequency and levels of HLA antibodies) and the safety of IdeS. IdeS is expected to effectively eliminate the HLA antibodies and thus create a window for transplantation, and the combination of IdeS with treatments such as IVIg and anti-CD 20 which are intended to impede the reformation of antibodies is very promising.

(ii) Desensitizing highly sensitized/broadly sensitized patients

The first phase II study which was completed in Uppsala clearly showed that IdeS effectively eliminates antibodies even in the most highly-sensitized/broadly-sensitized patients. There is a defined group of patients who have very high levels of HLA antibodies with broad reactivity and who have undergone dialysis for a very long time and are in urgent need of a transplant. These patients have the highest priority and are referred to specialist clinics in the United States yet have an almost nonexistent possibility of undergoing a transplant given the current protocol.

In light of the good effects and speed of IdeS, Hansa Medical is of the opinion that IdeS can be a treatment which saves lives and makes transplants possible for these patients from both living and deceased donors. The Company is currently studying the possibility of carrying out a clinical study in this patient category.

(iii) Treatment of severe AMR

The primary purpose of today's AMR treatment is to eliminate existing donor-specific antibodies. In severe AMR, plasmapheresis is not sufficient to save the kidney since the scope of the antibody response exceeds the capacity of plasmapheresis to eliminate the antibodies. The concluded phase I and II studies show that IdeS cleaves and inactivates IgG very rapidly and effectively without any re-flow of IgG from the tissues. This makes IdeS very interesting to study as a treatment for AMR and particularly for severe AMR.

The high-risk patients for severe AMR are those who have undergone desensitization and transplant with an incompatible kidney. Hansa Medical is currently studying the possibility of carrying out a clinical study regarding severe AMR.

Transplant studies for decision-making

The experiences derived from these independent, but related, studies will be very valuable in designing a study encompassing one or more indications for transplantation which will form the basis for future decision-making.

IdeS beyond transplants

IdeS has further medical potential in relatively uncommon, serious and even life-threatening acute autoimmune conditions in neurology, kidney medicine and haematology, such as Guillain-Barrés syndrome and anti-GBM disease (also called Goodpasture's disease). IdeS could also be used to break down IgG antibodies in order to make possible other treatments which are blocked by IgG antibodies. Hansa Medical is currently studying the possibility of carrying out phase II studies within these indication areas.

EndoS

EndoS is an enzyme from Streptococcus pyogenes which specifically hydrolyzes the functionally important glycogen in IgG. EndoS has proven to be effective in a series of different autoimmune animal models, including rheumatoid arthritis (RA), immune thrombocytopenic purpura (ITP), autoimmune haemolytic haemolysis, multiple sclerosis (MS), and autoimmune blistering diseases.

In light of the important role the IgG glycogens play in controlling IgG's effector functions and the unique specificity of EndoS for these glycogens, Hansa Medical is of the opinion that EndoS has great potential as a new form of treatment for antibody mediated autoimmune diseases.

HBP-assay

HBP-assay is a diagnostic method which has been developed and patented by Hansa Medical in order to predict severe sepsis in patients with symptoms of infectious diseases. Hundreds of thousands of patients die each year as a consequence of severe sepsis in conjunction with infections such as, for example, urinary tract infections and pneumonia. These infections can be treated effectively with antibiotics in order to prevent them from developing into severe sepsis, but it is important to quickly predict who the risk patients are in order for the treatment to succeed. An apparently stable patient with an indicated or suspected infection can develop severe sepsis within the space of a few hours with clinical symptoms of organ failure and circulatory disturbances. Early discovery and treatment of risk patients is the key to preventing death from severe sepsis.

HBP, Heparin Binding Protein, which is also called Azurocidin, has been evaluated in two clinical studies in Sweden and the United States as a biomarker for the prediction of severe sepsis. These studies indicate that serum levels of the HBP are increased in over 80 per cent of the patients who develop severe sepsis within 72 hours. HBP is found in certain immune cells which are called neutrophils. HBP is a multifunctional inflammatory mediator and can be released from neutrophils in the presence of bacteria.

Commercial development of HBP-assay

In 2009, Hansa Medical and Axis-Shield Diagnostic Ltd. entered into a cooperation agreement regarding the commercialization of HBP-assay. Axis-Shields is responsible for all clinical studies and further development of the analysis method, and Hansa Medical is entitled to a royalty on Axis-Shields' sales revenues from the HBP-assay, as well as milestone payments and minimum royalty payments.

Axis-Shield is developing the global market for HBP tests and is also working to sublicense HBP-assay to large, global IVD companies (in vitro diagnostics) as potential sublicensees. In order to further strengthen the clinical value of HBP-assay, Axis-Shields is currently coordinating additional clinical studies of HBP-assay in the United States, Europe, China, South Korea and India. Axis-Shields is also developing alternative versions of the HBP-assay for improved routine clinical application.

Customers

Hansa Medical does not presently have any actual customers. A customer-like relationship exists, however, following the licensing of the Company's HBP-assay method to Axis-Shield Diagnostic Ltd. Axis-Shields is planning to sell the analysis method to clinics throughout the world. Hansa Medical is entitled to royalties on Axis-Shields' sales of the HBP-assay. A CE-marked version has now been launched for research purposes, with modest revenues.

Market and factors in general

IdeS

There are a number of general factors which influence the future possible commercialization of IdeS. In an initial stage, the Company is dependent on the interest of physicians groups and academic researchers in

carrying out or participating in clinical studies, and on government pharmaceuticals agencies and ethics committees providing approval for the implementation of clinical studies. The Company is then dependent on regulatory authorities providing their approval for marketing and sales of IdeS. Finally, insurance companies and other payers must approve the pricing of IdeS and that customers and users (clinics) purchase the product. Cooperation with other pharmaceutical companies participating in the distribution of IdeS on various markets around the world may also be required.

For the indications which are initially relevant, kidney transplants and anti-GBM, IdeS should command a large value from a health-economic perspective. The sales potential for IdeS could possibly reach hundreds of millions of US dollars per annum.* The potential is even greater if IdeS can play a role in crises within chronic autoimmune diseases.

HBP-assay

Through better prediction and diagnostics, lives are saved and healthcare costs can be dramatically reduced. HBP-assay is a new diagnostics method which has been developed and patented by Hansa Medical in order to predict severe sepsis in patients with symptoms of infectious diseases. In the autumn of 2013, the U.S. Department of Health and Human Services published the report ”National Inpatient Hospital Costs: The Most Expensive Conditions by Payer, 2011”. The report identifies sepsis as the single most costly disease condition in the U.S. healthcare system. In total, sepsis causes costs of USD 20.3 billion, corresponding to 5.2 per cent of the total cost of the U.S. healthcare system. 1.1 million patients were treated for sepsis at hospitals in 2011. The market in the United States and Europe alone for predicting severe sepsis in emergency clinics is estimated at three million analyses per year.

Hansa Medical's licensee, Axis-Shield Diagnostics Ltd, has entered into a sublicense with the Chinese diagnostics company Hangzhou Joinstar Biomedical Technology Co Ltd for commercialization of HBP-assay in China.

* The Company's assessment based on the number of treatable patients, pricing of other biological pharmaceuticals for the treatment of unusual diseases and the cost of dialysis.

History

2001: Hansa Medical Utvecklings AB is founded based upon many years of cooperation between Professor Lars Björck and Hansa Medical's chairman for many years Bo Håkansson. The IdeS enzyme is discovered at Professor Lars Björck's research laboratory, and patented shortly thereafter by Hansa Medical Utvecklings AB.

2004: Hansa Medical Utvecklings AB is acquired by Biolin Scientific AB, becoming a wholly-owned subsidiary.

2005: The first preclinical model studies with IdeS are carried out. The medical use of IdeS is patented.

2006: The first preclinical model studies with EndoS are carried out. The medical use of EndoS is patented.

2007: Hansa Medical AB (publ) is formed and acquires Hansa Medical Utvecklings AB. Hansa Medical is spun off from Biolin Scientific AB. The Company is listed on First North. Hansa Medical patents quantification of HBP for prediction of severe sepsis. A rights issue brings the Company MSEK 33 prior to issue costs.

2008: The Company acquires the rights to the alpha-11 project, a pharmaceutical target for treatment of rheumatoid arthritis and the rights to the alpha-10 project with related biological material.

2009: The Company enters into a cooperation agreement with Alere Inc. for the joint development of a new biological pharmaceutical for the treatment of rheumatoid arthritis based on antibodies against the alpha-11 integrin. The Company sells all of the assets regarding the possible pharmaceutical target and biomarker alpha-10 integrin to Xintela AB. The Company has not retained any rights to alpha-10. The Company receives financing in the amount of SEK 500,000 from the VINNOVA Forska&Väx (*Research & Grow*) program in order to carry out a pre-study of EndoS. The Company enters into an exclusive licensing agreement with Axis-Shield Diagnostic Ltd. regarding HBP-assay. The Company is merged with the wholly-owned subsidiaries Hansa Medical Utvecklings AB and Cartela i Malmö AB.

2010: A rights issue brings the Company MSEK 27 prior to issue costs. Hansa Medical enters into a licensing agreement with Human Genome Sciences Inc. regarding patents and patent applications concerning the alpha-11 pharmaceutical target. Hansa Medical receives milestone payment in the amount of USD 500,000 from Alere Inc. after obtaining advantageous licenses for significant patents and patent applications regarding the alpha-11 pharmaceutical target.

2011: Hansa Medical and Axis-Shield begin clinical multi-center studies in Sweden and the United States with HBP-assay for the prediction of severe sepsis at emergency clinics. A rights issue brings the Company MSEK 29 prior to issue costs. Hansa Medical and Alere Inc. completely discontinue the alpha-11 project for the treatment of rheumatoid arthritis since sufficient effects are not achieved in preclinical models for the treatment of rheumatoid arthritis. The development of the GMP process for the production of IdeS is completed.

2012: The Company carries out a private placement to Nexttobe AB and, directly following, a rights issue which brings the Company a total of MSEK 46. Hansa Medical is granted a patent in Europe for diagnosis of severe sepsis using the HBP-assay. Hansa Medical is granted a patent in the United States and Europe for medical use of IdeS. Hansa Medical's partner, Axis-Shield, launches a CE-marked version of

HBP-assay. A clinical multicenter study of HBP-assay is carried out with approximately 850 patients. Clinical research results show that HBP is a good biomarker for the diagnosis of urinary tract infections.

2013: The Company carries out a successful phase I study of IdeS. Hansa Medical and Axis-Shield report very positive results from a crucial clinical study of HBP-assay. The Company receives MSEK 3.4 in financing from VINNOVA for carrying out a phase II study of IdeS.

2014: The Company reports a successfully completed phase I study of IdeS. The study shows that IdeS inactivates antibodies safely, quickly and effectively. The Company carries out a rights issue which brings the Company MSEK 35.6 after issue costs. The Company commences a phase II study of IdeS with eight patients after having obtained the approval of the Swedish Medical Products Agency. Birgit Stattin Norinder is appointed chairman of the board of directors after the death of the chairman of the board of directors, Bo Håkansson. Fredrik Lindgren is appointed the new CEO. The Company announces that the second patient in the clinical phase II study underwent a successful transplant.

2015: Hansa Medical reports the preliminary results from a concluded clinical phase II study of IdeS. The conclusion, based on the first study in humans, was that IdeS proved to be safe, highly tolerable, and effective.

Dr. Stanley Jordan is appointed medical advisor in the United States and approval is obtained from the US Food and Drug Administration to clinically trial IdeS in sensitized transplant patients.

The Company files a preliminary application for admission to trading on Nasdaq Stockholm's main market.

Hansa Medical takes up a loan in a maximum amount of MSEK 20 from its largest shareholder, Nexttobe AB, of which MSEK 5 is drawn down.

The Company commences development of a new generation of molecules based on IdeS which will make possible repeated doses and thus broaden the therapeutical possibilities to include more chronic illnesses. Hansa Medical has obtained patent protection for the new molecules.

Hansa Medical's licensee Axis-Shield enters into a sublicense with the Chinese diagnostics company Hangzhou Joinstar Biomedical Technology Co Ltd for commercialization of HBP-assay in China.

The largest shareholder, Farstorps Gård AB, reduces its shareholdings from 43 per cent to approximately 27 per cent and, due to the dilution effect through the new issue which was carried out in the spring of 2015, to approximately 22 per cent.

Hansa Medical carries out a rights issue which brings the Company MSEK 246.0 before issue costs.

Hansa Medical's CFO and acting CEO Göran Arvidson is appointed CEO following the resignation of Fredrik Lindgren.

Hansa Medical forms a medical advisory committee for IdeS for kidney transplants in the United States.

Hans Schikan is elected to the board of directors of Hansa Medical.

Directors and senior management acquire shares in Hansa Medical. Senior management and other employees acquire warrants in Hansa Medical.

The first patient in the Company's second phase II study of IdeS undergoes a kidney transplant.

The first patient in the IdeS at Cedars-Sinai Medical Center in Los Angeles undergoes a kidney transplant. The results from a clinical multicenter study, showing that quantification of HBP has the potential of being a very usable diagnostic method to predict severe sepsis in emergency clinics and infection clinics, are published in Critical Care Medicine.

Hansa Medical is granted Orphan Drug Status for IdeS in the United States.

Data from Hansa Medical's first completed phase II study of IdeS at Uppsala University Hospital is presented at the 2015 ESOT Congress (17th Congress of the European Society for Organ Transplantation) in Brussels.

Financial information in brief

The financial overview set forth below regarding the 2014, 2013 and 2012 financial years is taken from Hansa Medical ‘s audited consolidated accounts which have been prepared in accordance with International Financial Reporting Standards (”IFRS”) as adopted by the EU. This summary should be read together with the Company’s audited financial reports of historical financial information for the years 2014, 2013 and 2012 and the Company’s interim report for the period 1 January to 30 June 2015. The interim report for the period 1 January to 30 June 2015 has been incorporated through reference in the Prospectus; see also the section entitled *Documents incorporated through reference*. The interim report has been reviewed by the Company’s auditor, but not audited. The review report is set forth on page 11 of the interim report and has been incorporated into the Prospectus through reference. The Company’s audited financial reports of historical financial information for the years 2014, 2013, and 2012 are set forth in a separate section of the Prospectus; see pages 71-105. This section should be read together with the section entitled *Comments on financial development*.

CONSOLIDATED INCOME STATEMENT

	January - June		1 January - 31 December		
SEK 000'	2015	2014	2014	2013	2012
Net sales	4 376	1 461	1 618	1 690	1 781
Other operating income	694	1 537	3 157	37	838
Total operating income	**5 070**	**2 998**	**4 775**	**1 727**	**2 619**
Selling and administrative costs	-17 892	-3 249	-7 609	-6 706	-5 965
Research and development costs	-20 316	-10 479	-21 742	-12 537	-13 350
Other operating costs	-47	0	-133	-113	-102
Operating earnings	**-33 185**	**-10 730**	**-24 709**	**-17 629**	**-16 798**
Net financial income	-45	-116	-4 333	67	330
Result for the period	**-33 230**	**-10 846**	**-29 042**	**-17 562**	**-16 468**
Attributable to:					
Parent company shareholders	-33 230	-10 846	-29 042	-17 562	-16 468
Earnings per share					
before dilution (SEK)	-1,11	-0,42	-1,10	-0,72	-0,71
after dilution (SEK)	-1,11	-0,42	-1,10	-0,72	-0,71
Other comprehensive income					
Items that have been, or may be reclassified to profit or loss for the year					
Fair value changes for the year on realizable financial assets	1 333	-1 810	-2 064	2 326	-262
Other comprehensive income for the period	**1 333**	**-1 810**	**-2 064**	**2 326**	**-262**
Total net comprehensive income	**-31 897**	**-12 656**	**-31 106**	**-15 236**	**-16 730**

CONSOLIDATED BALANCE SHEET

SEK 000'	30 June 2015	30 June 2014	31 Dec 2014	31 Dec 2013	31 Dec 2012
ASSETS					
Fixed assets					
Intangible fixed assets	36 612	38 022	36 898	38 028	37 976
Tangible fixed assets	1 407	413	1 283	298	438
Financial fixed assets	6 992	8 687	4 180	10 381	3 590
Total fixed assets	**45 011**	**47 122**	**42 361**	**48 707**	**42 004**
Current assets					
Receivables, non interest-bearing	2 555	1 288	1 798	1 817	2 375
Cash and cash equivalents	209 110	25 216	10 152	90	18 966
Totalt current assets	**211 665**	**26 504**	**11 950**	**1 907**	**21 341**
Total assets	**256 676**	**73 626**	**54 311**	**50 614**	**63 345**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	**244 072**	**68 612**	**49 804**	**45 349**	**60 585**
Long-term liabilities	**69**	**111**	**91**	**131**	**168**
Current liabilities					
Current interest-bearing liabilities	41	39	39	556	36
Current liabilities, non interest-bearing	5 306	754	2 834	1 514	1 457
Accrued expenses and deferred income	7 188	4 110	1 543	3 064	1 099
Total current liabilities	**12 535**	**4 903**	**4 416**	**5 134**	**2 592**
Total shareholders' equity and liabilities	**256 676**	**73 626**	**54 311**	**50 614**	**63 345**
Pledged assets	100	156	128	183	239
Contingent liabilities	None	None	None	None	None

CONSOLIDATED STATEMENT OF CASH FLOWS

	January - June		1 January - 31 December		
SEK 000'	2015	2014	2014	2013	2012
Operating activities					
Operating loss	-33 185	-10 730	-24 709	-17 629	-16 798
Adjustement for items not included in cash flow	485	85	1 349	152	183
Interest received and interest paid	-45	-116	-81	67	330
Income taxes paid	10	18	-81	-110	7
Cash flow from operating activities before changes in working capital	**-32 735**	**-10 743**	**-23 522**	**-17 520**	**-16 278**
Changes in working capital	7 350	797	-101	2 690	-1 621
Cash flow from operating activities	**-25 385**	**-9 946**	**-23 623**	**-14 830**	**-17 899**
Investing activities					
Acquisition of tangible fixed assets				-64	-2 707
Investments in capitalized development expenditures	-323	-194	-1 204		
Acquisition of financial assets	-1 479	-115	-115	-4 465	-3 852
Cash flow from investing activities	**-1 802**	**-309**	**-1 319**	**-4 529**	**-6 559**
Financing activities					
New share issue	246 331	37 042	37 042		46 021
Issue expenses	-21 999	-1 123	-1 481		-1 020
Warrants issue	1 833				
Loans raised				519	
Repayment of loans		-519	-519		-2 700
Repayment of leasing liabilities	-20	-19	-38	-36	-34
Cash flow from financing activities	**226 145**	**35 381**	**35 004**	**483**	**42 267**
Net cash flow	**198 958**	**25 126**	**10 062**	**-18 876**	**17 809**
Cash and cash equivalents, beginning of period	10 152	90	90	18 966	1 157
Cash and cash equivalents, end of period	**209 110**	**25 216**	**10 152**	**90**	**18 966**

Key ratio for the group

'000	2015 6 months Jan-Jun	2014 6 months Jan-Jun	2014 12 months Jan-Dec	2013 12 months Jan-Dec	2012 12 months Jan-Dec
Profit numbers					
Total operating income	5 070	2 998	4 775	1 727	2 619
Operating profit/result	-33 185	-10 730	-24 709	-17 629	-16 798
Net profit/loss	-33 230	-10 846	-29 042	-17 562	-16 468
Per share data					
Earnings per share before and after dilution (SEK)	-1,11	-0,42	-1,10	-0,72	-0,71
Equity per share (SEK)	7,53	2,65	1,92	2,04	2,73
Other information					
Equity ratio (%)	95	93	92	90	96
Number of outstanding shares at the end of the period	32 412 003	25 929 603	25 929 603	22 225 374	22 225 374
Number of employees at end period	16	10	14	8	8

Definitions

Earnings per share before and after dilution

Earnings for the period divided by the weighted average number of shares during the period prior to, and after, dilution.

Equity ratio

Shareholders' equity in relation to total liabilities at the close of the period.

Comments on financial development

The comments to the financial developments set forth below are based on the 2014, 2013 and 2012 financial years and the period 1 January to 30 June 2015 and 1 January to 30 June 2014. The information set forth below should be read in conjunction with Hansa Medical's historical financial information for the 2014, 2013 and 2012 financial years, and for the periods 1 January to 30 June 2014 and 1 January to 30 June 2015.

Comparison between the periods January to June 2014 and January to June 2015

Operating income

Operating income for the period 1 January to 30 June 2015 amounted to MSEK 5.07 which is an increase of MSEK 2.072 as compared with the corresponding period in 2014 when operating income amounted to MSEK 2.998. The increase is primarily a consequence of increased revenues from Axis-Shield Diagnostics Ltd. Net sales for the period 1 January to 30 June 2015 amounted to MSEK 4.376 and for the period 1 January to 30 June 2014 to MSEK 1.461. For the period 1 January to 30 June 2015 and the same period 2014, operating income consisted of licensing revenues and compensation for patent costs regarding HBP-assay received from Axis-Shield. For the period 1 January to 30 June 2014, operating income also consisted of contributions from VINNOVA. The increase comes from increased revenues from the cooperation with Axis-Shield and consists of licensing and royalty revenues.

