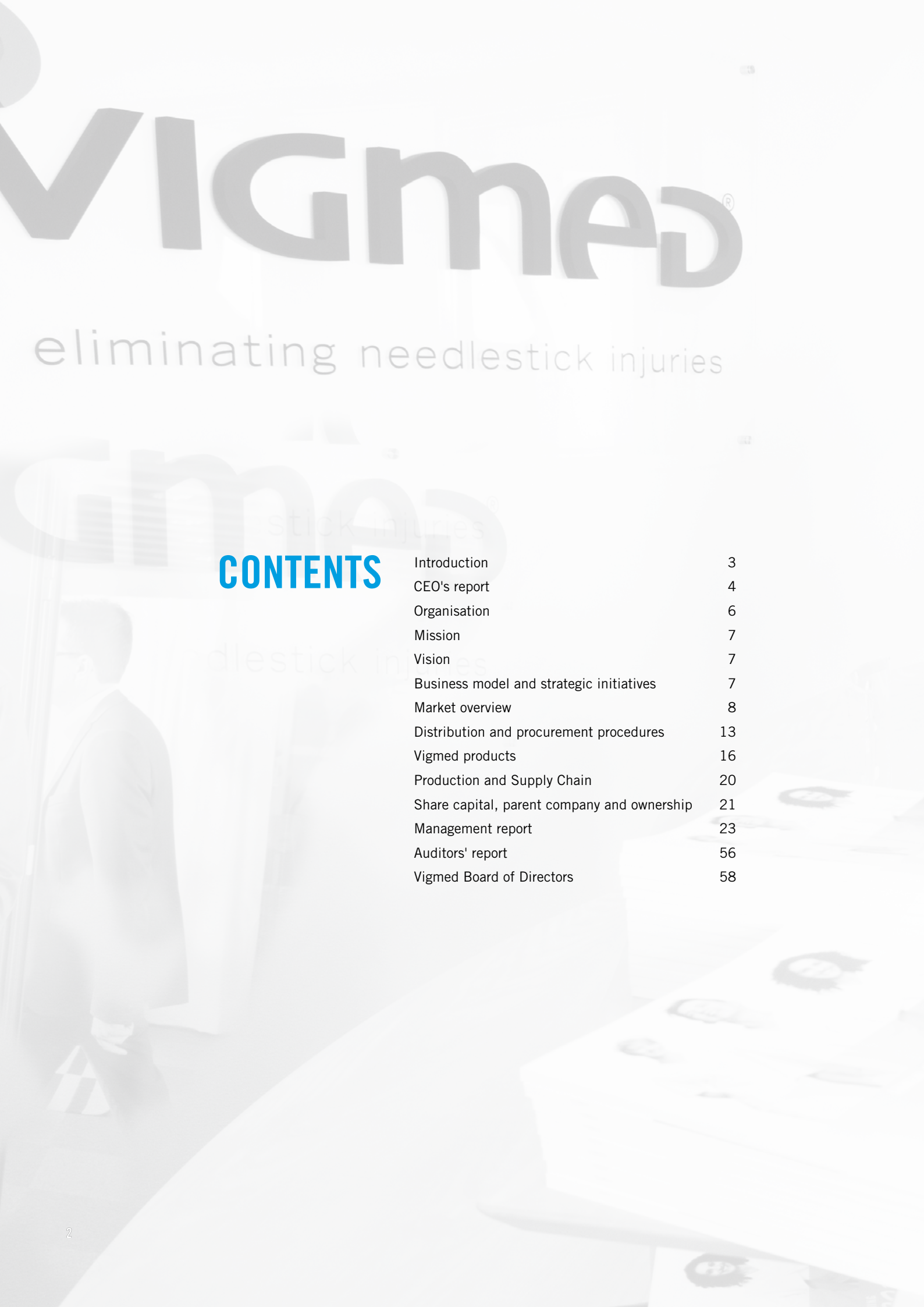
ANNUAL REPORT 2015

VIGMED®



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INTRODUCTION

Vigmed is a Swedish medical technology company founded in 2009 whose mission is to reduce the risk of disease transmission to healthcare workers and patients by eliminating needlestick injuries in health care.

Needlestick injuries are a major concern for physicians, nurses and other healthcare personnel, who risk infection with HIV, hepatitis, Ebola or one of the other around 60 blood-borne diseases that can be transmitted via an infected needle. Every year, in Europe alone, it is estimated that more than a million physicians, nurses and other healthcare personnel suffer needlestick injuries, while there is a high number of unreported cases. Besides the physical and mental suffering of those affected, the healthcare sector is burdened by the high costs of follow-up and treatment of healthcare personnel who have suffered potentially contaminating needlestick injuries.

Needlestick injuries are considered to be such a significant health and safety hazard that, in 2013, the EU adopted a directive that requires all needles and sharp devices purchased by public health authorities to be equipped with a safety mechanism to prevent needlestick injuries. The directive is implemented in national legislation in the respective EU member states and requires a limited period of market transition to the new types of safe products.

Vigmed develops and markets patented safety products to protect healthcare personnel from needlestick injuries. These are use-friendly products of high quality.

Vigmed and its needlestick protection products are becoming established in the market with the support of the new safety directive and increased risk awareness.

CEO'S REPORT

Vigmed was full of confidence at the start of 2015. Several new distribution agreements had been signed, and the company's products had recently been launched in all markets. We could also see how throughout western Europe there is generally greater awareness of the safety issues, as a consequence of the new statutory directive on a safety mechanism to prevent needlestick injuries, which is beginning to have an impact. There was great confidence in increasing sales volumes for our products in the markets. We also had a number of additional patent-pending products under development, to be launched at a later time.

The response we received on the introduction of our patented safety products was and still is generally very positive, especially among end-users, who often report that our products have characteristics that simplify many aspects and are generally considered to be user-friendly.

It was naturally a hard blow for us when, a few months into the year, we received feedback from the markets that the robustness of a detail in the design of our CLiP products was not satisfactory under certain specific circumstances. As a player with a high quality profile, there was no alternative to interrupting the market launch that was in progress. Vigmed must build its long-term success on a sound reputation as a serious player that provides safe and effective products of high quality.

Besides the problems with the CLiP products, Vigmed's SWiNG Universal injection product also got off to an unfortunate start. The supplier of the production equipment failed to fulfil its obligations, which resulted in considerable delays. As a consequence, the market partly outran us, with alternative safety solutions for hypodermic products. As the competition for these simpler high-volume products is increasing now that manual safety solutions are accepted, our expectations regarding SWiNG Universal have been reduced.

The problems with CLiP in particular have naturally not only disappointed Vigmed, but also our partners, customers and shareholders. Besides lost sales, the company has incurred extensive extra costs, in particular inventory impairment for products that we wrote off as a consequence of the upgrading of the CLiP range during the year.

Despite the challenging conditions, during the spring our R&D department nonetheless succeeded in not only adjusting, but also improving, our CLiP product. The result was a new, improved version of CLiP that is now being implemented across the entire range. This upgraded generation of CLiP was launched on the markets during the autumn, and fortunately the response has been very positive.

As consequence of the problems we have faced, our sales development during the year fell below expectations. We can also note that these challenges caused our distributors to take a rather reserved approach, to some extent, which we now must address.

During the third quarter of 2015, the Board of Directors and Management of Vigmed performed an exhaustive review of the entire business. The consequences of this review were certain adjustments to the company's goals, increased focus on sales of existing products in prioritised markets, cost reduction measures and organisational adjustments.

In our new organisation, implemented in the late autumn of 2015, production, logistics, market and sales functions have been combined into a single shared function. The aim is an improved structure and collaboration between the supply chain and our commercial activities. Another measure taken to strengthen our sales work was to establish a more proactive process for continuous dialogue with our distributors, as well as the introduction of a clearer structure for and follow up on procurement processes in the markets.

Today, our management team comprises a focused team of four people. Besides myself, the team has management members responsible for finance, research & development, sales, marketing and logistics. I can say, without any doubt, that we are now a closely-knit, well-motivated team, with a clear shared agenda.

So far, we have reduced our focus on new product development activities and re-allocated our resources to sales and customer support. Since we are a small organisation, there is a limit to how much we can achieve immediately, making it necessary to realign our priorities, in order to stay fully focused on our key activities. Our development teams have proved to be highly valued resources in relation to our customers. They have detailed product knowledge and the capacity to communicate actively with our end-users. We have now begun to use this more actively than before, and I am convinced that close cooperation between end-users and our specialists will prove to be extremely valuable going forward. We must be the best in the market in terms of adjusting our product range to market requirements.

It is clear to me that the changes we have achieved have ensured a sound new start for the business. We are now fully focused on our

core activities, and on delivering results. We are also beginning to see clear indications that our more proactive approach to collaboration with our distributors and end-users is starting to generate growing confidence in Vigmed and our products.

During this transformation work, we succeeded in launching the unique needleprotected SWiTCH arterial catheter. I would like to congratulate my colleagues who worked hard on this launch. Market tests are now taking place in most of our markets, and we have also received a very positive response. Several of our distributors have expressed how they see this product as an effective door-opener for Vigmed's other products.

Based on the positive response to the improved versions of the CLiP products, and our new SWiTCH product, we believe that we are finally on the right course. Our distributors are now conducting a number of product evaluations at end-users and key stakeholders. These activities can be seen as the preliminary stage before the major product procurement contracts that we hope to win, together with our distributors. In close cooperation with our distributors, we are actively monitoring and supporting a number of these procurement processes and are excited about their outcome.

Another consequence of the challenges we have faced was that our financial position deteriorated strongly during the year. In December 2015, a rights issue for more than SEK 50 million therefore took place, and we were pleased that such a large proportion of our shareholders continued to have confidence in us, despite the challenges during the year. The issue was fully subscribed and the issue proceeds, in combination with the reduced cost level, will give Vigmed the good working conditions that are so important for the company to be able to continue to focus on building up an expanding business in the course of the coming years. I would like to thank our shareholders, both new and old, for the confidence you are showing in Vigmed. We are working hard to deliver on your expectations and build a strong Vigmed.

Vigmed has an important mission: to eliminate needlestick injuries and the risk of transmission of harmful diseases within healthcare, and thereby the transmission of the blood-borne diseases that can result from needlestick injuries. Healthcare safety issues are in more and more focus all over the world, and during the last year alone, our products have attracted the attention of completely new markets. Vigmed's products can help the healthcare sector to achieve major cost savings by reducing the number of needlestick injuries, so that more money can be devoted to actual healthcare.

Now that we have begun to regain momentum after an uphill struggle, we have a market-focused strategy whereby I and my team are determined to create long-term value for our shareholders, distributors, customers and employees.

I know that Vigmed's employees are an extremely competent, strong and well-motivated team. Now, together with our partners and step by step, we must ensure that Vigmed embarks on a positive course. 2016 must be the year in which we make our mark by winning an increasing number of international procurement contracts!

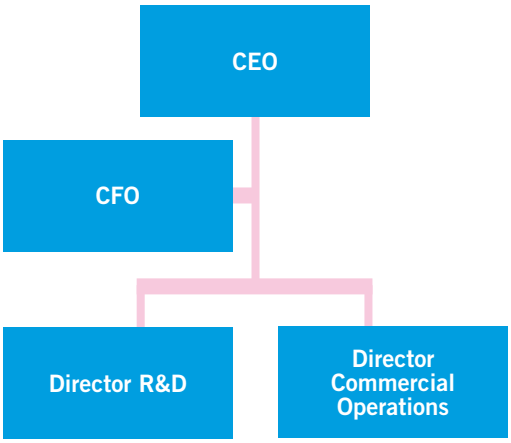
Henrik Olsen, Acting CEO

ORGANISATION

In just a few years, Vigmed has built up an organisation that today consists of 13 experienced specialists within their respective professional areas.

The organisational structure was adjusted in 2015, in order to increase the focus on sales and marketing activities. Vigmed has therefore combined the production, logistics and marketing and sales functions into one shared function: Commercial Operations. The aim is to achieve an improved structure and collaboration between the supply chain and our commercial activities.

The current focus is on stimulating sales of existing products in prioritised markets and for the time being, the company has decided to reduce its focus on product development activities. These resources have been re-allocated to sales and customer support, providing a valuable injection of resources to meetings with our customers.



Donya Gholamifar
CFO

Henrik Olsen
CEO

Elisabeth Andersson
Director, Commercial Operations

Fredrik Thörne
Director R&D

COMPANY PROFILE

MISSION

Vigmed's mission is to eliminate needlestick injuries and the associated risk of cross infection with blood-borne infectious diseases from patients to health-care personnel, and thereby to reduce healthcare costs.

VISION

Vigmed's vision is to develop into the acknowledged leading innovator and natural partner to healthcare personnel in particular and healthcare in general by offering needlestick-protected products and solutions designed to improve health and safety, in order to eliminate the risk of the blood-borne transmission of infection.

BUSINESS MODEL AND STRATEGIC INITIATIVES

Vigmed's business model is based on the key idea of applying a deep understanding of the user's requirements in order to develop, produce and deliver functional, safe and cost-effective products and solutions that fulfil the market's requirements for safe solutions, today and in the future.

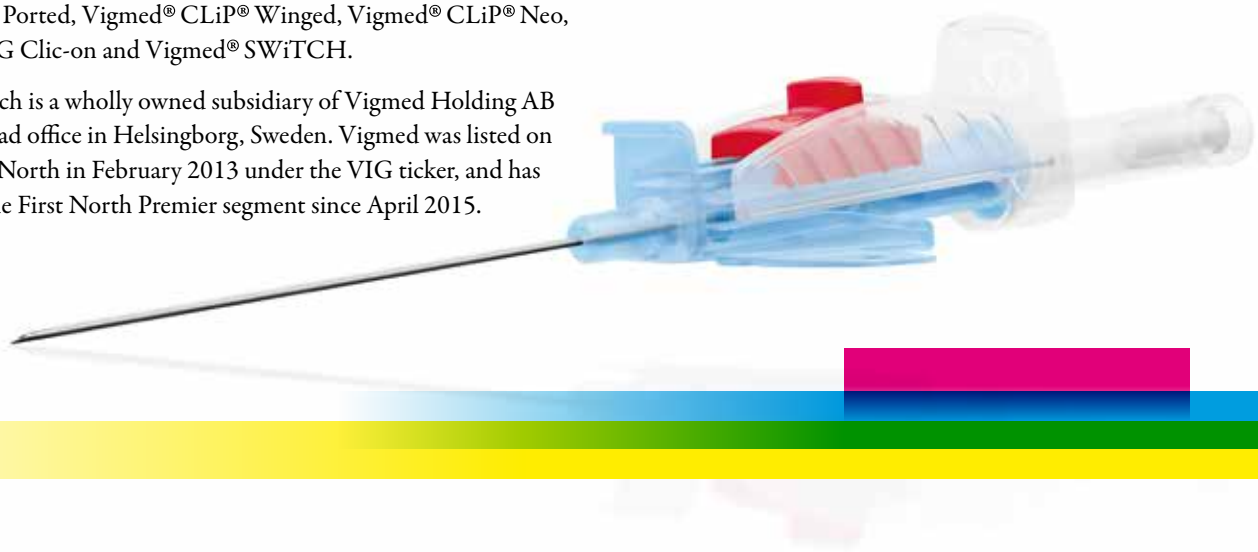
The aforementioned require not only technical and medical expertise, but also a well-developed ability to cooperate with other leading partners in the value chain, in order to effectively combine various players' resources and abilities. In concrete terms, this entails that Vigmed actively implements its solutions by outsourcing manufacturing and distribution to end-users.

Today, Vigmed's products are manufactured by selected contract manufacturers in Sweden and India, and are sold via well-reputed and well-established distributors in selected countries. The current focus, and the company's highest priority, is establishment and volume-based growth in the European market. Parallel to this, Vigmed has also commenced preparations for its establishment in Asia, where the market for needlestick-protected products is now expanding strongly.

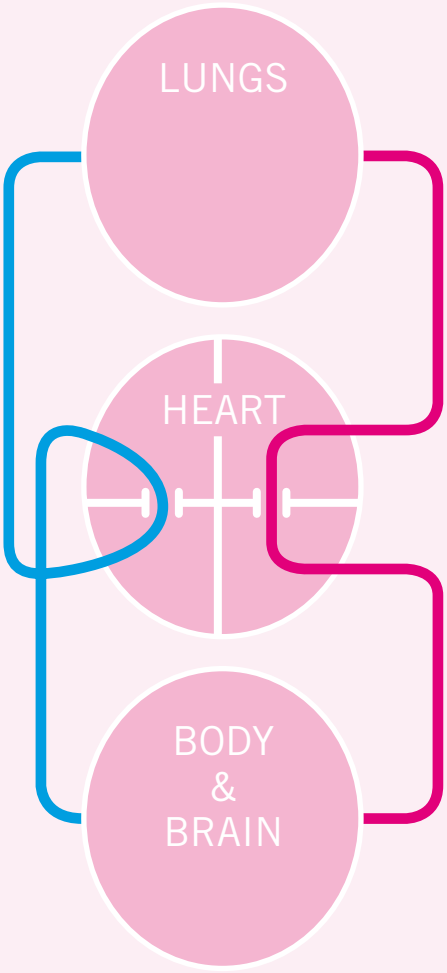
Vigmed has entered into exclusive distribution agreements for all large markets within the EU, with the exception of the UK, and has established well-functioning cooperation with contract distributors. The establishment of a sales channel in the UK takes high priority.

So far, the following product lines have been launched in the market: Vigmed® CLiP® Ported, Vigmed® CLiP® Winged, Vigmed® CLiP® Neo, Vigmed® SWiNG Clic-on and Vigmed® SWiTCH.

Vigmed AB, which is a wholly owned subsidiary of Vigmed Holding AB (publ), has its head office in Helsingborg, Sweden. Vigmed was listed on NASDAQ First North in February 2013 under the VIG ticker, and has been traded in the First North Premier segment since April 2015.



MARKNADS-ÖVERSIKT



The primary function of the cardiovascular system– veins, arteries, heart and blood cells – is to transport blood around the body. Via the arteries, oxygen and nutrients are transported to – and carbon dioxide and waste materials from – all the tissues in the body.

Introduction to access to the cardiovascular system

Access to the cardiovascular system is required for treating a wide range of diseases. Accessing the body via the venous (or arterial) system is a rapid and efficient way of administering various types of fluid and/or drugs, i.e. by infusion and injection. Venal and arterial access also enable blood samples to be taken and blood pressure to be measured.

The devices used to access the vessels of the cardiovascular system include peripheral or central intravenous catheters and arterial catheters of varying configurations. All types of catheter require a needle that penetrates the skin and blood stream. The catheter is made of soft and flexible plastic, remaining in the blood vessel for a long time, and can be connected to other external equipment such as an infusion line or a syringe. The needle is discarded after the introduction of the catheter, and the risk of needlestick injuries arises in conjunction with insertion, re-use or unsafe handling after use.

Spreading of infection via needlestick injuries

The spreading of different types of infection presents a great risk for the healthcare personnel handling patients who are ill. Accidental needlesticks from syringes and other hypodermic products that have already been used on patients risk transferring a serious infection from patients to healthcare personnel.

