QUARTERLY REPORT 3

September 2015 – May 2016

Diamyd Medical AB (publ), Fiscal year 2015/2016

Reporting period, Mar 1, 2016 – May 31, 2016

- Net result amounted to MSEK -18.2 (-7.3), of which impairment of holding in associated company amounted to MSEK -13.5 (0)
- Net result per share amounted to SEK -0.8 (-0.3)
- Cash flow from operating activities amounted to MSEK -4.3 (-4.8)
- Liquid assets and short term investments amounted at the end of the period to MSEK 36.5 (34.2)

September 1, 2015 – May 31, 2016

- Net result amounted to MSEK -27.2 (-17.2), of which impairment of holding in associated company amounted to MSEK -13.5 (0)
- Net result per share amounted to SEK -1.0 (-0.7)
- Cash flow from operating activities amounted to MSEK -13.7 (-14.6)

Significant events during the reporting period

- Diamyd® in combination with etanercept and vitamin D shows safety in a first preliminary interim report
- Study where Diamyd® is administered directly into lymph nodes, DIAGNODE-1, is approved for expansion and inclusion of children from 12 years of age. Interim results indicate clear and desired re-balancing of the immune system
- Diamyd Medical is engaged in discussions regarding an extension of GABA/Diamyd® trial in Birmingham, Alabama
- Diamyd Medical appoints new CEO who also buys shares in the Company
- Diamyd Medical increases investment in the stem cell company Cellaviva

Significant events after the reporting period

- The associated company Cellaviva withdraws new share issue. Diamyd Medical makes an impairment of its previous holding of MSEK 13.5. Cellaviva is refinanced and intends to increase its focus on the development of therapeutic stem cell products

CEO comments

Dear Shareholders,

It was with great pride and humility that I took over the role of CEO of Diamyd Medical nearly two months ago. This has been an intense period and I recently returned from the American Diabetes Association's (ADA) 76th Scientific Sessions in New Orleans, the world's largest diabetes conference, with more than 16,000 delegates. The principal message for the type 1 diabetes field was clear: combination therapy and innovative studies are the key to preventing and curing the disease. Government players in the US are showing increasing commitment to curing and preventing diabetes and we have also seen at other conferences we attended earlier in the spring a clear and intensified interest in Diamyd Medical from regional pharmaceutical companies. This is extremely positive for Diamyd Medical. With six ongoing researcher-initiated phase II studies, in which the diabetes vaccine Diamyd® is combined with other substances, we are ahead of our time. During the period, we reported that the innovative open DIAGNODE study, led by Professor Johnny Ludvigsson at Linköping University, demonstrated good safety and promising immunological responses in a first preliminary interim evaluation of data from four patients in the study. It is the first study of its kind in which the concept of intralymphatic administration of an antigen is used in an autoimmune disease, a concept that has been demonstrated to be highly effective in the allergy field. We had a rewarding meeting with the Swedish Medical Products Agency regarding a potential Diamyd® and GABA study that is being planned together with Professor Per-Ola Carlsson at Uppsala University Hospital, and there is interest in further studies among researchers around the world. Discussions are also in progress regarding a possible extension of the ongoing and highly interesting Diamyd® and GABA combination study at the University of Alabama at Birmingham, USA.

Regarding Diamyd Medical's holdings, it is positive that Cellaviva has received MSEK 8 in refinancing and that the operation is being broadened as a result of a new department being created within Cellaviva for development of stem cells for immunomodulating and regenerative medicine. Diamyd Medical's shareholding is reduced from approximately 45% to approximately 22%. For the sake of clarity, Diamyd Medical has chosen to impair the previous value of the holding in its entirety. As far as our other holdings are concerned, at ADA I met Sean Saint who is President of Companion Medical, in which Diamyd Medical owns 8.5% of the shares. Companion is developing an insulin pen that is linked to a smartphone application, and its 510k application to the FDA is on schedule.