Operating costs

Hansa Medical's costs consist primarily of sales and administration costs, research and development costs, and other operating costs. Hansa Medical's sales and administration costs for the period 1 January to 30 June 2015 amounted to MSEK 17.892 which is an increase of MSEK 14.643 as compared with the corresponding period in 2014 when costs amounted to MSEK 3.249. The increase is primarily a result of costs for the planned listing on Nasdaq Stockholm, a bonus in the amount of MSEK 2.7 excluding social security contributions paid to the previous CEO, and a one-time cash bonus when the Company's employees acquired options. Hansa Medical's research and development expenditures for the period 1 January to 30 June 2015 amounted to MSEK 20.316 which is an increase of MSEK 9.837 as compared with the corresponding period in 2014 when costs amounted to MSEK 10.479. The increase is primarily a consequence of an increased level of activity in conjunction with the continued expansion of the organization. Hansa Medical's other operating costs for the period 1 January to 30 June 2015 amounted to SEK 47,000 which is an increase of SEK 47,000 as compared with the corresponding period in 2014 when the costs amounted to SEK 0.

Operating loss

The operating loss for the period 1 January to 30 June 2015 amounted to MSEK -33.185 which is MSEK 22.455 worse than the corresponding period in 2014 when the operating loss amounted to MSEK -10.73. This difference is explained by an increased level of activity in conjunction with the continued expansion of the organization, but also the cost for the planned listing on Nasdaq Stockholm's main market, a bonus in the amount of MSEK 2.7 excluding social security contributions paid to the previous CEO, and a one-time cash bonus when the Company's employees acquired options. The one-time costs amounted to approximately MSEK 8.0 during the first half of 2015, most of which was booked as administrative costs.

Earnings after taxes

Hansa Medical's earnings after taxes for the period 1 January to 30 June 2015 amounted to MSEK -33.23 as compared with the MSEK -10.846 for the corresponding period in 2014.

Cash flow

Cash flow from the day-to-day operations amounted to MSEK -25.385 for the period 1 January to 30 June 2015, as compared with MSEK -9.946 for the corresponding period in 2014. The change in operating earnings which is partly a consequence of one-time costs and partly a consequence of higher costs due to an increased level of activity in projects and the expansion of the organization negatively affects cash flow. The cash flow is positively affected by payments from the sale of options to the employees which balanced out the one-time bonus paid to employees in conjunction with their acquisition of the warrants. A positive change in operating capital took place during the period in the amount of MSEK 6.553, which is primarily due to an increased reserve for accrued costs and higher accounts payable as a consequence of the increased level of activity. Cash flow from the investment operations amounted to MSEK -1.802 for the period 1 January to 30 June 2015, as compared with SEK -309,000 during the corresponding period in 2014. The largest investment item during 2015 relates to shares in Genovis AB. Cash flow from the financing operations amounted to MSEK 226.145 during the period 1 January to 30 June 2015, as compared with MSEK 35.381 during the corresponding period in 2014. The difference is explained by the new issue carried out during the first half of 2015. Cash or cash equivalents at the close of the period amounted to MSEK 209.110 at the end of the first half of 2015 as compared with MSEK 25.216 at the end of the first half of 2014.

Comparison between the periods January to December 2014 and January to December 2013

Operating income

Operating income for the period 1 January to 31 December 2014 amounted to MSEK 4.775 which is an increase of MSEK 3.048 as compared with the corresponding period in 2013 when operating income amounted to MSEK 1.727. The increase is primarily due to compensation according to an agreement with VINNOVA. Sales for the period 1 January to 31 December 2014 amounted to MSEK 1.618 and for 1 January to 31 December 2013 to MSEK 1.690. For 2014 and 2013, operating income consisted of licensing revenues and compensation for patent costs regarding HBP-assay received from Axis-Shield Diagnostics Ltd. For 2014, operating income also consisted of contributions from VINNOVA.

Operating costs

Hansa Medical's costs consist primarily of research and development expenditures and other operating costs. Hansa Medical's sales and administration costs for the period 1 January to 31 December 2014 amounted to MSEK 7.609 which is an increase of SEK 903,000 as compared with the corresponding period in 2013 when costs amounted to MSEK 6.706. The higher costs are primarily due to an increasing focus on communications and corporate profile. Hansa Medical's research and development expenditures for the period 1 January to 31 December 2014 amounted to MSEK 21.742 which is an increase of MSEK 9.205 as compared with the corresponding period in 2013 when costs amounted to MSEK 12.537. The increase is primarily a result of an expanded development organization and generally increasing investment in research and development for clinical studies. Hansa Medical's other operating costs for the period 1 January to 31 December 2014 amounted to SEK 133,000 which is an increase of SEK 20,000 as compared with the corresponding period in 2013 when costs amounted to SEK 113,000.

Operating loss

The operating loss for the period 1 January to 31 December 2014 amounted to MSEK -24.709 which is MSEK 7.08 worse than the corresponding period in 2013 when the operating loss amounted to MSEK -17.629. The difference is primarily explained by the fact that the IdeS project was in a later phase, involving increased costs as a consequence.

Loss after taxes

Hansa Medical's loss after taxes for the period 1 January to 31 December 2014 amounted to MSEK -29.042 as compared with MSEK -17.562 during the corresponding period in 2013. The 2014 loss

includes a write-down in the amount of MSEK 4.252 regarding the shares in Genovis AB as a consequence of a lower market value for the shares.

Cash flow

Cash flow from the day-to-day operations amounted to MSEK -23.623 for the period 1 January to 31 December 2014 as compared with MSEK -14.830 for the corresponding period in 2013. The higher costs reported in the operating earnings during 2014 as a consequence of clinical studies, communications and profiling negatively affected cash flow from the day-to-day operations in the amount of MSEK 7.08 as compared with 2013. The change in operating capital provides a negative difference in the amount of MSEK 2.791 primarily due to lower accrued costs. The cash flow from investment operations amounted to MSEK -1.319 for the period 1 January to 31 December 2014 as compared with MSEK -4.529 during the corresponding period in 2013. A larger purchase of shares in Genovis AB took place in 2013 as compared with 2014, which explains the difference between the years. Cash flow from the financing operations amounted to MSEK 35.004 during the period 1 January to 31 December 2014, as compared with SEK 483,000 during the corresponding period in 2013. The difference is explained by the new issue which was carried out in 2014. Cash or cash equivalents at the end of 2014 amounted to MSEK 10.152 as compared with SEK 90,000 at the end of 2013.

Comparison between the periods January to December 2013 and January to December 2012

Operating income

Operating income for the period 1 January to 31 December 2013 amounted to MSEK 1.727 which is a decrease of SEK 892,000 as compared with the corresponding period in 2012 when operating income amounted to MSEK 2.619. The decrease is primarily due to the discontinuation of the right to royalties from Genovis AB pursuant to an agreement. Sales for the period 1 January to 31 December 2013 amounted to MSEK 1.690 and for the period 1 January to 31 December 2012 to MSEK 1.781. Operating income for 2013 consisted primarily of licensing revenues and compensation for patent costs regarding HBP-assay received from Axis-Shield Diagnostics Ltd. For 2012, operating income consisted primarily of licensing revenues from Genovis AB and Axis-Shield and compensation for patent costs from Axis-Shield and Alere Inc.

Operating costs

Hansa Medical's costs consist primarily of sales and administration costs, research and development expenditures and other operating costs. Hansa Medical's sales and administration costs for the period 1 January to 31 December 2013 amounted to MSEK 6.706 which is an increase of SEK 741,000 as compared with the corresponding period in 2012 when costs amounted to MSEK 5.965. The increase is primarily a consequence of additional costs for patents, accounting and corporate profiling. Hansa Medical's research and development expenditures for the period 1 January to 31 December 2013 amounted to MSEK 12.537 which is a decrease of SEK 813,000 as compared with the corresponding period in 2012 when costs amounted to MSEK 13.350. The decrease is a consequence of lower costs in the IdeS project. Hansa Medical's other operating costs for the period 1 January to 31 December 2013 amounted to SEK 113,000 which is an increase of SEK 11,000 as compared with the corresponding period in 2012 when costs amounted to SEK 102,000.

Operating loss

The operating loss for the period 1 January to 31 December 2013 amounted to MSEK -17.629 which is SEK 831,000 greater than the corresponding period in 2012 when the operating loss was MSEK -16.798. The higher loss is primarily explained by a lower level of capitalization of assets and reduced royalty income.

Earnings after taxes

Hansa Medical's earnings for the period 1 January to 31 December 2013 amounted to MSEK -17.562, as compared with MSEK -16.468 for the corresponding period in 2012. The greater loss is primarily a result of a lower level of capitalization of development expenditures and the termination of a right to a royalty from Genovis AB.

Cash flow

Cash flow for the day-to-day operations amounted to MSEK -14.830 for the period 1 January to 31 December 2013 as compared with MSEK -17.899 during the corresponding period in 2012. The change in operating earnings negatively affects cash flow in the amount of SEK 831,000 in a comparison of the periods. A positive change in operating capital affected cash flow in the amount of MSEK 4.311, primarily due to the fact that accrued costs have increased and accounts receivable have decreased by SEK 963,000. Cash flow from investment operations amounted to MSEK -4.529 for the period 1 January to 31 December 2013 as compared with MSEK -6.559 during the corresponding period in 2012. Significantly higher capitalizing of development expenditures in 2012 resulted in a higher investment level that year. Cash flow from financing operations amounted to SEK 483,000 during the period 1 January to 31 December 2013, as compared with MSEK 42.267 during the corresponding period in 2012. The difference is explained by the new share issues carried out in 2012. Year-end cash or cash equivalents amounted to SEK 90,000 at the end of 2013 as compared with MSEK 18.966 at the end of 2012.

Equity structure and other financial information

Financial position

Hansa Medical has financed its business operations thus far partially with the help of milestone compensation and one-time compensation amounts from the Company's current and previous cooperating partners and with royalty revenues from licensing agreements. However, the operations have mostly been financed with shareholders' equity through new issues of shares, primarily rights issues to the shareholders.

On 31 August 2015, shareholders' equity amounted to MSEK 237.962. On the same day, Hansa Medical had interest-bearing current liabilities in the amount of SEK 41,000 and interest-bearing long-term liabilities in the amount of SEK 63,000.

Shareholders'equity and liabilities on 31 August 2015

SEK '000	31 Aug 2015
Total current interest-bearing liabilities	
With a guarantee	0
Secured*	41
Unsecured credit, overdraft facility	0
Total long-term interest-bearing liabilities (excluding short-term portion of long-term liabilities)	
With a guarantee	0
Secured*	63
Unsecured credit	0
Shareholders'equity	
Share capital	32,412
Unrestricted shareholders'equity	205,550
Total shareholders'equity and interest-bearing liabilities	**238,066**

* Security in the form of retention of title

Net indebtedness on 31 August 2015

SEK '000		31 Aug 2015
A.	Cash on account	1
B.	Cash and equivalents	197,120
C.	Readily realized securities	0
D.	**Liquidity (A + B + C)**	**197,121**
E.	**Current receivables**	**2,295**
F.	Current bank liabilities	0
G.	Short-term portion of long-term liabilities	0
H.	Other current liabilities	6,859
I.	**Current liabilities (F + G + H)**	**6,859**
J.	**Net current liabilities (I - E - D)**	**-192,557**
K.	Long-term bank loans	0
L.	Bonds issued	0
M.	Other long-term loans	0
N.	**Long-term indebtedness (K + L + M)**	**0**
O.	**Net indebtedness (J + N)**	**-192,557**

Statement regarding working capital

It is the Company's opinion that the current operating capital is sufficient for the relevant needs over the next 12 months.

Future capital requirements/continued operations

Hansa Medical carries out capital-intensive and value-generating pharmaceuticals and diagnostics development. Future financing of the operations is expected to take place through new issues of shares, loans, licensing revenues and sales of rights or patents. At present, Hansa Medical has sufficient working capital for its needs over the next 12 months.

The short-term financial target is to gradually secure the financing required in order to be able to launch IdeS on the market. The additional funds required can either be acquired by the Company or contributed by a cooperating party within the scope of a development cooperation. Hansa Medical's development projects have the potential of generating significant revenues in the form of one-time compensation, milestone payments or licensing revenues if the Company is successful in entering into attractive cooperation agreements. Debt financing is not considered to be an appropriate form of financing, other than temporarily, until the Company has achieved profitability and positive cash flow.

Over the longer term, the Company's financial goal is to achieve positive cash flow on a full-year basis and an operating profit, which is estimated to be possible approximately 2020. The Company will require additional contributions of capital before reaching profitability.

Investments

Hansa Medical holds a total of 10.17 per cent of the share capital and voting capital (corresponding to 3,641,441 shares at an acquisition value of MSEK 9.911) in the biotechnology company Genovis AB. Genovis AB focuses on antibody modification with the aid of the IdeS and EndoS enzymes. Genovis AB's applications of IdeS and EndoS are marketed under the trademarks FabRICATOR and IgGZERO. These products simplify the development and quality control of pharmaceutical products. In 2007, Hansa Medical and Genovis entered into a licensing agreement which gives Genovis an exclusive and global right to produce, import, sell and use, in accordance with patent applications and patents, inventions and intellectual property rights regarding IdeS for biotechnical industrial applications and a nonexclusive and global right to use know-how for biotechnical applications. Pursuant to the agreement, Genovis is prohibited from using the rights for therapeutical or diagnostic applications or other applications which are not biotechnical. Hansa Medical's investment in Genovis is a strategic investment in a biotechnology company which develops new and promising non-therapeutical applications of assets which are central to Hansa Medical's business; the IdeS and EndoS enzymes.

In 2015, the Company acquired 1,464,376 shares in Genovis AB through Genovis AB's rights issue and on First North for the total amount of SEK 1,478,676.

Investments during the 2014 financial year amounted to MSEK 1.319 as compared with MSEK 4.529 for 2013 and MSEK 6.559 for 2012. The investments in 2014 related primarily to purchases of laboratory equipment and office equipment for MSEK 1.204 and the acquisition of 29,000 shares in Genovis AB at an acquisition price of SEK 115,000.

In 2013, the Company acquired 1,122,265 shares in Genovis AB through Genovis AB's rights issue and on First North for a total amount of MSEK 4.465. Investments in intangible assets were made in an amount of less than SEK 64,000 during 2013, which consists of capitalized development expenditures for the establishment of a GMP process for IdeS.

In 2012, the Company acquired 1,025,800 shares in Genovis AB on First North for the total amount of MSEK 3.852. Investments in intangible assets were made in the amount of MSEK 2.707 which consists entirely of capitalized development expenditures for the establishment of a GMP process for IdeS.

Other than as set forth above, Hansa Medical has no material investments underway at the time of the Prospectus. At the time of the drafting of the Prospectus, Hansa Medical had not decided to make any individual, material investments for the immediate future.

Fixed assets

Hansa Medical's fixed assets consist primarily of intangible fixed assets in the form of capitalized development expenditures, patents and similar rights which, as per 30 June 2015, amounted to MSEK 36.612. Other fixed assets consist of the above-stated shares and equipment which amounted to MSEK 6.922 and MSEK 1.407 on 30 June 2015.

Expenses related to development projects are capitalized by the Group as intangible fixed assets to the extent these expenses are anticipated to a high degree of certainty to generate future economic advantages. The Company has applied this principle in such a manner that only expenses for the establishment of a GMP process for IdeS have been capitalized. Other development expenditures are booked as expenses as they arise. Depreciation of the capitalized development expenditures begins when the projects are deemed completed, which either takes place in-house by the Group or in conjunction with the licensing of patents or preparations in exchange for compensation, where continued development work is carried out by an independent party. Depreciation of capitalized expenditures for

product development of IdeS has not yet begun since the intangible asset has not yet begun to be used in the manner intended by corporate management, i.e. it has not yet begun to generate revenues.

Trends and material changes after 30 June 2015

To the best knowledge of the board of directors, other than general uncertainty related to the development of medical, chemical and biotechnical products, there are no known trends, uncertainty factors, potential claims or other claims, undertakings or events which can be expected to have a material effect on the Company's future prospects. No material change in Hansa Medical's financial position or position on the market has taken place since 30 June 2015. Hansa Medical does not currently possess any information regarding public, economic, tax, monetary policy or other political measures which might directly or indirect materially affect Hansa Medical's business operations or commercial prospects during the current financial year.

Tax situation

At the end of 2014, the Group reported tax losses carried forward in a total amount of MSEK 139.912. The Company has submitted a correction to the Tax Agency according to which an expense in the amount of MSEK 2.398 regarding earnings from shares in group companies is now reported as not deductible. Consequently, following a reassessment decision by the Tax Agency, the Company’s tax loss at the end of 2014 will probably decrease by MSEK 2.398. These losses carried forward are not subject to any limitation in time. Deferred tax claims have not been reported regarding temporary differences and losses carried forward since it is not likely that it will be possible to set these off against future taxable profits within the foreseeable future.

Shares, share capital and ownership

The Company name and trading name is Hansa Medical AB (publ). The Company's registration number is 556734-5359. The Company has its registered office in Lund and was formed on 5 June 2007 and registered with the Swedish Companies Registration Office on 10 July 2007. The Company is a public limited company governed by the Swedish Companies Act (SFS 2005:551). The Company has its registered office in Lund and the Company's registered address is Box 785, 220 07 Lund, Sweden.

Hansa Medical's shares are listed on First North Premier with the ticker name HMED and the ISIN code SE0002148817. The shares have been issued in accordance with Swedish law and are denominated in Swedish kronor. The shareholders' rights may only be amended in accordance with the rules prescribed in the Swedish Companies Act (SFS 2005:551).

On 30 June 2015, Hansa Medical's share capital amounted to SEK 32,412,003 divided into 32,412,003 shares. There is only one class of shares in the Company. At shareholder meetings, each share in Hansa Medical entitles the holder to one vote and each shareholder is entitled to vote for the full number of shares held. All shares entitle the holder to participate equally in the Company's assets and profits and entitle the holder to an equal dividend and to participate equally in any surplus in a liquidation. Resolutions regarding new share issues are normally adopted by the shareholders' meeting but may be adopted by the board of directors following authorization by the shareholders' meeting or on the condition of the approval by the shareholders' meeting. Shareholders normally have pre-emption rights in conjunction with new share issues. However, there is a possibility for an exception to this. The most recent annual general meeting authorized the board of directors to carry out a new issue of shares disapplying shareholders' pre-emption rights. In order to amend shareholders' rights, a resolution must be adopted by the shareholders' meeting. The terms and conditions for amending shareholders' rights correspond to those set forth by law. The shares are freely negotiable. There are, except for the incentive program as outlined on page 49, no outstanding warrants, convertible debentures, or other financial instruments which might entail a dilution effect for existing shareholders.

Hansa Medical is affiliated to Euroclear's dematerialized securities system and therefore no physical share certificates are issued. All rights associated with the shares vest in the person who is registered in the share register maintained by Euroclear.

There have not been any public tender offers regarding the Company's shares during the current or preceding financial year. The Company's shares are not subject to any offer which has been made as a consequence of a tender obligation, redemption rights or a purchase obligation. Redemption of shares is not governed by the articles of association and is, instead, governed by the rules set forth in the Swedish Companies Act.

Share capital and changes in share capital

On 30 June 2015, Hansa Medical's share capital amounted to SEK 32,412,003 divided into 32,412,003 shares and, according to the articles of association, may amount to a maximum of SEK 80 million divided into 80 million shares. All outstanding shares are fully paid up. The Company's share capital is denominated in Swedish kronor and divided amongst the Company's outstanding shares with a quotient value of SEK 1 per share.

The table set forth below indicates the changes in the share capital which have taken place since the Company was formed.

Year	Event	Increase in share capital (SEK)	Total share capital (SEK)	Change in the number of shares	Total number of shares	Quotient value (SEK)
2007	Company formation	500,000	500,000	5,000	5,000	100
2007	Split (1:9)	-	500,000	45,000	50,000	10
2007	Split (1:2)	-	500,000	50,000	100,000	5
2007	Rights issue	18,815,920	19,315,920	3,763,184	3,863,184	5
2010	Rights issue	19,315,920	38,631,840	3,863,184	7,726,368	5
2011	Rights issue	28,973,880	67,605,720	5,794,776	13,521,144	5
2012	Rights issue	25,000,005	92,605,725	5,000,001	18,521,145	5
2012	Rights issue	18,521,145	111,126,870	3,704,229	22,225,374	5
2012	Reduction in share capital*	-88,901,496	22,225,374	-	22,225,374	1
2014	Rights issue	3,704,229	25,929,603	3,704,229	25,929,603	1
2015	Rights issue	6,482,400	32,412,003	6,482,400	32,412,003	1

** Reduction in share capital without withdrawal of shares to cover losses and transfer to a fund*

Changes in the share price

Hansa Medical's shares have been listed on First North Premier since 24 June 2015, and prior to this, since 17 October 2007, were admitted to trading on First North. The transaction price for Hansa Medical's shares on 9 October 2015 of SEK 27.40 per share resulted in a market capitalization of approximately MSEK 888.

According to the share register maintained by Euroclear, on 31 July 2015 Hansa Medical had 2,681 shareholders. Information regarding shareholders and share ownership is updated every quarter on the Company's website at www.hansamedical.com.

Shareholders

Name	Number of shares	Percentage (%)
Nexttobe AB	9,443,761	29.14
Farstorps Gård AB	7,122,952	21.98
Försäkringsaktiebolaget, Avanza Pension	2,424,985	7.48
Handelsbanken Fonder AB RE JPMEL	1,196,996	3.69
J P Morgan Clearing Corp	906,901	2.80
SEB London – Luxemburg, (Sicav Fond)	822,367	2.54
Merrill Lynch International	534,680	1.65
JP Morgan Bank Luxembourg	530,631	1.64
Sven Sandberg	487,426	1.50
Goldman Sachs International Ltd	453,238	1.40
Others	8,488,066	26.18
Total	32,412,003	100.0%

On 31 July 2015, the ten largest shareholders of the Company had the shareholdings set forth in the table above. The table indicates that the Company's two largest shareholders control slightly more than 51 per cent of the voting capital of the Company. The Company has not taken any special measures

aimed at ensuring that this control is not abused. However, the rules designed to protect minority shareholders set forth in the Swedish Companies Act (SFS 2005:551), as well as the rules regarding transparency which apply to companies whose shares are admitted to trading on a regulated market, constitute protection against any possible abuse by majority shareholders of their control over a company.

