

LinkMed AB (publ)

Year-end report 2007

Key events in the fourth quarter

- New portfolio company Likvor AB
- ONCOlog Medical enters into partnership with C-RAD
- Ortoviva announces start of clinical trials 2008
- Yvonne Axelsson new CFO

Key events after the period end

- Agneta Edberg new Chief Operating Officer (COO) and Jonas Graff-Lonnevig new VP Financial Transactions, responsible for exits

Financial information for 2007

- Results from investment activities were SEK -10.4 million (-2.5), of which SEK -10.4 million (0.0) in the fourth quarter as a result of the write down of LinkMed's holding in SACS Medical
- Other income amounted to SEK 5.0 million (4.0), of which SEK 1.3 million (1.3) in the fourth quarter
- Net income/loss after tax was SEK -19.2 million (-14.5), of which SEK -13.3 million (-4.0) in the fourth quarter
- Earnings per share was SEK -2.20 (-2.58)
- Shareholders' equity was SEK 278.5 million (296.2)
- Equity per share was SEK 31.93 (33.96)
- Equity/assets ratio was 98 (97) percent
- Liquid funds amounted to SEK 125.2 million (202.7)

Comments on 2007 from LinkMed CEO, Ingemar Lagerlöf:

"I am very pleased with the development of most of our portfolio companies last year and would like to point out that several of them have reached important milestones. A number of these companies have reached such a level of maturity that it is time for us to prepare for our exit as an owner. We have therefore strengthened our organization and I estimate that we will have carried out a couple of exits before 2010."

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Key events in the fourth quarter

Portfolio companies

Likvor a new portfolio company

In November, Likvor AB, a company developing an instrument that dynamically measures cerebrospinal fluid pressure, became LinkMed's twelfth portfolio company. An independent multicenter study using Likvor's instrument is ongoing at five university hospitals in Sweden and Denmark. LinkMed acquired 49 percent of Likvor through a non-cash issue of SEK 1.5 million to Uminova Invest AB and thereafter invested SEK 4.0 million in a new share issue.

ONCOlog Medical enters into partnership with C-RAD

In November, ONCOlog Medical and the medtech company C-RAD entered into a strategic agreement in the area of radiotherapy. To start with, the companies will adapt their patient positioning systems to each others'.

Ortoviva announces start of clinical trials in 2008

In October, Ortoviva announced that development work was progressing well and that testing carried out by the company yielded very positive results. The company plans therefore to commence clinical trials in the beginning of 2008.

LinkMed's operations:

Yvonne Axelsson new CFO

In November, Yvonne Axelsson was appointed as new CFO. Yvonne has been part of LinkMed since 2005 and participated actively in the company's stock exchange listing. Yvonne's most recent position was Financial Manager at LinkMed, responsible for the company's financial reporting. She has been controller and CFO at companies in the finance, real-estate and insurance sectors and has worked at the Swedish Financial Supervisory Authority.

Key events after the period end

Agneta Edberg new Chief Operating Officer (COO) and Jonas Graff-Lonnevig new VP Financial Transactions

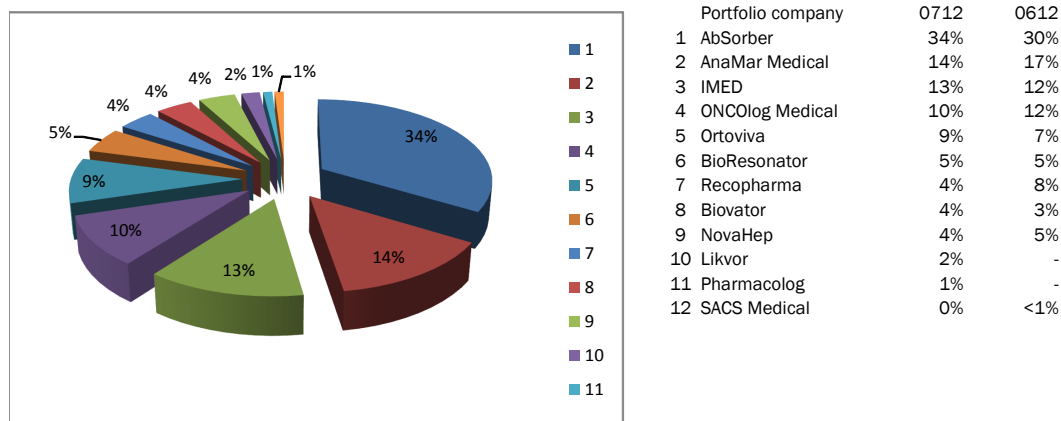
LinkMed's organization was strengthened with the addition of two key employees in order to handle the higher tempo resulting from the maturation of LinkMed's portfolio companies. Agneta Edberg has taken on the position as COO and Senior Venture Manager, which includes operational responsibility for portfolio company development, among other duties. Agneta has held a number of leading positions in life science companies. In conjunction with taking on her new position, she stepped down from the LinkMed Board of Directors.

