Aerocrine

Solna May 12, 2015

Interim Report: January – March 2015

Aerocrine Sales Grow to Record Levels Again for 1st Quarter, NIOX VERO Launch in the US Off to A Strong Start

January – March 2015

- Net sales increased by 52% to SEK 53.2m (35.0)*. Adjusted for exchange rates, net sales increased by 31%.
  - Clinical sales were SEK 38.9m, an increase of 32%.
  - Global Research† sales were SEK 12.4m, an increase of 192%.
- Total tests sold (repeat and initial) were 732k (560)* tests, an increase of 31%. Total repeat test volume increased by 30%.
- The Gross Margin for the period was 59% (70%)*. The reduction as compared to prior year was driven primarily by the launch of the NIOX VERO in the US, whereby existing customers are being proactively converted over to the NIOX VERO device and pricing option reductions implemented in the US market during Q3 2014. Additionally, there was a change in channel mix.
- The operating loss increased to SEK 51.6m (44.6)*. When adjusting for currency exchange effects of approximately SEK 10.2m, the net operating loss decreased SEK 3.2m to SEK 41.4.
- The loss after tax was SEK 73.4m (52.9)*, corresponding to a loss per share before and after dilution of SEK 0.21 (0.16)‡.
- Cash flow for the period was positive in the amount of SEK 340.5m (-59.3)* due to the completion of the rights offering in February 2015 which resulted in proceeds of SEK 445m before transaction costs.
- The launch of NIOX VERO in the US is progressing very well and the company projects to have phased out the majority of NIOX MINO devices before end of this year. Quarter to date the US converted 310 NIOX VERO installations, but more importantly, the rate of conversions has been steadily accelerating with January at 23%, February at 83%, and March at 139% of target, as more customers become aware of the new device.

Significant Events January – March 2015

- On January 7, 2015, the Extraordinary General Meeting resolved to approve the Board of Directors' resolution to increase the Company's share capital through a rights issue of shares with pre-emptive rights for the shareholders.
- On January 29, 2015, the Company announced that Japanese health authorities have cleared the use of the Company's FeNO-measuring device NIOX VERO® as a tool for assessing patients with allergic airway inflammation such as asthma. NIOX VERO® will be introduced on the Japanese market in the beginning of the second quarter 2015.
- On February 6, 2015, the Company announced the completion of the rights offering, which was over-subscribed. The Company received approximately SEK 445m, before transaction costs.
- On March 6, 2015, the Company announced that the US FDA had granted it regulatory clearance to operate the NIOX VERO® wirelessly with BlueTooth® technology in the US.

Significant Events, After the Period

- On April 16, 2015, the Company announced changes to the Executive Leadership Team whereby Morten Høgholm Pedersen, MD PhD will be joining the Company as VP Global R&D and Product Management and Caroline Andersson, the Company's General Counsel was promoted to the Executive Leadership Team. Additionally, the Company announced the departure of Ken Marshall, President of Aerocrine, Inc. and VP of Global Marketing, effective April 30th 2015.
- On April 22, 2015, the Company announced the launch of the NIOX VERO in Japan. The Launch was marked by an event hosted with the Swedish Embassy in Tokyo Japan. Dr. Lars Gustafsson, one of the founders of Aerocrine spoke regarding the history of FeNO. Dr. Ichinose, Key Opinion Leader in Respiratory medicine also gave a clinical summary for the use of FeNO in clinical practice. Several guests attended including: Panasonic Health Care, our development partner in Japan and CHEST, MI, Aerocrine's distributor in Japan.
- On April 27, 2015, the Company announced that it has noted recent speculation in the markets. The Board of Aerocrine confirmed that it is in preliminary discussions with a third party concerning a public offer for Aerocrine. There can be no certainty that an offer will be made, nor as to the terms of any such offer. A further announcement will be made in due course.

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Summary of Financial Information

	Aerocrine Group			
(SEK m)	Jan 1, 2015 - Mar 31, 2015	Jan 1, 2014 - Mar 31, 2014	Rolling 12 Months	Jan 1, 2014 - Dec 31, 2014
Net Sales	53.2	35.0	184.4	166.2
Gross Profit/Loss	31.4	24.5	118.4	111.5
Gross Margin %	59%	70%	64%	67%
Operating Loss	-51.6	-44.6	-175.2	-168.2
Net Loss After Tax	-73.4	-52.9	-248.8	-228.2
Cash Flow, Current Operations	-89.5	-58.1	-206.4	-174.9
Total Cash Flow	340.5	-59.3	221.3	-178.5

For further information, please contact:

Scott Myers, President and CEO: +46 768 788 379 or +1 970 368 0336, or
Marshall Woodworth, CFO: +46 709 695 219 or + 1 919 749 8748
www.aerocrine.com or www.niox.com

**Note all numbers in ( ) are the corresponding period previous year and in the same unit.*
†Note Global Research sales were formally referred to as Strategic sales in prior interim and year-end financial reports issued by the Company. The Company believes that Global Research is more descriptive of the pharmaceutical and clinical research organization sales associated with this aspect of the Company's commercial operations and customers. These sales are impacted by the size and timing of clinical trials and can fluctuate substantially between periods.
‡Loss per share has been calculated in accordance with IAS 33, which stipulates that if a rights issue is offered to all existing shareholders, the number of ordinary shares to be used in calculating earnings per share for all periods before the rights issues is recalculated to reflect the effect of the rights issue.

This is information that Aerocrine AB (publ) is required to publish in accordance with the Swedish Securities Markets Act and/or the Swedish Financial Trading Act. This information was submitted for publication on May 12, 2015, at 8.00 a.m.

CEO's Comments on Q1 2015

"We continue to be pleased with the global performance of our business. All Regions, as well as GRS (Global Research Sales) demonstrated strong growth compared to the same period in the prior year with total sales increasing 52% in SEK and 31% after adjusting for currency effects. We intend to continue to explore new approaches and technologies to refine our sales model in the US to accelerate growth. Innovating and leading in a new category like FeNO is an enviable position in many respects, but we still have to be creative and committed in finding new ways to market and sell our device profitably in very dynamic environments.

The VERO launch in the US in late January has progressed well. Our strategy is to replace the entire installed base of MINOs during 2015 as customers' sensors expire or are consumed, as we described during our Q4 Earnings Call. However, due to the timing of the launch and anticipation from our customers the results for January were below the prior year. The replacement of MINOs with VEROs will be a significant one-time investment for the company of approximately SEK 17 million in 2015 and will shift the focus of our field sales reps and our customer support group to driving success in our existing customer base in the first half of the year. This will negatively impact the growth in new customers in the short term. It will also have the effect of depressing gross margin as the entire swapping cost will be recorded on the Cost of Goods Sold line of the Income Statement. We are currently ahead of plan on these conversions which should allow us to refocus on adding new customers as we approach mid-year and continue uninterrupted in the second half of 2015. We are also implementing several new initiatives to grow the business such as an expansion of our telesales force and the implementation of a pilot program with a national distributor who has access to market segments that we do not currently market to or market to on a very limited basis.