Authorization

On 2 June 2015, the annual general meeting resolved to authorize the board of directors, on one or more occasions prior to the next annual general meeting, applying or disapplying shareholders' pre-emption rights, to resolve to carry out a new issue of shares or the issuance of convertible debentures or warrants. Shares may be issued in exchange for payment in cash, non-cash payment, or set off, or in other cases pursuant to the terms and conditions set forth in Chapter 2, section 5, second paragraph, subsections 1 – 3 and 5 of the Swedish Companies Act. The number of shares, convertible debentures or warrants which may be issued pursuant to the authorization shall be limited to ten per cent of the shares outstanding from time to time. In the event the board of directors resolves to carry out an issue disapplying shareholders pre-emption rights, the reason must be to make it possible to broaden the circle of shareholders, acquire or make possible the acquisition of operating capital, increase liquidity in the shares, carry out a corporate acquisition, or acquire or make possible the acquisition of capital for corporate acquisitions. In conjunction with a resolution regarding an issue disapplying shareholders pre-emption rights, the subscription price must be on market terms and conditions at the time of the adoption of the issue resolution.

2015/2019 incentive program

In June 2015, all of the employees of the Company were offered the opportunity to acquire warrants entitling them to exercise the warrants for subscription of shares in the Company at a price equal to the market value of the share at the time of the issuance of the warrants (SEK 36.04) adjusted upwards annually in the amount of seven per cent. Subscription for shares may take place during the period commencing 15 June 2018 up to and including 15 June 2019. This entails that the subscription price after three years will be approximately 122.5 per cent of the current market value of the share and after four years will amount to approximately 131.1 per cent.

Cartela R & D AB, the Company's subsidiary, is entitled to subscribe for warrants. The warrants were issued without payment of any consideration and Cartela R & D AB subsequently transferred the warrants to employees of the Company. The reason that the warrants were issued to Cartela R & D AB is that the Company was able, in this way, to include terms and conditions with a right for the Company to repurchase the warrants in the event the participant's employment with the Company terminates, which would not have been possible if the warrants had been issued directly to the employees. The warrants were transferred to the Company's employees on market terms and conditions at a price established based on a calculated market value for the warrants applying the Black & Scholes valuation model calculated by an independent valuation institute. The value was established as SEK 8.40 per warrant based on a share price of SEK 36.04. The total number of warrants issued by the shareholders' meeting on 2 June 2015 was 400,000, which corresponds to a dilution effect of 1.2 per cent of the number of shares and votes if all of the warrants are exercised. All of the warrants were subscribed for by Cartela R & D AB. 296,000 warrants were subsequently transferred to the employees of the Company, corresponding to a dilution effect of 0.9 per cent of the number of shares and votes if all of the warrants are exercised. For all employees, with the exception of the CEO, up to 60 per cent of the employee's premium is subsidized and the employees have received a one-time bonus as a part of the warrant purchase. The degree of subsidization varies depending on the term of employment with the Company. The bonus payment affected the Company's earnings in the amount of approximately MSEK 1.40. The subsidy in the amount of approximately SEK 600,000 is booked as a current expense during the term of

the warrants. In the event a warrant holder's employment with the Company terminates before the warrants are exercised and the Company elects to buy back the warrants according to the repurchase condition, the buyback must take place at market value less any subsidy received.

Market maker

The Company has entered into a market maker agreement with Erik Penser Bankaktiebolag regarding Hansa Medical's shares on First North. The market maker agreement entered into force on 25 March 2013 and is intended to promote liquidity and reduce the spread between the ask and bid prices in trading in the Company's shares.

Dividends and dividend policy

Resolutions regarding the payment of dividends are taken by the general meeting. Dividends are normally paid out as a cash amount per share but can also involve payments other than cash. Payment of cash dividends is made through the auspices of Euroclear. The Company does not withhold tax at source on dividends and, instead, this is done by Euroclear in respect of natural persons domiciled in Sweden for tax purposes who are directly-registered owners and by the nominee in respect of natural persons domiciled in Sweden for tax purposes whose shares are nominee-registered. The withholding tax is 30 per cent. No tax is withheld for legal entities. The record date for the right to receive a dividend may not be later than the day prior to the next annual general meeting. In the event a shareholder cannot be reached, the shareholder's claim for the dividend remains outstanding against the Company and is only limited through the rules governing statutes of limitation. Upon application of the statute of limitations, the dividend vests in the Company. For shareholders who reside outside of Sweden, dividends are paid in the same manner as for shareholders residing in Sweden. For shareholders not domiciled in Sweden for tax purposes, however, Swedish withholding tax is normally withheld.

The Company's dividend policy is to not pay a dividend until the Company is reporting sustainable profits. Future dividends will take into consideration the Company's cash flow and financing of future expansion. Hansa Medical has thus far never paid a dividend and does not intend to pay a dividend over the next few years.

Shareholder agreements and shareholder associations

To the best knowledge of the board of directors of Hansa Medical, there are no shareholders agreements, shareholder associations or other agreements between shareholders intended to bring about joint influence over Hansa Medical. To the best knowledge of the board of directors, there are also no agreements or such like which may lead to any change in control over Hansa Medical.

The board of directors, senior management and auditors

Organization and employees
The Group consists of the Company and the subsidiary Cartela R & D AB, in which there is currently no business being conducted.

Since the annual general meeting 2015, the board of directors consisted of the chairman Birgit Stattin Norinder and directors Anders Blom, Stina Gestrelius, Hans Schikan, Per-Olof Wallström and Cindy Wong. The board's audit committee consists of Anders Blom (chairman), Birgit Stattin Norinder and Per-Olof Wallström and the remuneration committee consists of Birgit Stattin Norinder (chairman), Stina Gestrelius and Per-Olof Wallström. Corporate management consists of the CEO Göran Arvidson, CFO Eva-Maria Joed, Chief Scientific Officer Christian Kjellman, Clinical Research Director Lena Winstedt, Corporate Development Director Emanuel Björne and Chief Medical Officer Steven Glazer. According to the articles of association, Hansa Medical's board of directors shall consist of not less than three and not more than ten directors. The Company's board of directors currently consists of six individuals, including the chairman. All of the directors are elected until the end of the next annual general meeting.

Board of directors
Set forth below is a list of the members of the board of directors with information regarding year of birth, year of election to the board of directors, experience, current and previous assignments over the past five years, shareholdings of more than five per cent in other companies and shareholdings in the Company on 31 August 2015. "Shareholdings in the Company" includes the shareholders' own holdings and/or those of closely-related persons. Other duties within the Group are not stated. All of the directors are independent of the Company and company management. With the exception of Anders Blom, all of the directors are independent of the major shareholders.

Birgit Stattin Norinder, born 1948
Chairman of the board of directors since 2014, director since 2012. Masters in pharmacology.
Experience: long experience from international pharmaceuticals and biotechnology companies. Previously CEO and chairman of the board of directors of Prolifix Ltd., Senior VP Worldwide Product Development Pharmacia & Upjohn.
Current directorships: Director of Jettesta AB, Addlife AB, Navigation Dynamics AB and Nicox S.A (France)
Previous directorships: chairman of the board of directors of Wingfirm Pharma AB, Partners för Utvecklingsinvesteringar inom Life Sciences, P.U.L.S. AB and Index Pharmaceutical AB. Member of the board of directors of Exini Diagnostics Aktiebolag, Karo Bio Aktiebolag, and Antisoma Plc (UK).
Owns more than five per cent of the shares in: Jettesta AB.
Shareholdings: 29,205 shares

Stina Gestrelius, born 1949
Director since 2007. Civil engineer, med. dr. h.c., Malmö University, PhD in Applied Biochemistry.
Experience: Consultant, formerly vice president of Medicon Valley Alliance. 30 years of experience from pharmaceuticals and biotechnology industries. Directorships in several listed life science companies. Entrepreneur and previously head of research at Biora AB.
Other assignments: director of BioActive Polymers in Lund AB.
Previous assignments: director of Lipopeptide AB, Intenz Biosciences Aktiebolag, C5 Ligno Technologies in Lund AB and Clavis Pharma ASA.
Sole proprietor through SigridScience.
Shareholdings: 5,833 shares

Per-Olof Wallström, born 1949

Director since 2011. Licensed pharmacist.
Experience: 40 years of experience in the international pharmaceuticals industry (Merck, Astra, Pharmacia and BMS) and biotechnology as well as the development and commercialization of pharmaceuticals in large and small companies. CEO of Karo Bio AB, Melacure AB and Q-Med AB.
Current directorships: Chairman of the board of directors of Arosgruppen Holding AB, Arosgruppen Fastigheter Fjärdingen AB, MB Erikssons Bygg & Fastighet AB, Camurus AB, Navigation Dynamics AB and Patients Pending Ltd. Director and founder of Arosia Communication AB.
Previous positions: Chairman of the board of directors of Aros Arkitekter AB, Aggal Invest AB and Chemilia AB. Director of Index Pharmaceuticals AB and MediPlast AB.
Owns more than five per cent of the shares in: Arosia Communication AB and MB Erikssons Bygg & Fastighet AB.
Shareholdings: 23,000 shares.

Cindy Wong, born 1959

Director since 2012. Medical degree from University of Adelaide. Specialist physician in both internal medicine and clinical immunology.
Experience: Broad experience in the areas of clinical medicine, clinical research and regulatory requirements for the registration of new pharmaceuticals and biotechnical products.
Current positions: Head of medicine at Q-Med Galderma. Director of Bostadsrättsföreningen Blåklinten 19.
Previous positions: none.
Does not own more than five per cent of the shares in any company.
Shareholdings: 12,503 shares.

Anders Blom, born 1969

Director since 2014. MBA.
Experience: Vice president of Oasmia Pharmaceutical AB. Previously worked as Business Controller at Pharmacia and as Senior Director for business development and strategy at Q-Med/Galderma and as CEO of Nexttobe AB.
Current positions: Chairman of the board of directors of Svenska Elitskon AB and VIVALAVIDA AB. Director of Delta Projects AB, BioLamina AB, Selego AB and EQUIDx AB. CEO of EQUIDx AB.
Previous directorships: Director of Bencar AB. CEO of Nexttobe AB.
Does not own more than five per cent of the shares of any company.
Number of shares: 0

Hans GCP Schikan, born 1958

Director since 2015. Pharmacist, Utrecht University, Netherlands.
Experience: Has long experience from leading roles in international biotechnology companies. He previously served as CEO of Prosensa (Nasdaq: RNA), the Netherlands.
Current directorships: Chairman of the board of directors of Complix (Belgium), InteRNA (Netherlands) and Asceneuron (Switzerland). Director of Swedish Orphan Biovitrum AB (publ), Wilson Therapeutics AB, TopTeam of the Top Sector Life Sciences and Health (Netherlands) and Prosensa (Netherlands). Member of Advisory Group Bio Science Park Leiden and Advisory Board Khondrion.
Previous positions: CEO of Prosensa (Netherlands). Director of Top Institute Pharma (Netherlands). Member of Biotechnology Industry Organization's Emerging Companies Section Governing Board (USA), BioFarmind Task Force Orphan Drugs and Advisory Committee on Life Science Park (Pivot Park) Oss.
Does not own more than five per cent of the shares of any company.
Shareholdings: 10,000 shares

Senior management

The current senior management of Hansa Medical, the date on which they took up their positions, year of birth, education, experience, shareholdings in Hansa Medical and current and previous assignments for the past five years are set forth below. Positions in the Group are not stated. Shareholdings in the Company on 31 August 2015 are also stated. "Shareholdings in the Company" includes the shareholders' own holdings and/or those of closely-related persons.

Göran Arvidson, born 1960

Chief Executive Officer since 2015. MBA from the Stockholm School of Economics.
Experience: Solid experience in the life science industry. Previously vice president and CFO of Swedish Orphan Biovitrum AB (publ) and has held various senior management positions at Procordia AB and Pharmacia AB.
Current positions: CEO of Arvidson Möller Consulting AB. Director of Immun System I.M.S. Aktiebolag
Previous positions: Director of Biovitrum Treasury AB, Nya Paradiset 19 AB, Arexis AB and Fastighetsaktiebolaget Paradiset. External company signatory for Swedish Orphan Biovitrum AB (publ).
Owns more than five per cent of the shares in: Arvidson Möller Consulting AB.
Shareholdings: 33,000 shares and 150,000 warrants.

Eva-Maria Joed, born 1969

Chief Financial Officer since 2015. Bachelor in economics from Lund University.
Experience: Many years of experience from various positions as CFO. Most recently from a position as Finance Leader at Johns Manville AB/PD FibreGlass AB. Joed was previously employed as Accounting Manager at Kemira Kemi AB.
Current positions: Special agent for service of process for P-D Tasso-Holding AB, chairman of the board of directors of Värmestugan, Helsingborg
Previous positions: External company signatory for Preiss-Daimler FibreGlass AB.
Does not own more than five per cent of the shares of any company.
Shareholdings: 0 shares and 0 warrants.

Christian Kjellman, born 1967

Chief Scientific Officer since 2008. Masters of Science in chemical biology and doctor of medical science specializing in tumor immunology from Lund University.
Experience: Long-term research experience in cellular and molecular biology. Previously Senior Scientist at BioInvent International AB focusing on the evaluation of new pharmaceuticals and the application of antibody technology. Prior to this, Christian Kjellman was head of research at Cartela AB.
Current positions: none.
Previous positions: none.
Does not own more than five per cent of the shares in any company.
Shareholdings: 0 shares and 40,000 warrants.

Lena Winstedt, born 1969

Clinical Research Director since 2012. PhD in microbiology from Lund University and a Masters degree in molecular biology from Lund University and the University of Glasgow, Scotland.
Experience: Over ten years of experience in clinical development of both proteins pharmaceuticals and small molecules. Comes most recently from BioInvent International AB where she served as Clinical Project Manager focusing on phase I studies with antibody-based pharmaceutical candidates in Europe and the United States. Lena Winstedt worked previously as International Clinical Project Manager at the international biotechnology company Genmab A/S and as Clinical Research Associate at the pharmaceuticals company H. Lundbeck AB.
Current directorships: Director of Flyinge Riding Association.

Previous positions: none
Does not own more than five per cent of the shares of any company.
Shareholdings: 665 shares and 30,000 warrants.

Emanuel Björne, born 1973

Corporate Development Director since 2014; previously CEO since 2007. Civil engineering degree in technical physics focusing on biophysical chemistry from Lund University and the University of California, Santa Barbara, USA.
Experience: Björne joined the Company at the time of Hansa Medical's listing on First North and the spinoff from Biolin Scientific, where he served as technical project manager focused on technology and market analysis in the analytical instruments, pharmaceuticals and diagnostics business areas. Prior to this, he was an analytical development chemist at PolyPeptide Laboratories, focusing on the development of analytical methods based on mass spectrometry and chromatography for peptide pharmaceuticals in early clinical phases.
Current positions: none.
Previous positions: none.
Does not own more than five per cent of the shares in any company.
Shareholdings: 21,300 shares and 15,000 warrants.

Steven Glazer, born 1948

Chief Medical Officer since 2015. PhD in medicine from Copenhagen University.
Experience: Many years of international experience in healthcare and biotechnology with expertise in pharmaceuticals development regarding medical and regulatory issues. Has held several leading positions in pharmaceuticals and biotechnology companies in Europe and the United States, including as Senior Vice President Development for Biovent International.
Current positions: none
Previous positions: none
Does not own more than five per cent of the shares of any company.
Shareholdings: 0 shares and 0 warrants.

Auditors

The Company's auditor is informed on a regular basis of the Company's business, among other things through regular meetings with corporate management, board documentation and minutes. On a regular basis, the auditor provides comments and recommendations to the board of directors of the Company and its management. This Prospectus has not been reviewed by the auditor other than as expressly set forth in the Prospectus. The financial reports regarding historical financial information for 2014, 2013 and 2012 which are set forth in a separate section of the Prospectus have been audited. The financial reports regarding historical information concerning the period 1 January to 30 June 2014 and 1 January to 30 June 2015 are taken from the Company's interim report for the period 1 January to 30 June 2015. The interim report has been reviewed by the Company's auditor, but not audited.

The accounting firm KPMG AB has been the auditor of the Company since the 2015 annual general meeting, with certified public accountant Dan Kjellqvist as the auditor in charge. Dan Kjellqvist is a member of the Swedish Institute of Authorized Public Accountants. Dan Kjellqvist at KPMG AB was the Company's auditor commencing at the time of the 2014 annual general meeting up to and including the annual general meeting held in 2015. Prior to this, Ann Theander, who is a member of the Swedish Institute of Authorized Public Accountants and who works at Grant Thornton Sweden AB, was the Company's auditor.

Compensation paid to the board of directors and senior managers

The directors' fees were established at the Company's 2015 annual general meeting for the period until the next annual general meeting. A fee of SEK 300,000 is payable to the chairman of the board of directors and SEK 100,000 to each of the other directors, with the exception of Anders Blom who does not receive any fee. None of the directors are entitled to benefits after their service. In 2014, a total of SEK 728,000 was paid in fees to the directors. No compensation beyond directors' fees has been paid. No pension premiums or similar benefits were paid to the directors. According to company practice, the directors were permitted to invoice their fees through companies plus any employer payroll taxes which the Company otherwise would have had to pay on the fees.

During the 2014 financial year, the CEO received a salary and other benefits in the amount of MSEK 1.069 and SEK 168,000 in pension benefits. The amounts relate to compensation for the previous CEO and to the person who was CEO before that. The current CEO receives a monthly salary of SEK 200,000. The Company also contributes an amount corresponding to 30 per cent of the monthly salary to an occupational pension insurance policy designated by the CEO. The notice of termination period is six months by the Company or the CEO. Other senior managers who at the beginning of the financial year consisted of three persons and, from 25 November 2014, of four persons, receive MSEK 1.737 in salaries and benefits. The notice of termination period for Steven Glazer, Eva-Maria Joed and Christian Kjellman is six months from the Company or the employee. The notice of termination period for Emanuel Björne and Lena Winstedt is three months from the Company or the employee.

In conjunction with termination by the Company, or termination by the CEO as a consequence of a material breach of contract by the Company, in addition to salary during the notice of termination period, the CEO is entitled to severance compensation corresponding to 12 times the fixed monthly salary.

Other information regarding the board of directors and senior management

All of the Company's directors and senior management can be reached via the Company's address, Hansa Medical AB (publ), Box 785, 220 07 Lund.

During the past five years, none of the directors or senior management of Hansa Medical have (i) been convicted in cases related to fraud; (ii) been declared bankrupt or served as directors or senior management of companies which have been declared bankrupt or compulsory liquidation; (iii) been the subject of charges or sanctions by governmental authorities or professional associations governed by public law; or (iv) been the subject of a prohibition against trading. There are no family ties between the Company's directors and senior management. Nor are there any conflicts of interest or potential conflicts whereupon the private interests of directors and/or senior management might conflict with the interests of the Company. There are no limitations on the directors selling their shares in the Company.

In June 2015, all of the employees were offered an opportunity to acquire warrants in the Company; see further the section entitled *Shares, share capital and ownership* above.

Pensions

No sums have been reserved for pension obligations in respect of the Company's employees. Instead, pension benefits are payable in the form of payments to pension insurance. Hansa Medical's pension obligations are only covered by defined contribution plans. A defined contribution pension plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group does not have any legal or informal obligation to make payment of further fees if this legal entity does not possess sufficient assets to pay all benefits to employees which relates to the employees' service during the

current or previous periods. The Group's contributions to defined contribution pension plans are charged against the earnings of the year to which the contributions relate.

Corporate governance

Up until the time the Company applied to Nasdaq Stockholm for admission of the Company's shares to trading on NASDAQ Stockholm's main market, the corporate governance of the Company was primarily regulated by the Swedish Companies Act (SFS 2005:551). Following the Company's submission of its application to Nasdaq Stockholm, Nasdaq Stockholm's rules and regulations for issuers are also applicable to the Company. The Swedish Code of Corporate Governance (the "**Code**") must be applied to limited companies whose shares are admitted for trading on Nasdaq Stockholm's main market. As from 1 November 2015, companies whose shares are admitted for trading on a regulated market must apply the Code as from the stock exchange listing. However, as a part of the Company's work in its adaptation to the exchange, the Company is already complying with the Code without any deviation.

General meetings and owners

The Company's highest decision-making body is the general meeting, at which the shareholders' influence over the Company is exercised. At the annual general meeting, the shareholders resolves, among other things, on the election of the board of directors and auditors, how the nomination committee will be appointed, and on a discharge from liability for the directors and CEO for the past year. Resolutions are also adopted regarding the adoption of the annual report, allocation of profits or treatment of losses, fees for the directors and auditors and guidelines for remuneration paid to the CEO and other senior management. Changes in the Company's share capital are decided upon by the general meeting, either directly or through authorization granted to the board of directors. General meetings must be held in Lund or Stockholm.

Nomination committee

The Nomination Committee represents the shareholders. There was no Nomination Committee in 2014 since at that time the Company was not applying the Code, but a Nomination Committee was formed in the beginning of 2015. Prior to the 2016 annual general meeting, the Nomination Committee consists of Anders Blom (representing Nexttobe AB) as chairman, Fredrik Bogren (representing Farstorps Gård AB) and Astrid Samuelsson (representing Handelsbanken Fonder). It also includes the chairman of the board Birgit Stattin Norinder as convener. Sven Sandberg (representing his own holdings). At the 2015 annual general meeting, it was resolved that the Nomination Committee, up until the 2016 annual general meeting, would consist of representatives of the three largest shareholders in terms of voting as per 31 August 2015. If any of these shareholders decline to appoint a representative, the next shareholder in terms of size will be afforded an opportunity to appoint a representative until three members have been appointed. The shareholder representative who represents the largest shareholder shall be appointed chairman of the Nomination Committee unless the Nomination Committee decides otherwise.