Needlestick injuries are a serious and widespread working environment problem within healthcare and healthcare staff are exposed to the risk of infection with one of around 60 serious blood-borne diseases[1] which can be spread via an accidental needlestick with an infected needle. Around two million needlestick injuries are reported in Europe and the USA each year. Furthermore, an additional one million needlestick injuries are generally estimated never to be reported.[2,3]

The diseases that so far have been in most focus are HIV, hepatitis B and hepatitis C. According to several independent sources, the risk of being infected with HIV if you prick yourself on a contaminated needle is around 0.3-0.5 percent.[4] For hepatitis B, according to the same sources, the risk of infection is around 20-33 per cent, and for hepatitis C around 3-5 percent.[5] The severity of the problem is illustrated by the fact that WHO[6] estimates that, in worldwide terms, there are 1.3

[1] U.S. Department of Labor, OSHA, Federal Register (66: 5324-5325), Occupational Exposure to Bloodborne Pathogens, 01/18/2001.
[2] Himmelreich, H., et al., The Management of Needlestick Injuries. Dtsch Arztebl International, 2013. 110(5): p. 61-7.
[3] Sullivan, S., et al., Blunt Needles for the Reduction of Needlestick Injuries During Cesarean Delivery: A Randomized Controlled Trial. Obstetrics & Gynecology, 2009. 114(2): p. 211-6.
[4] Cardo M., Culver D.H., Ciesielski C.A., et al. (1997). A case-control study of HIV seroconversion in health care workers after percutaneous exposure. N Eng J Med 1997;337: 1485-1490.
[5] Health Protection Agency (2008). Eye of needle: United Kingdom surveillance of significant occupational exposures to bloodborne viruses in health care workers, London: HPA.
[6] M.A Milles & E. Pisani, The cost of unsafe injections, Bulletin of the World Health Organization, Vol. 77, no. 10, 808-811.

million deaths every year whereby people die from diseases after being infected by an accidental needlestick.

In addition to the purely health-related risks, there is also significant psychological suffering among needlestick patients, besides the major unnecessary costs incurred by the healthcare system, in the form of analyses, investigations and sick leave.[7,8,9]

Legislation

In 2013, the EU issued a directive (Directive 2010/32/EU – prevention from sharp injuries in the hospital and healthcare sector) to member states requiring them to immediately introduce regulations requiring needles with safety mechanisms to be used in healthcare. In an effort to prevent the spread of infection, all EU member states have now implemented mandatory requirements that sharp objects used in health and medical care and related activities must be fitted with an integrated safety mechanism that prevents needlestick and cutting injuries. In order to comply with the directive and thereby protect healthcare personnel, in all healthcare areas all EU member states must thus replace previously unprotected products with products with integrated safety mechanisms. The majority of European countries have today implemented the directive by introducing various forms of national legislation.

Australia, Hong Kong, Japan and Taiwan have also introduced the directive, to ensure that only products with integrated safety mechanisms are used in healthcare.

In the USA, since 2000 there has been legislation (the Needlestick Safety and Prevention Act, NSPA)[10] requiring all products with needles to be equipped with a protective cover to reduce the risk of infection spreading via accidental needlestick injuries.

The market for hypodermic products

Vigmed estimates that the total global market for the safety products launched by Vigmed 2014 and 2015 totals more than EUR 1 billion.

The market for hypodermic products can be divided into three main areas: injection, infusion and products for blood tests or sample collecting. Today, Vigmed offers injection and infusion products, as well as the smaller intravenous catheter segment. So far, the company has no products in the third segment with significant volume: products for blood tests and blood collection.

In volume terms, the needle-fitted products which are most used are ordinary hypodermic syringes. According to market studies[11] more than 30 billion injections are administered globally per year In addition to hypodermic syringes, large quantities of infusion sets are used, primarily in hospitals to administer infusions and take samples.

The global market for safety products within the infusion and injection business areas alone is estimated at EUR 2.6 billion.[12,13] The coming years' expected growth rate in the infusion and injection markets is 7-10 per cent on an annual basis.[14] In markets such as South America, the Middle East, India and particularly China, the growth rate will be much higher. In China alone, according to a study by Business Research Ltd.[15], more than 300 million infusion sets and 5-8 billion hypodermic syringes are used per year and the annual market growth is estimated at around 15-20 per cent.

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7 Waljee, J.F., S. Malay, and K.C. Chung, Sharps Injuries: The Risks and Relevance to Plastic Surgeons. Plastic and Reconstructive Surgery, 2013. 131(4): p. 784-791.

8 Glenngård, A. and U. Persson, Costs associated with sharps injuries in the Swedish health care setting and potential cost savings from needle-stick prevention devices with needle and syringe. Scandinavian Journal of Infectious Diseases, 2009. 41(4): p. 296-302.

9 Oh, H.S., et al., Costs of postexposure management of occupational sharps injuries in health care workers in the Republic of Korea. American journal of infection control, 2013. 41(1): p. 61-65.

10 Federal Needle Stick Safety and Prevention Act (Public Law 106-430, 106th Congress) of November 6, 2000.

11 Multiclient market study, Disposable Syringe Markets (March 2012), TriMark Publications.

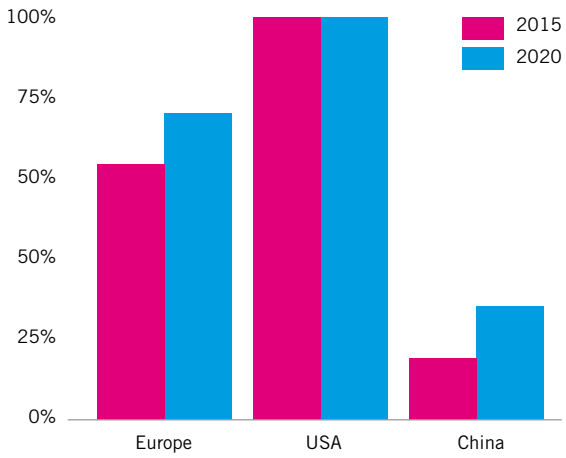
12 TechNavio: Global PIVC Market 2014-2018, p.13.

13 TechNavio: Global Hypodermic Needles Market 2013-2018, p.10.

14 TechNavio: Global Hypodermic Needles Market 2013-2018 and TechNavio: Global PIVC Market 2014-2018.

15 Market survey in China (2015) performed by Business Research Ltd. (Beijing) on behalf of Vigmed AB.

Market penetration - Safety products for IV catheters



Source: *iData Research: European Market Access for Vascular Access Devices 2014 and Vigmed's own extrapolation.*

Markets for Vigmed's existing products

Infusion products

The value of the global market for IV catheters with safety mechanisms is currently estimated at EUR 1 billion[16] and is influenced by the extent to which needlestick protection legislation has been introduced. Today this market is therefore the USA and the EU. Market growth is increasing in step with the introduction of products with safety mechanisms as a better alternative to non-protected products. In the USA, 99 per cent[17] of the products already have safety mechanisms, while the figure is 60 per cent in western Europe[18], and only 15 per cent in eastern Europe[19], for example, where there is considerable growth potential. Vigmed estimates that the average annual market growth will be around 7-10 per cent in the coming 5-year period. This growth is driven by increased healthcare consumption, the greater market penetration of safety mechanisms in Europe, and the increased use of safety mechanisms in Asia.

There are several different product types, classified as follows:

- Ported IV catheters which besides continuous infusion can also be used for needle-free bolus injection via an extra port on the IV catheter, which ensures rapid and easy access to the bloodstream in emergency cases.
- Winged IV catheters, which give a single access point for infusion. For bolus injections, a port or connection to the infusion set can be used.
- Straight IV catheters, which are a simpler version of the winged catheters. These products can be aligned very closely to the patient.
- Integrated IV catheters, which are provided with an integrated infusion tube and other elements, such as ports or three-way taps.

Today, these product types are supplied to the market with or without needlestick protection mechanisms, which are normally automatic (or passive) solutions, i.e. not requiring any activation by the user.

[16] TechNavio: Global PIVC Market 2014-2018.
[17] iData Research, US Market for Vascular Access 2014.
[18] iData Research, European Market for Vascular Access 2014.
[19] Estimate by Vigmed.

Arterial catheter

Peripheral arterial catheters are primarily inserted by anaesthesia staff during complicated surgical procedures, or in intensive care where there is a need for continuous blood pressure and/or arterial blood gas monitoring. This is because blood pressure and blood gases are key parameters which reflect the body's condition and the effect of the treatment administered. The catheter is inserted either by the one-step method ("direct insertion"), or the multi-step method (the "Seldinger technique").

Direct insertion can take place using a dedicated arterial catheter. Sometimes IV catheters are also used, which is outside the range of intended use of this product.

There are two types of dedicated arterial catheter for this market:

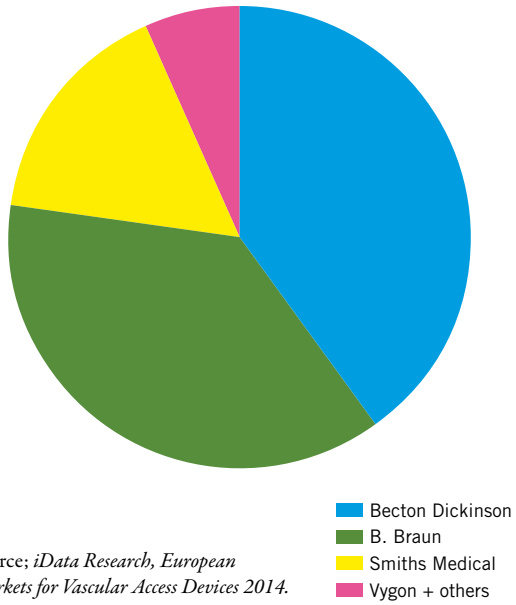
- Unprotected products with valves for manual control of blood flow, which effectively stop the blood flow through the catheter, but do not protect the user from needlestick injury.
- Unprotected products without valves, which thus do not control the blood flow. The catheter thus allows free blood flow when the catheter is withdrawn.

Paediatric nurses often use IV catheters, since there is a lack of products specifically for children. Some markets sometimes also use IV catheters within the adult segment, for cost-related reasons. IV catheters allow free blood flow when the catheter is withdrawn. Needle protection may exist.

The Seldinger technique in general terms entails that a needle is inserted, a guidewire is inserted through the needle, the needle is then withdrawn and the catheter is passed over the guidewire, after which the guidewire is withdrawn.

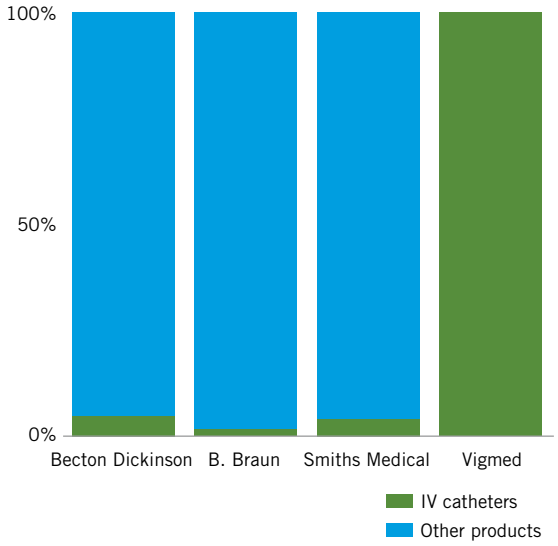
There are individual Seldinger technique products comprising single components: catheter, guidewire and arterial catheter. The components are used consecutively and every switch entails a risk of exposure to blood. These products do not provide protection from needlestick injuries. Besides individual products, there are also combined Seldinger technique products. These integrate the different components to varying degrees. There is currently only one product with needlestick protection, but it lacks a valve for control of the blood flow.

Share of the EU market for IV catheters



Source; *iData Research, European Markets for Vascular Access Devices 2014.*

Needlestick-protected products as a percentage of revenue



Sources: *Becton Dickinson Form 10-K 2013, p. 5 & Becton Dickinson Annual Report 2013, p. 2.*

Smiths Annual Report 2013, p. 2.

B. Braun Annual Report 2013, p. 52 & p. 72.

iData Research, European Markets for Vascular Access Devices 2014.

iData Research, US Market for Vascular Access Devices and Accessories 2014.

Vigmed estimates the number of arterial insertions in Europe (including Russia) at approximately 12 million per annum, of which an estimated one half take place via direct cannulation. Although this is a relatively small market, it is a market in which none of the existing products offer both control of the blood flow and protection from needlestick injury (besides peripheral IV catheters which are used outside their intended area of application). The market growth rate is estimated to be approximately equivalent to the general growth rate for surgical intervention (approximately 3-5 per cent annual growth). The growth rate for needlestick-protected products within this niche market is estimated to be higher, however, due to the lack of needlestick-protected arterial catheter. Especially high growth outside Europe is expected since the use of more sophisticated products is increasing steadily, for example in Asia.

Injection products

There are several products suitable for injections. The most common are:

- Hypodermic needles and syringes, which constitute a generic high-volume market and allow the user to combine various standard products.
- Pre-filled syringes with or without pre-attached needles; this is an emerging higher price/value segment.

The majority of products in the market today comprise products that have no needlestick protection. Products with manual needlestick protection, i.e. protection solutions requiring manual activation, account for a smaller share of the market. There are no automated solutions at reasonable costs currently available for these segments, resulting in a higher risk of needlestick injuries and the consequential risk of infection.

Market participants

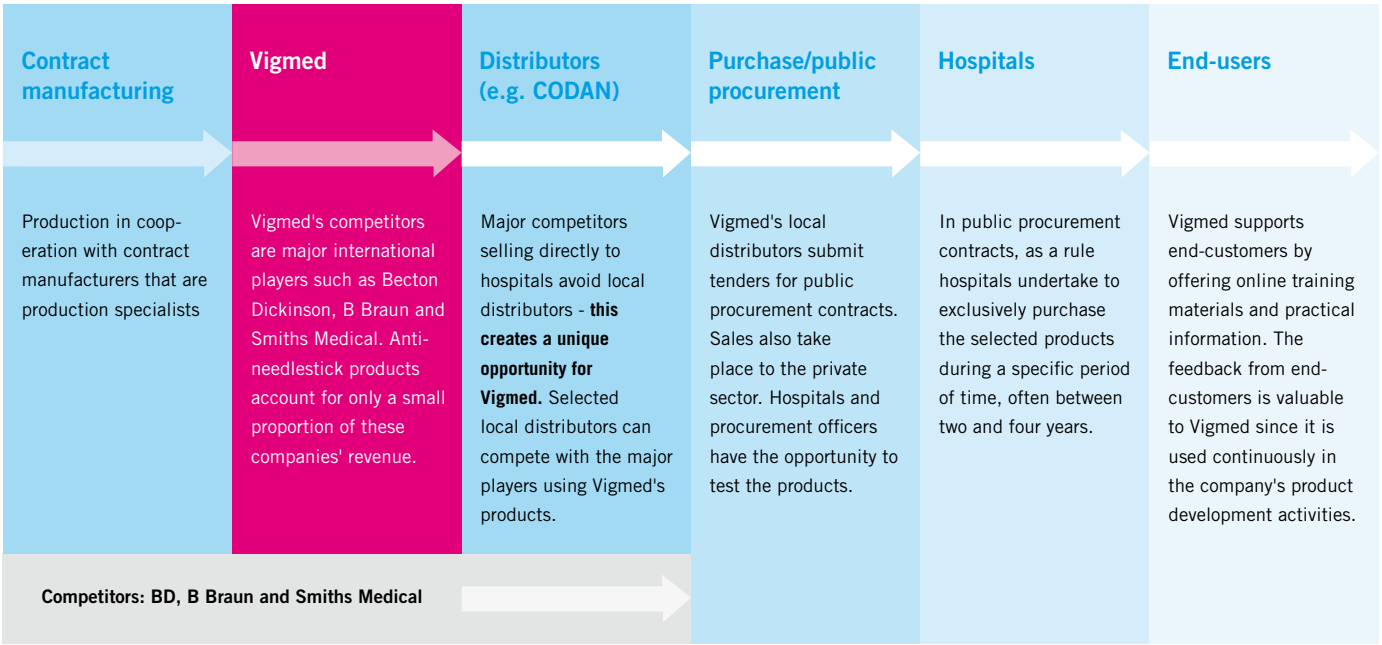
Today, the market is dominated by three large medical technology companies: Becton Dickinson (USA), B Braun (Germany) and Smiths Medical (UK/USA), which together account for 93.4 per cent of the market. They are followed by the relatively small company Vygon (France) and other operators, which together account for 6.6 per cent of the market.

It might appear a challenge for a small business like Vigmed to compete with large multinational companies with sales in the billions and a global presence. But it is important to remember the fact that Vigmed has exclusive focus on protected needle products, which is not the case for many of the company's large competitors. These large groups operate in a large number of business areas of changing nature and only a small proportion of their operations concerns products that compete with Vigmed, which thereby has the potential to be faster, more sensitive to the market's needs and more focused in our product development and market penetration.

DISTRIBUTION AND PROCUREMENT

One crucial success factor for Vigmed going forward is its sales organisation. An effective and well-established sales organisation is vital to the company's sales of its products. But it is also a channel for many of the signals that are fed back to the company from users and the market.

The challenge in working with products for the healthcare sector is the fact that each country has its own local rules and routines regarding the procurement of products. Usually, procurement takes place via a tendering procedure where factors such as quality, function, delivery reliability and price are taken into consideration. Procurement opportunities arise at various different intervals, depending on the regulations in the respective countries and for Vigmed this can entail lead times between various tendering procedures. Vigmed has now established well-defined structures and processes in order to closely support and ensure that its products are included in relevant procurement processes in all markets.



