Hansa Medical

This version has been updated on 13 February 2015, 10:00 CET, by addition of the Consolidated Balance Sheet, 1 January 2012, in note 3 on p. 30.

Hansa Medical Year-End Report 2014

Significant events

Fourth quarter 2014

- Net sales in the Group amounted to TSEK 841 for the fourth quarter 2014, compared with TSEK 762 for the fourth quarter 2013 and TSEK 392 for the fourth quarter 2012.
- Consolidated net profit for the the Group for the fourth quarter 2014 amounted to TSEK -12,771, compared with TSEK -4,206 for the fourth quarter 2013 and TSEK -3,574 for the fourth quarter 2012.
- Operating profit in the Group for the fourth quarter 2014 amounted to a total of TSEK -8,558, compared with TSEK -4,282 for the fourth quarter 2013 and TSEK -3,913 for the fourth quarter 2012.
- Earnings per share before and after dilation for the fourth quarter 2014 amounted to SEK -0.51, compared with SEK -0.18 for the fourth quarter 2013 and SEK -0.15 for the fourth quarter 2012.

- On 1 October 2014, Birgit Stattin Norinder was appointed Chairwoman of Hansa Medical after Bo Håkansson's death on 29 September 2014.
- On 25 November 2014, Fredrik Lindgren was appointed new Chief Executive Officer.

January - December 2014

- Net sales in the Group amounted to TSEK 4,716 for the financial year 2014, compared with TSEK 1,727 for the financial year 2013 and TSEK 2,619 for the financial year 2012.
- Consolidated net profit for the Group for the financial year 2014 amounted to TSEK -29,042, compared with TSEK -17,562 for the financial year 2013 and TSEK -16,468 for the financial year 2012.
- Operating profit in the Group for the financial year 2014 amounted to a total of TSEK -24,709, compared with TSEK -17,629 for the financial year 2013 and TSEK -16,798 for the financial year 2012.
- Earnings per share before and after dilation for the financial year 2014 amounted to SEK -1.16, compared with SEK -0.75 for the financial year 2013 and SEK -0.75 for the financial year 2012.

- On 27 January 2014, the Company reported on successful completion of the Phase I IdeS study. The study showed that IdeS degraded antibodies safely, quickly and effectively.
- On 3 March 2014, the Company applied for and on 6 May 2014, the Company received approval from the Swedish Medical Products Agency to initiate a Phase II IdeS study.
- In March-April 2014, the Company carried out a preferential rights issue which contributed MSEK 35.6 to the Company, after share issue expenses.
- On 9 July 2014, the Company announced that it commenced a clinical Phase II IdeS study in highly-sensitized patients on the waiting list for a kidney transplant.

- The Company announced on 18 August 2014, that the second patient included in the clinical Phase II study was successfully transplanted.
- Bo Håkansson, Hansa Medical's Chairman and founder, passed away on 29 September 2014, after a motorcycle accident.

Significant events after the end of the financial year 2014

- On 7 January 2015, the Company reported that the final patient had been included and dosed in the clinical Phase II IdeS study in highly-sensitized patients on the waiting list for a kidney transplant.
- On 20 January 2015, the Company reported preliminary results from the clinical Phase II study showing that IdeS quickly and effectively reduces the levels of HLA antibodies.
- Göran Arvidson was appointed as CFO on 27 January 2015.
- On 29 January 2015, the Company announced the formation of a medical advisory committee for IdeS in anti-GBM (Goodpasture syndrome).
- Hansa Medical raised on 2 February 2015, a loan of MSEK 20 from the majority shareholder, Nexttobe AB. The purpose of the loan was to strengthen the Company's financial sustainability. The loan incurs a market interest rate and the lender has the right to demand repayment at the end of 2015.
- The Company announced on 5 February 2015, that Dr Stanley Jordan has been appointed as medical advisor in the USA and that approval has been granted by the American FDA to clinically test IdeS in sensitized transplantation patients in the USA.
- The Company announced on 12 February 2015, that it is developing and submitting a patent application regarding a second generation IdeS molecule aiming to enable repeated dosage and potentially provide IdeS with a role within chronic autoimmune disease.
- The Company announced on 12 February 2015, that a preliminary application has been submitted regarding admission to trade on Nasdaq Stockholm.
- The Board of Directors proposed that no dividend is to be distributed for the financial year 2014.