Jonas Graff-Lonnevig was recruited to a new position of VP Financial Transactions with a special focus on driving exit work. Jonas joins LinkMed from Arctos M & A, financial advisors in cross-border transactions involving mid-sized companies, where he was partner.

Portfolio development

LinkMed develops life-science companies in collaboration with innovators and other financiers. By contributing entrepreneurship and capital, LinkMed has created a portfolio of twelve companies, six in drug development and biotechnology and six in medical technology. LinkMed's role changes as its portfolio companies develop. The emphasis moves from operational to strategic and the entrepreneurship role evolves into active Board work. The LinkMed share is listed on the OMX Nordic Exchange, Stockholm, and the company's largest shareholders are FastPartner, Koncentra Holding, the founder Ingemar Lagerlöf.

Estimated breakdown of portfolio value



LinkMed continuously monitors the value development of its portfolio companies and their projects. In order to estimate the value of its portfolio of companies, LinkMed uses a probability adjusted cash flow model, described at www.linkmed.se. Valuation at year-end 2007 was estimated to be 18 percent higher than at year-end 2006. The four largest companies accounted for 71 percent of portfolio value. The relative increase in share of portfolio value for AbSorber and IMED is due an increase in LinkMed's ownership stake in these companies, while LinkMed's ownership stake in AnaMar Medical has decreased by 4.3 percent. At the same time, certain companies have reached key development milestones, resulting in a higher valuation.

Investments in associated companies, SEK thousands

Associated companies	Invested by LinkMed ¹⁾		Total invested ¹⁾		Ownership stake		Share of portfolio value ²⁾
	2007	2006	2007	2006	2007	2006	2007
	Year	Year	Year	Year	Dec-31	Dec-31	Dec-31
<i>Drug development and biotech</i>							
AbSorber	22 490	13 526	53 500	35 000	42,1%	40,4%	34%
AnaMar Medical	38 159	27 914	156 505	123 100	24,9%	29,2%	14%
Biovator	6 370	2 593	10 943	7 153	46,0%	46,0%	4%
IMED	20 965	11 010	46 100	26 100	42,3%	38,8%	13%
NovaHep	5 588	2 626	5 741	2 725	49,5%	49,5%	4%
Recopharma	20 147	10 949	21 854	12 183	49,5%	49,5%	4%
<i>Medtech</i>							
BioResonator	8 789	5 305	18 250	12 250	49,2%	42,4%	5%
Likvor	5 469	-	7 069	-	49,0%	-	2%
ONCOlog Medical	19 773	13 425	32 072	25 362	48,1%	48,1%	10%
Ortoviva	5 620	4 320	5 671	4 321	49,0%	49,0%	9%
Pharmacolog	890	-	1 150	-	48,0%	-	1%
SACS Medical	12 851	10 838	15 180	12 850	42,8%	42,8%	0%
Summa	167 108	102 506	374 035	261 044			

¹⁾ Investments refer to accumulated value related to share capital, shareholders' contribution, convertibles and receivables.

²⁾ Evaluated according to LinkMed's probability adjusted cash flow model.

LinkMed's investment in associated companies increased during 2007 by SEK 64.6 million to SEK 167.1 million. The largest investments during the year were made in AnaMar Medical at SEK 10.2 million, IMED at SEK 10.0 million, Recopharma at SEK 9.2 million and AbSorber at SEK 9.0 million. During the fourth quarter investments increased by SEK 20.1 million. In 2007, two new companies have been added to the portfolio, Pharmacolog and Likvor. Together, these two new investments accounted for approximately 10 percent of investments.

LinkMed accounted for 57 percent of investments made in associated companies during the year, which increased LinkMed's share of investments in associated companies to 45 (39) percent.