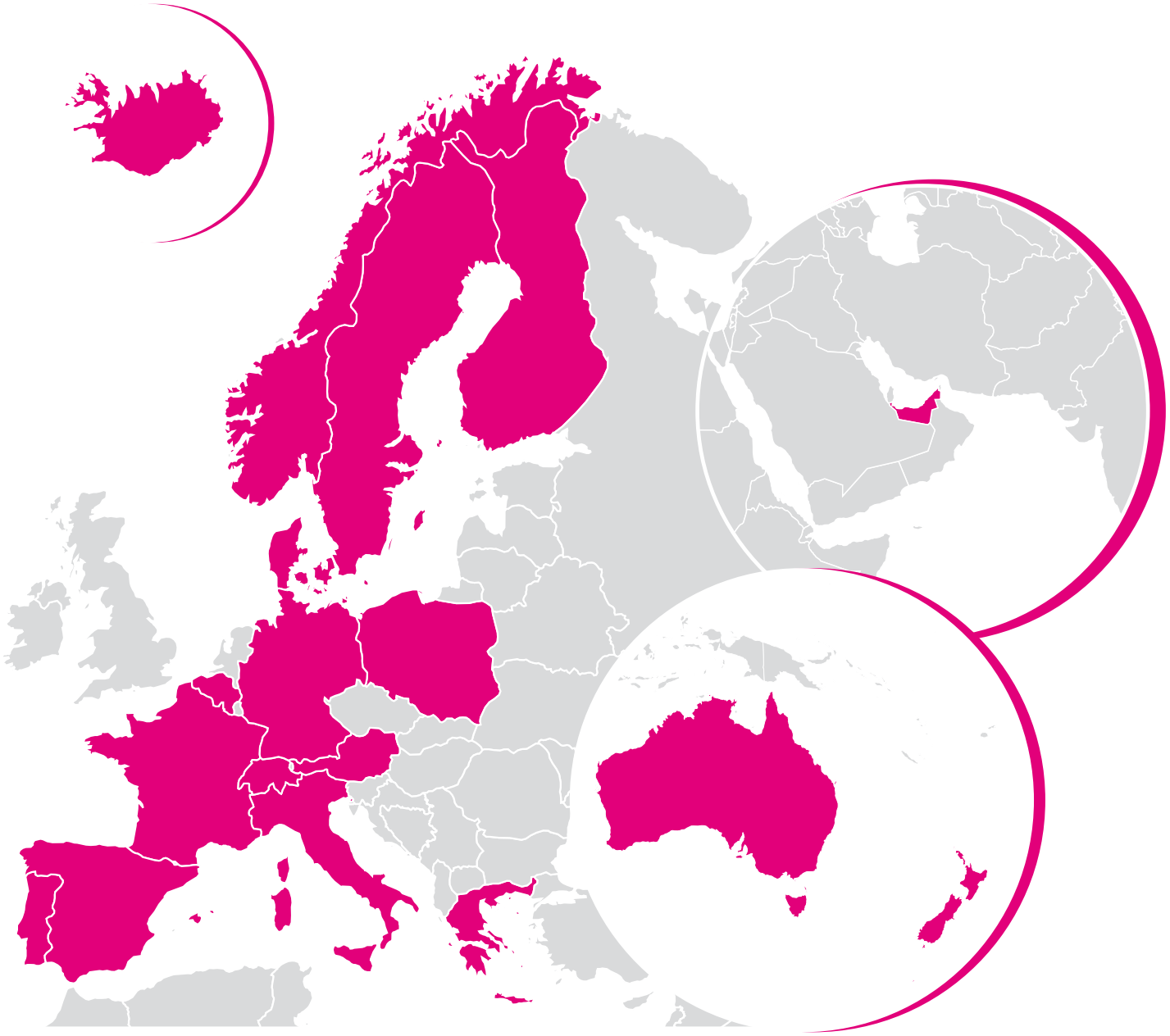
Vigmed's main competitors are large multinational companies that almost exclusively operate by targeting the markets directly via their own sales organisations, which only sell the respective company's own products. These large competitors can rarely offer a comprehensive range of products in each local market, nor do they have the same resources as the leading local distributors of medical technology products.

Local distributors always strive to offer their market a comprehensive range of products. Safety injection and infusion products are of crucial importance for each hospital purchaser and care provider. Interest from local distributors has been and remains considerable. This gives Vigmed good leverage for negotiations and the possibility of not only choosing the best distributors, but also ensuring that they allocate resources for Vigmed's products and that Vigmed receives a fair share of the margin. The set-up is cost-effective and flexible, and entails that Vigmed has immediate access to extensive sales resources.

Vigmed has ensured distributors for virtually all prioritised markets in Europe. The company's highest priority now is to establish an agreement for the UK market.

All distributors now have access to Vigmed's products and are in the process of launching them in the market and including them in public tenders.

The sales department at Vigmed is in regular contact with the contracted distributors in order to meet their need for information and sales support. The online systems that are built up, and the close relationships with dedicated sales people, facilitate regular dialogue, with full focus on customer support.



Country	Contracted distributor
Sweden	CODAN
Norway	CODAN
Denmark	CODAN
Finland	Vestek AB
Iceland	Icepharma
Germany	Vygon
Poland	Medica
Belgium	Hospithera
Austria	CODAN
Switzerland	Mediq
France	CODAN

Country	Contracted distributor
Spain	Izasa Hospital
Portugal	Medicinália
	Cormédica
Greece	Mavrogenis
Italy	Medi.Ca
	Medival
	Nannini
Australia	Device Technologies
New Zealand	Device Technologies
United Arab Emirates	Horizon Medical Supplies

VIGMED'S PRODUCTS

Besides the actual needle protection, assessing and closely analysing the end-users' requirements has been a leading principle in the design of Vigmed's products. Assessments of Vigmed's products at various hospitals in Europe have highlighted Vigmed's products' advantages compared to alternative products in the market. Nurses and physicians in the healthcare sector are often conservative and require products with the same characteristics and inherent sensation as the unprotected products they are accustomed to using.

Infusion			Arterial	Injection
CLiP® Ported	**CLiP® Winged**	**CLiP® Neo**	**SWiTCH**	**SWiNG**
				
CLiP® Ported is an automatic passive safety-protected catheter that does not require activation by the user, and with precise tip configuration.	CLiP® Winged is designed to ensure users flexibility in terms of grip, including a non-ported safety-protected catheter of which the wings hold the catheter still, stable and safe during use.	CLiP® Neo is a winged safety catheter product that is especially designed for the small veins of young children and elderly patients.	SWiTCH arterial catheters are a unique needlestick-protected safety product that also includes blood control.	SWiNG is the first protective cover for hypodermic syringes that, when activated, automatically prevents needlestick injuries both during and after injection.

Vigmed® CLiP®
Within the infusion catheter area, Vigmed currently has three products: CLiP Ported, CLiP Winged and CLiP Neo. The CLiP products are all developed with users and patients in focus, to offer excellent insertion characteristics. Vigmed's products are of consistent high quality, to ensure successful first insertion for all patients.

Vigmed® CLiP® Ported

Automatic safety
The safety mechanism is automatic (called a passive safety solution), so that no activation by the user is required during insertion.

Vigmed® CLiP® Winged

Vigmed® CLiP® Neo
CLiP Neo is a safety solution based on the same principles as CLiP Ported and Winged, but adapted to the important neonatal and paediatric care requirements. CLiP Neo is a straight, winged IV catheter especially designed for small veins. It is available in very small sizes (24G and 26G) with an automatic safety mechanism and allows any grip technique to be used.

Vigmed® CLiP® Neo

Vigmed® SWiTCH
In a market dominated by unprotected products and complicated routines, the SWiTCH arterial catheter offers a needle protected safety product with blood control throughout the insertion procedure, and during the subsequent treatment of the patient.

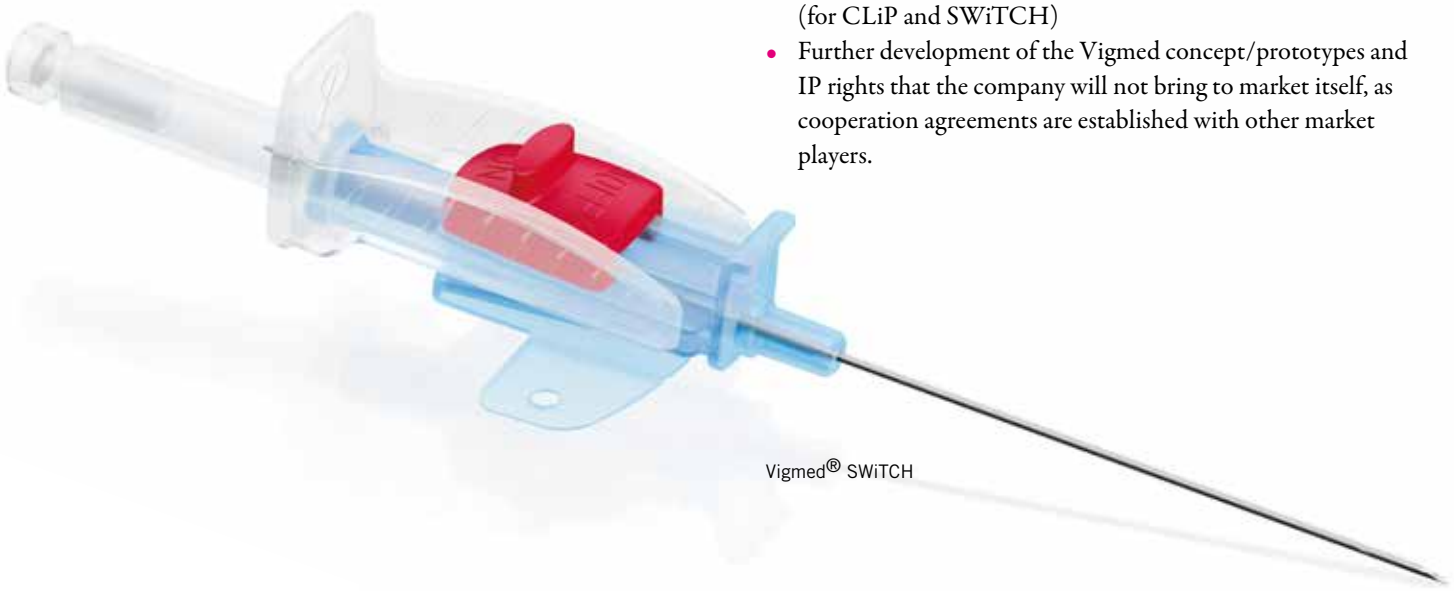
The product was developed using the precise design and specific characteristics known from existing Vigmed products.

SWiTCH is also designed in a number of configurations, in order to fulfil various treatment requirements.

Product platforms and innovation
Today, Vigmed has three commercial product platforms launched in the market (CLiP, SWiTCH and SWiNG), which are based on two innovation platforms based on the patent for Vigclip® or "elbow-lock"." The innovation platforms are the basis for the development of an additional number of safety solutions intended to upgrade non-protected products to protected products.

The company is now focusing its relatively limited resources on products that have already been developed and launched, so that several existing development products will not be developed into final products in the near future. Vigmed's ongoing product development work will be focused on:

- The CLiP and SWiTCH range
- CLiP Obturators – an accessory product to the CLiP range, which is in demand in certain markets.
- Further development of existing patent platforms for coming generations of the existing range and expansion of the ranges (for CLiP and SWiTCH)
- Further development of the Vigmed concept/prototypes and IP rights that the company will not bring to market itself, as cooperation agreements are established with other market players.



Vigmed® SWiTCH

Vigmed® SWiNG
SWiNG is the first safety mechanism for injection catheter that, when activated, automatically prevents needlestick injuries both during and after injection.

SWiNG Clic-On is a non-sterile product that matches all standard needles with Luer slip syringes without added dead space, i.e. with no waste of the medicine being injected.

Vigmed® SWiNG

Patents, rights and certifications

So far, nationally and internationally, Vigmed has submitted more than 80 patent applications, distributed on more than 15 patent families. The company owns all of its patents and patent applications without any limitations. The first patent application was submitted in the late summer of 2009, in conjunction with the establishment of the company. Despite the young age of the patent portfolio, a number of patents have already been granted to Vigmed. The patents and patent applications all have priority dates in the period from 2009 to 2015, so that the term of validity for the patents already granted and the coming patents is close to the maximum. At the turn of the year, 21 patents and utility models had been approved, mainly in Europe and China, and additional approvals are expected during 2016. In addition, the company has a few utility models approved in China for the Vigmed CLIP and Vigmed SWiNG product types. The company owns all of its patents and patent applications without any limitations.

Patent applications filed	80
Number of patent families	approximately 15
Priority date for patent and patent applications	2009 – 2015
Number of approved patents and utility models	21

The strategy is to protect Vigmed's technology and products in all geographical markets deemed to be important. Vigmed intends to continuously increase its patent portfolio, with both offensive and defensive patent and utility model rights. Offensive patent and utility model rights reflect Vigmed's own products, while defensive patent and utility model rights do not reflect Vigmed's own products.

In addition to patented products and technologies, Vigmed uses its own know-how that is not patent-protected. Vigmed seeks to protect such information via confidentiality agreements with employees, consultants and partners.

Various quality systems and authorisations are required to be able to market the company's products in the EU. Within the EU, EN ISO 13485:2012 and 9001:2008 certification are necessary, for example, together with a CE mark for each product. After the company's certification in accordance with EN ISO 13485:2012 and 9001:2008 during 2014, there is continuous focus on product development, and strengthening the company's existing processes. Vigmed received the first separate CE mark for the SWiNG line in November 2014, and in August 2015, the company received the CE mark for the SWiTCH arterial catheter. In November 2015, Vigmed received their own CE mark for the CLiP range. This CE mark was previously held by the company's Danish partner, MBH.

PRODUCTION AND SUPPLY CHAIN

AMB, foto Sara Södergård

Vigmed designs its own products and also collaborates actively with its producing partners when developing automation and process solutions for the actual production stage. The manufacturing of production tools and certain key components takes place in Sweden, in order to ensure full control of the technology. For injection moulding and assembly, a small number of selected contract manufacturers in Sweden and India are used. These partners have clearly demonstrated their commitment by investing independently in fully-automated production lines which are dedicated to Vigmed's products. The production lines are fully designed in accordance with Vigmed's specifications and in close collaboration with Vigmed's process technicians, who contribute actively to the design, installation and commissioning of the production facilities. All production partnerships established so far are with reputable and competent manufacturers:

- Hindustan Syringes & Medical Devices Ltd ("HMD") for CLiP lines within intravenous infusion (Delhi, India). HMD is an experienced manufacturer of syringes, catheter and scalpels, supplying the global markets with its own products and as a contract manufacturer since 1957. Vigmed's products are manufactured in HMD's newly-constructed, high-tech factory in Faridabad, Delhi, in India.
- AMB Industri AB for the SWiTCH line for arterial infusion (Broakulla/Emmaboda). AMB is a subsupplier specialising in highly-processed plastic details. The company has separate departments for injection moulding, varnishing and assembly, both within and outside cleanrooms.

In order to protect Vigmed's patented technology, the production of key components for Vigclip was assigned to a local manufacturer in Sweden that is bound by professional secrecy. The identification and assessment of potential manufacturers of coming product lines is an ongoing process. As far as possible, Vigmed will seek to expand its cooperation with current manufacturers. The cooperation with contract manufacturers that are ready to invest reduces Vigmed's capital requirements since it does not have to invest in production facilities and generally not in production equipment either.

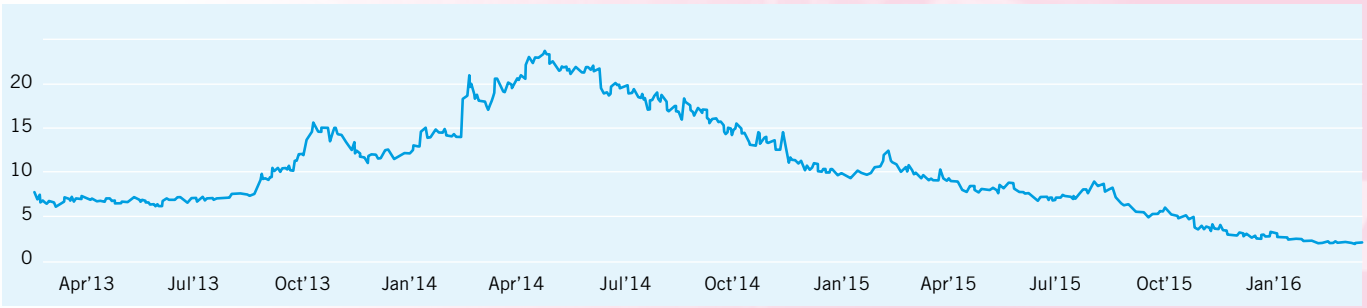
In January 2015, Vigmed appointed a Director of Supply Chain (now Director, Commercial Operations) who is responsible for purchasing, capacity planning, logistics and stocks. In September 2015, the company took over all logistics handling, and also transferred its warehouse activities to Sweden. This change has strengthened the company's operating results and ensured full focus on the logistics optimisation of Vigmed's products across the entire value chain.

SHARE CAPITAL, PARENT COMPANY AND OWNERSHIP

The share capital at year-end was SEK 1,327,020.16 distributed on 65,749,998 shares. The company has only one class of shares and all shares entail equal dividend rights.

In March 2014, the Company issued 755,000 subscription options to key personnel in the subsidiary Vigmed AB, with the right to subscribe for the same number of shares in Vigmed Holding AB at a share price of SEK 24 per share. The options were issued on market terms. After the most recent new issue in December 2015, the share price was adjusted and amounted to approximately SEK 21.8 as at 31 December 2015, with each subscription option giving entitlement to approximately 1.1 share. The subscription options can be exercised during the period from 15 January to 31 January 2017, and may increase the share capital by up to approximately SEK 16,766, corresponding to maximum 2 per cent of the current share capital. The incentive programme is not expected to incur any significant costs for the company. Apart from the aforementioned, there are no outstanding subscription options, convertible debt instruments or similar financial instruments that can give entitlement to subscribe for new shares or otherwise affect the share capital.

Vigmed Holding AB (publ) was listed on NASDAQ OMX First North in Stockholm in February 2013. The development in the share capital and the lists of shareholders as per 31 December 2015 and 22 January 2016 are presented below.



Action	Change in share capital (SEK)	Accumulated share capital (SEK)	Change (number of shares)	Accumulated number of shares	Quota value
Incorporation	50,000	50,000	+50,000	50,000	1
Split		50,000	+2,425,000	2,475,000	0.02
Non-cash issue	636,868.69	686,868.69	+31,525,000	34,000,000	0.02
New share issue 2013	71,428.56	758,297.25	+3,571,428	37,571,428	0.02
New share issue 2014	126,382.86	884,680.11	+6,261,904	43,833,332	0.02
New share issue 2015	442,340.05	1,327,020.16	+21,916,666	65,749,998	0.02

Vigmed Holding AB

100%

Vigmed

70%

Vigmed Asia Ltd. (Hong Kong)

100%

Vigmed Medical Device Co. Ltd. (Beijing)

Parent Company

Vigmed Holding AB (publ) concerns executive functions and governance, and the management and financing of its wholly owned subsidiary, Vigmed AB.

Group structure

Besides the wholly-owned subsidiary Vigmed AB, the Group includes a company in Hong Kong, Vigmed Asia Ltd (70% ownership interest), and a related subsidiary in China, Vigmed Medical Device (Beijing) Co. Ltd. The structure has been established to commence product registration in China, and to facilitate future own financing of activities in Asia.

Shareholders, 31 December 2015	Shares	Per cent
Per Knutsson (including company)	6,314,985	14.4%
Bure Equity AB (publ)	4,387,885	10.0%
Ulf Mossberg	2,584,040	5.9%
Nomura Securities Co. Ltd.	2,100,000	4.8%
Rikard Roos	1,708,262	3.9%
Lennart Holm (incl. family and company)	1,669,302	3.8%
Cecilia Karlsson	1,515,935	3.5%
SI Technology Investments AB	1,427,322	3.3%
UBS AG Client Account	1,331,973	3.0%
Finn Ketler (incl. family and company)	1,330,024	3.0%
Other	19,463,604	44.4%
Total	**43,833,332**	**100.0%**

(Public register of shareholders and list of nominees and information known by the company as per 31 December 2015)

The new issue that took place in December 2015 was registered by the Swedish Companies Registration Office on 23 December 2015, although the shareholders were not allocated shares until 8 January 2016. The upper table is as per 31 December 2015 and thus does not include the 21,916,666 shares that were allocated via the new issue. The list of shareholders after the new issue as per 22 January 2016 is presented below.