In the event any member of the Nomination Committee, prior to the completion of its work, resigns or ceases to represent the shareholder who nominated the member, the member shall be replaced by another person nominated by the shareholder. In the event any shareholder not represented on the Nomination Committee holds more voting capital than another shareholder that is represented on the Nomination Committee, the shareholder with the greater voting capital shall be entitled to appoint a member to the Nomination Committee whereupon the member of the Nomination Committee who represents the shareholder with the smallest amount of voting capital shall resign from the Nomination Committee. The term of office of the Nomination Committee thus appointed shall run until a new Nomination Committee has been appointed. The Nomination Committee shall be entitled to charge expenses to the Company, for example for recruitment consultants and other consultants required in order for the Nomination Committee to be able to perform its duties and may also co-opt members to the Nomination Committee where deemed appropriate; however, a co-opted member shall not be entitled to

vote at meetings of the Nomination Committee. No fees shall be paid by the Company for the work conducted by the Nomination Committee.

Prior to the 2016 annual general meeting, the Nomination Committee shall propose the chairman for the AGM, directors, the chairman of the board of directors, the directors' fees, auditors, the auditors' fees and principles for the Nomination Committee. The Nomination Committee shall comply with the Swedish Code of Corporate Governance.

The Company has shareholders whose shareholdings correspond to more than ten per cent of the voting capital. These are Nexttobe AB and Farstorps Gård AB.

The board of directors

The board of directors' overall duties, on behalf of the shareholders, are to manage the Company's business in the best possible manner and to arrange for the organization of the Company. On an on-going basis, the board of directors shall assess the business and development of the Group, its economic position, and evaluate the operative management. The board of directors shall also appoint a CEO and monitor that the CEO is performing his/her obligations. The board of directors is appointed by the shareholders' meeting. The board of directors of Hansa Medical has established rules of procedure for its work and instructions for the CEO's obligations and how the allocation of work between them is to be governed.

According to the articles of association, Hansa Medical's board of directors shall consist of not less than three and not more than ten members. The Company's board of directors currently consists of six people, including the chairman; see the section entitled *board of directors, senior management and auditors*. Each of the directors serves until the close of the next annual general meeting. The board of directors is quorate when more than one half of the directors are present. The articles of association do not contain any provisions regarding the appointment or removal of directors or amendments to the articles of association. All of the directors are independent in relation to the Company and the Company's management. All of the directors with the exception of Anders Blom are independent of the major shareholders.

The work of the board of directors

The board of directors' work is led by its chairman, Birgit Stattin Norinder. In 2014, five ordinary meetings of the board of directors were held at which minutes were kept and five extraordinary meetings of the directors (in addition, the board of directors took decisions by correspondence on four occasions). The board of directors had a quorum at all of the meetings. Thus far in 2015, the board of directors has held ten meetings and adopted resolutions by correspondence on four occasions. During 2015, the board primarily worked with the following issues: stock market adaptation through the adoption of management documents and the formation of board committees, a resolution to carry out a new share issue, the replacement of the CEO, the decision to commence medical studies at Cedars-Sinai Medical Center with Dr. Stanley Jordan, questions regarding CMC development, and a decision to initiate part two of a phase II study at the Uppsala University Hospital and the Karolinska University Hospital in Huddinge.

The presence of the directors at the board meetings held during the 2014 financial year is set forth below. The number stated in parentheses indicates the maximum number of meetings the relevant director could have been present given the fact that two of the directors were newly elected during the financial year.

DIRECTOR	Meetings
Bo Håkansson[1]	6 (6)
Birgit Stattin Norinder	10 (10)
Stina Gestrelius	10 (10)
Per-Olof Wallström	10 (10)
Cindy Wong	10 (10)
Anders Blom[2]	5 (6)
Fredrik Lindgren[3]	9 (9)

1) Passed away on 28 September 2014

2) Joined the board at the meeting no. 6/2014

3) Resigned as a director as a consequence of employment with the Company as CEO on 25 November 2014

Board committees

The board of directors did not have any committees in 2014. In January 2015, the board of directors formed an audit committee, a remuneration committee and a scientific committee.

Remuneration committee

The Remuneration Committee consists of Birgit Stattin Norinder, chairman, Stina Gestrelius and Per-Olof Wallström. The Remuneration Committee is charged with performing the duties set forth in the Swedish Code of Corporate Governance. The committee shall keep minutes of its meetings and make the minutes available to the board of directors. During 2015, the Remuneration Committee addressed questions concerning, among other things, compensation to the new CEO, the structuring of the warrants program, and salaries.

The primary duties of the Remuneration Committee are to:

- prepare decisions for the board of directors regarding remuneration principles, remuneration and other employment terms and conditions for senior management, among other things by proposing to the board of directors the guidelines for remuneration to senior management to be adopted at the annual general meeting;
- monitor and evaluate any programs pending or adopted during the year for variable remuneration for senior management;
- monitor and evaluate the application of the guidelines for remuneration adopted by the annual general meeting, as well as applicable remuneration structures and levels for the Company.

Audit committee

The Audit Committee consists of Anders Blom, chairman, Birgit Stattin Norinder and Per-Olof Wallström. The committee shall keep minutes of its meetings and make the minutes available to the board of directors. The Audit Committee shall perform the duties imposed upon it by law and the Swedish Code of Corporate Governance. In 2015, the Audit Committee addressed, among other things, the press release of unaudited earnings for 2014, a prospectus for the new share issue carried out in 2015, interim reports, and an evaluation of the need for an internal auditor position.

The primary duties of the audit committee are to:

- monitor the Company's financial reporting;
- with respect to the financial reporting, monitor the effectiveness of the Company's internal control, internal audit and risk management;
- inform itself of the audit of the annual reports and group accounts;
- review and monitor the auditor's impartiality and independence and, in this context, particularly monitor whether the auditor is providing the Company with services other than auditing services;

- take decisions regarding guidelines for services other than the auditing services which the external auditor can provide the Company;
- assume responsibility for the preparation of the board of directors' work by ensuring that the Company's financial reporting maintains high standards;
- assist the nomination committee in the preparation of proposals for resolutions by the general meeting regarding the choice of auditor and fees for the auditor's work;
- meet with the Company's auditor on a regular basis in order to obtain information regarding the focus and scope of the audit and to discuss the coordination between the external auditor and internal procedures for overview and insight into the Company's risks; and
- evaluate the auditor's work and inform the Company's nomination committee or, where applicable, special nomination committee regarding the results of the evaluation.

Scientific committee

The Scientific Committee consists of Lars Björck, chairman, Hans Wigzell, Stina Gestrelius, Birgit Stattin Norinder and Cindy Wong. The committee shall keep minutes of its meetings and make the minutes available to the board of directors. During 2015, the Scientific Committee worked, among other things, on a recommendation to the board of directors regarding a decision to initiate part two of a phase II study.

The primary duties of the Scientific Committee are to:

- assist the board of directors with recommendations regarding the Company's research and development strategies and possibilities;
- perform such other duties as are considered necessary and appropriate in conjunction with the work set forth above; and
- perform such other duties as instructed by the board of directors from time to time.

Internal control and risk management regarding the financial reporting

Introduction

The Company’s internal controls regarding financial reporting have been designed to ensure quality and accurateness in the reporting, with a reasonable degree of security. The internal controls are designed to ensure that the reporting is prepared in accordance with the applicable laws and regulations as well as any requirements imposed on companies whose shares are admitted for trading on a regulated market in Sweden. The internal controls environment primarily covers the following five components: control environment, risk assessment, control activities, information and communications and follow-up.

Internal audit

Prior to the admission of the Company’s shares for trading on Nasdaq Stockholm’s main market, the board of directors has evaluated the need for an internal audit function and has concluded that such a function is not necessary for Hansa Medical taking into consideration the scope of the business and the fact that the board of directors’ monitoring of internal controls is considered to be sufficient to ensure that the internal controls are effective. However, the board of directors will reassess the need when changes take place which may necessitate reconsideration, at least once each year.

Control environment

The internal controls are based upon Hansa Medical’s control environment, which includes the values and the ethics which the board of directors, the audit committee, CEO, senior management and other employees communicate and according to which they work. Communications with employees regarding the control environment take place, among other things, through regular worksite meetings. The control environment also consists of the Company’s organizational structure, management, decision-making channels, authorities, responsibilities and the expertise of its employees. A series of management documents have been established in order to achieve a properly functioning control environment, such as

the work procedures for the board of directors, instructions for the CEO, attestation instructions, and information policy, financial policy, risk management policy, financial handbook and insider instructions. The financial handbook documents the Company's routines for internal controls and follow-up.

Risk assessment

Risk identification and assessment must be carried out in the manner described above even with respect to risks concerning financial reporting. Risk assessment and risk identification are carried out primarily by the board of directors, the audit committee, the CEO, and the CFO. As a part of this procedure, items in the income statement and balance sheet which involve a risk of significant error must be identified. For Hansa Medical, at various times, accrued project costs within the Company's clinical projects involve significant amounts. The size of these is largely based on management's assessment of the degree of completion. For Hansa Medical, cash or cash equivalents and short-term investments constitute a significant portion of the Company's total assets and are therefore believed to give rise to risks in the financial reporting. In addition, the fact that Hansa Medical's administration is handled by a small number of individuals is noted as a risk since dependence on a few key individuals is great and the possibilities for distributing tasks and responsibilities is limited.

Control structures and control activities

The work procedures for the board of directors and the instructions for the CEO and the board committees ensure a clear allocation of roles and responsibilities. The board of directors has the overall responsibility for the internal controls. The board of directors and the audit committee perform some of the internal controls by monitoring corporate management, among other things. The CEO is responsible for the system of routines, procedures and controls which are developed for the day-to-day operations. This includes, among other things, guidelines and role descriptions for various management positions as well as regular reporting to the board of directors based on established routines. The most significant, overall group-wide management documents are the finance policy, information policy, insider instructions and risk management policy.

The primary purpose of the control activities is to prevent and discover at an early stage errors in the financial reporting so that these can be addressed and corrected. The CFO compiles monthly financial reports which, among other things, report earnings and cash flow for the past period and indicate any deviations from budget. The monthly reports also contain liquidity forecasts and follow-up as compared with the preceding liquidity forecast. Important control activities include, among other things, ensuring that there is a properly functioning reporting structure where the line managers and project managers report according to standardized reporting templates, and that important income statement and balance sheet items are specified and commented on. A procedure for monthly analysis of project budgets and comparison with actual costs will be implemented by the Company during the fourth quarter of 2015.

Information and communications

Information activities, both for external and internal communications, are governed by an information policy. Hansa Medical's communications must be characterized by openness and must be correct, relevant, reliable and clear, as well as not being misleading. The policy is applicable to all employees and directors of Hansa Medical and applies both to oral as well as written information.

Follow-up

The board of directors' monitoring of the internal controls regarding the financial reporting takes place, among other things, through a follow-up of the work carried out by the CFO and by reviewing the external auditors' work and reports. This work includes ensuring that measures are taken regarding any deficiencies and proposals for measures arising during the external audit. The follow-up takes place focusing on how Hansa Medical complies with its regulations and the existence of effective and

appropriate processes for risk management, operative management and internal controls. The Company's audit committee is provided with reports on a regular basis regarding the internal controls. The external auditor monitors on an annual basis selected portions of the internal controls within the scope of the statutory audit.

The auditor reports the results of his or her audit to the board of directors and corporate management. Where applicable, important observations are reported directly to the board of directors.

The CEO is responsible for summarizing all experiences gained from the risk management work conducted by the Company and, following discussions with corporate management, shall propose any changes which the CEO believes are necessary or appropriate. Any changes must be adopted by the board of directors.

Legal issues and other information

The Company's name is Hansa Medical AB (publ) and the Company registration number is 556734-5359. The Company was formed on 5 June 2007 and registered with the Swedish Companies Registration Office on 10 July 2007. The Company is a public limited company governed by the Swedish Companies Act (SFS 2005:551). The Company has its registered office in Lund and the Company's registered address is Box 785, 220 07 Lund, Sweden. The Group consists of the parent company, Hansa Medical, company registration number 556734-5359, and its wholly-owned subsidiary Cartela R & D AB, company registration number 556746-0083. The Company also has shareholdings of approximately ten per cent in the affiliated Company Genovis AB.

According to the articles of association, the objects of the Company are, directly or through subsidiaries, to conduct research, development, production, marketing and sales of medical, chemical and biotechnical products, consulting activities within the above-stated areas, and to conduct other business activities associated therewith.

The articles of association do not contain any provisions regarding the appointment or removal of directors or amendments to the articles of association.

Material agreements

Research and royalty agreements

The Company has a research agreement with Professor Lars Bjork's company, AB Protiga, according to which any and all research results derived from the research carried on by Lars Björck and his company in certain areas vest in the Company. The agreement is valid up to and including 31 December 2016 and has been preceded by similar agreements. As a consequence of these agreements, the Group has acquired a number of inventions for which patents have been applied, among others the IdeS and HBP-assay product candidates. The rights to IdeS and the HBP-assay are of particular importance to the Company. The agreement grants Lars Björck and AB Protiga the right to research contributions and royalties on the Company's net revenues from the inventions.

The Company also has a research agreement with docent Mattias Collin and Professor Heiko Herwald. The agreements grant Hansa Medical the right to the researchers' results within certain areas set forth in the agreements in exchange for annual research contributions and royalties on Hansa Medical's revenues deriving from the researchers' inventions. The agreement with Herwald was valid until the end of 2011 but continues to be applied according to its terms. The agreement with Collin applied until September 2009 but continues to be applied according to its terms.

In addition to the above, the Group has several royalty agreements with researchers regarding the Company's projects pursuant to which the researchers are granted a right to royalties on the net revenues from the respective projects.

Licensing agreement with Axis-Shield

In 2009, the Company entered into a cooperation and licensing agreement with Axis-Shield Diagnostics Ltd. regarding HBP-assay for the prediction of severe sepsis. The agreement grants Axis-Shield an exclusive license to use certain inventions in exchange for milestone compensation and royalties for the Company and imposes on Axis-Shield the financial responsibility for the development of the diagnostics technology. The agreement ensures the Company the rights to anything developed by the Company's employees. Inventions which the parties produce jointly are to be owned jointly by the parties. The agreement grants the Company the right to milestone compensation and royalties in accordance with the provisions of the agreement such as in conjunction with market approval from the FDA in the United

States. Axis-Shield is obligated to pay a royalty to Hansa Medical which is calculated on the net sales of the products as defined in the agreement. The agreement contains minimum levels for the royalties which are payable. In addition, the agreement entails that Axis-Shield and the Company shall jointly endeavour to disseminate the analysis method to additional producers and distributors of analysis instruments and analysis reagents. Hansa Medical is obligated to promote continued development and ensure that the patents are developed optimally.

Transactions with related parties

Hansa Medical has not granted any loans or guarantees to, or for the benefit of, any of the Company's directors or senior management. Aside from the exceptions set forth below, none of the Company's directors or senior management have participated, directly or indirectly, in any business transactions with the Company during the current or previous financial years.

Bo Håkansson, Hansa Medical's chairman of the board of directors at the time, entered into an agreement through a company wholly owned by him at the time, Farstorps Gård AB, regarding subscription undertakings in conjunction with the Company's new issue of shares in March 2014. In addition, Bo Håkansson personally entered into an agreement regarding issue underwriting in conjunction with that rights issue. In conjunction with the rights issue in March 2012, Bo Håkansson entered into an agreement, both personally and through a company wholly-owned by him at the time, Active Capital AB (previously Farstorp Invest AB), regarding a subscription undertaking. Active Capital AB also entered into an agreement at that time with the Company regarding issue underwriting. In addition to this, the Company entered into agreements regarding subscription undertakings and issue underwriting with Nexttobe AB in conjunction with the Company's rights issues in March 2012 and March 2014.

In consideration for the share underwriting agreements in March 2014, compensation was paid to both of the guarantors in a total amount of approximately SEK 800,000. For the underwriting agreements are for the share issues in March 2012, compensation was paid to both of the guarantors totaling approximately SEK 500,000. In conjunction with the Company's rights issue in March 2014, Hansa Medical entered into a bridge financing agreement with a company wholly-owned at the time by Bo Håkansson (Farstorps Gård AB) whereby the Company lent SEK 500,000 to Hansa Medical. The loan carried a fixed rate of interest on market terms of five per cent per annum without any security and was repaid in May 2014.

Bo Håkansson previously performed consulting services on behalf of the Company regarding advice. The cost of this advice for the period January to April 2012 amounted to SEK 240,000, and the consulting agreement terminated in April 2012.

In February 2015, the Company entered into an agreement with its primary owner, Nexttobe AB, regarding a loan facility in the amount of MSEK 20, of which MSEK 5 has been drawn down. The purpose of the loan was to strengthen the Company's financial position. The loan carries market rate interest. Repayment was made in conjunction with the new share issue in March 2015.

Disputes

Hansa Medical is not, and has not been during the past 12 months, a party to any legal proceedings or arbitration proceedings (including pending matters) which have recently had, or might have, significant effects on Hansa Medical's financial position or profitability. Nor is Hansa Medical's board of directors aware of any circumstances which might lead to any such legal proceedings or arbitration proceedings.

Genovis AB (publ), in which the Company owns approximately ten per cent of the shares, has filed a legal action against the US corporation, Promega Corporation, regarding infringement of one of the patents for IdeS. Genovis has been granted a license by the Company regarding certain non-medical applications for

IdeS. In conjunction with the statement of defense, Promega Corporation filed a counterclaim, including the Company, seeking that the patent in question be declared invalid. Since the Company has expanded its patent portfolio regarding IdeS it is not believed that the dispute will have any financial or commercial effect on the Company.

Patents, trademarks and other intellectual property rights

Hansa Medical is partially dependent on patents for its business operations. The Company's intellectual property rights are primarily protected through patents and patent applications. Filed patent applications provide protection corresponding to a patent, provided that a patent is ultimately granted. Development work at Hansa Medical and the research work which is carried out by cooperating researchers, continuously generates new patent opportunities for Hansa Medical, both within existing projects as well as in entirely new areas. These opportunities are carefully evaluated by Hansa Medical and by patent lawyers retained by the Company. Whether a particular invention will be the subject of a patent application is determined from case to case.

Hansa Medical currently holds a total of ten patent families and an exclusive license on an additional two patent families, one of which relates to IdeS and one to alpha-11. These exclusive licenses extend until the year of expiration for the patent in question. The IdeS project is protected by four patent families which include both granted patents and pending patent applications. These families cover the enzyme as such and its ability to cleave IgG antibodies and the medical use of IdeS in conjunction with IgG-mediated medical conditions including autoimmune diseases and transplants. Geographically, these patent families cover a large number of countries including the United States, Europe and Japan. The expiration years for the various IdeS patent families fall between 2021 and 2040, provided that the Company applies for, and is granted, supplemental protection.

The HBP project is protected by three different patent families which include pending patent applications. These families cover the prediction of severe sepsis and the diagnosis of bacterial meningitis and urinary tract infections. Geographically, these patent families cover a large number of countries and they expire between 2028 and 2036, provided the Company applies for, and is granted, supplementary protection.

Various applications for EndoS are protected by three different patent families which include both existing patents and pending patent applications. Geographically, these patent families cover a large number of countries and they expire between 2027 and 2039, provided the Company applies for, and is granted, supplementary protection.

Environmental issues

Hansa Medical endeavors to ensure that the impact on the environment is as little as possible. The Company's operations are subject to notification obligations under the Swedish Environmental Code (SFS 1998:808), with the Environmental Board in the municipality of Lund as the supervisory authority.

Insurance

Hansa Medical holds insurance policies customary for the industry. Taking into consideration the nature and scope of the business, the board of directors of Hansa Medical is of the opinion that the Group’s insurance protection is satisfactory.

Permits and regulations

The board of directors of the Company is of the opinion that the Company is in compliance with applicable rules and regulations and possesses the necessary licenses for its operations.

Information obtained from third parties

The Prospectus contains certain information obtained from third parties. The information from third parties has been reproduced correctly in the Prospectus and, to the best knowledge of Hansa Medical and to the extent this can be verified through comparisons with other information made public by the relevant third-party, no information has been omitted in any way which would render the information reproduced erroneous or misleading.

Documents incorporated through reference

The following documents, which have been published previously, are hereby incorporated through reference and constitute an integral part of the Prospectus:

1. Hansa Medical's interim report for January – June 2015, where reference is made to the consolidated income statement in brief on page 15, including the notes on page 19, the consolidated balance sheet in brief on page 16, the Group's cash flow analysis in brief on page 17, and the auditors' review report on page 11.

Provision of documents

Copies of the following documents are available throughout the entire term of validity of the Prospectus on the Company's website at www.hansamedical.com and can be inspected during the same period of time at Hansa Medical's offices on, Scheelevägen 22 in Lund, during regular business hours on weekdays:

- the certificate of incorporation and articles of association for Hansa Medical,
- the annual reports and auditors reports for 2012, 2013 and 2014,
- the interim report for the period 1 January to 30 June 2015 and the auditor's report regarding the review; and
- the Prospectus.

Articles of Association

ARTICLES OF ASSOCIATION

§ 1

The company name is Hansa Medical AB. The company is a public limited company (publ)

§ 2

The registered office shall be in Lund.

§ 3

The objects of the company shall be, directly or through subsidiaries, to conduct research, development, production, marketing and sales of medical, chemical and biotech products, and provide consulting activities within the above-stated areas and to conduct other activities compatible therewith.