In addition to our execution in the first quarter, we continue to focus on executing towards our four strategic focus areas:

Establish FeNO as Standard of Care. We continue to invest significant efforts to have FeNO included in existing and new guidelines and increase reimbursement levels in the US and other key markets. Additionally, we continue to invest time and resources to attend and present at tradeshows and in small group physician interactions to increase FeNO awareness and acceptance and used on a "standard of care" basis.

Drive Penetration in the U.S. Professional Segment. Activity is in full force with the launch of the VERO in the US, and with the addition of more resources to our telesales force. We are very pleased so far with the productivity of the telesales group in managing existing accounts and gaining new business in territories in which we don't have a field based sales consultant. We are piloting a co-promotion with a national cardio-respiratory manufacturer and distributor in four US territories. Their customers are complementary to ours and we will see if this type of arrangement could be beneficial. The pilot will last for six months, and if it shows early signs of success we may choose to expand this pilot to a national effort.

Attain Profitability. Sales growth is the key, helped by the global nature of our business that limits risk by broadening our geographic base. We continue to exhibit strong year over year growth in *all* Regions as well as GRS (Global Research Sales) while limiting the growth in expenses by shifting resources and looking for lower cost methods of commercialization and by leveraging relationships with distributors and the use of a telesales force in the US. On the metric of Operating Expenses as a % of Sales our ratio increased slightly to 156% for the quarter vs. 139% for Q4, 2014 driven primarily by the impact of exchange rates, although we were favorable to the full year 2014 metric of 168% and favorable to the Q1, 2014 metric of 197%. This continues to be an area of focus and our goal for the year is to continue to make progress on this metric regardless of the changes in exchange rate.

Finalize Home Use Business Model. We have created our first draft of a regulatory strategy for the home use and plan on initiating discussions with the FDA within the next quarter. We have also engaged with a firm with extensive experience in US FDA medical device submissions and approval processes. They have concluded that in their estimate a route to FDA approval is possible. We need to do further research on this and we anticipate that this could add significant value to the company in the longer term. As discussed during our Q4 Earnings Call our current thinking is that the preferred route to market for home use is through a partnership or out licensing of the technology. We also have begun to architect a proposed business model.

The Aerocrine team and its partners continues to demonstrate success and progress in support of our four strategic focal areas and will strive to keep the momentum going. I wish to thank you as always for your support of Aerocrine." says Aerocrine's President and CEO, Scott Myers.

For case-studies on how FeNO assists in the daily practice to set correct diagnosis and initiate correct medication please visit: http://www.niox.com/en/

Overview, January – March 2015

Sales

Net sales for the period reached SEK 53.2m (35.0), an increase of 52%. Adjusting for the change in currency the increase was 31%. The net sales for clinical use of NIOX products increased 32% to SEK 38.9m (29.3), driven mainly by increased performance in all three regions; US/North America, Europe/ROW and Asia/Pacific and changes in currency exchange rates. In addition, in 2014 the US was impacted by the implementation of a new sales model in the US which slowed growth in the first half of 2014. Asia/Pacific was further aided by the re-registration of the NIOX MINO in China in December 2014 and the continued launch of the NIOX MINO which was approved in Japan in late 2013.

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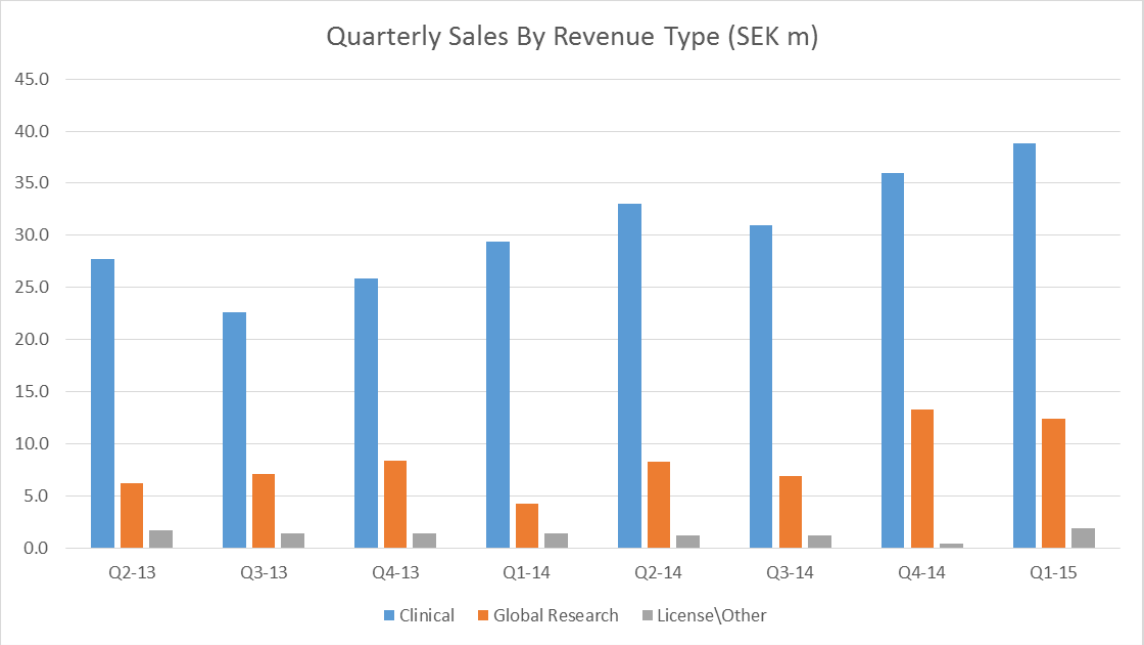
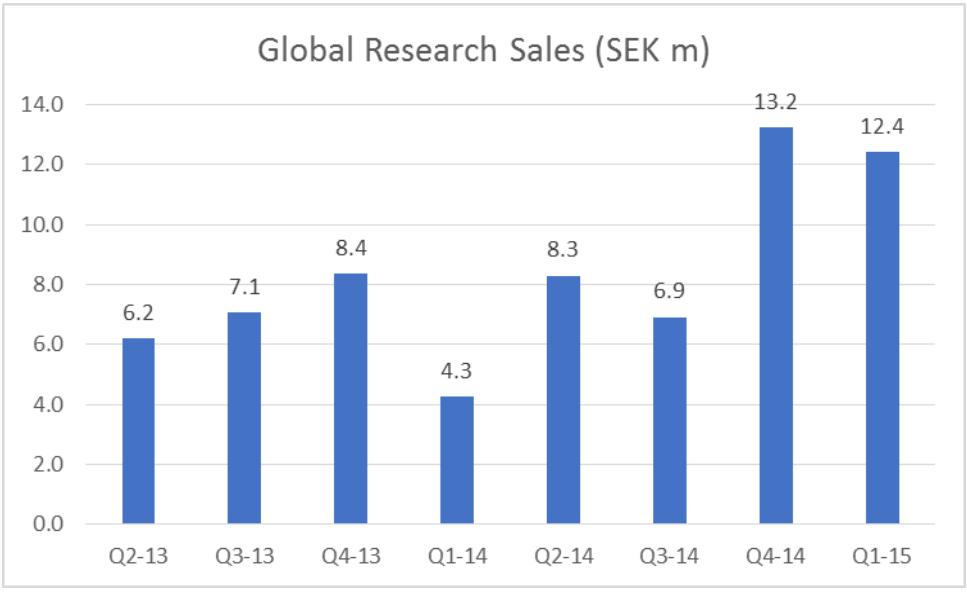