Hansa Medical

Key ratios for the Group

	Fourth quarter			1 January - 31 December		
TSEK	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
Net sales	841	762	392	4 716	1 727	2 619
Operatingprofit/loss	-8 558	-4 282	-3 913	-24 709	-17 629	-16 798
Net profit/loss for the year	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Earnings per share before and after dilution	-0,51	-0,18	-0,15	-1,16	-0,75	-0,75
Equity for the Group				49 804	45 349	60 585
Equity ratio for the Group				91,7%	89,6%	95,6%
Capitalised development costs				38 882	38 000	37 936

Definitions
Equity ratio for the Group
Total equity relative to total assets

Message from the CEO

Dear shareholders and other stakeholders of Hansa Medical,

On 28 September 2014, Hansa Medical's Chairman and founder, Bo Håkansson, died in a motorcycle accident. Bo is sorely missed, not only by his family and friends, but also by many business acquaintances on whom he made a lasting impression during his many years in the Swedish business sphere, and by Hansa Medical's employees and Directors. I, myself, had the privilege of working for, and with, Bo Håkansson for nearly 20 years. That is how, as early as the mid-1990s, I came into contact with the researchers, headed by Lars Björck, and research behind Hansa Medical, which at that time was being conducted as a project in Active Biotech. Since then, I have followed the project through its establishment as an independent company in 2001 and was CEO of Biolin Scientific in 2007, when it spun off its subsidiary Hansa Medical to its shareholders. For a number of years now, I have been back at Hansa Medical, first as a Board member and, since 25 November 2014, as CEO.

Taking over Hansa Medical, I have the ultimate responsibility for a pharmaceutical candidate, IdeS, which has significant medical and commercial potential. I will have the privilege of entering the Company at a stage when much of the arduous and time-consuming preparatory work in the form of preclinical development and early clinical studies has been completed, and when the project, now, enters its most exciting stage: developing the finished product through pivotal clinical studies.

IdeS is a pharmaceutical candidate that is remarkable in many respects. IdeS cleaves all IgG type antibodies quickly and effectively, without having any other known activity in the human body. The cleaving process is the same each time and the residual product is two antibody fragments. This is a spectacular and dramatic effect. As IdeS is a natural enzyme from streptococcus bacteria, it has had thousands of years to evolve and create its role, which is the explanation for this specificity and efficacy. We have had the opportunity to study IdeS activity in many different models, in test tubes and in animal and human subjects. It is therefore well-documented that IdeS has its specific effect in all humans, regardless of the presence of disease or other clinical condition.

When IdeS was discovered in 2001, there were serious doubts about whether the molecule could be turned into a drug. It seemed reasonable that a bacterial enzyme with such a powerful effect would also have powerful, potentially negative side effects. For that reason, IdeS was initially commercialised for laboratory use, and is today used by the pharmaceutical industry to create antibody fragments. It would take until 2007 before we dared embark on pharmaceutical development of IdeS. Since that time we have studied IdeS' safety profile in a number of preclinical models, in two toxicological studies, in a Phase I study in healthy volunteers and now, most recently, in a Phase II study with eight severely ill transplantation patients. Having completed these studies, we are ever more convinced that IdeS will prove both safe and tolerable in the great majority of relevant patient groups and indications. And IdeS truly has many potential medical applications. These include relatively rare and serious, or even life-threatening, acute autoimmune diseases such as anti-GBM (Goodpasture syndrome) and Guillain-Barré syndrome. IdeS may also be used to degrade IgG in order to enable other forms of treatment, such as kidney transplantation or treatment with blood factors which have lost their effect due to antibody formation.

In 2014, when we published the results of our Phase I study – in which we showed that IdeS is both safe and tolerable in effective doses – we attracted substantial from external parties. Medical teams and clinical researchers around the world see a potential for using IdeS in a large number of diseases and clinical conditions. Some pharmaceutical companies see opportunities in using IdeS in combination with their own drugs. Other pharmaceutical companies see an opportunity to help develop IdeS in return for future commercial rights. Having had the opportunity to personally meet a large number of stakeholders of various kinds and in different parts of the world, I cannot characterise the interest shown in IdeS as anything other enormous.

What we would now like to do is to complete the development of IdeS through a number of pivotal development activities, before moving on to the commercialisation phase. We would like to conduct several clinical studies in a number of different diseases and clinical conditions. We also need to scale up and quality-assure production of IdeS in preparation for a market launch. To ensure an effective process for developing the finished product, we aim to build support for our development plans through consultative and formal contacts with regulators. If our current plans come to fruition, IdeS could obtain marketing authorisation and be launched in as little as a few years.

If IdeS were to be approved only for those relatively rare diseases for which we would initially like to develop it, the commercial potential is still several hundred million US dollars in annual sales. If IdeS can reach out to many indications, or even just a slightly broader palette, the sales potential can run into the billions.

To achieve all of this, we need, in addition to time, expertise and capital. Regarding expertise, I believe our organisation already has both ambition and knowledge. We should of course continue to build our organisation. We have succeeded in establishing ties with a very strong network of clinicians and researchers. With regard to capital, we have engaged financial advisors to determine the best options for funding our development plans, and we have applied for listing on Nasdaq Stockholm. And as Bo Håkansson would have said, “for good investments there is always plenty of capital”.