§ 4

The share capital shall be not less than SEK 20,000,000 and not more than SEK 80,000,000.

§ 5

There shall be no fewer than 20,000,000 and no more than 80,000,000 shares.

§ 6

The board of directors shall consist of three to ten members.

§ 7

One to two auditors, with or without alternates, shall be appointed to audit the company's annual report and accounts and the management by the board of directors and CEO.

The auditors and alternate auditors shall be authorized public accountants or registered public accounting firms.

§ 8

Notice of general meetings shall be given through an announcement in the Official Gazette (*Post- och Inrikes Tidningar*) and on the company's website. An announcement shall be published in *Dagens Industri* that notice has been given. Shareholders wishing to participate at general meetings must be entered in the printout of the entire share register evidencing the circumstances five days prior to the meeting and must notify the company not later than 12 PM on the date stated in the notice of the meeting, whereupon the number of assistants accompanying the shareholder to the meeting shall be stated. The latter-mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five weekdays prior to the meeting.

§ 9

The general meeting shall be held in Lund or Stockholm in the discretion of the board of directors.

§ 10

The annual general meeting shall be held each year within six months of the expiration of the financial year. The following matters shall be addressed at the annual general meeting:

1. Election of a chairman of the meeting
2. Preparation and approval of the voting register
3. Approval of the agenda
4. Election of one or two persons to attest the minutes of the meeting

5. Determination of whether the meeting was duly convened
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated annual report and auditor's report for the group.
7. Resolutions
(a) regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and balance sheet;
(b) regarding allocation of the company's profits or losses according to the adopted balance sheet;
(c) regarding a discharge from liability for the directors and CEO
8. Determination of the directors' fees and auditors' fees
9. Election of the directors, auditors and any alternates
10. Other business incumbent on the meeting pursuant to the Swedish Companies Act or the articles of association.

§ 11
The company's financial year is the calendar year.

§ 12
The company's shares shall be registered in a CSD (Central Securities Depository) register in accordance with the Financial Instruments Accounting Act (SFS 1998:1479).

_____
Adopted at the annual general meeting held on 14 May 2012.

Tax issues in Sweden

Set forth below is a summary of certain Swedish tax issues which are relevant as a consequence of the listing of the Company's shares on Nasdaq Stockholm's main market.

This summary is based on applicable legislation and is only intended as general information. This report is not intended to exhaustively address all tax issues which might arise in this context. For example, securities held as proprietary trading stock in business operations or by partnerships are not addressed, nor are the separate rules for tax-free capital gains (including the prohibition against deductions in conjunction with capital losses) in the corporate sector which might be applicable when shareholders hold shares deemed to be held for business purposes. Nor does this summary cover the special rules which may apply to holdings in companies which previously were closely-held companies or to shares acquired on the basis of such shares.

Special tax rules apply to certain categories of taxpayers. The taxation of each individual shareholder thus depends on that shareholder's unique circumstances. The shareholder should therefore consult a tax advisor in order to obtain information regarding the specific consequences which may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

Unlimited tax liability in Sweden

Natural persons

Tax on dividends

For natural persons, dividends on market-listed shares are taxed in the income category "capital". The tax rate in the income category "capital" is 30 per cent. For natural persons with unlimited tax liability in Sweden, withholding tax is normally withheld on dividends in the amount of 30 per cent. Withholding tax is deducted by Euroclear, or by the Swedish nominee when the shares are registered with a nominee.

Capital gains taxation

When market-listed shares are sold or otherwise disposed of, a taxable capital gain or a deductible capital loss may arise in the income category "capital". The capital gain or capital loss is normally calculated as the difference between the sales proceeds, following deduction for selling expenses, and the acquisition cost. The acquisition cost for all shares of the same class and type is calculated jointly applying the averaging method. In conjunction with the sale of market-listed shares, the acquisition cost may, in the alternative, be determined according to a standard method at 20 per cent of the sales proceeds following deduction for selling expenses. Capital losses on market-listed shares are fully deductible against taxable capital gains on shares and other market-listed ownership rights, with the exception of gains on shares in investment funds which only contain claims under Swedish instruments of indebtedness, commonly referred to as fixed-income funds.

70 per cent of capital losses on market-listed shares which cannot be set off in this way may be set off against other income in the income category "capital". Where a deficit arises in the income category "capital", a tax reduction is granted against municipal and state income tax, as well as against property tax and municipal property fees. The tax reduction is granted in the amount of 30 per cent of that portion of the deficit which does not exceed SEK 100,000 and 21 per cent of the remainder. Such a deficit cannot be rolled over to later tax years.

Limited companies

For limited companies, all income, including taxable capital gains and dividends, is taxed in the income category "business activities" at a tax rate of 22 per cent. Capital gains and capital losses are calculated in the same manner as described above for natural persons. Deductible capital losses on shares may only be set off against taxable capital gains on shares and other ownership rights. Provided certain conditions are fulfilled, such a capital loss may also be set off against capital gains in companies within the same corporate group, provided that there is a right to make group contributions between the companies. A capital loss which cannot be utilized during a particular year may be carried forward without limitation in time and may be set off against taxable capital gains on shares and other ownership rights in subsequent tax years.

Shareholders with limited tax liability

Tax on dividends

For shareholders with limited tax liability in Sweden who receive dividends on shares in a Swedish limited company, Swedish withholding tax is normally deducted. In Sweden, the deduction for withholding tax is normally made by Euroclear, or by the nominee with respect to nominee-registered shares. The tax rate is 30 per cent. However, through tax treaties which Sweden has entered into with certain other countries for the avoidance of double taxation, the tax rate is generally reduced for shareholders residing in other jurisdictions. Most of Sweden's tax treaties make possible a reduction of the Swedish tax to the tax rate of the treaty directly at the time of dividend, provided the necessary information is available regarding the shareholder entitled to the dividend. In those cases in which 30 per cent withholding tax is deducted in conjunction with dividends paid to a person who is entitled to be taxed at a lower tax rate, or where too much withholding tax has otherwise been deducted, refund from the Swedish Tax Agency can be requested prior to the expiration of the fifth calendar year after the dividend.

Capital gains taxation

Shareholders with limited tax liability in Sweden and who do not conduct business operations from a permanent establishment in Sweden are normally not taxed on capital gains in Sweden in conjunction with the sale of shares. However, shareholders may be subject to taxation in their state of domicile. According to a special tax rule, however, natural persons with limited tax liability in Sweden may be subject to Swedish taxation in conjunction with the sale of shares if they were resident or permanently present in Sweden on any occasion during the year the sale is made or during the ten preceding calendar years. The applicability of this rule is, however, limited in several cases by tax treaties between Sweden and other countries.

Financial reports regarding historical financial information

Set forth below is historical financial information for the company regarding the 2012, 2013 and 2014 financial years.

The group and the parent company have changed accounting principles. Following the submission of the annual report for 2014, the accounting principles with respect to the income statement have also been changed. The previous breakdown of the income statement based on cost category has been replaced by a breakdown based on function. The following historical financial information replaces the company's previously disclosed information.

Consolidated income statement

		1 January - 31 December		
SEK '000	Note	**2014**	**2013**	**2012**
Net sales	2, 3	1 618	1 690	1 781
Other operating income		3 157	37	838
Total operating income, stock changes, etc.		4 775	1 727	2 619
Selling and administrative costs		-7 609	-6 706	-5 965
Research and development costs		-21 742	-12 537	-13 350
Other operating costs		-133	-113	-102
Operating earnings	4, 5, 6, 25	-24 709	-17 629	-16 798
Financial income		42	93	347
Financial expenses		-4 375	-26	-17
Net financial items	7	-4 333	67	330
Result before taxes		-29 042	-17 562	-16 468
Taxes	8			
Result for the year		-29 042	-17 562	-16 468
Attributable to:				
Parent company shareholders		-29 042	-17 562	-16 468
		-29 042	-17 562	-16 468
Earnings per share	9			
before dilution (SEK)		-1,16	-0,75	-0,75
after dilution (SEK)		-1,16	-0,75	-0,75

Consolidated statement of comprehensive income

SEK '000	Note	1 January - 31 December 2014	2013	2012
Result for the year		-29 042	-17 562	-16 468
Other comprehensive income				
Items that have been, or may be reclassified to profit or loss for the year				
Fair value changes for the year on realizable financial assets		-2 064	2 326	-262
Other comprehensive income for the year		-2 064	2 326	-262
Total net comprehensive income		-31 106	-15 236	-16 730
Total net comprehensive income attributable to:				
The parent company's owners		-31 106	-15 236	-16 730
		-31 106	-15 236	-16 730

Consolidated balance sheet

SEK '000	Note	As of 31 December 2014	2013	2012	12-01-01
Assets					
Intangible fixed assets	10	36 898	38 028	37 976	35 282
Tangible fixed assets	11	1 283	298	438	608
Financial fixed assets	13	4 180	10 381	3 590	0
Total fixed assets		42 361	48 707	42 004	35 890
Tax receivables		292	211	101	108
Accounts receivables	16	59		672	381
Prepaid expenses and accrued income	17	373	953	1 119	502
Other receivables	15	1 074	653	483	703
Cash and cash equivalents	18	10 152	90	18 966	1 157
Total current assets		11 950	1 907	21 341	2 851
Total assets		54 311	50 614	63 345	38 741
Shareholders' equity	19				
Share capital		25 930	22 225	22 225	67 605
Additional paid-in capital		33 336	1 480	1 480	19 806
Reserves			2 064	-262	0
Retained earnings including result for the year		-9 462	19 580	37 142	-55 097
Shareholders' equity attributable to parent company shareholders		49 804	45 349	60 585	32 314
Total shareholders' equity		49 804	45 349	60 585	32 314
Liabilities					
Long-term interest-bearing liabilities	20	91	131	168	204
Total long-term liabilities		91	131	168	204
Current interest-bearing liabilities	20	39	556	36	2 734
Accounts payable		1 795	710	840	634
Other liabilities	22	1 039	804	617	477
Accrued expenses and deferred income	23	1 543	3 064	1 099	2 378
Total current liabilities		4 416	5 134	2 592	6 223
Total liabilities		4 507	5 265	2 760	6 427
Total shareholders' equity and liabilities		54 311	50 614	63 345	38 741

Information regarding the group's pledged assets and contingent liabilities, see note 26.

Consolidated statement of changes in equity

		Equity attributable to the parent company's shareholders					
SEK '000	*Note*	Share capital	Additional contributed capital	Fair value reserve	Retained earnings including profit or loss for the year	**Total**	**Total shareholders' equity**
Opening shareholders' equity, 1 January 2012	19	67 605	19 806		-55 097	32 314	32 314
Net comprehensive income							
Result for the year					-16 468	-16 468	-16 468
Other comprehensive income for the year				-262		-262	-262
Net comprehensive income		0	0	-262	-16 468	-16 730	-16 730
Reduction of the share capital		-88 901	-19 806		108 707	0	0
Transactions with the group's owner							
New share issue		43 521	2 500			46 021	46 021
Expenses attributable to new share issue			-1 020			-1 020	-1 020
Total transactions with the group's owners		43 521	1 480	0	0	45 001	45 001
Closing shareholder's equite, 31 December 2012		22 225	1 480	-262	37 142	60 585	60 585

		Equity attributable to the parent company's shareholders					
SEK '000	*Note*	Share capital	Additional contributed capital	Fair value reserve	Retained earnings including profit or loss for the year	**Total**	**Total shareholders' equity**
Opening shareholders' equity, 1 January 2013	19	22 225	1 480	-262	37 142	60 585	60 585
Net comprehensive income							
Result for the year					-17 562	-17 562	-17 562
Other comprehensive income for the year				2 326		2 326	2 326
Net comprehensive income		0	0	2 326	-17 562	-15 236	-15 236
Total transactions with the group's owners		0	0	0	0	0	0
Closing shareholders' equity, 31 December 2013		22 225	1 480	2 064	19 580	45 349	45 349

		Equity attributable to the parent company's shareholders					
SEK '000	*Note*	Share capital	Additional contributed capital	Fair value reserve	Retained earnings including profit or loss for the year	**Total**	**Total shareholders' equity**
Opening shareholders' equity, 1 January 2014	19	22 225	1 480	2 064	19 580	45 349	45 349
Net comprehensive income							
Result for the year					-29 042	-29 042	-29 042
Other comprehensive income for the year				-2 064		-2 064	-2 064
Net comprehensive income		0	0	-2 064	-29 042	-31 106	-31 106
Transactions with the group's owner							
New share issue		3 705	33 337			37 042	37 042
Expenses attributable to new share issue			-1 481			-1 481	-1 481
Total transactions with the group's owners		3 705	31 856	0	0	35 561	35 561
Closing shareholders' equity, 31 December 2014		25 930	33 336	0	-9 462	49 804	49 804

Consolidated statement of cash flows

SEK '000	Note	1 January - 31 December 2014	2013	2012
	29			
Operating activities				
Operating loss		-24 709	-17 629	-16 798
Adjustment for items not included in cash flow		1 349	152	183
Interest received		42	93	347
Interest paid		-123	-26	-17
Income taxes paid		-81	-110	7
Cash flow from operating activities before changes in working capital		-23 522	-17 520	-16 278
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of accounts receivable		-59	672	-291
Increase (-)/Decrease (+) of other operating receivables		159	-4	-397
Increase (+)/Decrease (-) of accounts payable		1 085	-130	206
Increase (+)/Decrease (-) of other operating liabilities		-1 286	2 152	-1 139
Cash flow from operating activities		-23 623	-14 830	-17 899
Investing activities				
Acquisition of tangible fixed assets		-1 204		
Investments in capitalized development expenditures			-64	-2 707
Acquisition of financial assets		-115	-4 465	-3 852
Cash flow from investing activities		-1 319	-4 529	-6 559
Financing activities				
New share issue		37 042		46 021
Issue expenses		-1 481		-1 020
Loans raised			519	
Repayment of loans		-519		-2 700
Repayment of leasing liabilities		-38	-36	-34
Cash flow from financing activities		35 004	483	42 267
Net cash flow		10 062	-18 876	17 809
Cash and cash equivalents, beginning of year		90	18 966	1 157
Cash and cash equivalents, year-end		10 152	90	18 966

Parent company income statement

SEK '000	Note	1 January - 31 December 2014	2013	2012
Net sales	2, 3	1 618	1 690	1 781
Other operating income		3 157	37	837
		4 775	1 727	2 618
Selling and administrative costs		-7 615	-6 714	-5 974
Research and development costs		-21 742	-12 537	-13 350
Other operating costs		-133	-113	-102
Operating earnings	4, 5, 25	-24 715	-17 637	-16 808
Result from financial items:				
Loss from participating interests in group companies		-2 398		
Loss from other securities and receivables which are fixed assets		-4 252		
Other interest income and similar profit/loss items		42	93	347
Interest expenses and similar profit/loss items		-115	-16	-5
Result after financial items	7	-31 438	-17 560	-16 466
Result before taxes		-31 438	-17 560	-16 466
Taxes	8			
Result for the year		-31 438	-17 560	-16 466

Consolidated statement of parent company's comprehensive income

SEK '000	Note	1 January - 31 December 2014	2013	2012
Result for the year		-31 438	-17 560	-16 466
Other comprehensive income				
Other net comprehensive income		0	0	0
Net comprehensive income		-31 438	-17 560	-16 466

Parent company balance sheet

SEK '000	Note	As of 31 December 2014	2013	2012
Assets				
Fixed assets				
Intangible fixed assets	10	36 898	38 028	37 976
Tangible fixed assets	11	1 155	115	199
Financial fixed assets				
Interests in group companies	28	100	100	100
Receivables from group companies	12		2 296	2 295
Other long-term holdings of securities	14	4 180	8 317	3 852
Total financial fixed assets		4 280	10 713	6 247
Total fixed assets		42 333	48 856	44 422
Current assets				
Current receivables				
Accounts receivables	16	59		672
Tax receivables		292	211	101
Other receivables	15	1 074	653	483
Prepaid expenses and accrued income	17	373	970	1 156
Total current receivables		1 798	1 834	2 412
Cash and cash equivalents		10 152	90	18 965
Total current assets		11 950	1 924	21 377
Total assets		54 283	50 780	65 799
Shareholders' equity and liabilities				
Shareholders' equity	19			
Restricted equity				
Share capital		25 930	22 225	22 225
Unrestricted shareholders' equity				
Share premium reserve		33 336	1 480	1 480
Retained earnings		21 978	39 538	56 004
Net result		-31 438	-17 560	-16 466
Total shareholders' equity		49 806	45 683	63 243
Current liabilities				
Liabilities to credit institutions	21		519	
Trade payables		1 795	710	840
Liabilities to group companies		100		
Other liabilities	22	1 039	804	617
Accrued expenses and deferred income	23	1 543	3 064	1 099
Total current liabilities		4 477	5 097	2 556
Total shareholders' equity and liabilities		54 283	50 780	65 799

Pledged assets and contingent liabilities of the parent company

SEK '000	Note	As of 31 December 2014	2013	2012
Pledged assets		None	None	None
Contingent liabilities		None	None	None

Parent company statement of changes in shareholders' equity

	Restricted equity	Unrestricted equity			
000	Share capital	Share premium reserve	Retained earnings	Result for the year	**Total shareholders ' equity**
Opening shareholders' equity, 1 January 2012	67 605	19 806	-28 131	-24 572	34 708
Net comprehensive income					0
Loss for the year				-16 466	-16 466
Other comprehensive income for the year					0
Net comprehensive income	0	0	0	-16 466	-16 466
Appropriation of profits			-24 572	24 572	0
New share issue	43 521	2 500			46 021
Costs attributable to new share issue		-1 020			-1 020
Reduction of the share capital	-88 901	-19 806	108 707		0
Closing shareholders' equity, 31 December 2012	22 225	1 480	56 004	-16 466	63 243

	Restricted equity	Unrestricted equity			
TSEK	Share capital	Share premium reserve	Retained earnings	Result for the year	**Total shareholders ' equity**
Opening shareholders' equity, 1 January 2013	22 225	1 480	56 004	-16 466	63 243
Net comprehensive income					0
Loss for the year				-17 560	-17 560
Other comprehensive income for the year					0
Net comprehensive income	0	0	0	-17 560	-17 560
Appropriation of profits			-16 466	16 466	0
Closing shareholders' equity, 31 December 2013	22 225	1 480	39 538	-17 560	45 683

	Restricted equity	Unrestricted equity			
TSEK	Share capital	Share premium reserve	Retained earnings	Result for the year	**Total shareholders ' equity**
Opening shareholders' equity, 1 January 2014	22 225	1 480	39 538	-17 560	45 683
Net comprehensive income					0
Loss for the year				-31 438	-31 438
Other comprehensive income for the year					0
Net comprehensive income	0	0	0	-31 438	-31 438
Appropriation of profits			-17 560	17 560	0
New share issue	3 705	33 337			37 042
Costs attributable to new share issue		-1 481			-1 481
Closing shareholders' equity, 31 December 2014	25 930	33 336	21 978	-31 438	49 806

Parent company statement of cash flows

SEK '000	Note	1 January - 31 December 2014	2013	2012
	29			
Operating activities				
Operating loss		-24 715	-17 637	-16 808
Adjustment for items not included in cash flow		1 294	96	127
Interest received		42	93	347
Interest paid		-115	-16	-5
Income taxes paid		-81	-110	7
Cash flow from operating activities before Changes in working capital		-23 575	-17 574	-16 332
Cash flow from changes to working capital				
Increase (-)/Decrease (+) of accounts receivable		-59	672	-291
Increase (-)/Decrease (+) of other operating receivables		176	16	-377
Increase (+)/Decrease (-) of accounts payable		1 085	-130	206
Increase (+)/Decrease (-) of other operating liabilities		-1 286	2 152	-1 130
Cash flow from operating activities		-23 659	-14 864	-17 924
Investing activities				
Acquisition of tangible fixed assets		-1 204		
Capitalized development expenditures			-64	-2 707
Acquisition of financial assets		-117	-4 466	-3 861
Cash flow from investing activities		-1 321	-4 530	-6 568
Financing activities				
New share issue		37 042		46 021
Issue expenses		-1 481		-1 020
Loans raised			519	
Repayment of loans		-519		-2 700
Cash flow from financing activities		35 042	519	42 301
Net cash flow		10 062	-18 875	17 809
Cash and cash equivalents, beginning of year		90	18 965	1 156
Cash and cash equivalents, year-end		10 152	90	18 965

Note 1 Material accounting principles

(a) Compliance with norms and legislation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, recommendation RFR 1 issued by the Swedish Financial Reporting Board (Supplemental accounting rules for corporate groups) has been applied.

The parent company applies the same accounting principles as the group with the exception of those cases set forth below under the section entitled “The parent company's accounting principles.

(b) Valuation grounds applied in the preparation of the financial reports

Assets and liabilities are reported at the historical acquisition values, with the exception of certain financial assets and liabilities which are valued at fair value. Financial assets and liabilities valued at fair value consist of shares listed on an exchange.

(c) Functional currency and reporting currency

The functional currency of the parent company is Swedish kronor, which is also the reporting currency for the parent company and for the group. This means that the financial reports are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded off to the nearest thousand.

(d) Assessments and estimates in the financial reports

Preparing the financial reports in accordance with IFRS requires that corporate management make assessments, estimates and assumptions which impact the application of the accounting principles and the reported amounts of assets, liabilities, revenues and costs. Actual results may deviate from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period in which the changes are made, provided the change only affects this period, or in the period in which the changes were made and future periods, if the change affects both the current period and future periods.