Recently published articles and conference abstracts on ADA strengthen GAD's and GABA's key roles in diabetes. In the journal *Diabetes* (Phelps et al.), new research shows that an immunogenic variant of GAD in type 1 diabetes accumulates in damaged or stressed beta cells, with the hypothesis that this is the cause of the autoimmune disease. An abstract by Professor Qinghua Wang of the University of Toronto and also a member of our Scientific Advisory Board, shows that in an animal model GABA increases the metabolism in fatty tissue. Earlier studies have demonstrated GABA's anti-inflammatory effects and function as a neurotransmitter substance in the pancreas, where it promotes the production of insulin, inhibits glucagon secretion and has potentially favorable effects on beta cell survival and growth. There is continued strong interest in further development involving Diamyd Medical's patented substances in the type 1 diabetes field and new research findings are also opening the way for GABA as a potential component in the treatment of, for example, type 2 diabetes.

I am convinced that Diamyd Medical is at the very leading edge of the type 1 diabetes field, with clinical studies that are in line with what leading experts see as the future of this area. Out-licensing is top of the agenda. We have excellent relations with large pharmaceutical companies and, as mentioned above, there is clear interest from regional pharmaceutical companies. My task as CEO is to refine the strengths and core assets of the company and capitalize on the fact that we have the wind in our sales to ensure that Diamyd Medical grows and becomes a profitable diabetes company, with clarity in how we relate to our cooperative partners and to you, our shareholders. And most important of all, we will do our utmost to prevent and cure type 1 diabetes, one of the most serious diseases that is affecting increasing numbers of children in the world.

Stockholm, June 29, 2016

Ulf Hannelius

President and CEO of Diamyd Medical AB (publ)

Significant events during the reporting period

Diamyd® in combination with etanercept and vitamin D shows safety in a first preliminary interim report
A first six-month interim report comprising five patients in EDCR IIa, a pilot researcher-initiated clinical study in which the diabetes vaccine Diamyd® is combined with two other already approved agents, the immunosuppressive drug etanercept and vitamin D, preliminary shows the treatment is safe and tolerable. No serious side effects have been reported. This is the first time that this combination of agents is tested against the complex autoimmune process that causes type 1 diabetes.

Study where Diamyd® is administered directly into lymph nodes, DIAGNODE-1, is approved for expansion and inclusion of children from 12 years of age. Interim results indicate clear and desired re-balancing of the immune system
DIAGNODE-1, an open-label clinical pilot study in which the diabetes vaccine Diamyd® is administered directly into lymph nodes, has been approved by the Swedish Medical Products Agency and the Ethics Review Board to be expanded from five to nine patients and to include children from 12 years of age. Professor Johnny Ludvigsson presents preliminary evaluation of data from the first four patients in the study at the diabetes meeting SSSD in Reykjavik on April 21-22, 2016. The interim results indicate that administration of a low dose of the diabetes vaccine Diamyd® in lymph glands clearly re-balances the immune system towards a desired so called Th2 response. As previously reported, the treatment appears to be safe and tolerable and the clinical progression seems positive.

Diamyd Medical is engaged in discussions regarding an extension of GABA/Diamyd® trial in Birmingham, Alabama
Diamyd Medical is engaged in discussions regarding an extension of the ongoing GABA/Diamyd® trial in Birmingham, Alabama. The Company also announced that the associated company Companion Medical, Inc. has submitted a 510(k) Premarket Notification in the US as well as a CE-mark application in Europe.

Diamyd Medical appoints new CEO who also buys shares in the Company
Ulf Hannelius (40), PhD in molecular biology from Karolinska Institute and with an MBA from Stockholm School of Economics is appointed to, and assumes as of April 11, the position as CEO of Diamyd Medical. Ulf Hannelius buys 20,000 B-shares in Diamyd Medical.

Diamyd Medical increases investment in the stem cell company Cellaviva
Within the framework of a convertible loan of SEK 2.7 million mainly directed at existing shareholders, Diamyd Medical increases its investment in the associated company Cellaviva AB with an additional MSEK 1.3.

Significant events after the reporting period

Diamyd Medical's associated company Cellaviva withdraws new share issue. Diamyd Medical makes an impairment of its previous shareholding. Cellaviva is refinanced and intends to increase its focus on the development of therapeutic stem cell products
Diamyd Medical's associated company Cellaviva withdraws a new share issue due to low participation in the issue. Cellaviva is refinanced by approximately MSEK 8.2 through the exercise of a convertible loan of about MSEK 2.7 and a capital contribution of approximately MSEK 5.5, of which Diamyd Medical's shares amount to MSEK 1.3 and MSEK 1, respectively. Cellaviva intends to increase its focus on the development of therapeutic stem cell products. Diamyd Medical announces concurrently in its quarterly report that an impairment is made of the previous holding of approximately MSEK 13.5.