Sales Summary, Region/Other

	Aerocrine Group					
(SEK m, except for Tests)	**Jan 1, 2015 - Mar 31, 2015**	**Jan 1, 2014 - Mar 31, 2014**	**% Change**	**Rolling 12 Months**	**Jan 1, 2014 - Dec 31, 2014**	**% Change**
Clinical Sales:						
US/North America	12.4	8.3	50%	46.1	42.0	10%
EU/RoW	17.2	14.5	19%	63.6	60.9	5%
Asia Pacific	9.2	6.6	40%	29.0	26.4	10%
Total Clinical Sales	**38.9**	**29.3**	**32%**	**138.8**	**129.3**	**7%**
Global Research Sales	12.4	4.3	192%	40.9	32.7	25%
Other Revenue	1.9	1.4	32%	4.7	4.2	11%
Total Revenue	**53.2**	**35.0**	**52%**	**184.4**	**166.2**	**11%**
Total Tests (in 000s)	732	560	31%	2,672	2,500	7%
Repeat Test (in 000s)	597	459	30%	2,108	1,970	7%

Global Research Sales (GRS)

Global Research sales (formerly Global Strategic Accounts) for the period, which are included in Region results, increased by 192% compared to the corresponding period in 2014. Global Research sales represented 23% (12%) of total sales during the period. It is important to note that Global Research sales fluctuate between quarters as they are impacted by the size and timing of shipment for clinical trials. The increase in Global

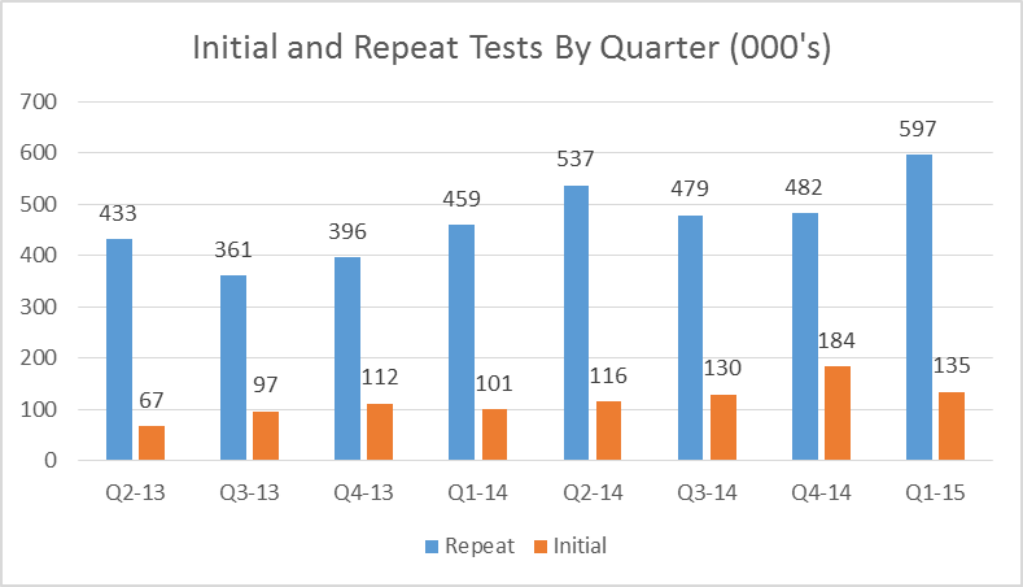


Research Sales were primarily due to lower sales in the prior year period due to the timing of clinical trial starts and the change in currency exchanges rates.

Test Volumes

An important metric for the Company is repeat and initial test sales volumes. A repeat test is defined as the second and subsequent purchases of test kits by an existing customer. The classification of initial and repeat tests, as described in this report, are estimates as these amounts outside the US are estimated based on sales to distributors in our Europe/ROW and Asia Pacific markets. The Company makes an estimate of the initial and repeat testing based on a consistently applied methodology as it relates to the ex-US/North American market statistics.

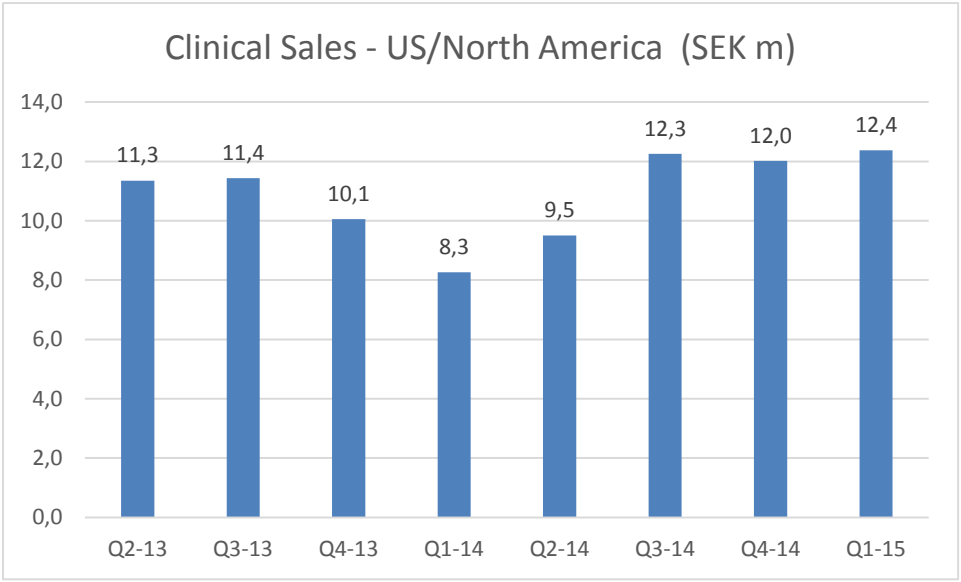
During the period a total of approximately 597k (459) repeat tests were sold, an increase of approximately 30%. This increase is primarily due to an increase in the number of installed devices and also increased usage by physicians. Total tests sold for the period (repeat tests and initial test), were 732k (560) tests, an increase of approximately 31% compared with the prior year. The following table presents initial and repeat test sales on a quarterly basis.