Shareholders, 22 January 2016.	Shares	Per cent
Bure Equity AB (publ)	6,581,827	10.0%
Per Knutsson (including company)	6,515,081	9.9%
Ulf Mossberg	2,584,040	3.9%
Rikard Roos	2,503,662	3.8%
Nomura Securities Co. Ltd.	2,100,000	3.2%
Lennart Holm (incl. family and company)	1,803,918	2.7%
UBS AG Client Account	1,764,806	2.7%
Cecilia Karlsson	1,705,935	2.6%
SI Technology Investments AB	1,552,316	2.4%
Finn Ketler (incl. family and company)	1,330,024	2.0%
Other	37,308,389	56.7%
Total	**65,749,998**	**100.0%**

(Public register of shareholders and list of nominees and information known by the company as per 22 January 2016)

MANAGEMENT REPORT

The Board and the CEO of Vigmed Holding AB (publ), Reg. No. 556918-4632, hereby submit the parent company's annual report and the consolidated report for 2015. The company is registered in Sweden and has its head office in Helsingborg.

1. Information about the company

Vigmed is a Swedish medical technology company founded in 2009 whose mission is to reduce the risk of disease transmission to healthcare workers and patients by eliminating needlestick injuries in health care.

Needlestick injuries are a major problem for physicians nurses and other healthcare professionals, who are at risk of contracting e.g. HIV, hepatitis, Ebola or any other of the around 60 blood-borne diseases that can be transmitted accidentally via contaminated needles. Every year, in Europe alone, there are more than one million needlestick injuries reported by physicians, nurses and other healthcare personnel, while the unreported figures are high.

Vigmed develops and markets patented safety products to protect healthcare personnel from needlestick injuries.

Needlestick injuries are considered to be such a significant health and safety hazard that, in 2013, the EU adopted a directive that requires all needles and sharp devices purchased by public health authorities to be products equipped with a safety mechanism to prevent needlestick injuries. The directive is implemented in national legislation in the respective EU member states and over a limited period of time requires a market transition to the new types of safe products.

On the wave of this transition, Vigmed is establishing a market position with its unique safety solutions. The company develops patented protective safety products that are user-friendly and of high quality.

Vigmed's business model is based on the key idea of applying a deep understanding of the user's requirements in order to develop, produce and deliver functional, safe and cost-effective products and solutions that fulfil the market's requirements for safe solutions, today and in the future.

The aforementioned require not only technical and medical expertise, but also a well-developed ability to cooperate with other leading partners in the value chain, in order to effectively combine various players' resources and abilities. In concrete terms, this entails that Vigmed actively implements its solutions via the outsourcing of manufacturing and distribution.

Vigmed AB, which is a wholly owned subsidiary of Vigmed Holding AB (publ), has its head office in Helsingborg, Sweden. The Group also includes a company in Hong Kong, Vigmed Asia Ltd. (formerly Vigmed China Ltd.) (70% ownership) and a related wholly-owned subsidiary in China, Vigmed Medical Device (Beijing) Co. Ltd.

1.1. Vigmed's products and innovation platforms

Today, Vigmed has launched three commercial product platforms: CLiP, SWiTCH and SWiNG, which are founded on two innovation platforms that are based on the Vigclip or "elbow-lock" patent. The innovation platforms are the basis for the development of an additional number of safety solutions intended to upgrade non-protected products to protected products.

Vigmed is now focusing its resources on products that have already been developed and launched, which means several development projects will not be developed into final products in the near future. Vigmed's ongoing product development work will be focused on:

- The CLiP and SWiTCH range
- CLiP Obturators – an accessory product to the CLiP range, which is in demand in certain markets.
- Further development of existing patent platforms for coming generations of the existing range and expansion of the ranges (for CLiP and SWiTCH)
- Further development of Vigmed concept/prototypes and IP rights that the Group will not bring to market itself, as cooperation agreements are established with other market players.

1.2. Research and development

In 2015, three Swedish patents were filed. These concern a closed IV-catheter system comprising a needle protection device, needle tip protection device and assembly system, and a lancet device. In addition, applications have been filed within four different product areas for needle protection devices.

After Vigmed AB's certification in accordance with EN ISO 13485:2012 and 9001:2008 during 2014, there is continued focus on product development, and on strengthening the company's existing processes. Vigmed AB received their first own CE-mark for the SWiNG range in November 2014, and in August 2015, the company achieved the CE mark for the SWiTCH arterial catheter. In November 2015, Vigmed AB received their own CE-mark for the CLiP range. This CE mark was previously held by the company's Danish partner, MBH.

Research and development expenses total SEK 13.6 million (SEK 12.6 million), of which SEK 6.4 million (SEK 6.9 million) has been capitalised.

1.3. Manufacturing

Vigmed does not manufacture its products itself, but cooperates with contract manufacturers. The manufacture of the CLiP product series takes place in India and the production of the SWiTCH and SWiNG production series is located in Sweden.

1.4. Distribution

Vigmed has entered into exclusive distribution agreements for all large markets within the EU, with the exception of the UK, and has established well-functioning cooperation with contract distributors. The establishment of a sales channel in the UK takes high priority.

2. Activities during the financial year

Sales during the year, consisting of the CLiP infusion products and the SWiTCH arterial catheter launched during the year, were delivered to 18 distributors, mainly in Europe. During the year, Vigmed AB signed agreements with new distributors and commenced sales to the majority of these.

In the course of the autumn, a decision was taken for clearer focus of the Group's results on sales work. In October, Henrik Olsen took up the position as CEO of Vigmed Holding AB (publ). Organisational changes took place in the late autumn, and a smaller and more focused management team of four people was appointed. Besides the

CEO, the team has management members responsible for finance, research & development, sales, marketing and logistics. Staff reductions were made in order to reduce the Group's cost base.

At the end of the year, Vigmed AB had its own CE mark for all product groups, and in October logistics handling was taken over from MBH International A/S.

The capital was increased by SEK 50.6 million under a rights issue adopted at the extraordinary general meeting on 12 November.

2.1. Net sales and result

Sales during the year amounted to SEK 4.2 million (SEK 1.1 million). Sales mainly concern products within the CLiP and SWiTCH production platforms and the two largest markets in 2015 were Germany and Sweden.

Sales during the year were affected negatively by Vigmed's decision to interrupt the launch of CLiP products that in certain circumstance did not achieve the robustness promised. With regard to its distributors, Vigmed replaced the CLiP products with an upgraded version. The transition to upgraded products took place during the year and will be concluded in 2016. The replacement in 2016 is not expected to entail any costs during the financial year. The aim of the replacement is to ensure that distributors can deliver the latest, improved products to our end-customers, in order to ensure that Vigmed delivers safe and effective products of high-quality to the end-users.

The SWiNG Universal product was not launched during the year as planned. This is due to a machinery equipment supplier did not fulfil its obligations and thereby did not manage to supply a functioning production line in 2015. As a consequence, Vigmed's contract manufacturer could not fulfil its contractual obligations to Vigmed, and deliveries of the product could not commence. Due to the delay, competitors were able to establish alternative products in the markets. As a consequence, Vigmed has terminated the element of the contract manufacturing agreement with the partner which concerns the manufacture of SWiNG Universal and has thereby been obliged to lower its future expectations for this product. The operating result for 2015 includes the costs and provisions that in the Board of Directors' view can be charged to Vigmed. These one-off costs and provisions amount to SEK 10.2 million and concern depreciation and write-down of fixed assets and stocks, and reserves for contractual obligations. See Note 8, comparable items, for further details. Vigmed expects the discussions with the contract manufacturer in order to find an acceptable solution for both parties to continue.

Other operating income during the year concerns a redeemed loan of SEK 0.4 million from Nopef concerning establishment in China.

Raw materials and consumables concern costs of sales and freight from contract manufacturers to the warehouse. After the upgrading of CLiP products during the year, Vigmed has decided not to deliver earlier versions of CLiP products to the market, costs of scrapping and stock write-downs, and for replacement products, are therefore recognised under raw materials and consumables. The total non-recurring costs of these measures totalled SEK 6.2 million during the year.

Other external costs during the year amounted to SEK 18.2 million, which is SEK 3.8 million lower than for the previous year. This is mainly related to a non-recurring logistic handling fee in 2014 to the partner MBH International A/S of SEK 5.6 million.

Personnel costs for 2015 increased by SEK 3.5 million from the previous year, which is related to the Group having 18.2 employees (on average) in 2015, compared to 13 employees (on average) in 2014. In addition, non-recurring costs of SEK 0.3 million were reserved in the last quarter for employees made redundant who have been relieved of their duties.

During 2015, Vigmed commenced pension contributions for all employees. The costs during the year amounted to SEK 0.5 million (SEK 0), recognised under personnel costs.

Amortisation of product development and patents for the CLiP, SWiTCH and SWiNG product series amounted to SEK 2.1 million (SEK 0.6 million). Depreciation of machinery and other technical plant used in manufacturing (including leased assets) is calculated on the basis of manufactured volume, and amounted to SEK 2.9 million (SEK 0.3 million) for the year. Other depreciation concerns fixtures and fittings, installations and software amounting to SEK 0.4 million (SEK 0.2 million), as well as software for SEK 0.1 million (SEK 0 million).

In the financial statements, impairment write-downs of intangible assets and tangible fixed assets amounted to SEK 5 million, as a consequence of the uncertainty relating to the future of SWiNG Universal. In addition, a minor write-down of SEK 0.3 million has been made concerning Vigclip 2 components in manufacturing equipment.

Interest costs of financial leasing of equipment are reported under the profit from financial items, amounting to SEK 2.0 million during the year (SEK 0.4 million).

2.2. Financing and equity capital

The rights issue in December 2015 contributed SEK 50.6 million to the parent company (after deduction of issue costs of SEK 6.4 million), which increased the share capital by SEK 442,340.05 and increased other contributed capital by SEK 50,182,840. The Group's cash and cash equivalents at the end of the period amounted to SEK 65.4 million (SEK 63.5 million) and own funds to SEK 74.3 million (SEK 73.8 million). No subscription options were issued during the year.

Financial leasing obligations of SEK 43 million (SEK 7.4 million) at the end of the period accrue interest. There are no other interest-bearing liabilities in the Group.

2.3. Investments

Investments in machinery and other technical plant include both direct investments in equipment and equipment for the manufacturing of the SWiTCH product line that is leased via the contract manufacturer AMB Industri AB. Of the total investments in machinery and other technical plant of SEK 37.3 million (SEK 9.8 million), financial leasing constitutes SEK 36.7 million (SEK 7.4 million). The year's investments in fixtures and fittings of SEK 0.1 million (SEK 0.5 million) consist mainly of office furniture.

Investments of SEK 6.0 million (SEK 5.8 million) in product development comprise capitalised internal costs and external product development of projects that are in the development phase. Expenses for the progress of projects in the research phase are expensed directly. Investments in SWiTCH and Vigclip 3 continued to be made during the year, together with the commencement of minor development projects.

The year's investments in patents of SEK 0.5 million (SEK 1.0 million) mainly comprise the costs of the internationalisation of the needlestick protection patent.

The year's total investments in intangible assets and tangible fixed assets amounted to SEK 44.1 million (SEK 17.5 million).

2.4. Cash flow

Cash flow from the current operations during 2015 totalled SEK -40.3 million (SEK -20.9 million). In January 2015, Vigmed took over the stock of MBH International A/S, which influenced the cash flow from ongoing activities during the year by SEK -6,4 million (SEK 0 million).

During 2015, Vigmed paid out SEK 5 million (SEK 1.5 million in 2014) of the total one-off fee of SEK 6.5 million for logistics handling from the partner MBH International A/S, with no remaining debt to MBH.

Cash flow from investment activities during 2015 totalled SEK -7.4 million (SEK -10.1 million). The amount primarily concerns investments in internal and external product and patent development, mainly in SWiTCH and Vigclip 3; see the details in Notes 14 and 15.

Amortisation of financial leasing obligations of SEK -1.1 million concerns tools for the manufacture of SWiNG Clic-on and SWiTCH, which reduced the interest-bearing debt.

Cash flow from financing activities concerns the rights issue of SEK 50.6 million (after deduction of issue costs of SEK 6.4 million).

Cash and cash equivalents at the end of the year amounted to SEK 65.4 million.

2.5. Employees and incentive programmes

During 2015, Vigmed hired two new employees: a person responsible for sales, marketing and logistics, and a person responsible for finances, replacing the consultant who had performed these duties from the establishment of Vigmed. On 31 December, the total number of employees was 17 (17), of whom one was employed by the parent company.

In conjunction with the organisational change late in the autumn of 2015, the number of employees was reduced by a total of four persons, of whom three completed their employment in January and February 2016. The terminated services comprised an IT officer, a manager of the sales organisation, and a product manager.

The Group has chosen to hire external consultants to provide IT support, and has combined logistics, marketing and sales functions in a combined function: sales, marketing and logistics. This has required new role descriptions for the remaining workforce.

Furthermore, the Group's former CEO has received 12 months' notice of termination as from October 2015. During the notice period, he will undertake specific project assignments.

The quality assurance officer gave notice of termination during the autumn, and the person responsible for regulatory affairs took over the responsibility for quality.

After the organisational changes, Vigmed has a smaller, but closely-knit and well-motivated, team of 13 employees who are focused on the core activity and on delivering results through hard work, high ambitions and the determination to continue to build up a profitable international medical technology company.

In March 2014, the company issued 755,000 subscription options to key personnel in the subsidiary Vigmed AB, with the right to subscribe for the same number of shares in Vigmed Holding AB at a share price of SEK 24 per share. The options were issued on market terms.

The subscription options can be exercised during the period from 15 January to 31 January 2017, and may increase the share capital by up to approximately SEK 16,766, corresponding to maximum 2 per cent of the current share capital. The incentive program is not expected to incur any significant costs for the company.

Key figures for the Group

SEK million	**2015**	**2014**	**2013**	**2012**
Sales	**4.2**	1.1	0.0	0.0
Operating profit	**-48.2**	-32.0	-21.0	-12.1
Rights issue*	**50.6**	52.2	24.6	56.6
Cash and cash equivalents	**65.4**	63.5	41.8	52.7
Equity	**74.3**	73.8	53.4	49.2
Solvency	**56%**	78%	94%	88%
Number of employees as at year-end	**17****	17	13	4

* After deduction of issue costs

** Of whom four have received notice of termination and will leave their employment during 2016.

Guidelines for the remuneration of senior executives

The Board of Directors has adopted the following guidelines for the remuneration of senior executives in 2016. The guidelines reflect Vigmed's need to be able to recruit and motivate qualified employees by offering competitive remuneration. The remuneration of the CEO and other senior executives comprises the basic salary, variable compensation and pension. The ratio between the basic salary and the variable compensation must be proportional to the senior executive's responsibility and authority. The annual variable compensation of the CEO is, as a maximum, equivalent to the monthly salary for four months. For other senior executives, the annual variable compensation is, as a maximum, equivalent to the monthly salary for three months. The annual variable compensation of the CEO and other senior executives is based on the results for pre-determined financial objectives. For 2016 there is only one parameter, which is the Group's result. The remuneration levels must be in accordance with market conditions. Details of the current remuneration of senior executives are presented in Note 25.

3. Group structure and parent company

Besides the wholly-owned subsidiary Vigmed AB, the Group includes a company in Hong Kong, Vigmed Asia Ltd (70% ownership interest), and a related wholly-owned subsidiary in China, Vigmed Medical Device (Beijing) Co. Ltd. See Note 26 for more detailed information. The structure has been established in order to commence product registration in China, and to facilitate future external financing of activities in Asia.

Vigmed Holding AB (publ) solely concerns executive functions and governance, and the management and financing of its wholly owned subsidiary Vigmed AB. The operating result for the year amounted to SEK -1.8 million (SEK -2.3 million). The parent company has made a

shareholder contribution of SEK 48 million to Vigmed AB, which is reported under the profit from financial items.

4. Vigmed

The rights issue in December 2015 increased the share capital by SEK 442,340.05 (SEK 126,382.86) and the number of shares by 21,916,666 (6,261,904 shares). The share capital at year-end was SEK 1,327,020.16 (SEK 884,680.11) distributed on 65,749,998 shares (43,833,332 shares). The company has only one class of shares and all shares entail equal dividend rights.

The shares of Vigmed Holding AB (publ) (VIG) were listed on NASDAQ OMX First North in Stockholm in February 2013.

5. Risk factors

The risk and uncertainty factors listed below can have a significant negative impact on Vigmed's operations, financial position and/or profit. They can also precipitate a decline in the value of Vigmed's shares, which could lead to Vigmed's shareholders losing all or part of their invested capital. Other risks currently unknown to Vigmed, or which are currently deemed to be negligible, could also have a corresponding negative effect.

5.1 Industry and operational risks

Cyclical impacts and other macroeconomic factors

Vigmed's future sales will, to a certain extent, depend on the general economic climate. An economic downturn in the markets in which the Group operates could reduce demand for the Group's products, which would have a negative impact on Vigmed's operations, profit and financial position. This risk is limited both by the fact that the Group operates in several geographical markets and that Vigmed's customers are largely financed by government funding.

Competition and market risks

A number of established multinational companies operate in the protected needle products market. There is a risk that additional companies will join them, leading to increased competition. Vigmed is also a new participant with a new brand and new products in the market. There is a risk that customers would rather choose an established and well-known supplier with a long history, which could have a negative impact on the Group's activities and results.

Vigmed does not always have direct access to end-users in all relevant countries prior to a product launch. Vigmed therefore relies on good and well-established partnerships with distributors in all markets. There is a risk that the necessary market familiarity is lacking when developing market-customised product variants or in regulatory respects, which can have a negative impact on Vigmed's activities.

Product development

Vigmed will continue to develop new and refine existing products within its business area. The time and cost aspects of product development can be difficult to foresee with any degree of precision. This entails a risk that a planned development project is more time-consuming and cost-intensive than planned, which can have a negative impact on the Group's financial position and results.

Vigmed's product development is conducted after the necessary information has been obtained from the markets, including the company's customers. When, in the management's view, the necessary information has been obtained, Vigmed establishes the key aspects of the product design and develops its products accordingly. There is a risk that Vigmed is unsuccessful in understanding the customer's needs and thereby will not develop a product that fully and completely lives up to the market's demands.

There is also a risk that Vigmed establishes the design based on the information obtained too early in the process and that modifications to the design are therefore necessary in the late stages of the development process, which can lead to costs for the Group related to the design modifications and changes to the production equipment as a result of the modified design, which would have a negative impact on the Group's results.

Production disruptions

Vigmed's production operation consists of a chain of processes where interruptions or disruptions at any link in the chain could have consequences for the Group's ability to fulfil its undertakings to the customer. Such interruptions or disruptions could therefore have an adverse impact on Vigmed's operation, financial position or profit.

Complaints, recalls and product liability

Like other companies in the healthcare and medical sector, healthcare suppliers risk being the subject of claims regarding product liability, warranty liability and other legal claims. Such claims can concern large amounts and significant legal costs, particularly since in the industries in which Vigmed operates, long-term commitments from suppliers are regularly assumed. Vigmed may thereby be subject to compensation claims. There are insurance schemes for non-life and liability risks (e.g. product liability) to which the Group is exposed. The scope of these insurance policies and the insurance amounts are limited, which means that there is a risk that the insurance will not provide enough cover in the event of a claim against the Group.