Business overview

Diamyd Medical is dedicated to finding a cure for autoimmune diabetes through pharmaceutical development and investments in stem cell and medical technology.

Diamyd Medical develops the diabetes vaccine Diamyd®, an Antigen Based Therapy (ABT) based on the exclusively licensed GAD-molecule. The Company's licensed technologies for GABA and Gliadin have also potential to become key pieces of the puzzle of a future solution to prevent, treat or cure autoimmune diabetes, and also certain inflammatory diseases. At this time six clinical studies are ongoing with Diamyd®. Diamyd Medical is one of the major shareholders in the stem cell company Cellaviva AB. Stem cells can be expected to be used in Personalized Regenerative Medicine (PRM), for example for restoration of beta cell mass in diabetes patients where the autoimmune component of the disease has been arrested. Diamyd Medical also has holdings in the medtech company Companion Medical, Inc., San Diego, USA and in the gene therapy company Periphagen, Inc., Pittsburgh, USA.

Diamyd Medical's B-share is traded on Nasdaq Stockholm First North under the ticker DMYD B. Remium Nordic AB is the Company's Certified Adviser. Further information is available on the Company's website: www.diamyd.com.

GAD, GABA and Gliadin

GAD, GABA and Gliadin are all substances that can affect the course of type 1 diabetes, and are the mainstay of Diamyd Medical's drug development. The GAD-based diabetes vaccine Diamyd® is considered the most advanced Antigen Based Therapy (ABT) for treating the disease. Combined ABT and GABA treatment has the potential to preserve beta cell function in type 1 diabetes and may also inhibit other inflammatory disorders. In animal models of type 1 diabetes, GABA has been shown to synergistically increase the efficacy of ABT by preserving beta cell function, and the combination of Diamyd® and GABA is currently being tested in a clinical trial in the US for children newly diagnosed with type 1 diabetes. Gliadin has also been shown to preserve beta cell function in animal models and is the antigen most strongly associated with celiac disease (gluten intolerance). Diamyd Medical plans to study whether combined treatment with Gliadin and GABA could have similar synergistic effects on type 1 diabetes as those shown by GABA and ABT in animal models. Gliadin is also considered a possible option for the treatment of celiac disease and inflammatory bowel disease. Diamyd Medical holds several exclusive patents for the use of these substances to prevent, treat and cure autoimmune diabetes.

Antigen Based Therapy (ABT) and combination trials

Type 1 diabetes is a devastating disease which requires daily treatment with insulin to sustain life. The importance of finding a cure should not be underestimated. The diabetes vaccine Diamyd® has been used in clinical studies with more than 1,000 patients and has shown a good safety profile. In a European Phase III trial Diamyd® showed good clinical effect in several subgroups, and a limited overall 16% efficacy (p=0.10) in preserving endogenous insulin secretion. Subsequent development is focused on combination trials to enhance efficacy. Diamyd® is easy to administer in any clinical setting. The potential annual market is estimated to several billion dollars per year.

Six researcher-initiated clinical trials are ongoing combining Diamyd® with various other immunomodulatory compounds; etanercept, ibuprofen, vitamin D and GABA.

- **DIABGAD- 1 – COMBINING DIAMYD® WITH IBUPROFEN AND VITAMIN D**
  A placebo-controlled trial, where Diamyd® is being tested in combination with ibuprofen and vitamin D. The trial comprises a total of 64 patients between the ages of 10 and 18, recently diagnosed with type 1 diabetes, and will continue for a total of 30 months. The aim of the combination treatment is to preserve the body's own capacity to produce insulin. The trial runs at nine clinics in Sweden and is led by Professor Johnny Ludvigsson at Linköping University, Sweden. 30 month results from the trial are due during the first half year of 2017.

- **DIAGNODE -1 –DIAMYD® IN LYMPH GLANDS IN COMBINATION WITH VITAMIN D**
  An open label trial, where Diamyd® is administered directly into lymph nodes in combination with treatment with vitamin D. The trial comprises nine patients between the ages of 12 and 30 newly diagnosed with type 1 diabetes, and will continue for a total of 30 months. The aim of the trial is to evaluate the safety of the combination treatment and the effect on the immune system and the patients' insulin producing capacity. The trial is led by Professor Johnny Ludvigsson at Linköping University, Sweden. The first patient was included in the trial in February 2015.