Segment Results

US/North America

Sales for the period in the US/North America segment amounted to SEK 20.1m (10.6) an increase of 90%. When adjusted for currency effects, sales in the segment increased by 47%. The sales increase is primarily due to increases in Global Research Sales described previously as well as clinical sales showing an increase of 17% in local currency due to increases in tests volume partially offset by lower average price per test as a result of

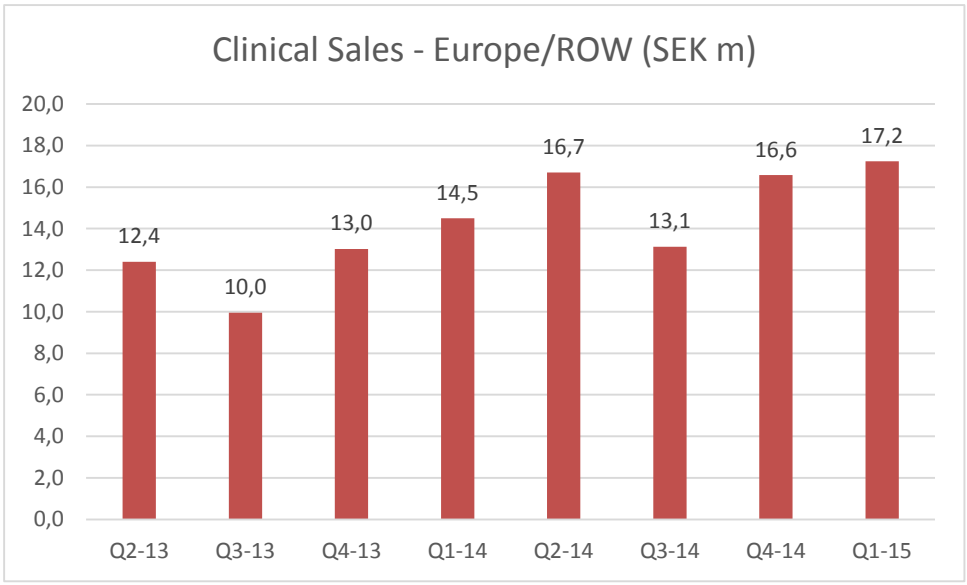


pricing changes implemented in Q3 2014. In addition, in early 2014 the US was impacted by the implementation of a new sales model which slowed growth in the first half of 2014.

The number of tests sold for clinical use increased 46% when compared to the prior year period and amounted to approximately 181k (124k) tests sold. The sales of repeat tests for clinical use grew by 52% and the initial test sales increased by 34%.

Sales to new and ongoing clinical studies are expected to continue to represent an important part of revenues in the US. Of the sales in the segment, SEK 7.0m (2.1) are attributable to Global Research sales.

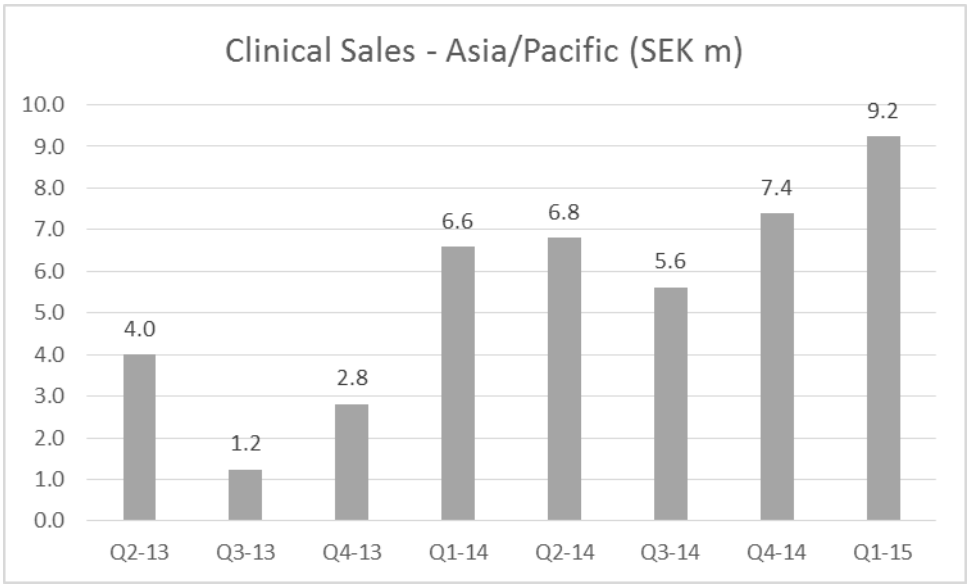
Europe/ROW



Sales for the period in the Europe/ROW segment amounted to SEK 23.7m (17.6), an increase of 35%. When adjusted for currency effects, sales increased by approximately 24%. Clinical sales, excluding Global Research sales and license revenues, increased by 19% and reached a record of SEK 17.2m (14.5). Germany, Spain, Belgium and the Czech Republic were the main contributors to the clinical sales growth in the segment. Beginning in 2014, we replaced direct sales organizations with distributors in the UK and Swedish markets. This change accounted for additional growth in new users and test kit usage. Additionally, the NIOX VERO was introduced in selected markets in the segment during 2014. Global Research sales within the segment amounted to SEK 5.4m (1.9).

The sales of repeat tests increased by 6% in the segment compared to the prior year and amounted to 269k (254) tests sold. The total number of tests sold for clinical use increased by 13% and amounted to 308k (272).

Asia/Pacific



Sales for the period in the Asia/Pacific segment amounted to SEK 9.2m (6.6), an increase of 40%. When adjusted for currency effects, sales in the segment increased by 22%. The primary reason for the increased sales in the segment is the strong performance in China with a growth of approximately 500%. In December 2014, the NIOX MINO was re-registered for marketing and sales by the China Food and Drug Administration (CFDA). The approval allowed Aerocrine and its partners to resume sales and marketing activities of the NIOX MINO immediately. Additionally, in January 2015, Japanese health

authorities cleared the use of NIOX VERO as a tool for assessing patients with allergic airway inflammation such as asthma. The NIOX VERO was launched in Japan in April 2015.

The sales of repeat tests for clinical use grew by 75% in the segment compared to the prior year and amounted to 166k (95k) tests sold. The total number of sold tests for clinical use grew by 34% and amounted to approximately 176k (131k) tests.

Profit and Loss

The gross margin for the period was 59% (70%). The reduction as compared to prior year was driven primarily by the launch of the NIOX VERO in the US whereby existing customers are being proactively converted over to the NIOX VERO device and pricing option reductions implemented in the US market during Q3 2014. Additionally, there was a change in channel mix. This decrease was partially offset by a positive effect of currency exchange rates of SEK 1.6m.