Financial information associated companies 2007, SEK thousands

Associated companies	Capitalized ¹⁾	Cash	Assets	Liabilities	Equity	Revenue ²⁾	Net profit	Cash flow ³⁾
<i>Drug development and biotech</i>								
AbSorber	12 307	9 217	24 134	2 908	21 226	3 859	-9 748	-11 579
AnaMar Medical	8 808	16 104	28 243	5 821	22 422	3 493	-30 905	-28 974
Biovator	5 609	1 556	7 408	5 522	1 886	735	-864	-1 456
IMED	820	19 508	22 022	1 179	20 843	5	-6 906	-7 723
NovaHep	3 088	956	4 754	973	3 781	459	-1 215	-2 482
Recopharma	2 694	505	13 671	11 165	2 506	938	-8 240	-8 322
<i>Medtech</i>								
BioResonator	7 308	5 170	12 786	8 795	3 991	1 982	-1 459	-3 865
Likvor	214	5 369	5 751	219	5 532	322	-67	-230
ONCOlog Medical	10 519	0	13 731	6 354	7 377	14 666	-3 614	-5 619
Ortoviva	519	595	1 536	1 318	218	0	-5 453	-5 076
Pharmacolog	621	315	1 000	723	277	0	-223	-835
SACS Medical	4 638	251	5 260	7 019	-1 759	2 218	-2 986	-2 581
Total 2007	57 145	59 546	140 296	51 996	88 300	28 677	-71 680	-78 742
Total 2006	46 722	21 537	86 292	44 998	41 294	16 896	-67 551	-67 916
LinkMed's share								
Total 2007	24 461	23 306	58 234	23 209	35 025	12 565	-26 488	-30 038
Total 2006	18 649	7 867	34 678	17 734	16 944	7 032	-22 601	-24 270

¹⁾ Capitalization refers to development and patent costs brought forward.

²⁾ Revenue includes capitalized development and patent costs with a total of SEK 12 879

³⁾ Cash flow refers to the operation's cash flow after investments

The associated companies are prepared in accordance with ÅRL och BFN. These figures are not fully audited.

All associated companies had negative cash flows during the year, which together totaled SEK -78.7 million, compared to SEK -67.9 million for 2006. Cash flow mainly comprised costs for development work financed by the owners. At December 31, 2007, associated companies together had liquid funds amounting to SEK 59.5 million, compared to SEK 21.5 million on December 31, 2006.

AbSorber, AnaMar Medical, IMED, BioResonator and Likvor all have several owners who take an active part in the respective company's financing. ONCOlog Medical is currently in a process to raise capital and Recopharma plans on seeking out new investors in 2008, who in collaboration with LinkMed can contribute continued financing. The associated companies believed to have the greatest capital requirements for 2008 are IMED and Recopharma.

Development of portfolio companies

Drug development and biotechnology

AbSorber AB

AbSorber develops products that facilitate successful transplantations. The company's first product, the transplantation test XM-ONE™ identifies important antibodies responsible for rejection subsequent to transplantation. The company is also developing an ABO Column for transplantations between individuals of different blood groups and an ABO diagnostic that measures the occurrence of blood group antibodies.

AbSorber	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	12 307	9 217	24 134	2 908	21 226	3 859	-9 748	-11 579
12 months 2006	10 518	2 056	13 661	1 187	12 474	1 568	-4 580	-7 598

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

At the end of 2007, AbSorber built up a joint management organization with their U.S. partner Becton Dickinson (BD). BD continued to strengthen its organization for sales of XM-ONE in Europe where some 20 clinics are currently evaluating the transplantation test. During this period, AbSorber is providing test kits free of charge to these clinics.

AbSorber is currently carrying out a number of parallel activities in order to facilitate and speed up clinics' decisions to include XM-ONE in their transplantation routines. The XM-ONE study that was carried out in collaboration with leading transplantation clinics in the U.S. and Sweden has been submitted for publishing in scientific journals. The study shows that XM-ONE provides clinics with a better basis for decision making on how to treat transplantation patients. It is anticipated that the study will be a key tool for marketing XM-ONE following publication.

AbSorber has applied for FDA registration of XM-ONE in order to market the test in the U.S. FDA has requested certain supplementary information following a delay of the registration process due to a change of administrator at the authority. AbSorber deems the provision of the requested supplementary information to be an uncomplicated process and expects to be granted registration during the first quarter 2008. LinkMed's estimation that XM-ONE, despite delays, should be able to achieve a market share of 25 percent in Europe and the U.S. before 2011 remains unchanged.

Development of an ABO diagnostic tool is proceeding according to plan. The company is also developing an ABO column, which makes it possible to transplant organs between people of different blood groups. AbSorber plans to complete the clinical trials that are required prior to being granted approval to market the product in the EU and U.S.