- **GABA/ DIAMYD® – COMBINING DIAMYD® WITH GABA**
  A placebo-controlled trial, where Diamyd® is being tested in combination with GABA. The trial comprises 75 patients between the ages of 4 and 18 recently diagnosed with type 1 diabetes, and will continue for a total of 12 months. The aim of the combination treatment is to preserve the body's residual capacity to produce insulin. The trial is led by Professor Kenneth McCormick at the University of Alabama at Birmingham, USA. The first patient was included in the trial in March 2015.

- **EDCR IIa – COMBINING DIAMYD® WITH ETANERCEPT AND VITAMIN D**
  An open label trial, where Diamyd® is combined with etanercept and vitamin D. The trial comprises 20 patients between the ages of 8 and 18 who have been newly diagnosed with type 1 diabetes, and will continue for a total of 30 months. The aim of the trial is to evaluate the safety of the combination treatment and the effect on the immune system and the patients' insulin producing capacity. The trial is led by Professor Johnny Ludvigsson at Linköping University, Sweden. The first patient was included in May 2015.

- **DiAPREV-IT 1– DIAMYD®**
  A placebo-controlled trial, where Diamyd® is being tested in children at high risk of developing type 1 diabetes, meaning that they have been found to have an ongoing autoimmune process but do not yet have any clinical symptoms of diabetes. A total of 50 participants from the age of four have been enrolled in the trial, which will last for five years. The aim of the trial is to evaluate whether Diamyd® can delay or prevent the participants from presenting with type 1 diabetes. The trial is led by Dr. Helena Elding Larsson at Lund University, Sweden. Five year results are expected at the end of 2016.

- **DiAPREV-IT 2 – COMBINING DIAMYD® WITH VITAMIN D**
  A placebo-controlled trial, where Diamyd® is being tested in combination with vitamin D in children at high risk of developing type 1 diabetes, meaning that they have been found to have an ongoing autoimmune process but do not yet have any clinical symptoms of diabetes. A total of 80 participants between the ages of 4 and 18 will be enrolled in the trial, which will last for five years. The aim of the trial is to evaluate whether Diamyd® can delay or prevent the participants from presenting with type 1 diabetes. The trial is led by Dr. Helena Elding Larsson at Lund University, Sweden. The first patient was included in March 2015.

Key figures

	3 months Mar-May 2015/16	3 months Mar-May 2014/15	**9 months Sep-May 2015/16**	9 months Sep-May 2014/15	12 months Sep-Aug 2014/15
Research and development costs, MSEK	-1.4	-4.3	-4.3	-8.6	-9.7
Solidity, %	82	83	82	83	85
Result per share, SEK	-0.8	-0.3	-1.0	-0.7	-0.8
Liquid assets and short term investments per share, SEK	1.2	1.2	1.2	1.2	1.0
Shareholders' equity per share, SEK	1.2	1.4	1.2	1.4	1.3
Cash flow per share, SEK	0.9	0.0	0.6	0.1	-0.3
Share price per closing, SEK	4.8	9.1	4.8	9.1	8.9
Share price/Shareholders' equity per share, SEK	4.2	6,3	4.2	6.3	8.9
Number of shares per closing	29 492 562	21 819 422	29 492 562	21 819 422	22 119 422
Average number of shares	26 008 575	20 493 335	23 411 083	19 994 147	20 510 929
Average number of employees	7	6	7	7	6

When calculating key figures it is assumed that the number of shares for the comparative period shall be the number of shares for the fiscal period.