There is a risk that Vigmed incurs expenses regarding complaints in cases where there are more extensive complaints about the Group's products from customers in the future. The same applies in cases where Vigmed could have to recall a delivered product in the future. Claims due to complaints or product recalls may have a negative impact on the Group's activities, results and financial position.

Manufacturers and suppliers

Vigmed has signed agreements with a number of contract manufacturers regarding investments in equipment and deliveries of manufactured products from fully-automated production lines. There is a risk that one or several of these contract manufacturers fail to fulfil their quality requirements that Vigmed and relevant legislation impose, or otherwise fail to fulfil their undertakings to Vigmed. In its operation, Vigmed is to a certain extent dependant on working with other parties for both the development of products and the provision of production equipment. If existing collaborations function unsatisfactorily or are

terminated, Vigmed may have to seek out other partners, which could be more costly and take longer than the Group expects. Such a scenario would have a negative impact on the Group's activities, financial position and results.

Discussions are currently ongoing with a partner/supplier as a consequence of later delivery of machinery for the manufacture of the SWiNG Universal product according to contract, The underlying reason for the late delivery is that the machinery manufacturer that was hired did not complete the delivery of the production equipment and was also subject to bankruptcy proceedings in the third quarter of 2015. The ongoing discussions may result in costs for Vigmed, which could have a negative impact on the Group's activities and results. If the parties are unable to reach agreement, the matter will be settled by arbitration in accordance with the terms of the contract.

Distributors

Vigmed has signed agreements with a number distributors in different countries. There is a risk that one or several of the distributors fail to fulfil their commitments to Vigmed and that new agreements or cooperation cannot be achieved on favourable terms, or achieved at all, or that Vigmed cannot reach agreements with distributors in new geographical markets. Non-realised partnership agreements or partners who fail in their work of successfully launching Vigmed's products in the market, can precipitate reduced or non-realised revenue for Vigmed.

Organisational risks and human capital risks

Vigmed was founded in 2009 and the company is led by a competent and experienced management team which has the active support of a Board of Directors with sound experience from the medical technology industry. Within the Group, a number of key individuals hold unique expertise and are of great importance to the company. Should any of these key individuals leave Vigmed, this could have a negative impact on the company. There is also the risk that Vigmed will not be able to build up the organisation and recruit personnel at the required rate to implement the Group's business plan.

There is a risk of delays in the process of developing a start-up until it is a fully functional organisation with research and development, automation, quality-assurance, regulatory, financial, marketing and sales competence, which could have a negative impact on the Group's activities.

5.2. Legal risks

Legislation and regulation

The rules that concern needlestick-protected medical technology products are complex and can change over time. Such changes could increase Vigmed's costs, make sales difficult and have a significant negative influence on the Group's ability to generate revenue. There is also a risk that the laws and rules that apply today, or the interpretation of these laws and rules, may change in such a way that the Group's operations are negatively affected, with a consequential effect on earning capacity and financial position.

Intellectual property rights

The market that V operates in generally contains a large number of patent rights. There may therefore be a risk that Vigmed's products inadvertently infringe upon another party's patent rights. If a third party initiates proceedings against Vigmed and the company loses the case, this could lead to Vigmed being forced to pay a significant amount in damages. Uncertainty due to the initiation and pursuit of patent disputes or (other) administrative processes could have a significant negative effect on Vigmed's competitiveness. Vigmed's products contain technology that that is patent-protected by Vigmed or patent pending. There is thus also a risk that that competitors infringe upon Vigmed's rights with or without intent.

In addition to patented products and technologies, Vigmed uses its own know-how that is not patent-protected. Vigmed seeks to protect such information, inter alia via confidentiality agreements with employees, consultants and partners. There is a risk, however, that these agreements do not provide protection from the publication of confidential information. Vigmed's trade secrets can also become known or be developed independently by competitors by other means. If Vigmed's internal information and know-how cannot be protected, the company may be adversely affected.

Inadvertent intrusion of Vigmed's products into another party's patent rights, intrusion into Vigmed's patent rights, or the publication of confidential information, may thus have a negative impact on the Group's activities, results and financial position.

5.3. Financial risks

Through its operations, Vigmed is exposed to various financial risks, including financing and liquidity risk, currency risk, interest-rate risk and credit risk. Financial risks are handled mainly at Board and management level. Vigmed's financial risks are estimated to mainly consist of a financing risk, liquidity risk and currency risk.

Financing and liquidity risks

Financing risk is the risk that the financing of loans and credit is difficult or costly and that the Group therefore finds it difficult to fulfil its payment obligations. Liquidity risk is the risk of not being able to fulfil payment obligations when they fall due. Vigmed currently solely has obligations concerning financial leasing agreements. There is a risk that the Group may require further capital contributions until the company achieves "break-even" with a positive result and cash flow. There is also a risk that any such capital contributions cannot be obtained at all, or that this cannot be achieved on favourable terms, which can have a negative impact on the Group's activities, financial position and results.

The current operating capital is sufficient to fulfil the current requirements during the next 12 months.

Currency risk

Vigmed operates in a global market and a large proportion of its sales and purchases are made in other currencies than SEK. Most sales are made in EUR and the Group's purchases are primarily denominated in EUR and SEK. The Group's purchases of services are denominated in SEK, but also in GBP, USD, JPY, CNY and EUR. Changes in the value of SEK relative to other currencies can therefore have negative effects on the Group's results and financial position. Vigmed does not hedge its currency exposure, so that the risk to which the Group is exposed can have a negative impact on the Group's activities, financial position and results.

Interest rate risk
Interest risk is the risk of changes in the market interest rates affecting the company's net interest. Vigmed currently solely has obligations concerning financial leasing agreements. Vigmed plans in the future to partially finance its operations by raising external loans. The Group's financial position and results could then be negatively affected by changes in the market interest rate.

Credit risk
Credit risk is the risk that the borrower will fail to fulfil its obligations to Vigmed and the risk that the security pledged by the counterparty will fail to cover the claim. Credit risk also includes counterparty risk. Vigmed does not currently have any customer receivables that are considered to entail risk, but there is a risk that they might arise in the future, which could have a negative impact on the Group's financial position and results.

6. Future developments and trends

The company's sales growth is expected to gradually accelerate during the year, as contracted distributors launch Vigmed's products on a larger scale in the respective markets, whereby the number of procurement processes that include Vigmed's range will increase.

The challenge for every new start-up company working in the healthcare sector is the fact that each country has its own local rules and routines regarding the procurement of products. Usually, procurement takes place via a tendering procedure where factors such as quality, function, delivery reliability and price are taken into consideration. Procurement opportunities arise at various different intervals, depending on the regulations in the respective countries, and for Vigmed this can entail lead times between various tendering procedures. Vigmed has now established well-defined structures and processes in order to closely support and ensure that its products are included in relevant procurement processes in all markets.

7. Significant events after the close of the financial year

The rights issue that took place in December 2015 was registered by the Swedish Companies Registration Office on 23 December 2015, although the shareholders were not allocated shares until 8 January 2016.

A group of shareholders representing just over 30 per cent of the number of shares and votes in the parent company, together with the Board of Directors, has appointed a nomination committee for the 2016 annual general meeting and drawn up instructions for its work.

8. Profit allocation

No dividend was distributed for 2014 or 2015. The Board of Directors will not propose any distribution of dividend at the annual general meeting on 12 May 2016.

Proposed allocation of profit

Parent Company	2015
The following earnings are at the disposal of the AGM (SEK thousand)	
Share premium reserve	284,282
Profit carried forward	-5,259
Profit for the year	-49,325
	229,698
The Board of Directors proposes that retained earnings	
be appropriated as follows	229,698

Income Statement and Statement of Comprehensive (kSEK)

	Note	2015	2014
Sales	5	4,179	1,124
Capitalised expenditure for development work	14	5,970	5,843
Other operating income	6	414	-
Total operating income		10,563	6,967
Operating expenses:			
Raw materials and consumables	8	-12,346	-1,897
Other external expenses	8,10	-18,224	-22,038
Personnel costs	8,9	-17,188	-13,717
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	8,14,15	-10,841	-1,316
Other operating expenses	7	-132	-14
Total operating expenses		-58,731	-38,982
Operating profit/loss		-48,168	-32,015
Financial items	11		
Financial income		15	218
Financial expenses		-1,990	-433
Total profit/loss from financial items		-1,975	-215
Profit before tax		-50,143	-32,230
Tax	12	0	0
Net profit/loss for the year		-50,143	-32,230
Net profit/loss for the year attributable to:			
Shareholders in the Parent Company		-50,110	-32,230
Non-controlling interests		-33	-
		-50,143	-32,230
Basic earnings per share (SEK)	13	-1,14	-0,85
Diluted earnings per share (SEK)		-1,12	-0,83
Other comprehensive income			
Net profit/loss for the year		-50,143	-32,230
Items which can later be reversed in the income statement			
Foreign exchange differences on translation of foreign operations		12	-
Total other comprehensive income, net after tax		12	0
Total comprehensive income for the year		-50,131	-32,230
Total comprehensive income for the year attributable to:			
Shareholders in the Parent Company		-50,101	-32,230
Non-controlling interests		-30	-
		-50,131	-32,230

Consolidated Balance Sheet (kSEK)

	Note	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets			
Intangible assets	14		
Patents		1,574	1,480
Capitalised expenditure for development work		11,031	8,740
Software		451	340
		13,056	10,560
Property, plant and equipment	15		
Plant and machinery		49,697	18,628
Equipment, fixtures and fittings		401	720
		50,098	19,348
Total non-current assets		63,154	29,908
Current assets	16		
Inventories	17	2,219	-
Accounts receivable	18	157	29
Other current receivables	18	1,630	1,350
Prepaid expenses and accrued income	18	862	447
Cash and cash equivalents	19	65,360	63,500
Total current assets		70,228	65,326
Total assets		133,382	95,234

	Note	31 Dec 2015	31 Dec 2014
Equity and liabilities			
Equity attributable to shareholders in the Parent Company	20,21		
Share capital		1,327	885
Other contributed capital		185,681	135,498
Reserves		9	-
Profit/loss brought forward		-112,673	-62,563
Total equity attributable to shareholders in the Parent Company		74,344	73,820
Non-controlling interests		-30	-
Total equity		74,314	73,820
Non-current liabilities			
Borrowings regarding finance leases, long-term portion	16, 22	40,203	4,623
Total non-current liabilities		40,203	4,623
Current liabilities	16		
Trade payables	23	7,863	4,420
Borrowings regarding finance leases, short-term portion	16, 22	2,774	2,774
Other current liabilities	23	1,046	628
Accrued expenses and deferred income	23	7,182	8,969
Total current liabilities		18,865	16,791
Total liabilities		59,068	21,414
Total equity and liabilities		133,382	95,234

For information regarding the Group's pledged assets and contingent liabilities, refer to Note 27.

Statement of Changes in Equity for the Group (kSEK)

		Equity attributable to shareholders in the Parent						
	Note	Share capital	Other contribut	Reserves	Profit/loss brough	Total	Noncontrolling interests	Total equity
Equity, 1 January 2014		758	82,995	0	-30,333	53,420	0	53,420
Comprehensive income								
Net profit/loss for the year		-	-	-	-32,230	-32,230	0	-32,230
Other comprehensive income		-	-	-	-	-	-	0
Total comprehensive income		0	0	0	-32,230	-32,230	0	-32,230
Transactions with shareholders:								
Share warrant programme (less expenses)	21	-	515	-	-	515	-	515
Preferential rights issue	20	127	56,230	-	-	56,357	-	56,357
Issue costs		-	-4,242	-	-	-4,242	-	-4,242
Total transactions with shareholders		127	52,503	0	0	52,630	0	52,630
Closing balance, 31 December 2014		885	135,498	0	-62,563	73,820	0	73,820
Equity, 1 January 2015		885	135,498	0	-62,563	73,820	0	73,820
Comprehensive income								
Net profit/loss for the year		-	-	-	-50,110	-50,110	-33	-50,143
Other comprehensive income		-	-	9	-	9	3	12
Total comprehensive income		0	0	9	-50,110	-50,101	-30	-50,131
Transactions with shareholders:								
Preferential rights issue	20	442	56,541	-	-	56 983	-	56,983
Issue costs		-	-6,358	-	-	-6,358	-	-6,358
Total transactions with shareholders		442	50,183	0	0	50,625	0	50,625
Closing balance, 31 December 2015		1,327	185,681	9	-112,673	74,344	-30	74,314

Cash Flow Statement for the Group (kSEK)

	Note	2015	2014
Cash flow from operating activities			
Operating profit/loss		-48,168	-32,015
Adjustments for items not affecting cash flow:			
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	14,15	10,841	1,316
Interest received		15	218
Interest paid		-1,990	-433
Impairment of inventory		3,200	-
Other items		36	-
Cash flow from operating activities before changes in working capital		-36,066	-30,914
Changes in working capital			
Increase/decrease in other current receivables		-6,278	-788
Increase/decrease in other current liabilities		2,074	10,795
Total changes in working capital		-4,204	10,007
Cash flow from operating activities		-40,270	-20,907
Investing activities			
Acquisitions of property, plant and equipment	15	-707	-2,896
Acquisitions of intangible assets	14	-6,714	-7,167
Sales of property, plant and equipment	15	35	-
Cash flow from investing activities		-7,386	-10,063
Financing activities			
Share warrant programme	21	-	515
New share issue	20	50,625	52,115
Repayment of lease borrowings	22	-1,109	-
Cash flow from financing activities		49,516	52,630
Cash flow for the year		1,860	21,660
Cash and cash equivalents at the beginning of the year	19	63,500	41,840
Cash and cash equivalents at year-end		65,360	63,500

Parent Company Income Statement (kSEK)

	Note	2015	2014
Net sales		2,900	2,500
Other operating income	6	39	-
Total operating income		2,939	2,500
Operating expenses:			
Other external expenses		-2,359	-2,318
Personnel costs	9	-2,326	-2,425
Depreciation of property, plant and equipment	14	-25	-25
Total operating expenses		-4,710	-4,768
Operating profit/loss		-1,771	-2,268
Financial items	11		
Profit/loss from participating interests in Group companies		-48,000	-2,500
Other interest income and similar profit/loss items		448	362
Interest expenses and similar profit/loss items		-2	-10
Total profit/loss from financial items		-47,554	-2,148
Profit before tax		-49,325	-4,416
Tax	12	-	-
Net profit/loss for the year		-49,325	-4,416

Statement of Comprehensive Income for the Parent Company (kSEK)

	Note	2015	2014
Net profit/loss for the year		-49,325	-4,416
Other comprehensive income		-	-
Total comprehensive income		-49,325	-4,416

Parent Company Balance Sheet (kSEK)

	Note	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets			
Property, plant and equipment	15		
Equipment		-	33
		0	33
Financial assets			
Participating interests in Group companies	26	157,600	157,600
Loans to Group companies		18,500	17,500
		176,100	175,100
Total non-current assets		176,100	175,133
Current assets	16		
Receivables from Group companies	18	1,154	223
Other receivables	18	149	26
Prepaid expenses and accrued income	18	212	24
Cash and bank	19	58,457	57,736
Total current assets		59,972	58,009
Total assets		236,072	233,142
Equity and liabilities			
Equity	20		
Restricted equity			
Share capital		1,327	885
		1,327	885
Non-restricted equity			
Share premium reserve		284,282	234,099
Profit/loss brought forward		-5,259	-843
Net profit/loss for the year		-49,325	-4,416
Total equity		231,025	229,725
Current liabilities	16		
Trade payables	23	3,931	1,745
Other current liabilities	23	166	102
Accrued expenses and deferred income	23	950	1,570
Total current liabilities		5,047	3,417
Total equity and liabilities		236,072	233,142
Memorandum items			
Pledged assets	27	50	50
Contingent liabilities		None	None

Statement of Changes in Equity for the Parent Company (kSEK)

	Note	Share	Share premium	Profit/loss brough	Total equity
Opening balance, 1 January 2014		758	181,595	-843	181,510
Comprehensive income					
Net profit/loss for the year		-	-	-4,416	-4,416
Total comprehensive income		0	0	-4,416	-4,416
Transactions with shareholders:					
Share warrant programme	21	-	515	-	515
Preferential rights issue	20	127	56,230	-	56,357
Issue costs		-	-4,242	-	-4,242
Total transactions with shareholders		127	52,503	0	52,630
Closing balance, 31 December 2014		885	234,099	-5,259	229,725
Opening balance, 1 January 2015		885	234,099	-5,259	229,725
Comprehensive income					
Net profit/loss for the year		-	-	-49,325	-49,325
Total comprehensive income		0	0	-49,325	-49,325
Transactions with shareholders:					
Preferential rights issue	20	442	56,541	-	56,983
Issue costs		-	-6,358	-	-6,358
Total transactions with shareholders		442	50,183	0	50,625
Closing balance, 31 December 2015		1,327	284,282	-54,584	231,025

Cash Flow Statement for the Parent Company (kSEK)

	Note	2015	2014
Cash flow from operating activities			
Operating profit/loss		-1,772	-2,268
Adjustments for items not affecting cash flow:			
Depreciation/amortisation	15	25	25
Interest received		448	362
Interest paid		-1	-10
Other items		-26	-
Cash flow from operating activities before changes in working capital		-1,326	-1,891
Changes in working capital			
Increase/decrease in other current receivables		-1,242	734
Increase/decrease in other current liabilities		1,629	3,000
		387	3,734
Total cash flow from operating activities		-939	1,843
Investing activities			
Sales of property, plant and equipment		35	-
Cash flow from investing activities		35	0
Financing activities			
Share warrant programme	21	-	515
New share issue	20	50,625	52,115
Repayment of borrowings			-2,000
Loans to subsidiaries		-1,000	-20,000
Shareholders' contribution paid		-48,000	-
Total cash flow from financing activities		1,625	30,630
Cash flow for the year		721	32,473
Cash and cash equivalents at the beginning of the year	19	57,736	25,263
Cash and cash equivalents at year-end		58,457	57,736

Note 1 General information

Vigmed Holding AB (publ), Corporate Identity Number 556918-4632, with its subsidiaries Vigmed AB and Vigmed Asia Ltd. (formerly Vigmed China Ltd.) and its sub-subsidiary Vigmed Medical Device Co (Beijing) (referred to collectively as "the Group") develop, manufacture, distribute and sell protected needle products. Manufacturing takes place via contract manufacturers in Sweden and India, and sales are made via a network of independent distributors, mainly in Europe.

The Parent Company is a limited liability company registered in Sweden with its registered offices in Helsingborg. The address of the head office is Garnisonsgatan 10, Helsingborg. The Company is listed on the Nasdaq OMX Stockholm First North list.

The subsidiary Vigmed AB is owned to 100% by Vigmed Holding AB. Vigmed AB is a limited liability company registered in Sweden at the same address as the Parent Company.

The sub-subsidiary Vigmed Asia Ltd. is owned to 70% by Vigmed AB and Vigmed Medical Device Co (Beijing) is owned to 100% by Vigmed Asia Ltd.