Absorber's revenues amounted to SEK 3.9 million in 2007, of which sales of XM-ONE accounted for SEK 1.6 million, with SEK 0.8 million related to sales to the healthcare industry in Sweden through AbSorber's own sales organization and SEK 0.8 million to the rest of Europe through BD's sales organization.

AnaMar Medical AB

AnaMar Medical develops drugs and biomarkers for diagnosing and monitoring/predicting chronic joint diseases such as rheumatoid arthritis and chronic joint inflammation. AnaMar Medical has five drug candidates in preclinical trials, two biomarkers in prototype development and two commercially available biomarkers, COMP®-Elisa and Animal COMP-Elisa.

AnaMar Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	8 808	16 104	28 243	5 821	22 422	3 493	-30 905	-28 974
12 months 2006	12 407	7 970	23 165	16 914	6 251	3 500	-41 215	-32 249

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

AnaMar Medical had revenues of SEK 3.5 million in 2007, of which sales of biomarkers accounted for SEK 3.1 million, up from 2006 when biomarker sales were SEK 2.3 million.

Work to out-license the company's drug candidate AM 240, which is being developed for treatment of rheumatoid arthritis progressed. In parallel with out-licensing discussions AnaMar

Medical continues to develop the project through the completion of IND trials that are required prior to commencing testing on humans.

AnaMar Medical also continued work to out-license the wound healing agent ColMod and SCI for spinal injuries. The company intends to out-license these projects as they are not focused on destructive joint disease. Out-licensing is expected at earliest to occur during the current year.

Biovator AB

Biovator develops tests that predict whether chemical substances may cause allergies. The technology has the potential to substantially reduce the need for animal testing, since it is less expensive and quicker to use and provides results that are more reliable. The tests are designed for use in the chemical, cosmetic and pharmaceutical industries.

Biovator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	5 609	1 556	7 408	5 522	1 886	735	-864	-1 456
12 months 2006	3 449	209	3 807	1 130	2 677	0	-1 203	-1 074

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Development work proceeded on schedule after the company earlier in fall 2007 entered into a partnership agreement with AstraZeneca R&D. The test is expected to be fully developed in 2008 so it can be launched in 2009 when the EU ban on animal testing in the cosmetic industry enters into force.

IMED AB

IMED develops human monoclonal antibodies (MABs) that induce or block natural cell death, so called apoptosis. The company plans to develop antibodies for large therapeutic areas, including HIV, cancer and transplantation.

IMED	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	820	19 508	22 022	1 179	20 843	5	-6 906	-7 723
12 months 2006	738	7 231	8 112	363	7 749	0	-4 146	-4 541

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

LinkMed and Karolinska Development have, as previously announced, contributed SEK 20 million in financing to IMED. The funds will be used to carry out a study program and develop production to meet clinical standards.

Development work is focused on taking MABs to clinical trials. During the year, several studies have been done on human cells and animals. IMED expects to complete the IND trials that are required prior to receiving approval for testing on humans.

The company expanded its organization in 2007, which involved an increase in costs according to plan. Costs are expected to rise in 2008 as a result of the program to take MABs to clinical trials.

NovaHep AB

NovaHep's operations are based on research in liver stem cells. This research, conducted in collaboration with the Karolinska Institute, is aimed at differentiating cell lines of fetal liver stem

cells, which can then be used in the field of transplantations, for example. The company's primary goal is to develop an immortalized cell line and then begin development work for more specific areas of application.

NovaHep	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	3 088	956	4 754	973	3 781	459	-1 215	-2 482
12 months 2006	2 298	2	2 388	1 761	627	0	-408	-1 871

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Development work continued in the fourth quarter and it is estimated that the first development milestone could be reached in 2008. Following this, NovaHep will select prioritized areas of application such as tests for toxicity and metabolism of medicine as well as artificial livers and specific liver cell transplantations.

Recopharma AB

Recopharma is active in the area of recombinant glycoproteins. These mucin-like proteins has a sugarcoating which can affect several biological processes. Recopharma develops mucins for the vaccine market (adjuvants and tumor vaccines) and antimicrobial substances to combat bacteria and viruses that may cause for example influenza and the Norwalk virus.

Recopharma	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	2 694	505	13 671	11 165	2 506	938	-8 240	-8 322
12 months 2006	1 553	20	11 400	4 695	6 705	55	-4 856	-4 955

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Recopharma plans on completing pre-clinical trials of vaccine adjuvants in 2008. Vaccine adjuvants are used to boost the efficacy of the vaccine and work by stimulating a stronger immune defense, thereby achieving better protection.