Income statement

KSEK	Note	3 months Mar-May 2015/16	3 months Mar-May 2014/15	9 months Sep-May 2015/16	9 months Sep-May 2014/15	12 months Sep-Aug 2014/15
OPERATING INCOME						
Net income		112	172	589	396	513
Other operating income		24	35	83	667	699
TOTAL OPERATING INCOME		136	207	672	1 063	1 212
OPERATING EXPENSES						
External research and development costs		-1 418	-4 337	-4 278	-8 610	-9 686
External patent- and license costs		-142	-170	-688	-1 009	-1 351
Personnel costs	1	-2 141	-1 960	-5 875	-5 934	-7 366
Other external costs	1	1 064	-1 037	-46	-2 985	-4 105
Other operating expenses		-7	-22	-3 370	-226	-246
Depreciation		-26	-6	-79	-19	-26
Impairment of financial assets	2	-13 543	-	-13 543	-	-
TOTAL OPERATING EXPENSES		-18 342	-7 532	-27 880	-18 783	-22 780
OPERATING RESULT		**-18 206**	**-7 325**	**-27 208**	**-17 721**	**-21 568**
Net Financial income/expense		-11	70	6	509	171
RESULT BEFORE TAXES		-18 216	-7 254	-27 214	-17 212	-21 397
Taxes		-	-	-	-	-
NET RESULT FOR THE PERIOD		**-18 216**	**-7 254**	**-27 214**	**-17 212**	**-21 397**

Balance sheet

KSEK	Note	**31 May 2016**	31 May 2015	31 Aug 2015
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		400	86	480
Financial assets	2	3 453	16 246	15 661
TOTAL NON-CURRENT ASSETS		3 853	16 332	16 141
CURRENT ASSETS				
Trade receivables		188	86	196
Other receivables		693	506	235
Prepaid expenses and accrued income		386	297	346
Short term investments		4 999	7 998	12 998
Liquid assets		31 492	26 214	16 729
TOTAL CURRENT ASSETS		37 758	35 102	30 504
TOTAL ASSETS		**41 611**	**51 434**	**46 645**
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		2 991	2 213	2 243
Statutory reserve		200	200	200
Non-restricted equity				
Share premium reserve non-restricted		56 803	34 487	35 804
Profit or loss brought forward		1 277	22 770	22 674
Net loss for the period		-27 214	-17 212	-21 397
TOTAL EQUITY		34 056	42 458	39 524
NON-CURRENT LIABILITIES				
Other liabilities		3 269	908	806
TOTAL NON-CURRENT LIABILITIES		3 269	908	806
CURRENT LIABILITIES				
Trade payables		1 219	1 126	935
Other payables		607	351	277
Prepaid income and accrued expenses		2 460	6 591	5 103
TOTAL CURRENT LIABILITIES		4 286	8 068	6 315
TOTAL EQUITY AND LIABILITIES		**41 611**	**51 434**	**46 645**

Statement of cash flow

KSEK	Note	3 months Mar-May 2015/16	3 months Mar-May 2014/15	9 months Sep-May 2015/16	9months Sep-May 2014/15	12 months Sep-Aug 2014/15
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL						
Operating profit/loss		-18 207	-7 325	-27 209	-17 721	-21 568
Interest and foreign exchange difference received		-13	22	-6	428	114
Interest and foreign exchange difference paid		0	-	0	-2	-2
Non-cash flow items						
Depreciation		26	6	79	19	26
Other non-cash flow items	2	14 205	163	13 366	72	2 139
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-3 988**	**-7 134**	**-13 769**	**-17 204**	**-19 291**
Increase (-) decrease (+) receivables		-797	-214	-313	410	636
Increase (+) decrease (-) liabilities		465	2 506	402	2 195	344
NET CASH FLOW FROM OPERATING ACTIVITIES		**-4 320**	**-4 842**	**-13 679**	**-14 599**	**-18 311**
CASH FLOW FROM INVESTING ACTIVITIES						
Investment in immaterial and material assets, net		-	-	-	-	-400
Investment in financial assets		-1 334	-1 690	-1 334	-2 007	-2 007
Increase (-) decrease (+) short term investments, net		5 000	-8 229	7 999	2 731	-2 038
NET CASH FLOW FROM INVESTING ACTIVITIES		**3 666**	**-9 919**	**6 665**	**724**	**-4 444**
CASH FLOW FROM FINANCING ACTIVITIES						
New issue		22 119	15 450	22 119	-15 450	15 000
Issue expenses		-373	-31	-373	-41	-44
NET CASH FLOW FROM FINANCING ACTIVITIES		**21 747**	**15 419**	**21 747**	**15 409**	**14 956**
TOTAL CASH FLOW FOR THE PERIOD		**21 093**	**658**	**14 732**	**1 534**	**-7 800**
Cash and cash equivalents at beginning of period		10 367	25 880	16 729	24 715	24 715
Net foreign exchange difference		-32	-324	31	-35	-186
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**31 492**	**26 214**	**31 492**	**26 214**	**16 729**