On 14 April 2016, the Board of Directors approved these consolidated financial statements for publication

Note 2 Summary of key accounting principles

The consolidated financial statements for Vigmed Holding AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and interpretations from the IFRS Interpretations Committee. In addition, the Group applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplemental accounting rules for groups. Items in the consolidated financial statements are valued at cost. The accounting principles described below have been consistently applied to all periods in this annual report and consolidated financial statements. All amounts in these consolidated financial statements and annual report are stated in Swedish krona (SEK) unless otherwise specified.

New standards and interpretations which have not yet been applied by the Group

A number of new standards and interpretations will become effective for financial years beginning on or after 1 January 2015 and have not been applied in preparing these financial statements. None of these are expected to have any material impact on the consolidated financial statements with the exception of the following:

IFRS 15 “Revenue from Contracts with Customers” regulates how income is to be recognised. The principles on which IFRS 15 is based are intended to give users of financial statements more useful information about the company's income. The expanded disclosure requirements means that information on classes of income, the time of settlement, uncertainties linked to the recognition of income and cash flows attributable to the Company's customer contracts shall be provided. According to IFRS 15, income shall be recognised when the customer receives control over the sold good or service and has the possibility to utilise, or obtains the benefit from, the good or service.

IFRS 15 supersedes IAS 18 "Revenue" and IAS 11 "Construction Contracts" and the associated SIC and IFRIC. IFRS is effective from 1 January 2017. Early adoption is permitted. The Group has not yet evaluated the effects of the implementation of the standard.

In January 2016, the IASB published a new leasing standard which will supersede IAS 17 Leases and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with few exceptions, are recognised in the balance sheet. This recognition is based on the understanding that the lessee is granted the right to use an asset during a specified period and is simultaneously liable to pay for this right. The recognition for the lessor will remain unchanged, in all material aspects. The standard is effective for financial years beginning on or after 1 January 2019. Early adoption is permitted. The EU is yet to adopt the standard. The Group is lessee in certain operating leases which are expected to be affected by IFRS 16, in that these agreements are to be recognised as both an asset and a liability in the balance sheet, and are also to be recognised in the income statement through depreciation on the asset and interest expenses on the lease liability. Under the current IAS 17, lease payments are charged to expenses over the term of the lease. The Group has not yet evaluated the effects of the implementation of the standard on the Group's financial position.

Consolidated Financial Statements

The consolidated financial statements include the Parent Company Vigmed Holding AB and those companies over which the Parent Company, directly or indirectly, exercises a controlling-influence (subsidiaries).

Subsidiaries are all companies (including structured entities) over which the Group exercises a controlling influence. The Group controls a company when it is exposed to or has the right to a variable return on its interest in the Company and is able to influence the return through its interest in the Company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the accounts from the date on which control is relinquished.

The Group's profit/loss and components of comprehensive income are attributable to shareholders in the Parent Company. The accounting principles applied by the subsidiaries are adjusted where necessary to achieve consistency with the Group's accounting principles. All intra-Group transactions and balances attributable to intra-Group transactions are eliminated upon consolidation.

Non-controlling interests

Non-controlling interests refer to the portion of the profit/loss and net assets in jointly-owned subsidiaries which accrue to other owners than shareholders in the Parent Company. Non-controlling interests' share of profit/loss is included in profit/loss recognised in the consolidated income statement and the share of net assets is included in equity in the consolidated balance sheet.

The Group treats transactions with non-controlling interests as transactions with the Group’s shareholders. For acquisitions from non-controlling interests, the difference between the purchase consideration provided and the actual acquired participating interest in the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on divestitures to non-controlling interests are also recognised in equity.

Segment reporting

The financial information reported to the most senior decision-maker (CEO) as a basis for the allocation of resources and the assessment of the Group's performance is not divided into different operating segments. The Group therefore constitutes a single operating segment.

Translation of foreign currencies

In the consolidated financial statements, the Swedish krona (SEK) is used, which is the functional currency of the Parent Company and the presentation currency of the Group.

Transactions in foreign currency are translated are translated by operating entities to their respective functional currency at the exchange rate prevailing on the transaction date. Monetary items in foreign currencies have been translated at the rates of exchange applicable on the balance sheet date.

Foreign exchange differences are recognised in profit and loss for the period in which they arise and reported in the items “Financial income” and “Financial expenses” in the income statement.

The financial position and performance of all Group companies (none of which have a high-inflation currency as the functional currency), which have a different functional currency than the presentation currency, are translated to the Group’s reporting currency as per the following:

(a) assets and liabilities for each of the balance sheets are translated at the closing rate;

(b) income and expenses for each of the income statements are translated at the average exchange rate (insofar as this average exchange rate constitutes a reasonable approximation of the accumulated effect of the exchange rates that apply on the transaction date, otherwise the income and expenses are translated at the rate applicable on the transaction date), and

(c) all foreign exchange differences arising are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment.

The cost consists of the purchase price and expenditure which is directly attributable to ensuring that the asset is in position and in a condition such that it can be utilised. Additional expenditure is included in the cost of the asset or is recognised as a separate asset only when it is probable that the future financial benefits that can be attributed to the asset will accrue to the Group and when the cost of the asset can be reliably calculated. All other costs for repairs and maintenance, plus any additional expenses, are recognised in profit and loss in the period in which they arise.

Depreciation of property, plant and equipment is charged to expenses such that that the asset's value less estimated residual value at the end of its useful life is depreciated over its useful life, which is estimated as:

Plant and machinery 5 years Equipment, fixtures and fittings 3 years Plant and machinery are depreciated based on the manufactured volume, and equipment, fixtures and fittings are depreciated on a straight-line basis.

Estimated useful lives, residual values and depreciation methods are reviewed at least at the end of each financial period; with the effect of potential changes to estimates being recognised prospectively.

The carrying amount of property, plant and equipment is removed from the statement of financial position upon disposal or divestiture, or when no future economic benefits are anticipated from the use or disposal/divestiture of the asset. The gain or loss arising upon the disposal or divestiture of the asset is comprised of the difference between the potential net income upon divestiture and the asset's carrying amount, and is recognised in profit or loss in the period when the asset is removed from the statement of financial position.

Intangible assets

Separately-acquired intangible assets with definite useful lives are recognised at cost less accumulated amortisation and any accumulated impairment.

Amortisation is carried out on a straight-line basis over the assets' estimated useful lives. Estimated useful lives and amortisation methods are reviewed at least at the end of each financial period; with the effect of potential changes to estimates being recognised prospectively. The estimated useful lives for intangible assets are:

Patents 5 years

Capitalised expenditure for development work 5 years

Software 3 years

Acquired software licences are capitalised on the basis of the expenses arising when the software in question was purchased and put into operation. These capitalised expenses are amortised over the estimated useful life of three years.

Accounting principles for research and development

The Company's policy for the capitalisation of expenditure for development work covers both internal time accrued, external development expenses and costs for patent applications, and entails that projects in the development phase are capitalised. The projects' transition from the research phase to development is decided on by the Board and supported by a business plan.

Expenditure for research with the aim of obtaining new scientific or technical knowledge is expensed as incurred.

Expenditure for development, where the research results or other knowledge is applied to achieve new or improved products or processes, is recognised as an asset in the statement of financial position only if the following conditions are met:

– It is technically possible to complete the intangible asset and to use or sell it

– The Company intends to complete the intangible asset and to use or sell it

– Conditions are in place for using or selling the intangible fixed asset

– The Company can illustrate how the intangible asset will generate probable future financial benefits

– There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset.

– The expenditure attributable to the intangible asset during its development can be reliably calculated.

Other development expenditure which does not meet the above criteria is charged to expenses as incurred. Development expenditure that has previously been charged to expenses is not reported as an asset in the ensuing period.

Directly attributable expenditure that is capitalised mainly includes expenditure from subcontractors and costs for employees.

After initial recognition, capitalised development expenditure is recognised at cost less accumulated depreciation and any accumulated impairment.

Amortisation is initiated when the first saleable product related to the development project can be produced.

Disposals and divestitures

The carrying amount of an intangible asset is removed from the statement of financial position upon disposal or divestiture, or when no future economic benefits are anticipated from the use or disposal/divestiture of the asset. The gain or loss, which arises when an intangible asset is removed from the statement of financial position is comprised of the difference between the amount obtained upon divestiture and the asset's carrying amount, and is recognised in profit or loss when the asset is removed from the statement of financial position.

Impairment of property, plant and equipment and intangible assets

At the end of every accounting period, the Group analyses the values of property, plant and equipment and intangible assets to ascertain whether there are any indications that these assets have decreased in value. If this is the case, the asset's recoverable amount is calculated in order to facilitate a determination of the value of any impairment losses.

Intangible assets with indefinite useful lives and intangible assets that are not yet ready for use shall be tested annually with regard to any impairment requirements, or when there is an indication of a decrease in value. Capitalised expenditure for product development is therefore tested for any impairment requirements at least annually.

The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. In calculating value in use, estimated future cash flows are discounted to present value, applying a discount rate before tax that reflects the current market evaluation of the time value of money and the risks associated with the asset.

If the recoverable amount for an asset is lower than the carrying amount, the carrying amount of the asset is written down to the recoverable amount. An impairment loss is immediately charged to expenses in profit or loss.

When an impairment loss is later reversed, the asset's carrying amount increases to the re-evaluated recoverable amount, but this increased carrying amount may not exceed the carrying amount that would have been established if no impairment loss had been applied to the asset in previous years. A reversal of an impairment loss is recognised directly in profit or loss.

Inventories

The inventory is valued with the application of the first-in, first-out method, at the lower of historical cost and net realisable value as per the balance sheet date. Deductions are made for internal gains arising on deliveries between companies included in the Group. Products in the inventory are impaired according to an individual assessment of obsolescence, based on technical or physical ageing, slow movement or overstocking.

Trade receivables, other loan receivables and other receivables
Receivables, which do not constitute derivatives, with determinable payments, and which are not listed on an active market, are valued after initial recognition at amortised cost, in accordance with the effective interest method. The risk of loss is assessed on an individual basis, with impairment recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances as well as other current liquid investments that can easily be converted to cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents, the maturity period may not exceed three months from the time of acquisition. Cash and bank balances are categorised as "Loan receivables and trade receivables", which entails a valuation at amortised cost. As bank balances are payable on demand, amortised cost corresponds to the nominal amount.

Equity
Transaction costs that can be directly attributed to the issue of new shares or warrants are reported in equity as a deduction from the issue proceeds.

Trade payables
Accounts payable are obligations to pay for goods or services purchased from suppliers as part of the operating activities. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are classified as non-current liabilities.

Taxes
Income tax comprises current and deferred tax. Income tax is recognised in the income statement, except for when the underlying transaction is recognised directly in equity or comprehensive income, in which case the associated tax effect is also recognised in equity or comprehensive income.

Current tax is tax to be paid or received in respect of the current year, with the application of the tax rates enacted or essentially enacted on the closing date. Current tax also includes adjustments of current tax attributable to earlier periods.

Deferred tax is accounted for in its entirety by applying the balance sheet method on all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements.

Deferred tax is calculated using the tax rates and tax regulations enacted or essentially enacted as per the closing date and which are expected to apply when the deferred tax liability in question is settled.

Deferred tax liabilities relating to deductible temporary differences and loss carry-forwards are reported only to the extent that it is probable that they will be utilised and lead to lower tax payments in the future.

Employee benefits
Employee benefits in the form of salaries, pensions, bonuses, holiday pay, paid sick leave, etc., are recognised as earned.

Pension obligations
Defined contribution pension plans are used in the Group. A defined contribution pension plan is a plan under which the Group pays premiums to a separate legal entity, usually an insurance company. The Group's payments of premiums are recognised as expenses in the period in which the employee in question renders the service to which the premium refers. The Group has no pension obligations with regard to pensions or other post-employment benefits.

Warrant programme
Warrants allotted to senior executives and other employees are valued at fair value on the allotment date. The fair value of the warrants on the allotment date has been established using the Black and Scholes model. For more information about the valuation, please refer to Note 21 . Senior executives and employees have paid a price that corresponds to the fair value of the warrants, which means that they do not constitute share-based payment according to IFRS 2 and Vigmed therefore does not recognise any cost for these warrants.

Items affecting comparability
Items affecting comparability are reported separately in the financial statements whenever necessary to provide explanation for the Group's profit or loss. Items affecting comparability refer to items which are of material significance either in terms of their size or which are non-recurring.

Revenue recognition
The Company's income recognition principle is that income includes the fair value of the amount received for products sold, less discounts, returns and value added tax, in Vigmed's operations. Income is recognised with the elimination of intra-Group sales.

Sales of goods are recognised in income when Vigmed has delivered products to distributors, and there is no unfulfilled obligation that could affect the distributors' approval of the products.

Delivery is not considered to have occurred until the products have been sent to the indicated location and the risks of obsolescence and loss have been transferred to the distributor.

The distributors have the right to return flawed products. Sales income is recognised on the basis of the price stated in the sales contract, net of discounts and returns at the time of the sale.

Royalty income is distributed across accounting periods in accordance with the financial stipulations of the agreement.

Leases
A finance lease is an agreement under which the financial risks and benefits associated with ownership of the object are, in all material respects, transferred from the lessor to the lessee. Other lease agreements are reported as operating leases. The Group has both finance and operating leases. Lease payments in operating leases are expensed on a straight-line basis over the term of the lease, unless another systematic approach better reflects the user's financial benefit over time.

The Group leases certain items of property, plant and equipment. Leases for non-current assets in which the economic risks and benefits associated with ownership have essentially been transferred to the lessee are classified as finance leases.

At the beginning of the leasing period, finance leases are recognised in the balance sheet at the lower amount of the lease object's fair value and the present value of the minimum lease payments.

Every lease payment is distributed between repayment of the liability and financial expenses. The corresponding payment liabilities, less financial expenses, are included in Borrowings (short-term or long-term).

The interest component of the financial expenses is recognised in profit or loss allocated over the lease term, so that every accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognised during each respective period.

Fixed assets held under finance leases are depreciated during the shorter of the asset's useful life and the term of the lease.

Parent Company accounting principles
The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and RFR2 Accounting for Legal Entities. Under RFR 2, the Parent Company is required to apply all EU-adopted IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation.

The recommendation specifies which exemptions and additions should be made in relation to IFRS. This means that the reporting in the Parent Company follows the same principles as the Group, except for the exceptions stated below.

Participating interests in Group companies are reported in the Parent Company in accordance with the cost method. Dividends and Group contributions received are recognised as income. Financial instruments are not recognised at fair value.

Note 3 Financial risk management

Through its operations, Vigmed is exposed to various financial risks such as financing and liquidity risk, currency risk, interest rate risk and credit risk.

Financial risks are primarily managed at the Board and management level. Vigmed's financial risks are deemed to primarily consist of financing risk, liquidity risk and currency risk, which are described below.

Financing and liquidity

Financing risk refers to the risk that financing of loans and credits becomes difficult or costly and that the Group thereby has difficulty to fulfil its payment commitments. Liquidity risk refers to the risk of not being able to fulfil payment commitments when they fall due. Vigmed currently has no loans or credits. The management and Board work actively and continuously with the Company's governance and control including profit or loss, liquidity and financial position. The Board of Directors continuously reviews whether the conditions for continued operation exist. It cannot be ruled out that the Company may need additional capital injections until the business reaches "break-even" with a positive financial performance and positive cash flow. There are also no guarantees that such capital injections can be obtained at all, nor that such an injection can be obtained on advantageous terms.

Currency risks

Vigmed is active on a global market with a large part of sales and purchases in currencies other than SEK.

Sales largely take place in EUR, and the Group's purchases of goods are primarily denominated in EUR and SEK. The Group's purchases of services are made, in part, in SEK, but also in GBP, USD, JPY, CNY and EUR. Changes in the value of SEK relative to other currencies can thereby have both positive and negative effects on the Company's performance and financial position. The Group does not hedge its currency exposure, for which reason the currency risk to which the Company is exposed may impact the Company's operations, performance and financial position negatively.

As per 31 December 2015

Parameter	Change, %	Effect on net sales, kSEK	Effect on profit before tax, kSEK
EUR/SEK	+/- 1	+/- 42	+/- 60
USD/SEK	+/- 1	-	+/- 5
DKK/SEK	+/- 1	-	+/- 109
GBP/SEK	+/- 1	-	+/- 4
Other currencies/SEK	+/- 1	-	+/- 2

As per 31 December 2014

Parameter	Change, %	Effect on net sales, kSEK	Effect on profit before tax, kSEK
EUR/SEK	+/- 1	+/- 11	+/- 1
USD/SEK	+/- 1	-	+/- 42
DKK/SEK	+/- 1	-	+/- 23
GBP/SEK	+/- 1	-	+/- 4
Other currencies/SEK	+/- 1	-	+/- 1

Interest risk

Interest rate risk refers to the risk that changes in market interest rate affect the Company's net interest income. Vigmed currently has no loans or credits. Vigmed plans to finance operations to some extent by raising external loans in the future. The Company may then be negatively impacted by changes in the market interest rate.

Credit risks

Credit risk refers to the risk that a borrower does not fulfil its obligations to Vigmed and the risk that the collateral provided by the counterpart does not cover the claim. Credit risk also includes counterpart risk. Vigmed currently has no trade receivables that are assessed to be doubtful, but there is a risk that such doubtful receivables could arise in the future which can negatively affect the Company's financial position and performance.

Capital management

The Group's objective for its management of capital is to secure the Group's ability to continue its operations to generate reasonable returns for the shareholders and benefits for other stakeholders. The Group is financed by equity, which amounts to kSEK 74,314 (73,820). The Group's current policy is to not pay dividends. Only when the Company achieves long-term profitability will proposals on dividends to the shareholders be considered possible.

Note 4 Significant accounting estimates and assessments

An account is provided below of the most important assumptions about the future, and other important sources of uncertainty in estimates as of the closing date, which entail a substantial risk of material adjustments in the carrying amounts of assets and liabilities in the coming financial year.

Impairment testing of intangible assets

Impairment requirements for the Company's capitalised expenditure for product development are tested at least once a year. Other intangible assets and property, plant and equipment are tested for impairment if there is any indication that an impairment requirement may exist. Impairment testing is based on a review of the recoverable amount, estimated on the basis of the assets' value in use. Company management estimates future cash flows according to internal business plans and forecasts.

In this review, estimates are also used of discount rates and future growth rates beyond set budgets and forecasts.

The carrying amounts for intangible assets amount to kSEK 13,056 (10,560), of which capitalised expenditure for product development comprises kSEK 11,031 (8,740). Impairment totalling kSEK 1,949 has been recorded during the year on capitalised expenditure for product development for SWiNG, based on management's best estimation.

The carrying amounts for property, plant and equipment amount to kSEK 50,098 (19,348). Impairment totalling kSEK 3,322 has been recorded during the year on leased tools and a manual assembly tool, for SWiNG Universal and Vigclip 2 components in the manufacturing apparatus.

Changes in the assumptions made by Company management in impairment testing could potentially have a material impact on the Company's performance and financial position. Company management assesses that there are no impairment requirements for the Group's property, plant and equipment or intangible assets at 31 December 2015.