Medtech

BioResonator AB

BioResonator develops biomedical sensors and diagnostics for use in several healthcare areas. The company focuses primarily on the development of new technology and prototypes for measuring eye pressure. Pilot studies have also been conducted in cancer diagnostics and oedema diagnostics.

BioResonator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	7 308	5 170	12 786	8 795	3 991	1 982	-1 459	-3 865
12 months 2006	5 326	2 928	8 333	6 407	1 926	1 409	-977	-2 016

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

BioResonator is supplementing its eye pressure measurement tool with automatic sensor functionality to facilitate handling of the tool. To speed up commercial development of the product, BioResonator has started development work with the Swedish company HotSwap, which is specialized in product development of medtech applications. In conjunction with this, BioResonator has, in consultation with Keeler, the company's previous development partner, decided to end their development partnership. Estimates regarding the product's potential and launch remain unchanged.

Development of a product for the diagnosis of prostate cancer is proceeding according to plan.

Likvor AB

Likvor is developing an instrument for dynamic measurement of cerebrospinal fluid pressure. Healthcare professionals have difficulties in diagnosing patients who, in combination with normal or low cerebrospinal fluid pressure, show symptoms of disease such as disturbances in balance and dementia. The instrument is currently being used in an independent multicenter study ongoing at five university hospitals in Sweden and Denmark.

Likvor	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
10 months 2007	214	5 369	5 751	219	5 532	322	-67	-230

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

The company's operations are focused on documenting the pressure measurement tool in order to obtain the necessary registration for marketing the product in the EU and U.S.

ONCOlog Medical QA AB

ONCOlog Medical develops, produces and markets a number of products and system solutions for quality assurance of radiotherapy treatment clinics for cancer.

ONCOlog Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	10 519	0	13 731	6 354	7 377	14 666	-3 614	-5 619
12 months 2006	5 165	0	8 547	6 814	1 733	8 874	-4 886	-7 698

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

In the fourth quarter, ONCOlog Medical entered into a strategic agreement with C-RAD, in which both companies are adapting their patient management systems to work with each others'. This marked ONCOlog Medical's third key agreement in 2007. Earlier in the year, the company entered into an agreement with the Belgian company IBA, to deliver patient positioning systems to clients who have ordered IBA's proton therapy units. IBA has 50 percent of the world market for proton and particle therapy units. ONCOlog Medical sees this as a breakthrough agreement and the most important agreement in terms of the company's future earnings potential. ONCOlog entered into another key agreement in July, out-licensing its cobalt technology based turnkey radiotherapy clinics concept to Scandinavian Cancer Care AB (SCC). Under the terms of the agreement the company will receive revenues in the form of payment for achieved goals and future royalties on sales.

At the end of the year, the company adopted new accounting principles for revenue recognition and cost accounting in sold projects. These new principles have had an effect on previously reported results in 2007 as certain revenues and costs were brought forward. After implementation of the new principles, the company reports a loss of SEK -3.6 million for the year (-4.9). Revenues increased by 65 percent to SEK 14.7 million, of which capitalized costs accounted for SEK 6.3 million. The negative cash flow decreased to SEK -5.6 million in 2007 from SEK -7.7 million for 2006. A process to raise capital to finance the company's expansion and future engagements is ongoing.

Ortoviva AB

Ortoviva develops tools for spinal surgery that facilitate the insertion of artificial discs. The company has developed three prototypes, an instrument that holds adjacent vertebrae apart, a seal for attaching the artificial disc and a bone cement administrator.

Ortoviva	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
14 months 2006/2007	519	595	1 536	1 318	218	0	-5 453	-5 076

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Development work on "Distractor" is targeted on achieving CE marking prior to clinical trials. It is estimated that development work on "Distractor" could be completed in 2008. Development work on other products is proceeding according to plan. The company is financed by LinkMed through shareholders' contributions tied to development goals.

Pharmacolog i Uppsala AB

Pharmacolog develops systems to control the content and concentration of liquid pharmaceutical drugs, primarily chemotherapy for the treatment of cancer. Pharmacolog was spun off from ONCOlog Medical in April 2007.

Pharmacolog	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
8 months 2007	621	315	1 000	723	277	0	-223	-835

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

The company's operations are currently focused on development of the quality assurance system Druglog, including selection of system parts and the industrial design of the product.

SACS Medical Göteborg AB

SACS Medical has developed a system concept for medical signal handling of EEG (neuroanalysis) and EMG (motor analysis). The system allows specialized clinics to diagnose, monitor and treat patients spread out over a large area from a central location.