(e) Changes in accounting principles

(i) Transition to IFRS

The press release of unaudited earnings for 2014 which was published on 13 February 2015 was Hansa Medical's first financial report prepared according to IFRS. Reports which were published prior to this date were prepared in accordance with the Swedish Annual Accounts Act and the general guidelines issued by the Swedish Accounting Standards Board.

The date for transition to IFRS is 1 January 2012. A description of the effects of the transition to IFRS is set forth in note 33.

(ii) New IFRS which have not yet begun to be applied

A number of new or amended standards and interpretations in the IFRS do not enter into force until the next financial year and have not been applied prematurely in conjunction with the preparation of these financial statements. New items or changes with a future application are not planned to be implemented prematurely. No changes in the IFRS with a future application are considered to have any material effect on the group's reporting.

(f) Classification

Fixed assets and long-term liabilities consist, in all material respects, of amounts expected to be recovered or paid after more than 12 months calculated from the balance sheet date. Current assets and current liabilities consist, in all material respects, of amounts expected to be recovered or paid within 12 months calculated from the balance sheet date.

(g) Operating division reporting

An operating division is a part of the group which conducts operations from which it can generate revenues and incur costs and for which independent financial information is available. The earnings of an operating division are monitored by the company's most senior executive officer in order to evaluate the earnings and to be able to allocate resources to the operating division. Since the group's business is organized as a cohesive business with similar risks and opportunities for the goods and services produced, the group's entire business constitutes a single operating division. The entire business is conducted in Sweden.

(h) Consolidation principles

Subsidiaries are companies under the controlling influence of Hansa Medical AB.

Intra-group receivables and liabilities, revenues or costs and unrealized profits or losses which arise from intra-group transactions between group companies are eliminated in their entirety in the preparation of the consolidated financial statements.

(i) Transactions in foreign currencies
Transactions in foreign currencies are translated to the functional currency at the currency exchange rate in effect on the transaction date. The functional currency is the currency in the primary financial environments in which the companies conduct their business operations. Monetary assets and liabilities in foreign currency are translated to the functional currency at the currency exchange rate in effect on the balance sheet date. Currency rate differences which arise in the translations are reported in the earnings for the year. Non-monetary assets and liabilities which are reported at their historical acquisition values are translated to the currency exchange rate at the time of the transaction. Non-monetary assets and liabilities which are reported at fair values are translated to the functional currency at the exchange rate in effect at the time of the fair value valuation.

(j) Net sales
The group's reported net sales derive primarily from licensing- and royalty revenues. Revenues are reported at the fair value of what has been, or will be, received. Revenues are reported to the extent it is probable that the economic advantages will be realized by the company and the revenues can be calculated in a reliable manner. Licensing compensation is reported as revenue when all contractual undertakings incumbent upon the group have been fulfilled.

(k) Leasing
(i) Operational leasing agreements
Costs regarding operational leasing agreements are reported in the earnings for the year using a straight line method over the leasing term. Benefits obtained in conjunction with the execution of an agreement are reported in the earnings for the year as a reduction in the leasing fees using a straight line method over the term of the leasing agreement. Variable fees are booked as expenses in the periods in which they arise.

(ii) Financial leasing agreements
Minimum leasing fees are allocated between interest expenses and amortization on the outstanding debt.

The interest expense is allocated over the leasing term so that an amount is booked in each reporting period which corresponds to a fixed rate of interest for the debt reported in each respective period. Variable fees are booked as expenses in the periods in which they arise.

(l) Financial income and expenses
Financial income consists of interest income and other financial income. Financial expenses consist of interest expenses on loans, write-downs of financial assets, and other financial expenses.

(m) Taxes
Income tax consists of current taxes and deferred taxes. Income tax is reported in the earnings for the year with the exception of cases where the underlying transaction has been reported in other comprehensive income or in shareholders' equity in which case the associated tax effect is reported in other comprehensive income or shareholders' equity.

Current tax is tax to be paid or received for the current year upon application of the tax rates in effect, or in effect in practice, on the balance sheet date. Current tax also includes adjustments of current tax related to earlier periods.

Deferred tax is calculated in accordance with the balance sheet method based upon temporary differences between reported values and tax values for assets and liabilities. Temporary differences are not taken into consideration in group goodwill, nor is the difference which arises upon the first reporting of

assets and liabilities which are not business acquisitions and which, at the time of the transaction, do not affect either reported or taxable earnings. In addition, temporary differences related to shares in subsidiaries and affiliated companies which are not expected to be reversed within the foreseeable future are not taken into consideration. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated applying the tax rates and tax rules in effect, or in effect in practice, on the balance sheet date.

Deferred tax claims regarding deductible temporary differences and loss carry forwards are reported only to the extent it is probable that these can be utilized. The value of deferred tax claims is reduced when it is no longer considered probable that they can be utilized.

(n) Financial instruments

Financial instruments which are reported in the statement of financial position include, on the assets side, cash and equivalents, accounts receivable, other financial claims and listed shares. On the liability side, accounts payable, interest-bearing liabilities and other financial liabilities are reported.

(i) Reporting in, and deletion from, the statement of financial position

A financial asset or financial liability is reported in the balance sheet when the company becomes a party according to the contract terms and conditions of the instrument. A receivable is reported when the company has performed and a contractual obligation exists for the counterparty to make payment, notwithstanding that an invoice has not yet been issued. Accounts receivable are reported in the statement of financial position when an invoice has been issued. Liabilities are reported when the counterparty has performed and a contractual obligation exists to make payment, notwithstanding that an invoice has not yet been received. Accounts payable are reported when an invoice has been received.

A financial asset is deleted from the balance sheet when the rights in the agreement have been realized, lapsed, or the company loses control over them. This also applies for part of a financial asset. A financial liability is deleted from the balance sheet when the obligation set forth in the agreement has been performed or otherwise extinguished. This also applies to a part of a financial liability.

A financial asset and a financial liability are set off and reported at a net amount in the statement of financial position only when there is a legal right to set off the sums and there is an intent to settle the items with a net amount, or to simultaneously realize the asset and settle the liability.

Acquisitions and sales of financial assets are reported on the transaction date. The transaction date is the date on which the company undertakes to acquire or sell the asset.

(ii) Classification and valuation

Financial instruments are initially reported at an acquisition value corresponding to the instrument's fair value plus any transaction costs for all financial instruments. A financial instrument is classified in the first reporting on the basis, among other things, of the purpose behind the acquisition of the instrument. The classification determines how the financial instrument is valued after the first reporting occasion as described below.

Cash and equivalents consist of cash and immediately available funds deposited with banks and corresponding institutions as well as short-term liquid investments with terms from the date of acquisition of less than three months which are only exposed to an insignificant risk of fluctuation in value.

Loan claims and accounts receivable

Loan claims and accounts receivable are financial assets which are not derivatives, and which have fixed or fixable payments, and are not listed on an active market. These assets are valued at the accrued acquisition value. The accrued acquisition value is determined based on the effective rate of interest which is calculated at the time of acquisition. Accounts receivable are reported at the sums at which they are anticipated to be collected, i.e. after deductions for doubtful receivables.

Realizable financial assets
The category "realizable financial assets" includes financial instruments which have not been classified in any other category or financial assets which the company initially chose to classify in this category. Only the group's holdings of listed shares are reported in this category.

Financial liabilities valued at accrued acquisition value
Loans as well as other financial liabilities, for example accounts payable, are included in this category. The liabilities are valued at the accrued acquisition value.

(o) Tangible fixed assets

Tangible fixed assets are reported by the group at acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and expenses directly related to the asset in order to bring the asset to the location and the condition necessary to be utilized in accordance with the purpose of the acquisition.
The accounting principles for write-downs are set forth below.

The reported value for a tangible fixed asset is deleted from the balance sheet upon disposal or sale or where no future economic advantages are anticipated from the use or disposal/sale of the asset. Profits or losses which arise upon the sale or disposal of asset consist of the difference between the sales price and the reported value of the asset less any direct sales costs. Profits and losses are reported as other operating income/expenses.

Depreciation is carried out using the straight line method over the anticipated life of the asset. Real property is not depreciated.

Anticipated useful life:

Office equipment, tools and fixtures and fittings	5 years

(p) Intangible fixed assets

Acquired intangible fixed assets
Acquired intangible fixed assets which are held by the group consists of patents and capitalized development expenditures. These intangible fixed assets are reported at the acquisition value less accumulated depreciation and any write-downs (see accounting principle (q)).

Expenditures for internally generated goodwill and internally generated trademarks are reported in the profit or loss for the year at the time the expenditure is incurred.

Capitalized development expenditures
Costs for research are immediately booked as an expense. Development expendituresdirectly related to the development of production processes which will probably be used for production of a candidate drug for clinical studies and for market introduction of an approved pharmaceutical are booked as an asset. Costs regarding development projects (related to the design and testing of new or improved products) are booked as an intangible asset of the group to the extent these costs are anticipated to a high degree of certainty to generate future economic advantages. Other development expendituresare booked as

expenses as they arise. Development expenditures which were previously booked as expenses are not booked as assets in subsequent periods.

Depreciation of capitalized development expenditures begins when the project is deemed completed, which either takes place by the group in-house or in conjunction with the licensing of patents or preparations in exchange for compensation, where continued development work is carried out by an independent party. Depreciation is carried out using the straight line method over the anticipated economic life cycle; however, for patents not longer than the remaining patent protection.

(q) Impairment

The group's reported assets are assessed on each balance sheet date in order to determine whether there is an indication of a need for a write-down. IAS 36 is applied regarding impairment of assets other than financial assets which are reported according to IAS 39.

(i) Impairment of intangible assets

For intangible assets with an indeterminate useful life and intangible assets which are not yet subject to depreciation according to plan, an annual assessment is carried out of the recovery value, which is the net realizable value or the use value, whichever is higher. Upon calculation of the use value, future assessed cash flow is discounted at a rate of interest which takes into consideration the market's assessment of risk-free interest rate and the risk associated with the specific asset.

(ii) Impairment of financial assets

On each reporting occasion, the company evaluates whether there is objective evidence that a financial asset or group of assets should be written down. Objective evidence consists of observable circumstances which have occurred and which have a negative impact on the possibility of recovering the acquisition value, as well as significant or extended reductions in the fair value of an investment in a financial investment classified as a realizable financial asset.

(iii) Reversal of impairment losses

Impairment of assets included in the area of application for IAS 36 is reversed if there is both an indication that the need for the impairment the longer exists and that there has been a change in the assumptions which formed the basis for the calculation of the recovery value. Impairment of goodwill are never reversed, however. A reversal is only made to the extent the reported value of the asset after reversal does not exceed the reported value which would have been reported, following a deduction for depreciation where relevant, if no write-down had been made.

Impairment of loan claims and accounts receivable which are reported at the accrued acquisition value are reversed if the earlier reasons for the impairment no longer exist and where full payment by the customer is expected.

Impairment of the company's own capital instruments which are classified as realizable financial assets, and which were previously reported in the income statement, are not reversed in the income statement but in other comprehensive income instead. The written down value is the value from which subsequent re-evaluations are made, which is reported in other comprehensive income.

(r) Dividends

Dividends are reported as a liability after the annual general meeting has approved the dividend.

(s) Earnings per share

The calculation of earnings per share is based on the group’s earnings for the year attributable to the parent company's owner and on the weighted average number of shares outstanding during the year. There are no potential diluting common shares either for the current financial year for the comparison years. There is thus no dilution effect.

(t) Remuneration to employees

(i) Short-term remuneration

Short-term remuneration to employees is calculated without any discounting and reported as an expense when the relevant services are received.

(ii) Defined contribution pension plans

Plans where the company's obligations are limited to the fees the company has undertaken to pay are classified as "defined contribution pension plans". In such cases, the size of the employee's pension is dependent upon the fees which the company pays into the plan, or to an insurance company, and the return on capital which the fees generate. Consequently, it is the employee who bears the actuarial risk (that the benefits will be lower than anticipated) and the investment risk (that the invested assets will be insufficient to generate the anticipated benefits). The company's obligations regarding fees paid to defined contribution plans are reported as an expense in the income statement as they are earned by the employees performing their services on behalf of the company during a given period of time.

(u) Contingent liabilities

A contingent liability is reported when there is a possible undertaking derived from past events, the existence of which is confirmed only by one or more uncertain future events beyond the control of the group, or when there is an undertaking which is not reported as a liability or provision on the grounds that it is not probable that an outflow of resources will be required or cannot be calculated with sufficient reliability.

The parent company's accounting principles

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (SFS 1995:1554) and Recommendation RFR 2 issued by the Swedish Financial Reporting Board, Reporting for legal entities. The statements issued by the Swedish Financial Reporting Board applicable to listed companies have also been applied. RFR 2 entails that in the annual report for the legal entity the parent company must apply all of IFRS and the statements adopted by the EU to the extent possible within the scope of the Swedish Annual Accounts Act, the Securing of Pension Obligations Act, and taking into consideration the connection between reporting and taxation. The Recommendation sets forth which exceptions from, and additions to, IFRS are to be made.

Differences between the group's and the parent company's accounting principles

The differences between the group's and the parent company's accounting principles are set forth below. The accounting principles set forth below for the parent company have been applied consistently to all periods presented in the parent company's financial statements.

Classification and layout

The differences apparent in the parent company's income statements and balance sheets as compared with the group’s statements consist primarily of the reporting of financial income and expenses, fixed assets and shareholders’ equity.

Financial instruments

Due to the connection between reporting and taxation, the rules governing financial instruments and hedge reporting set forth in IAS 39 are not applied in the parent company as a legal entity.

Note 2 Breakdown of income

Income per significant type of income	1 January - 31 December		
SEK '000	2014	2013	2012
Group			
Net sales:			
Royalty and licensing revenue	1 618	1 690	1 781
	1 618	1 690	1 781
Parent company			
Net sales:			
Royalty and licensing revenue	1 618	1 690	1 781
	1 618	1 690	1 781

Note 3 Operating division

A significant component of Hansa Medical's activities currently comprise research and development for pharmaceutical production. The company has determined that this activity, in its entirety, constitutes an operating division. All activities are conducted in Sweden, and both income generated and fixed assets are allocated to Sweden.

Note 4 Employees and personnel costs

Costs for remuneration to employees	1 January - 31 December		
SEK '000	2014	2013	2012
Group			
Salaries and remuneration, etc.	7 232	5 077	5 066
Pension costs, fee-based plans	1 025	724	743
Employer payroll taxes	1 518	1 728	1 648
	9 775	7 529	7 457

Average number of employees

	2014	of which men	2013	of which men	2012	of which men
Parent company						
Sweden	10	50%	8	63%	8	63%
Total parent company	10		8		8	
Total group	10	50%	8	63%	8	63%

Gender breakdown in company management

	14-12-31 Percentage women	13-12-31 Percentage women	12-12-31 Percentage women
Parent company			
Directors	60%	50%	50%
Other senior executives	33%	33%	33%
Total group			
Directors	60%	50%	50%
Other senior executives	33%	33%	33%

Salaries, other remuneration and employers' contributions

SEK '000	2014	2013	2012
Parent company			
Salaries and remuneration	7 232	5 077	5 066
Employers' contributions	2 543	2 452	2 391
(of which pension costs)	(1 025) 1)	(724) 1)	(743) 1)

1) Of the parent company's pension costs, 484,000 (363,000; 278,000) refer to the group comprising the board of directors and the managing director. There are no outstanding pension obligations to the group comprising the board of directors and the managing director.

Salaries and other remuneration broken down by directors, etc., and other employees

SEK '000	2014		2013	
	Senior executives	Other employees	Senior executives	Other employees
Parent company total				
Sweden	3 534	3 698	2 903	2 174
(of which bonuses, etc.)	(0)	(0)	(0)	(0)
Parent company total	3 534	3 698	2 903	2 174
(of which bonuses, etc.)	(0)	(0)	(0)	(0)
Total group	3 534		2 903	
(of which bonuses, etc.)	(0)		(0)	

	2012	
	Senior executives	Other employees
Parent company		
Sweden	3 012	2 054
(of which bonuses, etc.)	(0)	(0)
Parent company total	3 012	2 054
(of which bonuses, etc.)	(0)	(0)
Total group	3 012	
(of which bonuses, etc.)	(0)	

Benefits to senior executives

Principles for remuneration to the board of directors

Fees are paid to the chairperson of the board and other directors pursuant to resolution of the annual general meeting. The 2014 annual general meeting resolved that fees to directors for work during 2014 would be paid in the amount of SEK 300,000 to the chairperson of the board and SEK 100,000 to each and every other director, however no fee would be paid to Anders Blom. There are no agreements regarding severance compensation or other benefits either for the chairwoman of the Board of Directors or for the other directors.

Principles for remuneration to the CEO

Remuneration

Remuneration to the CEO and group president takes the form of fixed salary and pension. The current CEO assumed the position on 25 November 2014. During 2014, the monthly base salary was SEK 150,000 for the current CEO and SEK (75,000) for the then-CEO. In addition, it should also be possible for the remuneration to comprise a variable salary, severance pay and non-monetary benefits. The variable salary is based on the achievement of quantitative and qualitative targets. During 2014, the remuneration to the CEO was SEK 1,069,000, which comprises remuneration to the then-CEO up to and including 25 November 2014, and the current CEO for the time thereafter.

Notice of termination periods and severance pay

The notice of termination period for termination by the Company or the CEO is six months. Upon termination by the Company the CEO is entitled to severance pay corresponding to 12 times the fixed monthly salary at the time of termination of employment. The above-stated also applies to termination by the CEO where the grounds for termination is gross breach of contract by the Company.

Pension remuneration

The employment agreement of the CEO and president terminates without prior notice of termination on the date of the CEO's retirement. Each month, the company sets aside an amount equal to 25 percent of the monthly salary for the occupational pension insurance designated by the CEO. During 2014, the premium costs were SEK 168,000 for the CEO.

Remuneration to other members of group management

Remuneration

Remuneration is determined by the CEO with the assistance of the chairwoman of the Board of Directors.
The remuneration paid during 2014 to other members of group management besides the CEO amounted to KSEK 1.737.

Notice of termination periods and severance pay

Other senior executives have three months' notice of termination upon termination either by the company or the executive personally. The company has a consultancy agreement with Göran Arvidson. The consultancy agreement is in force until 26 July 2015. If the agreement is not terminated at least one month prior to the expiry of the term, it will be extended for consecutive six-month terms with one month's notice of termination. However, where appropriate, the company shall apply the longer notice period set forth in the Employment Protection Act. During the notice of termination period, other senior executives are entitled to full salary and other employment benefits. None of the other senior executives are entitled to severance pay.

Pension remuneration

Other senior executives are entitled to retire as follows. Lena Winstedt's employment and Christian Kjellman's employment will terminate without prior notice at 67 years of age. Emanuel Björne's employment will terminate without prior notice at 65 years of age; however he is entitled to continue to work until 67 years of age. Senior executives other than the CEO are entitled to pension benefits in accordance with the Company's insurance and pension policy.

Salary and other remuneration and other benefits to senior executives, parent company 2014

SEK 000'	Base salary directors' fees	Variable remuneration	Other benefits	Pension cost	Total
Chairperson of the board Bo Håkansson	168				168
Director Stina Gestrelius	94				94
Director Per-Olof Wallström	115				115
Director Fredrik Lindgren	113				113
Director Cindy Wong	94				94
Director Birgitt Stattion Norinder	144				144
CEO	1 069			168	1 237
Other senior executives (3 individuals)	1 737			316	2 053
Total	3 534	0	0	484	4 018

Salary and other remuneration and other benefits to senior executives, parent company 2013

SEK 000'	Base salary directors' fees	Variable remuneration	Other benefits	Pension cost	Total
Chairperson of the board Bo Håkansson	169				169
Director Stina Gestrelius	85				85
Director Per-Olof Wallström	102				102
Director Fredrik Lindgren	71				71
Director Cindy Wong	84				84
Director Birgitt Stattion Norinder	138				138
CEO	740			115	855
Other senior executives (3 individuals)	1 514			248	1 762
Total	2 903	0	0	363	3 266

Salary and other remuneration and other benefits to senior executives, parent company 2012

SEK 000'	Base salary directors' fees	Variable remuneration	Other benefits	Pension cost	Total
Chairperson of the board Bo Håkansson	144				144
Director Per Belfrage	27				27
Director Stina Gestrelius	81				81
Director Paula Zeilon	27				27
Director Per-Olof Wallström	81				81
Director Fredrik Lindgren	54				54
Director Cindy Wong	54				54
Director Birgitt Stattion Norinder	54				54
CEO	792			126	918
Other senior executives (3 individuals)	1 698			152	1 850
Total	3 012	0	0	278	3 290

Note 5 Fees and cost compensation to auditors

SEK '000	2014	2013	2012
Group			
KPMG			
Auditing services	145		
Grant Thornton Sweden AB			
Auditing services	168	235	273
Other services	17		
Parent company			
KPMG			
Auditing services	145		
Grant Thornton Sweden AB			
Auditing services	168	235	273
Other services	17		

"Auditing services" means statutory audit of annual reports and consolidated accounts and bookkeeping, as well as management by the board of directors and CEO, and audit and other reviews performed pursuant to agreement or contract.

This includes other tasks incumbent upon the company's auditor as well as advice or other assistance necessitated by observations in conjunction with such audit or performance of such other tasks.