Important assessments made in the application of the Group's accounting principles

The following section describes the most important assessments, besides those that include estimates (see above), that Company management has made in the application of the Group's accounting principles and have the most significant effect on the carrying amounts in the financial statements.

Time of capitalisation of expenditure for product development

Internally-developed intangible assets such as capitalised expenditure for product development must fulfil a number of criteria to be recognised in the balance sheet. These criteria are described in the accounting principles section above. One of these criteria means that Company management must make an assessment of whether it is likely that the intangible asset will generate financial benefits. Only

after Company management has made this assessment may development expenditure in a project begin to be capitalised as an asset in the balance sheet.

Vigmed holds extensive international patent rights for two innovation platforms, and bases its product development primarily on these two patent platforms.

The Company works in partnerships with manufacturers and distributors with the aim of establishing a high-competence, cost-effective business model. By doing so, Vigmed can utilise the commercial channels opened up with selected distributors to build up Vigmed's marketing and sales. The business model, using strategic alliances with industrial partners, also enables the manufacturers to make direct investments in the means of production for the manufacture of Vigmed's products.

Vigmed has initiated cooperation with distributors and begun sales in 18 markets, and has cooperation agreements with three manufacturers.

Based on the above conditions, Company management has assessed that it is likely that the product development projects in which expenditure has been capitalised will generate financial benefits for the Company.

Note 5 Segment information (kSEK)

The financial information reported to the most senior decision-maker (CEO) as a basis for the allocation of resources and the assessment of the Group's performance is not divided into different operating segments.
The Group therefore constitutes a single operating segment.

Information regarding large customers:
The Group's sales are derived from 17 distributors in Europe and one outside of Europe.

As sales of Vigmed's products are made through exclusivity agreements with one distributor per country, income is not reported per geographic area in this report other than for those customers which account for more than 10 percent of total sales.

As illustrated in the table below, the Group had two customers in 2015 whose share of sales surpassed 10 percent.

Customers whose share of sales surpasses 10%:

	Sales	
	2015	2014
Vygon, Germany	1,822	
CODAN, Sweden	437	221
Mavrogenis, Greece		220
Werfen, Spain		125
CODAN, Denmark		432

The Group's registered offices are located in Sweden. Income from external customers in Sweden amounted to kSEK 437 (221) and total income from external customers in other countries amounted to kSEK 3,742 (903).

Non-current assets by geographical region:

	Non-current assets	
	2015	2014
India	9,951	9,449
Sweden	53,203	20,459
Total	63,154	29,908

Note 6 Other operating income (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Other operating income:				
Foreign exchange gains, operations	-	-	4	-
Remitted borrowings from Nopef	387	-	-	-
Capital gains on sales of property, plant and equipment	27	-	35	-
Total other operating income	414	0	39	0

Note 7 Other operating expenses (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Other operating expenses:				
Foreign exchange losses, operations	132	14	-	-
Total other operating expenses	132	14	0	0

Note 8 Items affecting comparability (kSEK)

An analysis of the amount that constitutes items affecting comparability in these financial statements is presented below.

	2015	2014
Group, kSEK	2015	2014
- Expenses related to SWiNG Universal		
- Impairment of goods to net realisable value	1,001	-
- Depreciation, amortisation and impairment of non-current assets	6,204	-
- Expenses for contractual obligations	3,000	-
- Expenses related to upgrading of CLiP products		
- Impairment of inventories, rejects and expenses for replacement products	6,211	-
- Impairment of non-current assets	286	-
- Reserve for unutilised office space	348	-
- Reserve for redundancies and personnel exempted from work	309	-
- Non-recurring fee to logistics partner		6,500
Total expenses affecting comparability	17,359	6,500
- Remitted borrowings from Nopef regarding establishment in China	387	-
Total income affecting comparability	387	0

The product SWiNG Universal was not launched as planned during the year. This is due to the failure of a machinery supplier to provide a functional production line during 2015. Consequently, Vigmed's contracted manufacturer was, in turn, unable to fulfil its contractual obligations to Vigmed, for which reason deliveries of the product have not commenced. This delay has entailed, among other things, that competitors have been able to establish alternative products on the market. As a result, Vigmed has been forced to revise its future expectations for SWiNG Universal, necessitating impairment losses on inventories and non-current assets which have been recorded during the year.
Furthermore, a reserve for expected contractual obligations has been included in the financial statements. The total cost for these measures implemented during the year amounted to kSEK 10,205.

Following the upgrade of certain CLiP-products implemented during the year, Vigmed has chosen not to deliver previous versions of these CLiP-products to the market, for which reason expenses for rejection and inventory impairments for these, plus expenses for replacement parts, have arisen. Furthermore, a less significant impairment has been carried out on Vigclip 2 components in the manufacturing apparatus. The total cost for these measures implemented during the year, constituting a non-recurring expense, amounted to kSEK 6,497.

The expenses outlined above have impacted the following expense items in the income statement at the stated amounts:

Raw materials and consumables	kSEK 7,212
Other external expenses	kSEK 3,348
Personnel costs	kSEK 309
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	kSEK 6,490
	kSEK 17,359

Note 9 Employee benefits, etc. (kSEK)

The Chairman and other members of the Board Directors receive directors' fees in accordance with the resolutions adopted by the AGM. The Board of Directors has chosen to relinquish 25 percent of their directors' fees for 2015.

Guidelines for remuneration to senior executives

The Board of Directors determines the guidelines for remuneration to senior executives and evaluates these each year. The Board of Directors has resolved that, for 2015: Remuneration to the CEO and other senior executives will consist of a basic salary, variable remuneration and pension and is to be market-based. Basic salary and variable remuneration must be in proportion to the responsibility and authority of the executive concerned. The maximum annual variable salary for the CEO is to be the equivalent of four monthly salaries. For other senior executives, the maximum annual variable salary is to be the equivalent of three monthly salaries. The annual variable salary for the CEO and other senior executives is to be based on the achievement of predetermined goals relating to the Company's sales, product launches and cash flow targets from operating activities. The period of notice for the CEO is to amount to a maximum of 12 months, and for other senior executives to a maximum of three months.

	Group		Parent Company	
	2015	2014	2015	2014
Salaries and other remuneration to:				
Board Members, CEOs and other senior executives	8,733*	6,887*	1,934**	2,078**
Other employees	5,191	4,574	-	-
Pension costs***	492	-	54	-
Statutory and contractual social security contributions	3,419	2,980	517	565
Total	17,835	14,441	2,505	2,643

*Comprises fee of kSEK 1,343 (1,190) invoiced via company (included in the table above) recognised in the income statement under other external expenses. See Note 25.

**Comprises fee of kSEK 358 (450) invoiced via company (included in the table above) recognised in the income statement under other external expenses. See Note 25.

***As of 1 April 2015, pensions are payable for all employees. Pension costs for the CEO during the year amount to kSEK 54.

	Group		Parent Company	
	2015	2014	2015	2014
Average number of employees				
Women	6	3	-	-
Men	12	10	1	1
Total	18	13	1	1

	2015		2014	
Gender distribution in the Group for Board members and other senior executives	Number on the balance sheet	Of whom men	Number on the balance	Of whom men
Board Members	8	8	7	7
CEO and other senior executives	4	2	6	5

Note 10 Audit fees (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Audit fees, kSEK				
PwC				
-Audit engagement	250	172	100	122
-Audit procedures not included in audit engagement	33	55	33	45
-Tax advisory services	18	-	-	-
-Other services	54	145	-	145
Total	355	372	133	312

Note 11 Financial income and expenses (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Financial income:				
-interest income on short-term bank balances	15	218	14	152
-interest income on long-term bank balances	-	-	434	210
Total financial income	15	218	448	362
Interest expenses:				
-liabilities for finance leases	1,990	433	-	-
-other interest expenses on current liabilities	0	-	2	0
-interest expenses on Group liabilities	-	-	0	10
Totala finansiella kostnader	1,990	433	2	10
Profit/loss from participating interests in subsidiaries:				
Impairment of participating interests in subsidiaries - shareholders' contribution provided	-	-	48,000	2,500
Total profit/loss from participating interests in subsidiaries	0	0	48,000	2,500

Note 12 Tax (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Tax for the year				
Current tax on profit for the year	-	-	-	-
deferred tax attributable to temporary differences	-	-	-	-
Total reported tax expense	0	0	0	0

	Group		Parent Company	
	2015	2014	2015	2014
Reconciliation of tax expense for the year				
Profit/loss before tax	-50,143	-32,230	-49,325	-1,916
Tax income for the year				
Tax computed according to applicable tax rates in respective countries	11,027	7,091	10,851	971
Tax effect of non-deductible expenses	-8	-13	-10,561	-555
Tax effect of non-taxable income	0	0	-	-
Tax effect of loss carry-forwards for which no deferred tax asset is reported	-11,019	-7,078	-290	-416
Summa	0	0	0	0
Adjustments recognised for the current year regarding previous years' current tax	-	-	-	-
Tax expense recognised for the year	0	0	0	0

The Group's losses carried forward of approximately SEK 124 (68) million have not been capitalised, as the assessment has been made that theses deductible losses cannot yet be capitalised.

Note 13 Earnings per share (SEK)

The following profit or loss and weighted average number of shares have been used in the calculation of basic earnings per share:

	2015	2014
Net profit/loss for the year attributable to shareholders in the Parent Company	-50,110,277	-32,230,248
Weighted average number of shares before dilution	44,133,560	37,914,546
Weighted average number of shares after dilution	44,888,560	38,669,546
Basic earnings per share, SEK	-1,14	-0,85
Diluted earnings per share, SEK	-1,12	-0,83

When calculating diluted earnings per share, the weighted average number of outstanding ordinary shares is adjusted for the dilution effects of potential ordinary shares. Vigmed has potential ordinary shares in the form of warrants, which could cause a dilution effect in future periods. Refer to Note 21 for more information on the Company's warrants.

Dividend per share

No dividends were paid in 2014 or 2015. No dividend will be proposed at the Annual General Meeting to be held on 12 May 2016.

Note 14 Intangible assets (kSEK)

	Group		
	Capitalised expenditure for development work	Patents	Software
Financial year 2014			
Opening carrying amount	3,350	628	65
Purchases	5,843	1,013	311
Amortisation	-453	-161	-36
Closing carrying amount	8,740	1,480	340
As per 31 December 2014			
Acquisition cost	9,193	1,641	380
Accumulated amortisation	-453	-161	-40
Carrying amount	8,740	1,480	340
Financial year 2015			
Opening carrying amount	8,740	1,480	340
Purchases	5,970	476	268
Disposals	-	-	-22
Amortisation	-1,730	-382	-135
Impairment	-1,949	-	-
Closing carrying amount	11,031	1,574	451
As per 31 December 2015			
Acquisition cost	15,163	2,117	622
Accumulated amortisation	-2,183	-543	-171
Accumulated impairment	-1,949	-	-
Carrying amount	11,031	1,574	451

Purchases for the year in expenditure for development work are comprised of capitalised work on own account of kSEK 2,552 and expenditure for external development work of kSEK 3,418,

of which kSEK 4,192 refers to development work for SWiTCH, kSEK 1,041 refers to development work for Vigclip 3 and kSEK 737 refers to development work for other small-scale projects.

Investments in patents for the year amounting to kSEK 476 are primarily comprised of expenditure for the internationalisation of needle protection patents.

Software purchases for the year refer to adjustments to the ERP system Dynamics NAV, amounting to kSEK 238, and software used in development work amounting to kSEK 30.

Amortisation of development expenditure and patents for the SWiTCH product series has begun during the year.

Impairment for the year in capitalised expenditure for development work refers to internal work and external development expenditure for SWiNG Universal.

Total expenditure for research and development charged to expenses amounts to kSEK 13,591 (12,612), of which

kSEK 6,446 (6,856) has been capitalised.

Note 15 Property, plant and equipment (kSEK)

	Group			Parent Company
	Plant and machinery	Construction work in progress and advances for property, plant and equipment	Equipment, fixtures and fittings	Equipment
Financial year 2014				
Opening carrying amount	7,306	1,873	542	58
Purchases	9,790	-	503	-
Reclassifications	1,873	-1 873	-	-
Depreciation	-306	-	-235	-25
Impairment	-35	-	-90	-
Closing carrying amount	18,628	0	720	33
As per 31 December 2014				
Cost	18,969	0	1,045	75
Accumulated depreciation	-306	-	-235	-42
Accumulated impairment	-35	-	-90	-
Carrying amount	18,628	0	720	33
Financial year 2015				
Opening carrying amount	18,628	0	720	33
Purchases	37,316	-	79	-
Disposals/sales	-	-	-75	-75
Depreciation	-2,925	-	-389	-
Depreciation of disposed of/sold assets	-	-	66	42
Impairment	-3,322	-	-	-
Closing carrying amount	49,697	0	401	0
As per 31 December 2015				
Cost	56,285	0	1,049	-
Accumulated depreciation	-3,231	-	-558	-
Accumulated impairment	-3,357	-	-90	-
Carrying amount	49,697	0	401	0

Plant and machinery comprises direct investments in equipment, as well as tools for the production of the SWiNG product line and machinery and tools for the production of the SWiTCH product line which is leased through contract manufacturers.

Of the recognised carrying amounts of plant and machinery, amounting to kSEK 49,697, leases account for kSEK 38,799. Other investments in plant and machinery mainly comprise tools used in the production of CLiP Ven, CLiP Neo and SWiNG.

The leasing investment initially corresponds to the finance lease liability recognised in the balance sheet under "Borrowings regarding finance leases, long-term portion" and "Borrowings regarding finance leases, short-term portion".

Investments for the year in plant and machinery of kSEK 37,316 refer to leases for machinery and tools used in the SWiTCH production line amounting to kSEK 36,689, components for Vigclip 3 manufacturing equipment amounting to kSEK 490 and tools for other small-scale projects amounting to kSEK 137.

Investments for the year in equipment primarily comprise office furniture.

Depreciation of plant and machinery used in manufacturing for the year refers to the CLiP, SWiNG and SWiTCH product lines. Depreciation is based on manufactured volumes.

Impairment for the year in plant and machinery refers to the impairment of leased tools and a manual assembly tool used for SWiNG Universal, as well as components in the manufacturing apparatus used for Vigclip 2.

Impairment of kSEK 35 recorded in 2014 refers to the reconstruction of a tool used before start of production in the automated assembly line.

Note 16 Financial instruments by category (kSEK)

The carrying amounts of financial assets and liabilities by valuation category in accordance with IAS 39 are presented by the table below.

	Group		Parent Company	
	2015	2014	2015	2014
Loans and trade receivables				
Trade receivables and other receivables	1,787	1,379	1,303	249
Cash and cash equivalents	65,360	63,500	58,457	57,736
Total	67,147	64,879	59,760	57,985
Other financial liabilities				
Liabilities for finance leases	42,977	7,397	-	-
Trade payables	7,863	4,420	3,931	1,745
Other liabilities	1,046	628	166	102
Total	51,886	12,445	4,097	1,847

Liabilities for finance leases refer to a liability for tools used in the manufacture of the SWiNG product line and tools and machinery used in the manufacture of the SWiTCH product line.

Valuation of financial instruments at fair value

For financial assets and liabilities, the carrying amounts are deemed to be a good approximation of the fair values as a result of the maturity period and/or fixed-rate period being short, which means that a discount based on current market conditions is not assessed to lead to any material effect.

Note 17 Inventories

The Group's inventories consist of finished goods.

Inventories are valued at the lower of cost and net realisable value. Cost is established with the application of the first-in, first-out method (FIFO). Products in the inventory are impaired according to an individual assessment of obsolescence, based on technical or physical ageing, slow movement or overstocking.

Note 18 Trade receivables and other receivables (kSEK)

	Group		Parent Company	
	2015	2014	2015	2014
Trade receivables	157	29	-	-
Prepaid expenses:				
Prepaid rental charges	246	128	-	-
Prepaid insurance premiums	66	125	25	24
Prepaid pensions	60	-	6	-
Other prepaid expenses/accrued income	490	194	181	-
Total prepaid expenses	862	447	212	24
Group companies	-	-	1,154	223
Other receivables	1,630	1,350	149	26
Total	2,649	1,826	1,515	273

Note 19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and the cash flow statement include the following:

	Group		Parent Company	
	2015	2014	2015	2014
Bank SEK	65,331	63,449	58,457	57,736
Bank, HKD (Vigmed Asia Ltd.)	29	51	-	-
Total cash and cash equivalents	65,360	63,500	58,457	57,736

Note 20 Equity

Share capital

All shares are of the same class of shares, are fully paid up and entitle the holder to one vote. No shares are reserved for transfer according to option agreements or other agreements.

New share issues

In December 2015, a preferential issue was carried out whereby 21,916,666 new shares were issued and SEK 50,625,180 (less issue costs of SEK 6,358,152) was received. The new share issue entailed an increase of the share capital of SEK 442,340 and the remaining amount totalling SEK 50,182,840 was recognised in other contributed capital/share premium reserve. The new share issue was registered with the Swedish Companies Registration Office on 23 December 2015, although shareholders were not allotted their shares until 8 January 2016.

In December 2014, a preferential issue was carried out whereby 6,261,904 new shares were issued and SEK 52,115,050 (less issue costs of SEK 4,242,086) was received. The new share issue in 2014 entailed an increase of the share capital of SEK 126,383 and the remaining amount totalling SEK 51,988,667 was recognised in other contributed capital/share premium reserve.

Group	Change in share capital (SEK)	Accumulated share capital (SEK)	Change (number of shares)	Accumulated number of shares	Quotient value
Action					
Formation of the Company	50,000	50,000	+50,000	50,000	1
Split		50,000	+2,425,000	2,475,000	0.02
Issue in kind	636,868.69	686,868.69	+31,525,000	34,000,000	0.02
New share issue 2013	71,428.56	758,297.25	+3,571,428	37,571,428	0.02
New share issue 2014	126,382.86	884,680.11	+6,261,904	43,833,332	0.02
New share issue 2015	442,340.05	1,327,020.16	+21,916,666	65,749,998	0.02

Other contributed capital

Refers to other capital injected by the owners.

Reserves

Translation reserve

The translation reserve includes all foreign exchange differences arising on the translation of the financial statements of foreign operations which prepare their financial reports in a currency other than the Group's functional currency. The Parent Company and the Group present their financial reports in SEK.

Profit/loss brought forward

Profit/loss brought forward, including profit/loss for the year, constitutes the financial results of the Parent Company of the Parent company and its subsidiaries.

Parent

Company share capital

The share capital consists of 65,749,998 (43,833,332) shares with a quotient value of SEK 0.02 (0.02), each entitling the holder to one vote.

Non-restricted equity

Share premium reserve

When shares are issued at a premium, i.e. the price payable for a share exceeds the quotient value, an amount corresponding to the portion of the proceeds exceeding the quotient value is transferred to the share premium reserve.

Profit/loss brought forward

Non-restricted equity for the previous year together with net profit/loss for the year and any fair value reserve comprise total non-restricted equity, i.e. the amount available for distribution to shareholders.