SACS Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 months 2007	4 638	251	5 260	7 019	-1 759	2 218	-2 986	-2 581
12 months 2006	5 263	1	5 644	5 512	132	1 490	-4 793	-5 527

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

At the year end, LinkMed wrote down the book value of SACS Medical to SEK 1. The write down of shares and loans receivables of SEK 10.4 million is the first steps in phasing out the holding. The company reports negative equity and a balance sheet for liquidation has been established.

LinkMed has been in discussions and negotiations for some time with possible industrial partners for SACS Medical. Discussions to date have not lead to an agreement but LinkMed intends to continue looking for new owners for SACS Medical. In the meantime, costs in the company have been reduced.

SACS Medical had SEK 2.2 million in revenues, of which SEK 1.4 million were related to sales to the health industry in Swedish region Västra Götaland.

Financial development, January - December 2007

Results

Results from investment activities were SEK -10.4 (-2.5) million. The negative result is due to write down of shares and loan receivables in SACS Medical in the fourth quarter at the same

amount. Other income, which is essentially comprised of consultancy revenue from associated companies was SEK 5.0 million (4.0), of which 1.3 (1.3) million in the fourth quarter.

Operating costs totaled SEK 21.7 million (17.7), of which SEK 6.3 million (6.0) in the fourth quarter. The increase is primarily due to the fact that LinkMed strengthened its organization.

Interest income on the liquidity from the new share issue that was carried out in conjunction with the listing of the company on the OMX Nordic Exchange Stockholm in December 2006, increased earnings from financial investments to SEK 7.8 million (1.7), of which SEK 2.0 million (0.7) in the fourth quarter.

Net income/loss for the period totaled SEK -19.2 million (-14.5), of which SEK -13.3 million (-4.0) in the fourth quarter.

Investments

During the year, LinkMed invested a total of SEK 64.6 million in associated companies, of which SEK 20.1 million in the fourth quarter. The largest investments during the year were made in shares of AnaMar Medical, IMED, Recopharma and AbSorber.

The book value of investments in associated companies increased during the year to SEK 154.3 million (100.0), of which SEK 141.4 million (88.2) constituted shares, SEK 9.7 million (2.2) convertibles and SEK 3.2 million (9.6) receivables. A write down of the book value of shares and loan receivables in SACS Medical was made in 2007 amounting to SEK -10.4 million.

Financial position, cash flow and key performance indicators

LinkMed's operations are financed by shareholders' equity. The equity/assets ratio increased to 98 (97) percent. Shareholders' equity at year-end 2007 was SEK 278.5 million compared to SEK 296.2 million at December 21, 2006, corresponding to SEK 31.93 per share (33.96). Liquid funds were SEK 125.2 million (202.7). Cash flow for the year was SEK -77.5 million (199.8).

Other information

Risks and uncertainties

LinkMed's operations are exposed to various types of risks. Investments in associated companies and the sales of the same naturally mean that different types of risk arise. Examples of risks include exposure through significant shareholdings in an individual company or significant holdings in a specific sector or significant reliance on a key individual. The market for divesting a shareholding in a company or attracting co-investors can also vary over time. As LinkMed often invests in companies at early stages, this generally involves higher risk than investing in mature companies that generate positive cash flows. In order to counteract this type of risk, LinkMed's strives to have a portfolio of companies with certain diversification, in part between the segments: drug development, biotechnology and medical technology and in part with companies at different levels of maturity.

The value of LinkMed's associated companies is partly dependent on their ability to maintain and protect patents, other intellectual property rights and specific expertise. Both clinical trials

and the marketing and sales of products involve significant risk related to product liability. When deemed necessary, LinkMed takes on insurance covering product liability. Some of the associated companies are dependent on approval through clinical trials or decisions from public authorities. No guarantees can be made that the associated company will achieve satisfactory results in such trials, nor that the necessary regulatory approval will be granted.

In order to reduce risk, LinkMed carries out careful analysis and due diligence before an investment is made, which among other things includes an assessment by LinkMed's scientific advisory board. After the investment has been made, LinkMed makes systematic, quarterly follow-ups to assess the investment's future. An important factor for reducing risk levels is to secure management capacity in the associated companies, often using LinkMed's own employees. Currently, LinkMed's employees are CEOs of six of the twelve associated companies. Moreover, active Board work contributes to reducing business related risks in associated companies.

The company's liquid funds are placed in liquid assets with low credit risk.

Share and ownership

At year-end 2007 LinkMed had 1 961 shareholders.