The loss after tax for the period amounted to SEK 73.4m (52.9). The loss per share amounted to SEK 0.21 (0.16). Loss per share has been calculated in accordance with IAS 33, which stipulates that if a rights issue is offered to all existing shareholders, the number of ordinary shares to be used in calculating earnings per share for all periods before the rights issues is recalculated to reflect the effect of the rights issue.

Net loss increased mainly due to increased operating expenses as a result of the impact of changes in currency exchange rates. After adjusting for currency effects of SEK 9.2m, Sales and Marketing expenses remained relatively flat compared to the prior period. Of the Sales and Marketing expenses SEK 0.2m (0.7) constitutes non-cash expenses related to the Group's personnel stock option program. After adjusting for currency effects of SEK 1.0m, Development costs have decreased SEK 2.1m, primarily due to the reductions in clinical studies and costs previously associated with the development of the NIOX VERO and the reassignment of certain personnel expenses to Administration related to changes in responsibilities. Of the Development expenses SEK 0.1m (0.3) constitutes non-cash expenses related to the Group's personnel stock option program. After adjusting for currency effects of SEK 1.7m, Administration expenses increased SEK 5.3m primarily due to higher costs associated with executive compensation, a reassignment of certain personnel expenses from Development expenses related to changes in responsibilities and higher consulting costs. Of the administration expenses SEK 0.8m (1.2) are attributable to the Group's personnel stock option program.

The currency effect on the Group's consolidated sales was positive to the amount of SEK 7.5m, while the effect on the Group's costs and purchasing was negative to the amount of SEK 17.7m. The total effect of exchange rates was overall negative on the Group's net operating results during the year compared to the prior year by approximately SEK 10.2m.

On 31 December 2014, the Group's consolidated tax loss was calculated at SEK 1,784.6m (1,544.4), of which SEK 1,721.3m (1,488.7) was attributable to the Parent Company. Of the total tax loss SEK 1,727.6m (1,495.8) is unlimited in terms of the period in which it can be offset against future taxable profits. The tax value of the tax-loss carry-forwards has not been capitalized.

Market Development

US/North America

As of March 31, 2015, approximately 65% or 184.4m of estimated 284.4m total covered lives in the US are reimbursable with regards to Aerocrine products. Additionally, as of March 31, 2015, approximately 55% or 98.6m of approximately 178.7m private payer covered lives in the US, are reimbursable lives with regards to Aerocrine products..

During 2014, the fifth largest insurance company Health Care Service Corporation implemented a positive coverage policy regarding FeNO testing for asthma diagnosis and management effective from April 1, 2014. There have been no other signifigant changes in coverage since that time.

Europe/ROW
In the UK, NICE (National Institute of Health and Care Excellence) are due to publish new Asthma Management & Diagnosis Guidance in mid-2015 which we expect to further support the FeNO Guidance published by NICE in April 2014.

Asia/Pacific
The approval of the second generation of the NIOX MINO and more recently the NIOX VERO in Japan are important steps in the continued development of the Japanese market. Currently there is a reimbursement code for exhaled gas in-place of approximately SEK 70 per test, which also covers FeNO. The process of applying for increased reimbursement has been initiated by a number of Japanese specialist societies (Japanese Respiratory Society among others).

Conclusion of Rights Offering
On February 6, 2015 the Company announced the completion of the rights offering, which was over-subscribed. The Company received approximately SEK 445m before transaction costs of approximately SEK 14m.

In total, approximately 99 percent of the rights issue was subscribed for with the exercise of preferential rights. These subscriptions include certain larger shareholders, including Novo A/S, which committed to subscribe for their respective pro rata shares, corresponding to, in aggregate, approximately 26 percent of the total rights issue.

Additionally, applications for subscription without the exercise of preferential rights were received, corresponding to an aggregated subscription of approximately SEK 93 million, representing approximately 21 percent of the total rights issue proceeds. The rights issue was thereby oversubscribed by approximately 20 percent.

In accordance with the guarantee commitment agreement entered into by and between Arbejdsmarkedets Tillægspension (ATP) and the company, as well as the principles outlined in the prospectus which was published on January 12, 2015, ATP were allotted the residual shares that had not been subscribed for with the exercise of preferential rights.

Investments and Cash flow
The Group's cash reserves amounted to SEK 483.5m (232.9) at the end of the period. The rights offering completed on February 6, 2015, resulted in additional gross proceeds of SEK 445m.

Cash flow for the period was positive in the amount of SEK 340.5m (-59.3) and cash flow from current operations was negative in the amount of SEK 89.5m (58.1).

The cash flow from current operations has been negatively impacted in the year by interest and milestones paid associated with borrowings under the 2013 loan facility as well as changes in working capital primarily decreases in accounts payable and other accrued liabilities. Additionally, inventory has been increased primarily due to the NIOX VERO launch in the US.

The Group's investments in tangible assets for the period amounted to SEK 0.3m (0.5). Investments in intangible assets for the period amounted to SEK 0.4m (0.8).

Parent Company
The Group's principal operations, including development, marketing and sales, are conducted by the Parent Company, Aerocrine AB. The Parent Company assumes the Group's market risk while the subsidiaries, Aerocrine Inc. and Aerocrine AG, are sales companies with the objective of conducting marketing and sales activities in the US and German markets respectively. In addition to its sales activities, Aerocrine Inc. also conducts service operations. In connection with the introduction of the Group's personnel stock options programme, Aerocrine ESOP AB was founded. During 2013 Aerocrine International GmbH, Switzerland, was formed with the purpose of supporting the European market.

The Parent Company's net sales for the period amounted to SEK 64.2m (37.3), of which sales to Group companies amounted to SEK 37.6m (18.5). The loss after financial items for the period amounted to SEK 62.1m (49.4). The Parent Company's cash and equivalents amounted to SEK 469.3m (222.1) at the end of the period. Investments in machinery and equipment for the period amounted to SEK 0.0m (0.5) and

investments in intangible assets amounted to SEK 0.3m (0.8). The earnings of the Parent Company were affected negatively by the Group's internal pricing model, whereby the Parent Company assumes all market risk and consequently makes marketing contributions to the subsidiaries to establish and develop their respective markets.

The internal pricing model with marketing support from the parent means that the equity of the parent company is consumed in approximately the same rate as for the Group

Ownership Status
As of March 31, 2015, Aerocrine AB had approximately 7,872 shareholders, of whom the four largest represented approximately 55.5% of the votes and capital. On March 31, 2015, the total number of registered shares in the Group was 698,766,052. The largest owners in the Group on March 31, 2015 were Novo A/S (25.2%), Invifed AB (24.8%), Avanza Pension (3.2%) and HealthCap Aero Holding KB (2.3%).

Employees
At the end of the period, the total number of employees in the Group amounted to 107 (114), of whom 32 (41) are employed in Sweden.

2015 Nomination Committee
The nominating committee ahead of the 2015 AGM consist of Eivind Kolding (Novo A/S), Lennart Johansson (Investor AB), and Rolf Classon.