Note 6 Operating costs broken down by cost category

	Group		
SEK '000	2014	2013	2012
Personnel costs	-10 468	-7 696	-7 647
Other external costs	-17 534	-11 459	-14 191
Capitalized work for own account		64	2 706
Depreciation	-790	-152	-183
Write-downs	-559		
Other operating costs	-133	-113	-102
	-29 484	-19 356	-19 417

Note 7 Net financial income/expenses

Group			
SEK '000	2014	2013	2012
Interest income on bank balances	42	90	
Other interest income		3	347
Financial income	42	93	347
Interest costs, credit institutions	-75	-15	
Interest costs, other	-48	-11	-17
Impairment of realizable financial assets 1)	-4 252		
Financial expenses	-4 375	-26	-17
Net financial income/expenses	-4 333	67	330

1) relates to write down of shares in Genovis AB due to significant decrease in value

Parent company	Result from participating interests in group companies		
SEK '000	2014	2013	2012
Write-down of shareholders' contributions	-2 398		
	-2 398	0	0

Parent company	Result from other securities and receivables which are fixed assets		
SEK '000	2014	2013	2012
Write-down of shares of Genovis AB	-4 252		
	-4 252	0	0

Parent company	Interest income and similar result items		
SEK '000	2014	2013	2012
Interest income on bank balances	42	90	
Interest income, other		3	347
	42	93	347

Parent company	Interest expenses and similar result items		
SEK '000	2014	2013	2012
Interest costs, credit institutions	-75	-15	
Interest costs, other	-40	-1	-5
	-115	-16	-5

Note 8 Taxes

Unreported deferred prepaid taxes

Deferred prepaid taxes have not been reported in respect of temporary differences and losses carried forward since it is not likely that they will be utilized for set off against the future taxable profits.

The group's loss carried forward in 2014 amounted to SEK 139,912,000 (112,840,000; 95,329,000).

Note 9 Earnings per share

Earnings per share

SEK '000	2014	2013	2012
Earnings per share before and after dilution	-1,16	-0,75	-0,75

As of the balance sheet date, there were no outstanding potential common shares which could give rise to a dilution effect. The earnings per share before and after dilution are therefore the same.

The calculation of the numerators and denominators which are used in the above calculations of earnings per share are stated below.

Earnings attributable to parent company shareholders, before and after dilution

SEK '000	2014	2013	2012
Earnings attributable to parent company shareholders	-29 042	-17 562	-16 468
Earnings attributable to parent company shareholders, before and after dilution	-29 042	-17 562	-16 468

Weighted average number of outstanding shares, before and after dilution

No. of shares	2014	2013	2012
Total number of shares 1 January	22 225 374	22 225 374	13 521 144
Effect of new share issues in January and March 2012			7 524 639
Effect of new share issue in April 2014	2 916 319	1 079 775	1 022 467
Weighted average number of shares during the year, before and after dilution	25 141 693	23 305 149	22 068 250

The weighted average number of shares has been affected by new share issues carried out during 2012 and 2014. The weighted average number of shares for 2012 and 2013 have been recalculated taking into consideration the new share issue carried out in 2014.

Note 10 Non-tangible fixed assets

Group	Internally developed	Acquired non-tangible assets		
SEK '000	R&D expenditures	Patent	R&D expenditures	Total
Accumulated acquisition value				
Opening balance 1 Jan 2012	1 715	125	33 515	35 355
Internally developed assets	2 706			2 706
Closing balance 31 Dec 2012	4 421	125	33 515	38 061
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2012	0	-72	0	-72
Depreciation for the year		-13		-13
Closing balance 31 Dec 2012	0	-85	0	-85
Reported values				
Per 1 Jan 2012	1 715	53	33 515	35 283
Per 31 Dec 2012	4 421	40	33 515	37 976
Accumulated acquisition value				
Opening balance 1 Jan 2013	4 421	125	33 515	38 061
Internally developed assets	64			64
Closing balance 31 Dec 2013	4 485	125	33 515	38 125
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2013	0	-85	0	-85
Depreciation for the year		-12		-12
Closing balance 31 Dec 2013	0	-97	0	-97
Reported values				
Per 1 Jan 2013	4 421	40	33 515	37 976
Per 31 Dec 2013	4 485	28	33 515	38 028

Accumulated acquisition value				
Opening balance 1 Jan 2014	4 485	125	33 515	38 125
Closing balance 31 Dec 2014	4 485	125	33 515	38 125
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2014	0	-97	0	-97
Write-down for the year			-559	-559
Depreciation for the year		-12	-559	-571
Closing balance 31 Dec 2014	0	-109	-1 118	-1 227
Reported values				
Per 1 Jan 2014	4 485	28	33 515	38 028
Per 31 Dec 2014	4 485	16	32 397	36 898

Parent company	Internally developed	Acquired non-tangible assets		
SEK '000	R&D expenditures	Patent	R&D expenditures	Total
Accumulated acquisition value				
Opening balance 1 Jan 2012	1 715	125	33 515	35 355
Internally developed assets	2 706			2 706
Closing balance 31 Dec 2012	4 421	125	33 515	38 061
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2012	0	-72	0	-72
Depreciation for the year		-13		-13
Closing balance 31 Dec 2012	0	-85	0	-85
Reported values				
Per 1 Jan 2013	1 715	53	33 515	35 283
Per 31 Dec 2013	4 421	40	33 515	37 976
Accumulated acquisition value				
Opening balance 1 Jan 2013	4 421	125	33 515	38 061
Internally developed assets	64			64
Closing balance 31 Dec 2013	4 485	125	33 515	38 125
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2013	0	-85	0	-85
Write-downs for the year		-12		-12
Closing balance 31 Dec 2013	0	-97	0	-97
Reported values				
Per 1 Jan 2013	4 421	40	33 515	37 976
Per 31 Dec 2013	4 485	28	33 515	38 028
Accumulated acquisition value				
Opening balance 1 Jan 2014	4 485	125	33 515	38 125
Closing balance 31 Dec 2014	4 485	125	33 515	38 125
Accumulated amortization, depreciation and write-downs				
Opening balance 1 Jan 2014	0	-97	0	-97
Write-down for the year			-559	-559
Depreciation for the year		-12	-559	-571
Closing balance 31 Dec 2014	0	-109	-1 118	-1 227
Reported values				
Per 1 Jan 2014	4 485	28	33 515	38 028
Per 31 Dec 2014	4 485	16	32 397	36 898

The projects underway in the group are a mixture of acquired R&D projects and continued activity within these projects.
Of the total capitalized product development expenditures, 75% refer to IdeS and 25% to HBP assay.

Project overview Pharmaceutical candidates	Indication/Goal	Status
IdeS	IdeS is a pharmaceutical candidate for the purpose of making kidney transplant possible by combatting antibody-mediated rejection. The goal is also to treat acute antibody-mediated illnesses.	During 2013 and 2012, IdeS has undergone phase I studies on human subjects with good results. Phase II studies were commenced on kidney patients during the latter part of 2014 and the result is expected during the first half of 2015.
HPB-assay	HBP-assay is an analysis method to predict severe sepsis at emergency clinics. A first version has been launched, primarily intended for research purposes and interested specialists.	The product has been licensed to cooperation partner Axis-Shield Diagnostics, which is currently developing a commercially viable version. Hansa Medical receives milestone payments as well as additional royalty income in conjunction with sale of the licensed technology.

Depreciation of capitalized development expenditures has not yet commenced since it is not yet possible to begin to use the intangible asset in the manner intended by company management, i.e. it cannot yet begin to generate income. The company will begin to depreciate the capitalized development expenditures when the R&D project or fully developed products can begin to generate income.

Capitalized develpment expenditures are tested against any write-down requirement at least once yearly. In this testing, the recovery value is calculated based on the utility value of the intangible asset which is then compared with reported value.

The write-down testing as per 31 December 2014, 2013 and 2012 showed that there is no write-down requirement. The discount rate used, before tax, amounted to 19.4%, 21.4% and 22.6%, respectively.

Capitalized development expenditures for HBP-assay are depreciated over the term of the underlying patent in the amount of SEK 559,000 per year.

Note 11 Tangible fixed assets

Group		Equipment, tools and fixtures	
SEK '000	14-12-31	13-12-31	12-12-31
Accumulated acquisition value			
Opening balance 1 January	1 173	1 173	1 173
Investments for the year	1 204		
Closing balance 31 December	2 377	1 173	1 173
Accumulated amortization, depreciation and write-downs			
Opening balance 1 January	-875	-735	-565
Depreciation for the year	-219	-140	-170
Closing balance 31 December	-1 094	-875	-735
Reported values			
Per 1 January	298	438	608
Per 31 December	1 283	298	438

Financial leasing

Group	14-12-31	13-12-31	12-12-31
Reported value for assets under financial leasing agreements	128	183	239

The group leases cars under financial leasing agreements.
The leased assets are pledged for the leasing liabilities. See also note 20 and note 26.

Parent company		Equipment, tools and fixtures	
SEK '000	14-12-31	13-12-31	12-12-31
Accumulated acquisition value			
Opening balance 1 January	869	869	869
Investments for the year	1 204		
Closing balance 31 December	2 073	869	869
Accumulated amortization, depreciation and write-downs			
Opening balance 1 January	-754	-670	-556
Depreciation for the year	-164	-84	-114
Closing balance 31 December	-918	-754	-670
Reported values			
Per 1 Jan 2013	115	199	313
Per 31 Dec 2013	1 155	115	199

Note 12 Receivables from group companies

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Accumulated acquisition value			
At the start of the year	2 296	2 295	2 286
Additional receivables	2	1	9
Settled against shareholders' contributions	-2 298		
Reported value at year-end	0	2 296	2 295

Note 13 Financial fixed assets

Group

SEK '000	14-12-31	13-12-31	12-12-31
Financial investments which are fixed assets			
Realizable financial assets			
Shares and participating interests	4 180	10 381	3 590
	4 180	10 381	3 590

The holding pertains to shares in Genovis AB which are listed on First North. These are valued at market value.
During 2014, the shareholding was written down by SEK 4,252,000 (0, 0) and reported in the group's income statement since company management determined that the diminution in value during the year was significant.

Note 14 Other long-term holdings of securities

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Accumulated acquisition value			
At the start of the year	8 317	3 852	
Purchases	115	4 465	3 852
Closing balance 31 December	8 432	8 317	3 852
Accumulated write-downs			
At the start of the year	0	0	
Write-down for the year	-4 252		
Closing balance 31 December	-4 252	0	0
Reported value at year-end	4 180	8 317	3 852

Note 15 Other receivables

Group

SEK '000	14-12-31	13-12-31	12-12-31
Other receivables which are current assets			
VAT receivables	796	328	483
Other receivables	278	325	
	1 074	653	483

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Other receivables (current)			
VAT receivables	796	328	483
Other receivables	278	325	
	1 074	653	483

Note 17 Prepaid expenses and deferred income

SEK '000	14-12-31	13-12-31	12-12-31
Group			
Interest	41		
Accrued royalty and licensing revenue	170	808	1 071
Other	162	145	48
	373	953	1 119
Parent company			
Rental/leasing		17	37
Interest	41		
Accrued royalty and licensing revenue	170	808	1 071
Other	162	145	48
	373	970	1 156

Note 18 Cash and cash equivalents

Group

SEK '000	14-12-31	13-12-31	12-12-31
The following subcomponents are included in cash and cash equivalents:			
Cash and bank balances	10 152	90	18 966
Total pursuant to the balance sheet	10 152	90	18 966
Total pursuant to the statement of cash flows	10 152	90	18 966

Note 19 Shareholders' equity

Share capital och number of shares

Stated as number of shares	2014	2013	2012
Issued as per 1 January	22 225 374	22 225 374	13 521 144
New share issue January 2012			5 000 001
New share issue March 2012			3 704 229
New share issue April 2014	3 704 229		
Issued as per 31 December – paid up	25 929 603	22 225 374	22 225 374

Shares have a quotient value of SEK 1

Holders of common shares are entitled to a dividend which is determined after the fact and the shareholding confers voting rights at the general meeting as one vote per share.

Other contributed capital
Refers to shareholders' equity which is contributed by the owners. This includes premiums which are paid in connection with share issues.

Reserves

Fair value reserve
The fair value reserves includes the accumulated net changes in the fair value on realizable financial assets until the asset is no longer booked on the balance sheet.

Retained profits including result for the year
Retained profits including result for the year includes earned profits in the parent company and its subsidiaries. Prior provisions to statutory reserves, excluding transferred share premium reserves, is included in this shareholders' equity.

Dividend
After the balance sheet date, the board has proposed that no dividend be paid. The dividend proposal will be subject to adoption at the annual general meeting to be held on 2 June 2015.

No dividend was paid for 2012 and 2013.

Parent company

Unrestricted equity
The following reserves, together with result for the year, comprise unrestricted equity, i.e. the amounts which are available for dividends to the shareholders.

Retained profits
Retained profits for the year comprise the preceding year's retained profits and result after deducting dividends paid during the year.

Asset management
The group endeavors to maintain a good financial position which contributes to retaining the trust of creditors and the market, and which constitutes a basis for continued development of the business. The group defines managed assets as total reported shareholders' equity.

Note 20 Interest-bearing liabilities

This note contains information regarding the company's contractual terms and conditions regarding interest-bearing liabilities. For more information regarding the company's exposure to interest rate risk and exchange rate fluctuations, see note 26

Group

SEK '000	2014	2013	2012
Long-term liabilities			
Financial leasing liabilities	91	131	168
	91	131	168
Current liabilities			
Bank overdraft		519	
Current part of financial leasing liabilities	39	37	36
	39	556	36

Financial leasing liabilities
Financial leasing liabilities full due for payment as follows:

Group	Minimum lease charges	Interest	Principal
SEK '000	2014	2014	2014
Within one year	46	7	39
Between one and five years	96	5	91
Longer than five years			0
	142	12	130
	2013	2013	2013
Within one year	46	9	37
Between one and five years	142	11	131
Longer than five years			0
	188	20	168
	2012	2012	2012
Within one year	46	10	36
Between one and five years	188	20	168
Longer than five years			0
	234	30	204

Note 21 Liabilities to credit institutions

Parent company

SEK '000	2014	2013	2012
Current liabilities			
Bank overdraft		519	
	0	519	0

Note 22 Other liabilities

Group

SEK '000	14-12-31	13-12-31	12-12-31
Other current liabilities			
Personnel-related liabilities	1 039	804	617
	1 039	804	617

Parent company

000	14-12-31	13-12-31	12-12-31
Personnel-related liabilities	1 039	804	617
	1 039	804	617

Note 23 Accrued costs and deferred income

Group

SEK '000	14-12-31	13-12-31	12-12-31
Personnel-related costs	1 067	735	639
Directors' fees	181	140	161
Deferred income		2 000	
Other	295	189	299
	1 543	3 064	1 099

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Personnel-related costs	1 067	735	639
Directors' fees	181	140	161
Deferred income		2 000	
Other	295	189	299
	1 543	3 064	1 099

Note 24 Financial risk management and financial instruments

Through its operations, the group is exposed to different types of financial risks. Hansa Medical is exposed to liquidity and financing risks, currency risks, interest rate risks, share price risks, and credit risks. The Board of Directors has adopted a policy for handling financial risks within the group. The Board of Directors is responsible for the group's long-term financing strategy and for any acquisition of capital. The handling of financial risks in the day-to-day operations is handled by the CFO together with the CEO.

Liquidity and financing risk

Liquidity and financing risk is the risk that the group will not have access to financing to meet its contractual obligations, or that this can only be done at a significantly increased cost. The board is responsible for the long-term financing strategy and for any acquisition of capital. All financing must be handled or approved centrally.

In order to secure short-term liquidity, Hansa Medical's financial policy is that at least 80% of the anticipated costs for the coming month must be available in the form of cash or cash equivalents. This goal was fulfilled as of the balance sheet date. On 31 December 2014, cash or cash equivalents amounted to SEK 10,152,000 (90,000; 18,966,000).

According to Hansa Medical's surplus liquidity management policy, any surplus liquidity is divided into two portfolios – A and B – based on the forecasted cash flow. Investments in portfolio A may only be made in very liquid certificates or an equally liquid fund with a satisfactory credit rating. Investments in portfolio B are made primarily in liquid bonds. As of the balance sheet date, however, cash and cash equivalents comprised only bank balances.

The following is a durational analysis of the group's financial liabilities.

2014

SEK '000	Nominal amount	0 - 3 months	3 - 12 months	1 - 5 years
Long-term interest-bearing liabilities	91			91
Current interest-bearing liabilities	39	10	29	
Accounts payable	1 795	1 795		
Total	1 925	1 805	29	91

2013

SEK '000	Nominal amount	0 - 3 months	3 - 12 months	1 - 5 years
Long-term interest-bearing liabilities	131			131
Current interest-bearing liabilities	556	9	547	
Accounts payable	710	710		
Total	1 397	719	547	131

2012

SEK '000	Nominal amount	0 - 3 months	3 - 12 months	1 - 5 years
Long-term interest-bearing liabilities	168			168
Current interest-bearing liabilities	36	9	27	
Accounts payable	840	840		
Total	1 044	849	27	168

Currency risk

Hansa Medical purchases research-related services in USD, GBP and EUR. Accordingly, a drop in the Swedish krona as against the US dollar leads to increased costs for the services,everything else remaining the same. In addition, the group receives licensing revenue which is paid in USD and GBP A strengthening of the Swedish krona against the US dollar or British pound therefore leads to lower revenues for the company expressed in SEK, everything else remaining the same.

A strengthening of SEK against the EUR by an average of 10% would affect the Group's earnings before taxes by approximately SEK +162,000 (+150,000, +349,000). Correspondingly, a strengthening of SEK against GBP by an average of 10% would affect the Group's earnings before taxes by approximately SEK +87,000 (+78,000, +149,000) while a 10% strengthening of SEK against USD would affect earnings before taxes by approximately SEK -46,000 (-43,000, -70,000). The sensitivity analysis has been prepared on the assumption that income and costs in each respective currency will remain unchanged as compared with what was previously reported during each financial year.

Currency risk may also arise in connection with management of surplus liquidity. Under the group's policy, surplus liquidity may only be invested in foreign currency where such investment can meet known outgoing flows within six months in the same currency. As of the balance sheet date, there were, however, no investments in foreign currency.

Interest rate risk
Interest rate risk is the risk that a change in market interest rates will have an adverse impact on earnings.
The group's exposure for interest rate risk is considered to be low since the group only has very limited interest-bearing liabilities. There is certain exposure for interest rate risk through cash and cash equivalents in the form of bank balances. However, this risk is also considered to be low.

In conjunction with investments in interest bearing securities, Hansa Medical endeavours to maximize returns within the scope of the finance policy. Hansa Medical must seek good allocation in an interest-bearing portfolio by having investments with varying terms and conditions but the underlying principle is that investments are to be made in low risk securities.

Share price risk
Hansa Medical is exposed to share price risk through its holding of shares in Genovis AB, which is listed on First North. During 2014, the group reported a write-down on the holding in the amount of SEK 4,252,000 (2013:0, 2012:0)

Credit risk
The group's credit risk is primarily attributable to bank balances. However, this risk is deemed low since the bank balances are in Swedish banks with good credit ratings.

According to the group's finance policy, Hansa Medical may only have bank accounts with, and initiate payments through Swedish and foreign banks which are under the supervision of the Financial Supervisory Authority or a similar foreign authority.

Fair value for financial assets and financial liabilities
Reported values for financial assets and financial liabilities are deemed reasonable estimates of the fair value for each class of financial assets and financial liabilities.

The fair value of the shareholding in Genovis has been established based on the closing price on the the balance sheet date. The valuation of the holding in Genovis therefore belongs to a category 1 in the valuation hierarchy.

Reported value of financial assets and financial liabilities by valuation category

The table below sets forth the reported value of financial assets and financial liabilities by valuation category in IAS 39.

Group

		Loan and accounts payable			Realizable financial assets	
SEK '000	2014	2013	2012	2014	2013	2012
Financial assets valued at fair value						
Financial fixed assets						
Listed shares				4 180	10 381	3 590
Financial assets which cannot be valued at fair value						
Accounts payable	59		672			
Accrued income	211	808	1 071			
Other receivables	278	325				
Cash and cash equivalents	10 152	90	18 966			
Total financial assets	**10 700**	**1 223**	**20 709**	**4 180**	**10 381**	**3 590**

	Financial liabilities valued at accrued acquisition value		
SEK '000	**2014**	**2013**	**2012**
Long-term interest-bearing liabilities	91	131	168
Current interest-bearing liablities	39	556	36
Accounts payable	1 795	710	840
Total financial liabilities	**1 925**	**1 397**	**1 044**

Note 25 Operational leasing

Leasing agreements where the company is the lessee.
Future payments for leasing agreements which cannot be terminated amount to:

Group

SEK '000	14-12-31	13-12-31	12-12-31
Within one year	1 065	963	935
Between one and five years	2 133		
Longer than five years			
	3 198	963	935

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Within one year	1 111	1 009	981
Between one and five years	2 133	46	92
Longer than five years			
	3 244	1 055	1 073

Of the group's operational leasing agreements, the majority pertain to leases for property and premises where operations are conducted.

Booked charges for operational leasing agreements amount to:

Group

SEK '000	2014	2013	2012
Total leasing expenses	1 087	962	888

Parent company

SEK '000	2014	2013	2012
Total leasing expenses	1 151	1 029	954

Note 26 Pledged property, contingent liabilities and contingent assets

Group

SEK '000	14-12-31	13-12-31	12-12-31
Property pledged			
In the form of a property pledged for own liabilities and provisions			
Assets with reservation of title	128	183	239
Total pledged property	128	183	239

Note 27 Closely-related parties

Close relationships

The group has close relationships with Farstorps Gård AB, the decedent's estate of Bo Håkansson, Nexttobe AB, and with key individuals in management positions. Farstorps Gård AB was wholly-owned by the previews chairman of the board, Bo Håkansson. Nexttobe AB was previously the company's second largest shareholder with holdings of 29.1%.

The parent company also has a close relationship with its subsidiary, see note 28.

Transactions with closely-related parties	2014	2013	2012
Bo Håkansson			
Compensation for issue underwriting	418		
Farstorps Gård AB			
Compensation for issue underwriting			250
Consultancy fees			35
Nexttobe AB			
Compensation for issue underwriting	418		250

Transactions with key persons in senior management positions

Transactions with key persons in senior management positions are set forth in note 4.