Principal shareholders at December 31, 2007	Number of shares	Capital/votes
FastPartner AB (publ)	1 640 000	18,8%
Koncentra Holding AB	1 249 844	14,3%
Ingemar Lagerlöf, direkt och indirekt	532 930	6,1%
Mannersons Fastighets AB	468 870	5,4%
Länsförsäkringar småbolagsfond	435 000	5,0%
Kaupthing Bank Sverige AB	396 000	4,5%
Mohammed Al Amoudi	274 100	3,1%
Länsförsäkringar Skåne	180 500	2,1%
Bo Millstam	140 000	1,6%
Banque de Luxembourg	134 800	1,5%
Banco fonder	130 000	1,5%
Nordnet Pensionsförsäkring AB	113 666	1,3%
Stellar Holdings Inc.	108 035	1,2%
Stan Mikulowski, direkt och indirekt	95 000	1,1%
Länsförsäkringar Bergslagen	90 000	1,0%
Övriga	2 733 240	31,3%
Summa	8 721 985	100,0%

Non-cash issue

At the Annual General Meeting (AGM) on May 2, 2007, the Board of Directors of LinkMed was authorized for the period until the next AGM to make decisions regarding new share issues involving a maximum of 870,000 shares. The authorization applies to non-cash issues only with the purpose of carrying out acquisition of all or parts of other companies, operations or rights. The Board of Directors resolved to carry out a directed non-cash issue of shares to Uminova Invest AB for 39,063 shares as payment for shares in Likvor AB. The share issue was registered at the Swedish Companies Registration Office in February 2008. Thereafter, shares in LinkMed total SEK 8,761,048.

Accounting principles

This interim report has been prepared in accordance with the IAS 34, Interim Financial Reporting with observance of the exceptions and additions to IFRS/IAS set out in RR 32 Accounting for legal entities. The same accounting principles were applied as those used in the company's Annual Report for 2006.

Dividend proposal

The Board of Directors proposes that no dividend be paid out for the 2007 financial year.

Annual General Meeting (AGM)

LinkMed's AGM will be held at a venue connected to the company's offices at Drottninggatan 33, Stockholm on Tuesday, April 22, 2008 at 16:00 CET. Proposals to be addressed by the Annual General Meeting will be announced in a press release and published on the company's website www.linkmed.se in good time prior to the meeting.

The annual report will be available at LinkMed's website and office by April 8, 2008 at the latest.

Shareholders who wish to participate in the AGM must be entered into the share register maintained by the Swedish Securities Register Center VPC no later than Wednesday, April 16, 2008. Shareholders whose shares are nominee registered must temporarily register their shares with VPC in their own name to be entitled to participate at the AGM.

Registration to participate in the AGM must be submitted to LinkMed before 16:00 CET on April 18, 2008. Registration can be made by post, fax or e-mail arsstamma@linkmed.se. When registering, shareholders must state their name, personal or corporate registration number, address and telephone number and in cases of representation by proxy the name of the proxy.

Nomination committee

The Nomination committee consists of Gustaf Mannerson (chairman), Marie Carlsson and Monica Caneman. The Nomination committee will submit proposals related to the following issues to be addressed at the 2008 AGM: a) proposed Board of Directors b) proposed Chairman of the Board, c) proposal regarding fees for board members not employed by the company, broken down between the chairman and other members of the board as well as remuneration for committee work, d) proposals for auditors and auditors' fees and e) proposal for AGM chairman.

Shareholders who wish to contact the Nomination committee can do so via the company's IR Manager Okee Williams at okee.williams@linkmed.se or by letter.

Remuneration policy

The Board of Directors will propose a remuneration policy for management at the Annual General Meeting 2008. The Board's proposals will be published in conjunction with the AGM notice.

Future report dates

Interim report, January - March:	April 29, 2008
Interim report, January - June:	August 26, 2008
Interim report, January -September:	November 11,2008
Year-end report 2008:	February 2009

This report and earlier financial reports can be found at www.linkmed.se

Stockholm, February 21, 2008

Monica Caneman
Chairman of the Board

Jan Eriksson
Board member

Anders Erlandsson
Board member

Sven-Olof Johansson
Board member

Gunnar Mattsson
Board member

Ingemar Lagerlöf
CEO

The information in this Interim Report is that which LinkMed is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication on February 21, 2008.