Financing
On a regular basis the Board reviews the Company's current and projected cash position in order to ensure that the Company has the means and resources necessary to carry out the operations and strategies as directed by the Board. The Company's long-term liquidity needs will largely be determined by the success of products already being commercialized, key development and regulatory events that might impact the ability to sell the Company's products or which could impact the reimbursement rates associated with use of the Company's products, and expenses associated with these same efforts.

Based on current forecasts and assumptions, the Board of directors and management believe that the Company will have sufficient liquidity to attain positive cashflow without additional financing.

In the quarter, through conversion of options, the number of shares and votes increased by 981,823.

Transactions with Related Parties
As of March 31, 2015, existing loans from Novo A/S totaled SEK 86.2m. This relates to the combined equity and loan financing during 2013 in which debt was taken out with a consortium of OrbiMed and Novo A/S. During the first quarter interest amounting to SEK 2.6m was paid to Novo A/S. In addition, the Company paid a scheduled SEK 1.0m milestone to Novo A/S in accordance with the loan agreement.

Accounting Principles
This interim report has been prepared in accordance with IAS 34 and the Swedish Financial Accounting Standards Council's guideline RFR 1 and, in relation to the Parent Company, RFR 2.

New Accounting Principles 2015
In May 2014, the IFRS issued International Financial Reporting Standard: IFRS 15 *Revenue from Contracts with Customers.* IFRS 15 establishes a comprehensive framework for determining *when* to recognize revenue and *how much* revenue to recognize. The core principle in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company is currently evaluating the impact of the provisions of the new standard on its revenue recognition policies. The standard is effective 1 January 2018.

In other regards, the accounting principles and valuation methods remain unchanged compared with the description provided in the 2014 Annual Report.

Aerocrine

Solna May 12, 2015

Significant Risks and Uncertainty Factors
The principal risks and sources of uncertainty for Aerocrine include, albeit not exclusively, financial risks, such as the amount of future earnings, ability to secure additional financing – if and when needed and at a reasonable cost - currency and credit risks and market related risks. In addition there are also risks associated with Aerocrine's operations, such as obtaining the necessary approval from authorities, product development, patents and intellectual property rights, product responsibility and forward looking information, which can affect the Company. Further information on the Company's risk exposure can be found on pages 17-18 in the Aerocrine 2014 Annual Report Part 1 published on April 13, which can be found on the Aerocrine website.

Publication Dates 2015

First Quarter Interim Report	12 May 2015
AGM 2015 Results	12 May 2015
Second Quarter Interim Report	24 July 2015
Third Quarter Interim Report	6 November 2015

Solna, May 12, 2015

The Board of Directors and the President and CEO provide their assurance that this interim report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and its subsidiaries.

Rolf Classon	Dennis Kane
Board Member and Chairman	Board Member
Lars Gustafsson	Michael Shalmi
Board Member	Board Member
Maria Strömme	Scott Myers
Board Member	President and CEO

Aerocrine

Solna May 12, 2015

Report of Review of Interim Financial Information

Introduction We have reviewed the condensed interim financial information (interim report) of Aerocrine AB as of 31 March 2015 and the three-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stockholm, 12 May 2015
Öhrlings PricewaterhouseCoopers
Mikael Winkvist
Authorized Public Accountant

Aerocrine AB (publ) Corporate identity number 556549-1056

Aerocrine AB (publ), Råsundavägen 18 8th, SE-171 21, Solna, Sweden.
Telephone +46 8 6290780. Fax +46 8 6290781.
E-mail: info@aerocrine.com. Website: www.aerocrine.com or www.niox.com

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Solna May 12, 2015

CONSOLIDATED INCOME STATEMENT

	Aerocrine Group		
(SEK m)	**Jan 1, 2015 - Mar 31, 2015**	**Jan 1, 2014 - Mar 31, 2014**	**Jan 1, 2014 - Dec 31, 2014**
Net sales	53,171	35,028	166,222
Cost of goods sold	-21,771	-10,538	-54,768
Gross Profit/Loss	**31,400**	**24,490**	**111,454**
Sales and marketing expenses	-48,112	-39,230	-166,828
Administration expenses	-19,816	-12,817	-56,362
Development expenses	-16,034	-17,149	-60,509
Other operating income	1,492	221	5,153
Other operating expenses	-547	-127	-1,089
Operation Profit/Loss	**-51,616**	**-44,612**	**-168,181**
Financial income	23,705	1,428	24,671
Financial expenses	-45,519	-9,714	-84,730
Profit/loss before taxes	**-73,430**	**-52,898**	**-228,240**
Income tax	-	-	-
Profit/loss for the period	**-73,430**	**-52,898**	**-228,240**
Net profit/loss attributable to:			
Parent company shareholders	**-73,430**	**-52,898**	**-228,240**
Earnings per share based on Net Profit attributable to parent company shareholders (in SEK per share)			
Profit/loss per share (before and after dilution)*‡	-0.21	-0.16	-0.70
*Profit/loss per share after dilution is not reported, since this would imply improved earnings per share.			
‡Profit/loss per share has been recalculated due to the rights issue in accordance with IAS 33			
Other information:			
Average number of shares outstanding	348,273,131	154,631,170	154,938,616
Amortisation/depreciation included in operating expenses	*3,198*	*3,141*	*12,421*
- of which intangible assets	*2,844*	*2,671*	*10,708*
- of which tangible fixed assets	*354*	*470*	*1,712*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Aerocrine Group		
(SEK m)	**Jan 1, 2015 - Mar 31, 2015**	**Jan 1, 2014 - Mar 31, 2014**	**Jan 1, 2014 - Dec 31, 2014**
Profit/loss for the period	**-73,430**	**-52,898**	**-228,240**
Other comprehensive income for the period:			
Items that will not be reclassified to profit or loss:	-	-	-
Reassessment of net pension obligation	-	-	-
Items that have or may be reclassified to profit or loss:			
Translation differences on foreign operations	1,530	-12	2,722
Sum other comprehensive income for the period, net after taxes	**1,530**	**-12**	**2,722**
Total comprehensive income for the period	**-71,900**	**-52,910**	**-225,518**
Total comprehensive income attributable to:			
Parent company shareholders	**-71,900**	**-52,910**	**-225,518**