Note 21 Issued warrants

An extraordinary General Meeting on 14 January 2014 resolved to implement an incentive programme for senior executives and/or other employees in the form of an issue of a maximum of 760,000 warrants. 755,000 warrants were subscribed for by 12 employees, including three senior executives, and SEK 634,200 was paid in. The issue costs amounted to SEK 119,000.

The warrants were allotted on 10 February 2014 and were acquired at a price of SEK 0.84 per warrant. Payment was made in cash. The fair value of the warrants at the time of allotment has been calculated at SEK 0.84. As the warrants were acquired at a price corresponding to the market value, they do not constitute share-based payment.

Following the most recent new share issue in December 2015, the share price and the number of shares per warrant has been recalculated. Warrant holders have the right, during the period 15 January 2017 up to and including 31 January 2017, to subscribe for a 1.1 new shares in the Company for every warrant at a subscription price of SEK 21.8 per share (exercise price) (SEK 24 at 31 December 2014) and each warrant entitles the holder to approximately 1.1 share. In the event that all warrants are exercised, the Company's share capital will increase by around SEK 16,766 (15,339 at 31 December 2014), corresponding to a maximum of 2% of current share capital.

The fair value of the warrants on the allotment date has been established using the Black and Scholes model. The key input data used in the calculation was: a share price of SEK 14.10 on the allotment date, the exercise price stated above, volatility of 30%, expected dividend of SEK 0, anticipated duration of the options of three years and an annual risk-free interest rate of 1.26%.

Note 22 Borrowings

Liabilities for finance leases

	2015	2014
Gross liabilities for finance leases		
Within 1 year	3,542	4,126
Between 1 and 5 years	57,208	6,110
Total	60,750	10,236
Future financial expenses for finance leases	-17,773	-2,839
Present value of liabilities for finance leases	42,977	7,397
Present values of finance lease liabilities are as follows:		
Within 1 year	2,774	2,774
Between 1 and 5 years	40,203	4,623
Total	42,977	7,397

The leases pertain to tools for the manufacture of SWiNG, with lease payments distributed over a period of four years, after which ownership transfers to the Company, and leases for tools and machinery related to SWiTCH, with lease payments distributed over a period of five and six years, respectively, after which ownership transfers to the Company.

Note 23 Trade payables and other liabilities

	Group		Parent Company	
	2015	2014	2015	2014
Trade payables	7,863	4,420	3,931	1,745
Social security contributions and similar fees	1,046	628	166	102
Accrued expenses	7,182	8,969	950	1,570
Total	16,091	14,017	5,047	3,417

Accrued expenses at year-end primarily comprise personnel costs (kSEK 3,069) and expected expenses related to SWiNG Universal (kSEK 2,964).

Accrued expenses at year-end 2014 primarily comprised accumulated balances with the logistics partner MBH International A/S (Denmark).

Note 24 Commitments

Operating leases

In December 2012, Vigmed AB entered an agreement with the contract manufacturer HMD (India).

The production at HMD is based on Vigmed's product specifications and intellectual property rights, and comprises the products CLiP Ported, CLiP Winged and CLiP Neo. Vigmed provides a critical component (Vigclip) to the contract manufacturer, which is produced in Sweden.

Under the agreement, HMD has invested in tools and assembly lines for the production of Vigmed's products. In addition, purchase prices, terms of delivery and payment and minimum purchase volumes are regulated in the agreement.

Vigmed's agreement with the contract manufacturer HMD is classified as an operating lease, and the leasing fee is comprised of the products purchased by the manufacturer, which are continuously expensed.

It is not practicable to separate the payments, and all payments under the agreement are presented below.

The expense for operating lease fees for the year amounts to kSEK 1,383 for the Group; kSEK 1,366 for HMD (kSEK 660) and operating lease expenses for office equipment of kSEK 17 (kSEK 14).

On the closing date, the Group had outstanding commitments in the form of minimum leasing fees under non-cancellable operating leases, with maturity dates as follows:

	2015	2014
Production equipment HMD:		
Gross liabilities regarding operating leases (including payment for products)		
Within 1 year	34,302	24,645
Between 1 and 5 years	44,624	82,214
Office equipment:		
Gross liabilities regarding operating leases		
Within 1 year	36	7
Between 1 and 5 years	107	

Rental agreements
In March 2013, Vigmed AB entered into a rental agreement for offices located at Garnisonsgatan 10, Helsingborg. The agreement expires on 31 March 2017 with a period of notice of nine months. This lease is automatically extended by three years if it is not cancelled. The rent for 2016 is kSEK 45 per month.

In January 2015, Vigmed AB entered into a rental agreement for additional space in the offices located at Garnisonsgatan 10, Helsingborg. The agreement expires on 31 March 2017 with a period of notice of nine months. Notice has been given of the cancellation of this agreement. The rent for 2016 is kSEK 10 per month, increasing to kSEK 19 per month during 2017.

Other significant agreements entered into:
Vigmed has signed further agreements with two contract manufacturers that are classified as finance leases. One agreement regarding tools for the manufacture of SWiNG products, and one agreement regarding production equipment for the manufacture of SWiTCH. Tools for the manufacture of SWiNG products were included in the consolidated balance sheet in 2014 and production equipment for the manufacture of SWiTCH has been included in 2015 (see Note 22).

Commitments regarding finance leases
Contracted investments at the end of the reporting period which are not yet recognised in the financial statements amount to the following:

	2015	2014
Property, plant and equipment	-	39,826

Note 25 Related parties

Transactions between the Company and its subsidiaries, which constitute related parties to the Company, have been eliminated upon consolidation and disclosures regarding these transactions are therefore not provided in this note. Disclosures regarding transactions between the Group and other related parties are presented below.

Other than the purchase of consulting services from senior executives and Board members, and from companies in which senior executives or Board members have significant influence, no purchases or sales between the Group and related parties have occurred. Disclosures regarding remuneration to senior executives and other related parties are presented in Note 9. Disclosures regarding warrants to senior executives are presented in Note 21.

The following related party transactions have taken place:

	2015	2014
Purchases of services		
Companies controlled by senior executives or Board members		
Services for patents	1,867	1,572
Legal services	277	369
Other consultations	1,630	1,540
Total	3,774	3,481

The services are purchased from companies controlled by senior executives or Board members on normal commercial terms.

The Company owns 70 percent of the shares and voting rights in Vigmed Asia Ltd through Vigmed AB, see Note 26. The remaining 30 percent is owned by Blue Tree International Ltd. The owner of this company is Lennart Dreyer, a member of the Board in Vigmed Holding AB (publ). Both Vigmed Holding AB (publ) and Blue Tree International Ltd. have incurred expenses during the year relating to analysis and registration costs in China. All expenses are allocated and re-invoiced according to ownership.

Purchases and sales within the same Group - Parent Company

Purchases within the same Group amount to kSEK 0 (0) and sales within the same Group amount to kSEK 2,900 (2,500), which pertain to management fees. The Parent Company recognises interest income of kSEK 434 (205) regarding loans to the subsidiary.

	2015	2014
Loan to Vigmed AB	18,500	17,500
Short-term balances		
Vigmed AB	1,154	223

An amount of SEK 9.5 million of the loan to Vigmed AB matures on 25 May 2018, and an amount of SEK 9.0 million of the loan matures on 17 December 2018, incurring interest of 1%.

The Parent Company has provided an unconditional shareholders' contribution of SEK 48,000 million to Vigmed AB during the year.

	Group				Parent Company			
	Basic salary		Variable remuneration		Basic salary		Variable remuneration	
	2015	2014	2015	2014	2015	2014	2015	2014
Remuneration to the Board of Directors, CEO and other senior								
Lennart Holm, Chairman	113	150	-	-	113	150	-	-
Lennart Dreyer, Board member	64	75	-	-	64	75	-	-
Mikael Karlsson, Board member	64	75	-	-	64	75	-	-
Ulf Mossberg, Board member	31	75	-	-	31	75	-	-
Per Knutsson, Board member	630	630	-	-	-	0	-	-
Rikard Roos, Board member	64	75	-	-	64	75	-	-
Philip Nybleus, Board member	33	-	-	-	33	-	-	-
Tomas Baier, Board member	33	-	-	-	33	-	-	-
Axel Sjöblad, Board member	33	-	-	-	33	-	-	-
Henrik Olsen, CEO from 11 October 2015	332	-	23	-	-	-	-	-
Finn Ketler, CEO until 10 October 2015	1,175	1,505	-	124	1,175	1,505	-	124
Other senior executives	4,710	4,099	288	80	-	-	-	-
Summa	7,282	6,684	311	204	1,610	1,955	0	124

Guidelines

The Annual General Meeting has resolved that the members of the Parent Company's Board of Directors who do not receive a salary from the Company are to be paid a fixed amount of kSEK 85, with the Chairman of the Board receiving a fixed amount of SEK 150. The Board of Directors has chosen to relinquish 25% of their directors' fees for 2015.

No agreements regarding pension, severance pay and other benefits have been entered into with the members of Board. Four Board members invoice their fee via their companies, and these fees are reported in the income statement under Other external expenses.

No remuneration is paid to Board members in subsidiaries.

Fees and other remuneration to senior executives, amounting to kSEK 990 (719), have been invoiced via external companies (included in the table above) and are reported in the income statement under Other external expenses As of 1 April 2015, 4.5% of the gross salary is paid in pension to all employees in the Group, including the CEO and senior executives. No agreements regarding severance pay are in place in the Group.

Senior executives refer to the six employees who form the management group together with the CEO. As of November 2015, the management group has been reduced to four people. This now comprises the CEO, CFO, Head of Research and Development and Head of Sales, Marketing and Logistics.

For the CEO and all employees, the bonus is based in its entirety on the common targets set by the Board and management.

	2014	2013
Receivables and liabilities at year-end resulting from purchases of services from related		
Liabilities to related parties	305	342

Liabilities to related parties derive from purchase transactions and are payable within one month from the purchase date. The liabilities do not incur interest.

Note 26 Participating interests in Group companies

	Corporate Identity Number	Registered offices	Share of equity (%)
Parent Company			
Vigmed AB	556780-8018	Helsingborg	100
Vigmed Asia Limited	1708840	Hong Kong	70
Vigmed Medical Device CO (Beijing)	110000450283051	Beijing	100

	Share of equity (%)	Share of voting rights	Number of shares	Carrying amount, 31 Dec 2015, kSEK
Vigmed AB	100	100	9,050	157,600

	2015	**2014**
Opening cost	157,600	157 600
Shareholders' contribution provided	48,000	2 500
Impairment of participating interests in subsidiaries	-48,000	-2 500
Closing carrying amount	157,600	157 600

Note 27 Pledged assets and contingent liabilities

	Group		Parent Company	
	2015	2014	2015	2014
Pledged assets for own liabilities and provisions				
For guarantees provided to Euroclear Sweden AB				
Bank funds in blocked account	50	50	50	50
Total pledged assets	50	50	50	50
Contingent liabilities	0	0	0	0

Note 28 Events after the balance sheet date

The new share issue carried out in December 2015 was registered with the Swedish Companies Registration Office on 23 December 2015, although shareholders were not allotted their shares until 8 January 2016.

A group of shareholders representing just over 30% of the shares and voting rights in the Parent Company have, together with the Board of Directors, appointed a Nomination Committee for the Annual General Meeting 2016, and have prepared instructions for the Committee's work.

The Board of Directors and the CEO declare that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union and give a true and fair view of the Group's performance and financial position. The Annual Report has been prepared in accordance with generally accepted accounting practice and gives a true and fair view of the Parent Company's performance and financial position.

The Directors' Report for the Group and Parent Company gives a true and fair view of the development of the Group's and Parent Company's business operations, financial position and performance and describes material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Helsingborg, 14 April 2016

Lennart Holm
Chairman

Per Knutsson

Mikael Karlsson

Philip Nybleaus

Rikard Roos

Lennart Dreyer

Thomas Baier

Axel Sjöblad

Henrik Olsen
Chief
Executive
Officer

Our audit report was submitted on
14 April 2016 Öhrlings PricewaterhouseCoopers AB

Christer Kilefors
Authorised
Public Accountant

AUDIT REPORT

To the Annual General Meeting of shareholders in Vigmed Holding AB, Corporate Identity Number 556918-4632

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of Vigmed Holding AB (publ) for the year 2015. The Company's annual accounts and consolidated accounts are included in the printed version of this document on pages 23-55.

Responsibilities of the Board of Directors and CEO for the annual accounts and consolidated accounts
The Board of Directors and the CEO are responsible for the preparation and fair presentation of annual accounts in accordance with the Annual Accounts Act, and for the preparation and fair presentation of consolidated accounts in accordance with international financial reporting standards, IFRS, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the income statements and balance sheets of the Parent Company and of the Group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Vigmed Holding AB (publ) for the year 2015.

Responsibilities of the Board of Directors and CEO
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and CEO are responsible for the administration of the company under the Swedish Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriation of the company's profit or loss, we examined whether the proposal is in accordance with the Swedish Insurance Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we have examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Helsingborg, 14 April 2016
Öhrlings PricewaterhouseCoopers AB

Christer Kilefors
Authorised Public Accountant

VIGMED BOARD OF DIRECTORS

LENNART HOLM

Born 1960. Chairman of the Board since 2012 and member of the Board of Directors since 2011.

Educational background and professional experience: M. Sc. Chem. Eng. Chalmers University of Technology, Gothenburg.

Other current assignments: Chairman of the Board of Directors of Billerud-Korsnäs Aktiebolag (publ), Vida Aktiebolag, ChamberTech AB, Brunkeberg Systems AB, Tuve Holding AB, Axolot Solutions AB, Polygiene AB, Hamnkrogen i Helsingborg Holding AB and Nexam Chemical Holding AB as well as member of the Board of Directors of Preventic Försäkring AB, DermaZip AB, Hempel A/S (Denmark) and Lennart Holm Development AB.

Previous assignments (last five years): Board positions in Perstorp Holding AB, Chr Hansen A/S, Industrifonden, Lahega Kemi AB, Nattaro Labs AB and Neco Norden AB.

Holdings: 1,803,918 shares, including family and company

PHILIP NYBLAEUS

Born 1982. Member of the Board of Directors since 2015.

Educational background and professional experience: Sc. Economics and Finance from Uppsala University. Courses within the CIBE certificate program at Columbia Business School, NY. Investment Manager at Bure Equity AB and board member of Investment AB Bure. Board member of RushRail AB and various positions at Corporate Finance department at PwC.

Other current assignments: Member of the Board of Directors, Investment AB Bure.

Previous assignments (last five years): Member of the Board of Directors in RushRail AB.

Holdings: 0 shares

RIKARD ROOS

Born 1974. Member of the Board of Directors since 2009.

Educational background and professional experience: M. Sc. Chem. Eng. Lund University. Authorized Swedish and European Patent Attorney, and one of the main shareholders of Ström & Gulliksson. Member of the management team as well as the Board of Directors at Ström & Gulliksson AB, Ström & Gulliksson Invest AB and Studentgatan Patent AB. Founder of Vigmed.

Other current assignments: Member of the Board of Directors and CEO of Ström & Gulliksson AB, Ström & Gulliksson Invest AB and Studentgatan Patent AB and member of the Board of Directors of DermaZip AB.

Previous assignments (last five years): Board positions in Arxorbis AB.

Holdings: 2,503,662 shares

MIKAEL KARLSSON

Born 1963. Member of the Board of Directors since 2009.

Educational background and professional experience: Law degree from the University of Lund, a lawyer in corporate law with IPR as special areas (patents, trademarks, designs, copyright and commercial agreements and licenses).

Other current assignments: Partner of the law firm Gulliksson AB, Chairman of Connect Nordvästra Skåne and Board Member of Connect Skåne. Founder of Vigmed.

Previous assignments (last five years): None

Holdings: 1,705, 935 shares (via his wife, Cecilia Karlsson)

PER KNUTSSON

Born 1959. Member of the Board of Directors since 2009.

Educational background and professional experience: Polymer Engineering/ Chemistry at Jönköping University, Polymer materials/technology at Kristianstad University, Polymer Physics at KTH. Innovator/Concept development. Former functions within development and Polymer Technology at Viggo Spectramed, Ohmeda, Becton Dickinson. Has 29 years of experience from the medical device industry. Founder of Vigmed.

Other current assignments: Member of the Board of Directors of Soliver AB, Sole proprietor of PK polymer solution.

Previous assignments (last five years): None

Holdings: 6,515,081 shares

LENNART DREYER

Born 1956. Member of the Board of Directors since 2011.

Educational background and professional experience: MBA and Ph. D. studies at the University of Gothenburg, former principal at IHM Business School, Senior Consultant at Deloitte and at Bain, guest professor at Tsinghua University in Beijing, China and Wuhan International Trade University, China.

Other current assignments: Chairman of the Board of Directors of Stand Talent International Ltd., Foundation Asia Pacific Ltd. and Business Research Ltd. Board member of Ellen Asia Ltd. and NeuroVive Pharmaceuticals Asia Ltd.

Previous assignments (last five years): Chairman of the Board of the magazine Chef.

Holdings: 150,837 shares

THOMAS BAIER

Born 1959. Member of the Board of Directors since 2015.

Educational background and professional experience: Diploma studies in Microbiology & Molecular Biology at Ruprecht-Karls-Universität Heidelberg, PhD in child cancer research. Independent technology consultant focused on MedTech and BioTech, founder and investor of "autorial.de", CEO Oncompass Medicine GmbH (Germany, Austria and Switzerland) in Munich. CEO, Diagnostics Division of Hoffmann-La Roche AG incl. CEO, Roche Diagnostics Scandinavia AB. Member of the Board of Directors, Roche Diagnostics Scandinavia AB as well as of the Board of Directors of Roche Pharma in Sweden.

Other current assignments: None

Previous assignments (last five years): None

Holdings: 36,538 shares

AXEL SJÖBLAD

Born 1967. Member of the Board of Directors since 2015.

Educational background and professional experience: Executive MBA from Stockholm School of Economics, M.Sc. in Business Administration and Economics from the University of Lund. CEO, BioGaia AB, President Sales and Service North and Central Europe Getinge Infection Control and CEO Getinge Sweden AB, Regional VP Northern European Markets, Gambro Lundia AB, Regional VP Nordic and Benelux Gambro Lundia AB and CEO Gambro Sweden AB.

Other current assignments: None

Previous assignments (last five years): Member of the Board of VM Bolaget 2011 AB.

Holdings: 10,000 shares

In 1921, the technical company Viggo AB was established in Helsingborg, Sweden. This company imported and distributed medical equipment, also selling products over the counter in the shop in Helsingborg. During the 1940s and 1950s, Viggo AB focused increasingly on disposable items. With its own production facilities, it was well-positioned when the company achieved a patent for and launched the IV catheter Venflon® in 1968. Venflon is a trademark today held by Becton Dickinson and a product that continues to be a standard in many parts of the world. During the decades after this launch, Helsingborg built up its reputation as a European centre for IV catheter technology, and today it is still the leading centre for this expertise. The activities deriving from Viggo were gradually taken over by Becton Dickinson, which in 2011 moved the Venflon production facilities to Singapore and India. Much of the expertise and many of the staff remained in Helsingborg, however, and today constitute a talent and competence pool from which Vigmed can benefit.

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