Note 28 Group companies

Holdings in subsidiaries

	Subsidiary's registered office, country	2014 Ownership interest in %	2013 Ownership interest in %	2012 Ownership interest in %
Cartela R & D AB	Lund, Sweden	100,0%	100,0%	100,0%

Parent company

SEK '000	14-12-31	13-12-31	12-12-31
Accumulated acquisition value			
At the start of the year	100	100	100
Reported value as of 31 December	100	100	100

Specification of the parent company's direct holding of participating interests in subsidiaries

Subsidiary/Reg. No./ Registered office	Number of shares	Shares in %	14-12-31 Reported value	13-12-31 Reported value	12-12-31 Reported value
Cartela R & D AB, 556746-0083, Lund	1000	100	100	100	100
			100	100	100

Note 29 Cash flow analysis

Group

SEK '000	2014	2013	2012
Depreciation/amortization	1 349	152	183
	1 349	152	183

Parent company

SEK '000	2014	2013	2012
Depreciation/amortization and write-downs	1 294	96	127
	1 294	96	127

Note 30 Events after the balance sheet date

The company reported preliminary results from the clinical phase II study entailing that Ides quickly and effectively reduces the levels of HLA antibodies.

Göran Arvidson was appointed CFO.

The company announced the formation of a medical advisory committee for IdeS in anti-GBM (Goodpastures sjukdom).

Hansa Medical of a loan in the amount of MSEK 20 from the largest shareholder Nexttobe AB. The purpose of the loan was to strengthen the company's financial endurance. The loan carries market rate interest of 5% and the lender is entitled to demand repayment at the end of 2015.

The company announced that Dr. Stanley Jordan had been appointed medical advisor in the United States and that approval has been obtained From the US FDA to clinically trial Ides in sensitized transplant patients in the United States.

The company announced that it is developing and submitting a patent application regarding a second-generation IdeS molecule, which is intended to make possiblerepeated dosages and potential he provide IdeS with the role in the treatment of chronic auto immune diseases.

The company announced that a preliminary application have been submitted for admission for trading on Nasdaq Stockholm.

Hansa Medical's licensee, Axis-Shield Diagnostics Ltd, has entered into a sublicensing agreement with the Chinese diagnostics company Hangzhou Joinstar Biomedical Technology Co Ltd for commercialization of HBP-assay in China.

The largest shareholder, Farstorps Gård AB, reduces its shareholdings from 43% to approximately 27%.

The Board of Directors resolved to carry out a new share issue which provides the company with MSEK 246 prior to issue costs. The new issue is entirely underwritten through subscription and underwriting undertakings. The subscription period for the issue runs from 19 March 2015 up to and including 2 April 2015.

Hansa Medical's CFO Göran Arvidson is appointed acting CEO during Fredrik Lindgren's leave of absence on medical grounds.

Note 31 Significant estimates and appraisals

Certain assumptions regarding the future and certain estimates and appraisals as of the balance sheet date have particular significance for the valuation of the assets and liabilities reported in the balance sheet. The areas where the risk of significant changes in value during the following year are important because the assumptions or estimates may need to be changed are discussed below.

Recovery of the value of development expenditures

At least once yearly, the group examines whether there is any write-down requirement in respect of outstanding R&D projects. Future cash flow is discounted in conjunction with the calculation of the utility value at an interest rate which takes into consideration the market's assessment of risk free interest rates and risk (WACC). The group bases these calculations on estimated forecasts and business plans. The estimates and assumptions made by management in conjunction with the determination of whether there is any write-down requirement may have a significant impact on the group's reported result. Write-downs are made if the estimated utility value is less than the reported value and affects the earnings for the year. The group's business is based entirely on the future commercialization of the research projects which are conducted and whether these are appraised, and if the appraisal of their potential going foward would change, this would entail an adverse impact on the group's business, results and financial position.

Note 32 Information regarding the parent company

Hansa Medical AB (publ) is a limited company registered in Sweden (company reg. no. 556734-5359) with its registered office in Lund.
The parent company's shares are registered on Nasdaq First North.
The address of the headquarters is Scheelevägen 22, 223 63 Lund.
The consolidated accounts for 2014 comprise the parent company and its subsidiaries, together designated the "Group".

Note 33 Transition to financial reporting in accordance with IFRS

This consolidated financial report is the first which has been prepared applying IFRS, which is stated in note 1.

The accounting principles which are stated in note 1 have been applied to the preparation of the group's consolidated financial reports for the 2014 financial year and for comparison years 2013 and 2012, as well as for the group's opening balance on 1 January 2012. In the preparation of the group's opening balance sheet, amounts reported pursuant to previously applied accounting principles have been adjusted in accordance with IFRS. Explanations regarding how the transition from previous accounting principles to IFRS has affected the group's financial position, financial results and cash flow are stated in the following tables and accompanying explanations.

Operating acquisitions prior to 1 January 2012 have not been recalculated.

IAS 17
Pursuant to previously applied accounting principles, leasing agreements are reported as operational. The transition to IFRS has meant that some of the agreements have been classified as financial leasing agreements and thus reported as assets as well as interest-bearing liabilities in the consolidated balance sheet. In the income statement, the leasing cost has been replaced by amortization and interest costs.

IAS 36
A review of the booked values for assets has taken place as of the date of transition to IFRS in accordance with the rules of IFRS. In this review, intangible assets for which use has commenced have been reviewed if there is an indication of impairment in which case an impairment assessment has been carried out. For intangible assets which are not yet ready for use, there is a mandatory impairment assessment requirement. The outcome of this has led to impairment of intangible assets as of the 1 January 2012 opening balance.

IAS 39
The group holds listed shares and participating interests. These have been classified as realizable financial assets. In accordance with IAS 39, these have been valued at fair value in the balance sheet with changes in value as Other comprehensive income, and which have been accumulated in the fair value reserve in shareholders' equity.

Effects on the income statement, balance sheet, and shareholders' equity
In the following summary, the above effects are shown on the income statement, balance sheet, and shareholders' equity as if IFRS had been applied during 2012 and 2013.

Consolidated balance sheet 1 January 2012

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Assets					
Intangible fixed assets	37 675		-2 393		35 282
Tangible fixed assets	313	295			608
Total fixed assets	37 988	295	-2 393	0	35 890
Tax receivables	108				108
Accounts receivable	381				381
Prepaid costs and deferred income	559	-57			502
Other receivables	703				703
Cash and cash equivalents	1 157				1 157
Total fixed assets	2 908	-57	0	0	2 851
Total assets	40 896	238	-2 393	0	38 741
Shareholders' equity					
Share capital	67 605				67 605
Additional paid-in capital	19 806				19 806
Reserves					0
Retained earnings including result for the year	-52 704		-2 393		-55 097
Shareholders' equity attributable to the parent company's shareholders	34 707	0	-2 393	0	32 314
Total shareholders' equity	34 707	0	-2 393	0	32 314
Liabilities					
Long-term interest-bearing liabilities		204			204
Total long-term liabilities	0	204	0	0	204
Current interest-bearing liabilities	2 700	34			2 734
Accounts payable	634				634
Other liabilities	477				477
Accrued costs and prepaid income	2 378				2 378
Total current liabilities	6 189	34	0	0	6 223
Total liabilities	6 189	238	0	0	6 427
Total shareholders' equity and liabilities	40 896	238	-2 393	0	38 741

Consolidated income statement 1 January - 31 December 2012

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Net sales	1 781				1 781
Other operating income	838				838
Total operating income, stock changes, etc.	2 619	0	0	0	2 619
Selling and administrative costs	-5 975	10			-5 965
Research and development costs	-13 350				-13 350
Other operating costs	-102				-102
Operating result	-16 808	10	0	0	-16 798
Financial income	347				347
Financial expenses	-5	-12			-17
Net financial items	342	-12	0	0	330
Result before taxes	-16 466	-2	0	0	-16 468
Taxes					0
Result for the year	-16 466	-2	0	0	-16 468
Attributable to:					
Parent company shareholders	-16 466	-2	0	0	-16 468
	-16 466	-2	0	0	-16 468
Earnings per share					
before dilution (SEK)	-0,75	0,00	0,00	0,00	-0,75
after dilution (SEK)	-0,75	0,00	0,00	0,00	-0,75

Consolidated statement of comprehensive income

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Result for the year	-16 466	-2	0	0	-16 468
Other comprehensive income					
Items that have been, or may be reclassified to profit or loss for the year					
Fair value changes during the year for realizable financial assets				-262	-262
Other comprehensive income for the year	0	0	0	-262	-262
Total comprehensive income	-16 466	-2	0	-262	-16 730
Total comprehensive income attributable to:					
Parent company's owner	-16 466	-2	0	-262	-16 730
Total comprehensive income	-16 466	-2	0	-262	-16 730

Consolidated balance sheet 31 December 2012

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Assets					
Intangible fixed assets	40 369		-2 393		37 976
Tangible fixed assets	199	239			438
Financial fixed assets	3 852			-262	3 590
Total fixed assets	44 420	239	-2 393	-262	42 004
Tax receivables	101				101
Accounts payable	672				672
Prepaid expenses and deferred income	1 156	-37			1 119
Other receivables	483				483
Cash and cash equivalents	18 966				18 966
Total current assets	21 378	-37	0	0	21 341
Total assets	65 798	202	-2 393	-262	63 345
Shareholders' equity					
Share capital	22 225				22 225
Additional paid-in capital	1 480				1 480
Reserves				-262	-262
Retained earnings including profit or loss for the year	39 537	-2	-2 393		37 142
Shareholders' equity attributable to parent company shareholders	63 242	-2	-2 393	-262	60 585
Total shareholders' equity	63 242	-2	-2 393	-262	60 585
Liabilities					
Long-term interest-bearing liabilities		168			168
Total long-term liabilities	0	168	0	0	168
Current interest-bearing liabilities		36			36
Accounts payable	840				840
Other liabilities	617				617
Accrued expenses and pre-paid income	1 099				1 099
Total current liabilities	2 556	36	0	0	2 592
Total liabilities	2 556	204	0	0	2 760
Total shareholders' equity and liabilities	65 798	202	-2 393	-262	63 345

Consolidated income statement 1 January - 31 December 2013

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Net sales	1 690				1 690
Other operating income	37				37
Total operating income, stock changes, etc.	1 727	0	0	0	1 727
Selling and administrative costs	-6 716	10			-6 706
Research and development costs	-12 537				-12 537
Other operating costs	-113				-113
Operating result	-17 639	10	0	0	-17 629
Financial income	93				93
Financial expenses	-16	-10			-26
Net financial items	77	-10	0	0	67
Result before taxes	-17 562	0	0	0	-17 562
Taxes					0
Result for the year	-17 562	0	0	0	-17 562
Attributable to:					
Parent company shareholders	-17 562	0	0	0	-17 562
	-17 562	0	0	0	-17 562
Earnings per share					
before dilution (SEK)	-0,75	0,00	0,00	0,00	-0,75
after dilution (SEK)	-0,75	0,00	0,00	0,00	-0,75

Consolidated statement of comprehensive income

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Result for the year	-17 562	0	0	0	-17 562
Other comprehensive income					
Items that have been, or may be reclassified to profit or loss for the year					
Fair value changes during the year for realizable financial assets				2 326	2 326
Other comprehensive income for the year	0	0	0	2 326	2 326
Total comprehensive income	-17 562	0	0	2 326	-15 236
Total comprehensive income attributable to:					
Parent company's owner	-17 562	0	0	2 326	-15 236
Total comprehensive income	-17 562	0	0	2 326	-15 236

Consolidated balance sheet 31 December 2013

SEK '000	Pursuant to earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	Pursuant to IFRS
Assets					
Intangible fixed assets	40 421		-2 393		38 028
Tangible fixed assets	115	183			298
Financial fixed assets	8 317			2 064	10 381
Total fixed assets	48 853	183	-2 393	2 064	48 707
Tax receivables	211				211
Accounts payable					0
Prepaid expenses and deferred income	970	-17			953
Other receivables	653				653
Cash and cash equivalents	90				90
Total current assets	1 924	-17	0	0	1 907
Total assets	50 777	166	-2 393	2 064	50 614
Shareholders' equity					
Share capital	22 225				22 225
Additional paid-in capital	1 480				1 480
Reserves				2 064	2 064
Retained earnings including profit or loss for the year	21 975	-2	-2 393		19 580
Shareholders' equity attributable to parent company shareholders	45 680	-2	-2 393	2 064	45 349
Total shareholders' equity	45 680	-2	-2 393	2 064	45 349
Liabilities					
Long-term interest-bearing liabilities		131			131
Total long-term liabilities	0	131	0	0	131
Current interest-bearing liabilities	519	37			556
Accounts payable	710				710
Other liabilities	804				804
Accrued expenses and pre-paid income	3 064				3 064
Total current liabilities	5 097	37	0	0	5 134
Total liabilities	5 097	168	0	0	5 265
Total shareholders' equity and liabilities	50 777	166	-2 393	2 064	50 614

Lund, 26th of October 2015

Birgit Stattin Norinder
Chairman of the board

Anders Blom Stina Gestrelius

Hans Schikan Per-Olof Wallström

Cindy Wong

Auditor's report regarding the revised financial reports of historical financial information

To the board of directors of Hansa Medical AB, company registration number 556734-5359

We have audited the financial reports of Hansa Medical AB on pages 71-105 which cover the balance sheets as per 31 December 2012, 31 December 2013 and 31 December 2014 and the income statement, cash flow analysis and report of changes in shareholders' equity for these years as well as a summary of significant accounting principles and other supplemental information.

The board of directors and CEO's responsibility for the financial reports
The board of directors and CEO are responsible for ensuring that the financial reports are produced and presented in such a manner as to provide a fair and true view of the financial position, earnings, changes in shareholders' equity and cash flow in accordance with the International Financial Reporting Standards as adopted by the EU, and the Swedish Annual Accounts Act and supplemental applicable standards. This obligation includes the design, implementation and maintenance of internal controls which are relevant for producing and accurately presenting financial reports which are free of material inaccuracies, whether due to irregularities or errors. The board of directors is also responsible for ensuring that the financial reports are produced and presented according to the requirements set forth in the Prospectus Regulation (809/2004/EC).

The auditor's responsibility
Our responsibility is to express an opinion on the financial reports based on our audit. We have carried out the audit in accordance with recommendation RevR 5 of the Swedish Institute of Authorized Public Accountants, *Review of Financial Information in Prospectuses*. This entails that we comply with professional ethics requirements and plan and execute the audit in order to achieve reasonable certainty that the financial reports are free of material inaccuracies.
An audit in accordance with recommendation RevR 5 of the Swedish Institute of Authorized Public Accountants, *Review of Financial Information in Prospectuses* includes obtaining, through various measures, audit evidence regarding amounts and other information in the financial reports. The selected measures are based on our assessment of the risks of material inaccuracies in the financial reports, whether due to irregularities or errors. In conjunction with this risk assessment, we take into account those parts of the internal controls which are of relevance for the manner in which the company prepares the financial reports in order to provide a fair and true view, with the aim of structuring audit measures which are appropriate in light of the circumstances, but not with the aim of issuing an opinion regarding the efficacy of the company's internal controls. An audit also includes an evaluation of the appropriateness of the accounting principles applied and of the reasonableness of the estimations made by the board of directors and the CEO, as well as an evaluation of the overall presentation in the financial reports. We consider the audit evidence we have obtained to be sufficient and appropriate to constitute a basis for our opinions.

Opinion
In our opinion, the financial reports provide a fair and true view in accordance with the International Financial Reporting Standards as adopted by the EU, and the Swedish Annual Accounts Act and supplemental applicable standards of Hansa Medical AB's financial position as per 31 December 2012, 31 December 2013 and 31 December 2014, and the earnings, report of changes in shareholders equity and cash flow for these years.

Malmö, _____ 2015
KPMG AB

Dan Kjellqvist
Authorised Public Accountant

Glossary

Alpha-10
Alpha-10 or beta-1, is a surface protein that is only expressed by the cells that are directly responsible for the formation of cartilage tissue, chondrocytes.

Alpha-11
Alpha-11, or integrin alpha-11/beta 1, which is the complete designation, is a surface protein on a particular type of cell which is primarily found in inflamed synovial membranes andactivated synovial fibroblasts.

AMR
Antibody-mediated rejection.

Antigen
A substance foreign to the body which activates the immune system. The activation of the immune system leads to immunity against the antigen.

Antibody
A type of protein which is produced by the body's immune system with the intent to bind to foreign substances, bacteria, or viruses. Anti-bodies are also called immunoglobulins.

Autoimmun disease
Diseases which can arise when the bodies immune system reacts to the body’s own structures.

Biological pharmaceuticals
Pharmaceuticals which are produced with biotechnical methods, for example recombinant proteins and antibodies.

Biomarkers
A biomarker is often a protein which can be detected in blood and where there is a verified connection between the existence of the proteins in the blood and a particular illness.

Biotechnology
The use of living cells or components from cells in order to produce or modify products used in healthcare, the handling of food, and agriculture.

CAIA
Collagen-antibody induced arthritis).

Clinical studies
The investigation of a new pharmaceutical or form of treatment with healthy test persons or with patients where the intention is to study the effects and safety of a form of treatment not yet approved.

Clinical phase I
Phase I refers to the first time in which a pharmaceutical under development is administered to a human being. Phase I studies are often carried out with a small number of healthy volunteers in order to study the safety and dosages of a form of treatment not yet approved.

Clinical phase II
Phase II refers the first time in which a pharmaceutical under development is administered to patients in order to study the safety, dosages and effects of a form of treatment not yet approved.

Clinical phase III
Phase III trials include many patients and are often carried out for a longer period of time; they are intended to clarify the effects and side effects of the pharmaceutical during ordinary, but nonetheless carefully controlled, conditions.

Chronic rheumatoid arthritis
An autoimmune disease in which the body attacks joints which gives rise to injuries to articular cartilage, bone and surrounding soft tissue with significant pain and functional impediment as a consequence.

Diagnostics
A broad spectrum of various methods to identify diseases and medical conditions based on clinical symptoms and a series of different medical tests such as, for example, blood tests and radiology.

Donor-specific antibodies
A repertoire of antibodies which may constitute an impediment to a patient undergoing a transplant with an organ from a specific donor. These antibodies are often of the anti-HLA type and have been developed by the patient earlier on in life as a consequence of a blood transfusion, pregnancy, or a transplant.

DSA
Donor-specific HLA-antibodies.

EndoS
Endoglycosidase of *Streptococcus pyogenes*. Bacterial enzyme with the unique ability to modify a specific carbohydrate chain on IgG antibodies.

Enzyme
A protein which speeds up, or initiates, a chemical reaction without itself being affected.

GMP
Good Manufacturing Practice is an overall quality-assurance system applied in the production of pharmaceuticals.

GP, Goodpasture's disease
Goodpasture's disease is a rare autoimmune disease, which means that the body's immune system sees own tissues as foreign. The disease primarily affects lungs and kidneys.

Guillain-Barrés syndrome
A rare and acute autoimmune disease of the nervous system in which antibodies are formed which are primarily targeted against the isolated myelin sheath of nerves and nerve roots.

HBP
HBP, Heparin Binding Protein, is a protein occurring naturally in the body which is used by certain immune cells, neutrophil granulocytes, for, among other things, transportation from the circulatory system into other tissues.

HLA
HLA, Human Leukocyte Antigen, is a protein complex which is found on the surface of all human cells. The immune system uses HLA to distinguish between the body's own substances and foreign substances.

IdeS
IdeS, Immunoglobulin G-degrading enzyme of *Streptococcus pyogenes* is a bacterial enzyme with strict specificity for IgG antibodies. The enzyme has the unique ability to cleave and thus inactivate human IgG antibodies.

IgG
IgG, Immunglobulin klass G, is the dominant type of antibody in serum.

Immunology
The study of the immune system's design and function in healthy and diseased states.

In vitro
The term is used in biomedical science to indicate that an experiment or observation has been made in a test tube, for example, i.e. in an artificial environment and not in a living organism.

In vivo
A term used in biomedical science to indicate that an experiment or observation has been made on or in living organisms.

ITP
Idiopathic (immune) thrombocytopenic purpura (ITP) is an organ-specific autoimmune disease characterized by an increase in the destruction of thrombocytes in combination with an inability of the bone marrow to compensate with an increase in the production of thrombocytes.

Milestone compensation
Compensation which a company receives pursuant to a cooperation agreement when the cooperation reaches a predetermined goal, for example proof-of-concept.

Pathogen
Something which causes illness, for example contagions and autoimmunity.

Pharmaceutical candidate
A substance with the potential of being developed into a pharmaceutical.

Plasmapheres
Plasmapheres is a medical-technical method in which proteins dissolved in the blood are removed from the blood outside of the body.

Preclinical development
Testing and documentation of the qualities of a pharmaceutical candidate in modeling systems.

Recombinant DNA
DNA molecules which are produced artificially from DNA from various sources.

Sensitized

Carrying significant levels of HLA antibodies. These antibodies constitute an impediment to transplants due to an increased risk of a rejection of the implanted organ.

Sepsis

Diagnosed or suspected infection in combination with the patient having Systematic Inflammatory Response Syndrome (SIRS). Clinical symptoms of systematic inflammation may include a combination of fever, increased heart rate, and increased respiratory rate.

Streptococcus pyogenes

A gram-positive bacteria which is primarily found in the upper respiratory tracts of human beings. Certain strains can cause throat infections and infected sores.

Severe sepsis

Sepsis becomes severe sepsis when the patient also suffers from circulatory effects and diminished functions in vital organs such as the brain, heart, lungs, kidney or liver.

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