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CONSOLIDATED BALANCE SHEET

	Aerocrine Group		
(SEK m)	**Mar 31, 2015**	**Mar 31, 2014**	**Dec 31, 2014**
ASSETS			
Fixed Assets			
Intangible assets	17,903	26,951	20,417
Tangible fixed assets	6,712	6,246	6,513
Financial fixed assets	2,923	1,911	2,644
Total Tangible Assets	**27,538**	**35,108**	**29,574**
Current assets			
Inventories	36,923	19,747	26,867
Current receivables and prepaids	40,674	36,330	43,935
Cash equivalents	483,537	232,872	130,489
Total current assets	**561,134**	**288,949**	**201,291**
Total assets	**588,672**	**324,057**	**230,865**
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to:			
Shareholders' equity attributable to parent company shareholders	**244,918**	**53,859**	**-114,832**
LIABILITIES			
Long term liabilities and Provisions			
Pension commitments	1,737	1,432	1,795
Provisions for payroll overheads, staff option schemes	2,000	3,843	1,680
Provisions, other	1,682	1,364	1,528
Loan	294,992	216,976	267,928
Long term liabilities and Provisions	**300,411**	**223,615**	**272,931**
Current liablities	**43,343**	**46,583**	**72,766**
Total shareholders' equity and liabilities	**588,672**	**324,057**	**230,865**

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to Shareholders in the Parent Company					
(SEK m)	Share Capital	Other Capital Contributions	Cumulative Translation Differences	Revaluation of Net Pension Obligation	Accumulated Loss	Total Shareholders' Equity
Opening balance at January 1 2014	**77,314**	**1,465,391**	**659**	**- 419**	**- 1,438,759**	**104,186**
Comprehensive income						
Net earnings/Loss for the period	-	-	-	-	- 228,240	- 228,240
Other comprehensive income						
Reassessment of net pension obligation	-	-	-	-	-	-
Translation differences foreign operations	-	-	2,918	-	-	2,918
Sum other comprehensive income	-	-	*2,918*	-	-	*2,918*
Total comprehensive income	**-**	**-**	**2,918**	**-**	**- 228,240**	**- 225,322**
Transactions with shareholders						
New share issue	218	-	-	-	-	218
Issue expenses	-	-	-	-	-	-
Convertible bond	-	-	-	-	-	-
Staff option scheme:						
-value of employee services	-	-	-	-	6,086	6,086
Total transactions with shareholders	218	-	-	-	6,086	6,304
Closing balance, December 31 2014	**77,532**	**1,465,391**	**3,577**	**- 419**	**- 1,660,913**	**- 114,832**
Opening balance at January 1 2014	**77,314**	**1,465,391**	**659**	**- 419**	**- 1,438,759**	**104,186**
Comprehensive income						
Net earnings/Loss for the period	-	-	-	-	- 52,898	- 52,898
Other comprehensive income						
Reassessment of net pension obligation	-	-	-	-	-	-
Translation differences foreign operations	-	-	- 12	-	-	- 12
Sum other comprehensive income	-	-	- *12*	-	-	- *12*
Total comprehensive income	**-**	**-**	**- 12**	**-**	**- 52,898**	**- 52,910**
Transactions with shareholders						
New share issue	116	-	-	-	-	116
Issue expenses	-	-	-	-	-	-
Convertible bond	-	-	-	-	-	-
Staff option scheme:						
-value of employee services	-	-	-	-	2,467	2,467
Total transactions with shareholders	116	-	-	-	2,467	2,583
Closing balance, March 31 2014	**77,430**	**1,465,391**	**647**	**- 419**	**- 1,489,190**	**53,859**
Opening balance at January 1 2015	**77,532**	**1,465,391**	**3,577**	**- 419**	**- 1,660,913**	**- 114,832**
Comprehensive income						
Net earnings/Loss for the period	-	-	-	-	- 73,430	- 73,430
Other comprehensive income						
Reassessment of net pension obligation	-	-	-	-	-	-
Translation differences foreign operations	-	-	1,530	-	-	1,530
Sum other comprehensive income	-	-	*1,530*	-	-	*1,530*
Total comprehensive income	**-**	**-**	**1,530**	**-**	**- 73,430**	**- 71,900**
Transactions with shareholders						
New share issue	271,851	173,671	-	-	-	445,522
Issue expenses	-	- 14,679	-	-	-	- 14,679
Convertible bond	-	-	-	-	-	-
Staff option scheme:						
-value of employee services	-	-	-	-	807	807
Total transactions with shareholders	271,851	158,992	-	-	807	431,650
Closing balance, March 31 2015	**349,383**	**1,624,383**	**5,107**	**- 419**	**- 1,733,536**	**244,918**

CONSOLIDATED CASHFLOW STATEMENT

	Aerocrine Group		
(SEK m)	Jan 1, 2015 Mar 31, 2015	Jan 1, 2014 Mar 31, 2014	Jan 1, 2014 Dec 31, 2014
Cash flow from operating activities before change in working capital	**-55,028**	**-46,416**	**-167,980**
Total change in working capital	-34,488	-11,649	-6,952
Cash flow from operating activities	**-89,516**	**-58,065**	**-174,932**
Cash flow from investment activities	**-748**	**-1,261**	**-3,593**
Cash flow from financing activities	**430,783**	**-18**	**3**
Cash flow for the period	**340,519**	**-59,344**	**-178,522**
Increase/Decrease in cash equivalents			
Cash equivalents at start of the year	130,489	292,133	292,133
Exchange rate differences in cash equivalents	12,529	83	16,878
Cash equivalents at end of the period *	**483,537**	**232,872**	**130,489**

*Includes restricted cash of SEK 4.1m related to a rental contract.

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KEY RATIOS	Aerocrine Group Jan 1, 2015 Mar 31, 2015	Aerocrine Group Jan 1, 2014 Mar 31, 2014	Aerocrine Group Jan 1, 2014 Dec 31, 2014
Net sales SEK ths	53 171	35 028	166 222
Gross margin %	59%	70%	67%
Return on average shareholders' equity %	neg	neg	neg
Equity/Asset ratio %	42%	17%	-50%
Net indebtness, multiple	-0,77	-0,30	-1,20
Liquid ratio %	1209%	578%	240%
Average number of employees	107	120	115
Investments, SEK ths	748	1 261	3 593
Expenses related to development, SEK ths	16 034	17 149	60 509
Development expenses in % of total expenses	19%	25%	22%

Data per share	Aerocrine Group Jan 1, 2015 Mar 31, 2015	Aerocrine Group Jan 1, 2014 Mar 31, 2014	Aerocrine Group Jan 1, 2014 Dec 31, 2014
Number of shares at closing of period (before dilution)	698 766 052	154 851 195	155 063 162
Number of shares at closing of period (after dilution)[1)]	700 583 411	158 310 990	155 063 162
Average number of shares (before dilution)	348 273 131	154 631 170	154 938 616
Average number of shares (after dilution)[1)]	353 663 433	158 064 006	157 802 460
Shareholders' equity per share SEK, before full dilution	0,35	0,35	-0,74
Shareholders' equity per share SEK, after full dilution	0,35	0,34	-0,74
Earnings' per share, SEK (before dilution)[1)‡]	-0,21	-0,16	-0,67

[1)]Profit/loss per share after dilution is not reported, since this would imply improved earnings per share.