Changes in Equity

KSEK	Share Capital	Statutory Reserve	Share premium reserve non restricted	Other non-restricted equity	Total Shareholders' equity
OPENING BALANCE SEPTEMBER 1, 2014	**2 000**	**200**	**19 292**	**22 673**	**44 165**
Net result for the period	-	-	-	-21 397	-21 397
New issue	243	-	16 557	-	16 800
Issue expenses	-	-	-44	-	-44
CLOSING BALANCE AUGUST 31, 2015	**2 243**	**200**	**35 804**	**1 276**	**39 524**
OPENING BALANCE SEPTEMBER 1, 2014	**2 000**	**200**	**19 262**	**22 769**	**44 261**
Net result for the period	-	-	-	-17 212	-17 212
New issue	213	-	15 237	-	15 450
Issue expenses	-	-	-41	-	-41
CLOSING BALANCE MAY 31, 2015	**2 213**	**200**	**34 487**	**5 557**	**42 458**
OPENING BALANCE SEPTEMBER 1, 2015	**2 243**	**200**	**35 804**	**1 276**	**39 524**
Net result for the period	-	-	-	-27 214	27 214
New issue	748	-	21 372	-	22 120
Issue expenses	-	-	-373	-	-373
CLOSING BALANCE MAY 31, 2016	**2 991**	**200**	**56 803**	**-25 939**	**34 056**

Notes

Accounting principles

From fiscal year 2014/2015 interim and annual reports are prepared with the application of the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012: 1 Annual Report and Consolidated accounts (K3).

Note 1 – Related-party transactions

During the period companies represented by immediate family members of the former CEO (present Board member) were contracted as consultants. The consultancy services were attributable to IT-services. Pricing has been set by the arm's length principle. Total compensation for consultancy services and salaries to immediate family members of the CEO during the period amounted to KSEK 1 227 (1 125). No other members of the Board of Directors, key executives or their immediate family members have been directly or indirectly involved in any business transaction with the Company that is or was unusual in its character or terms and conditions and took place during the period. Neither has the Company given any loans, provided any guarantees or surety to or for the benefit of any member of the Board of Directors, key executives or auditors in the Company.

KSEK	Sep-May 2015/2016	Sep-May 2014/2015
Consultant fees and salaries to related parties	1 227	1 125

Note 2 – Financial assets

Diamyd Medical owns shares in Cellaviva AB (corporate registration no 556965-8361 who establishes a stem cell bank for private family saving of umbilical cord blood and other sources of stem cells. The registered office is in Huddinge, Stockholm County. Diamyd Medical's share of the equity as well as share of the votes was as of May 31, 2016, approximately 45 %. The carrying amount of the holding corresponding to MSEK 13.5 has been impaired in its entirety. The impairment has yielded a non-recurring effect on the result of MSEK -13.5. After the end of the period Cellaviva has been refinanced through the exercise of a convertible loan of about MSEK 2.7 and a capital contribution of about MSEK 5.5, of which Diamyd Medical's shares amount to MSEK 1.3 and MSEK 1, respectively. Diamyd Medical's shareholding amounts subsequently to approximately 22%.

Diamyd Medical holds approximately 8.5% of the medical device company Companion Medical, Inc., based in San Diego, USA. The holding is valued at cost, approximately MSEK 2.8.

Risks

Diamyd Medical's operations are associated with risks related to inter alia, drug development, commercialization, financing, intellectual property, collaborations with partners, authority decisions, agreements and key personnel. For a description of the Company's risks, please see the Annual Report for the fiscal year 2014/2015. No significant changes in the Company's risk assessment have occurred since the Annual Report was issued.

Statement

The Board of Directors and the CEO certify that the interim report gives a fair overview of the business, position and profit or loss of the Company and describes the principal risks and uncertainties that face the Company.

This report has not been reviewed by the Company's auditors.

Stockholm, June 29, 2016

Erik Nerpin, Chairman of the Board

Anders Essen-Möller, Board member

Maria-Teresa Essen-Möller, Board member

Fredrik Åhlander, Board member

Ulf Hannelius, President & CEO

Financial calendar

Year-End Report 2015/2016 October 12, 2016

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