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

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Income statement

Amount in SEK thousands	2007 Q4	2006 Q4	2006 Year	2006 Year
<i>Operating income</i>				
Result from sales of associated companies	-	-	-	-
Write-downs of participations in associated companies	-10 351	-	-10 351	-2 500
Dividend from associated companies	-	-	-	-
Result from investing activities	-10 351	-	-10 351	-2 500
Other income	1 320	1 273	4 989	4 050
<i>Operating costs</i>				
Other external costs	-3 534	-3 185	-10 720	-7 974
Personnel costs	-2 668	-2 772	-10 609	-9 455
Depreciation of tangible and intangible fixed assets	-87	-51	-329	-262
<i>Operating result</i>	-15 321	-4 735	-27 019	-16 141
Result from financial investments	2 017	719	7 817	1 676
<i>Income/loss before tax</i>	-13 304	-4 016	-19 202	-14 465
Tax	-	-	-	-
<i>Net income/loss for the period</i>	-13 304	-4 016	-19 202	-14 465
Earnings per share before/after dilution, SEK	-1.53	-0.60	-2.20	-2.58
Number of shares at the period end before/after dilution	8 721 985	8 721 985	8 721 985	8 721 985
The average number of shares before/after dilution	8 721 985	6 721 985	8 721 985	5 599 135

Balance sheet

Amount in SEK thousands	2007 Dec-31	2006 Dec-31
<i>Assets</i>		
Intangible and tangible fixed assets	443	615
Participations in associated companies	141 417	88 189
Long-term receivables from associated companies	9 690	2 216
<i>Total fixed assets</i>	151 550	91 020
Short-term receivables from associated companies	4 436	9 601
Other short-term receivables	1 780	2 215
Cash and cash equivalents	125 189	202 673
<i>Total current assets</i>	131 405	214 489
<i>Total assets</i>	282 955	305 509
<i>Shareholders' equity and liabilities</i>		
Shareholders' equity	278 463	296 196
Short-term liabilities	4 492	9 313
<i>Total shareholders' equity and liabilities</i>	282 955	305 509
<i>Changes in shareholders' equity</i>		
Opening balance	296 196	64 124
New share issue	-	263 726
New share issue costs	-	-17 189
New share issue in progress	1 469	-
Net income/loss for the period	-19 202	-14 465
Closing balance	278 463	296 196

Cash flow statement

Amount in SEK thousands	2007 Year	2006 Year
Cash flow from operating activities		
before changes in working capital	-8 521	-11 684
Cash flow from changes in working capital	-4 386	7 601
Cash flow from operations	-12 907	-4 083
Cash flow from investing activities	-64 577	-40 062
Cash flow from financing activities	0	243 959
Cash flow for the period	-77 484	199 814
Cash and cash equivalents at the opening of the period	202 673	2 859
Cash and cash equivalents at the closing of the period	125 189	202 673

Key ratio

Amount in SEK thousands	2007 Year	2006 Year	2005 Year
Result from investing activities	-10 351	-2 500	-368
Other income	4 989	4 050	3 615
Income/loss before tax	-19 202	-14 465	-3 544
Book value of shares, convertibles and loans	154 257	100 006	63 011
Balance sheet total	282 955	305 509	68 194
Equity/asset ratio	98%	97%	94%
Average no. of employees	6	5	3
Number of shares at the end of the period	8 721 985	8 721 985	4 493 546
The average number of shares	8 721 985	5 599 135	4 097 421
Earnings per share, SEK	-2,20	-2,58	-0,86
Shareholders' Equity per share, SEK	31,93	33,96	14,27
Share price at the end of the period, SEK	32,00	69	-
Market value, SEK thousands	279 104	601816,97	-

Participations in associated companies on december 31, 2007, amounts in thousands

Associated companies	Area/indication	Capital/votes	Book value share	Convertible bonds	Other receivables	Total
<i>Drug development and biotech</i>						
AbSorber	Transplantations	42,1%	22 490			22 490
AnaMar Medical	Joint disease	24,9%	38 159			38 159
Biovator	Allergies	46,0%	1 720	3 650	1 000	6 370
IMED	Cancer/HIV/Transplantations	42,3%	20 965			20 965
NovaHep	Liver stem cells	49,5%	5 588			5 588
Recopharma	Glycoproteins	49,5%	13 607	6 040	500	20 147
<i>Medtech</i>						
BioResonator	Eye disease/cancer	49,2%	8 789			8 789
Likvor	Neurology/diagnostic	49,0%	5 469			5 469
ONCOlog Medical	Cancer	48,1%	18 773		1 000	19 773
Ortoviva	Orthopedics	49,0%	5 620			5 620
Pharmacolog	Cancer	48,0%	240		650	890
SACS Medical	Surveillance and telemedicine	42,8%	0	0	0	0
Book value			141 417	9 690	3 150	154 257