‡Profit/loss per share has been recalculated due to the rights issue in accordance with IAS 33

Definitions

Gross margin
Gross profit as a percentage of net sales for the period

Return on average shareholders' equity %
Profit/loss as a percentage of average shareholders' equity

Average number of shares
Number of shares adjusted for share issues conducted during the year (before dilution) and option programmes outstanding (after dilution)

Net indebtness
Interest-bearing liabilities less current investments and cash and equivalents divided by shareholders' equity

Equity/Asset ratio
Shareholders' equity as a percentage of total assets

Earnings per share
Net profit/loss divided by average number of shares before and after full dilution

Shareholders' equity per share
Shareholders' equity (adjusted for dilution effects) divided by the number of shares at the close of the period before and after full dilution

Liquid ratio
Current assets, excluding inventories and work in progress, in relation to current liabilities

QUARTERLY FINANCIAL INFORMATION

(SEK m)	Aerocrine Group Q1-2015	Q4-2014	Q3-2014	Q2-2014	Q1-2014	Q4-2013	Q3-2013	Q2-2013	Q1-2013
Net sales for the period	53,171	50,173	38,520	42,501	35,028	35,640	31,138	35,651	33,739
Gross profit/loss	31,400	31,839	26,165	28,960	24,490	24,764	22,912	25,002	25,152
Gross margin %	*59%*	*63%*	*68%*	*68%*	*70%*	*69%*	*74%*	*70%*	*75%*
Operating expenses for the period	-83,016	-69,892	-67,935	-72,706	-69,102	-76,392	-70,856	-77,608	-78,684
Operating profit/loss for the period	-51,616	-38,053	-41,770	-43,746	-44,612	-51,628	-47,944	-52,606	-53,532
Profit/loss from financial investments	-21,814	-22,445	-18,400	-10,928	-8,286	-7,436	-8,513	-3,109	-670
Profit/ loss for the period, before taxes	**-73,430**	**-60,498**	**-60,170**	**-54,674**	**-52,898**	**-59,064**	**-56,457**	**-55,715**	**-54,202**
Taxes	-	-	-	-	-	-79	-	-1	-80
Profit/ Loss after taxes	**-73,430**	**-60,498**	**-60,170**	**-54,674**	**-52,898**	**-59,143**	**-56,457**	**-55,716**	**-54,282**

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AEROCRINE GROUP SEGMENT FINANCIAL INFORMATION

	Jan 1, 2015 - Mar 31, 2015				Jan 1, 2014 - Mar 31, 2014			
Segment - Net sales	**US/NA***	**A/P***	**EU/ROW**	**Total**	**US/NA***	**A/P***	**EU/ROW**	**Total**
Net sales from external customers	20,072	9,239	23,860	53,171	10,572	6,828	17,628	35,028
Total net sales	**20,072**	**9,239**	**23,860**	**53,171**	**10,572**	**6,828**	**17,628**	**35,028**

	Jan 1, 2015 - Mar 31, 2015					Jan 1, 2014 - Mar 31, 2014				
Segment - Profitability measure	**US/NA***	**A/P***	**EU/ROW**	**Unallocated**	**Total**	**US/NA***	**A/P***	**EU/ROW**	**Unallocated**	**Total**
Total EBIT for reportable segment	**-43,437**	**4,571**	**-12,750**	**-**	**-51,616**	**-32,671**	**2,216**	**-14,157**	**-**	**-44,612**
Financial income	-	-	-	23,705	23,705	-	-	-	1,428	1,428
Financial expenses	-	-	-	-45,519	-45,519	-	-	-	-9,714	-9,714
Group - earnings before tax	**-43,437**	**4,571**	**-12,750**	**-21,814**	**-73,430**	**-32,671**	**2,216**	**-14,157**	**-8,286**	**-52,898**
Negative impact on earnings;										
- cost personnel option plan	*-518*	*-*	*-609*	*-*	*-1,127*	*-815*	*-*	*-1,378*	*-*	*-2,193*
- depriciation	*-206*	*-*	*-2,992*	*-*	*-3,198*	*-139*	*-*	*-2,978*	*-*	*-3,117*

* US/NA = USA and North America, A/P = Asia/Pacific region

PARENT COMPANY INCOME STATEMENT

(SEK m)	**Jan 1, 2015 - Mar 31, 2015**	**Jan 1, 2014 - Mar 31, 2014**	**Jan 1, 2014 - Dec 31, 2014**
Net sales	64,201	37,344	172,799
Cost of goods sold	-24,106	-11,460	-57,863
Gross Profit/loss	**40,095**	**25,884**	**114,936**
Sales and marketing expenses	-57,014	-44,081	-194,834
Administration expenses	-12,332	-9,202	-39,357
Development expenses	-11,672	-13,845	-47,119
Other operating income	1,507	207	4,540
Other operating expenses	-908	-111	-1,075
Operation Profit/loss	**-40,324**	**-41,148**	**-162,909**
Earnings from shares in Group companies	-	-	-
Financial income	23,705	1,428	25,706
Financial expenses	-45,519	(9,714)	-84,781
Profit/Loss from financial items	**-21,814**	**-8,286**	**-59,075**
Loss after financial items	**-62,138**	**-49,434**	**-221,984**
Taxes	-	-	-
Loss for the period	**-62,138**	**-49,434**	**-221,984**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	**Jan 1, 2015 - Mar 31, 2015**	**Jan 1, 2014 - Mar 31, 2014**	**Jan 1, 2014 - Dec 31, 2014**
Loss for the period	**-62,138**	**-49,434**	**-221,984**
Other comprehensive income	-	-	-
Total comprehensive income	**-62,138**	**-49,434**	**-221,984**

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PARENT COMPANY BALANCE SHEET

(SEK m)	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014
ASSETS			
Fixed Assets			
Intangible Assets	17,903	26,951	20,417
Tangible Assets	2,028	2,434	2,213
Financial Assets	50,559	40,167	41,869
Total fixed assets	**70,490**	**69,552**	**64,499**
Current assets			
Inventory	24,370	14,745	18,079
Current receivables and prepaids	25,486	24,858	30,184
Cash equivalents	469,344	222,131	121,494
Total current assets	**519,200**	**261,734**	**169,757**
Total assets	**589,690**	**331,286**	**234,256**
SHAREHOLDERS' EQUITY			
Shareholders' equity	**270,446**	**69,761**	**(99,067)**
LIABILITIES			
Long term liabilities and provisions			
Provisions			
Provisions for guarantees	1,401	1,800	1,401
Provisions for payroll overheads, staff option schemes	2,000	3,843	1,680
Loan	294,992	216,976	267,928
Long term liabilities and provision	**298,393**	**222,619**	**271,009**
Current liabilities	**20,851**	**38,906**	**62,314**
Total shareholders' equity and liabilities	**589,690**	**331,286**	**234,256**
Pledged assets	**351,895**	**493,136**	**351,895**
Contingent liabilities	**none**	**none**	**none**