Thank you for your interest,
Fredrik Lindgren, CEO

The Board of Directors' and CEO's comments on the operations

Hansa Medical AB "The Company" was formed in June 2007 and was registered with the Swedish Companies Registration Office in the same month. The Company is a public limited liability company subject to the regulations of the Swedish Companies Act (2005:551). The Company's registered address is Box 785, 220 07 Lund, Sweden. The Board of Directors of Hansa Medical AB (publ), Corporate Identity Number 556734-5359, with its registered offices in Lund, hereby present the Year-End Report of the operations in the Group and the Parent Company for the financial year 1 January to 31 December 2014. The term "Group" is used in this Year-End report to refer to the Group in which the Company is the Parent Company.

Scope of the Report

This Year-End Report covers the financial year 2014, with comparative figures for 2013 and 2012. All of the information in the Year-End Report refers to the entire Group, unless it is explicitly stated that the information refers to the Parent Company, Hansa Medical AB (publ).

Accounting principles – Transition to IFRS

The Group and the Parent Company have changed accounting principles. The Year-End Report for 2013 for both the Group and the Parent Company was prepared in accordance with the general advice of the Swedish Accounting Standards Board. The Year-End Report for 2014 has instead, as regards the Group, been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for application within the EU. The Parent Company applies the recommendation RFR 2 "Accounting for legal entities" issued by the Swedish Financial Reporting Board. The comparative figures for 2013 and 2012 have been translated. A description of the effects of the transition to IFRS is provided in Note 3.

Risk factors

Hansa Medical's operations are affected by several risks which can impact the Company's profit and financial position to greater or lesser degrees. The Company's assessment is that no new, material risks or factors of uncertainty have arisen since the publishing of the Annual Report for 2013. Accordingly, for a detailed description of risks and factors of uncertainty, please refer to the Annual Report for 2013.

Operations

Introduction

Hansa Medical is a biotechnology company focused on novel immunomodulatory enzymes. The Company's foremost pharmaceutical candidate in clinical development, IdeS, is an antibody-degrading enzyme with major potential for use within transplantation and rare autoimmune diseases. The Company has also developed and launched HBP, a biomarker for the diagnosis and prediction of severe sepsis, and is engaged in the preclinical research of EndoS, an antibody-modulating bacterial enzyme. Operations are based in Lund. The Company's share (HMED) is listed for trade on Nasdaq First North in Stockholm with Remium Nordic as the Certified adviser.

Vision

Hansa Medical's vision is to create a pharmaceutical company that develops innovative pharmaceuticals and has strong profitability.

Objectives

The most important operational objectives in a few years' time are to:

- develop IdeS through pivotal studies to a market approval
- develop a second generation IdeS for repeated dosing for a clinical development phase
- develop another product candidate for the clinical development phase

The financial objectives on a longer term are to:

- generate substantial income from proprietary products
- achieve strong profitability
- generate a strong cash flow

Strategies

Strategy for intellectual property rights

Hansa Medical regularly seeks patent protection for innovations with the aim of securing fundamental commercial rights. The patent application is normally undertaken before more substantial resources are invested in research and development. Patents are sought for entirely new innovations and innovations supporting or strengthening earlier innovations or patents. A patent application may refer to the substances, themselves, production processes or medical applications. Since the innovations often refer to naturally occurring substances, it is not always possible to patent a substance in itself, which is why patenting can, instead, be targeted at the substances' production process or use, medical or otherwise. Patent applications regularly cover the USA, the EU and Japan, but also other international markets where the possibility of the success of the patent application is considered to be good, at the same time the commercial potential is assessed to be sufficiently large to motivate the cost of the patent application.
In addition to its own patent applications, the Company analyses the possibility of licensing or acquiring rights to the patents of others.

In addition to patent protection, the Company applies for other kinds of rights protection, for example, so-called market exclusivity, which can, for instance, be granted in the USA by the FDA for a specific period of time.

Research strategy

Research in the Company takes place through a proprietary research organisation and through long-term collaboration with academic research teams. The proprietary research organisation conducts its own preclinical experiments, as well as continuous studies of leading research in the scientific fields of interest to the Company's operations.

Development strategy

The Company's product development consists of preclinical experiments and preclinical and clinical studies, the aim of which is to demonstrate that the Company's pharmaceutical candidates are effective and sufficient sage to be granted approval to be marketed.

Preclinical experiments mainly comprise experiments in various cell and animal models that are conducted to investigate the pharmaceutical candidate's mechanisms, effect and safety. These experiments can take place under the direction of the Company's own research organisation, in cooperation with academic research teams or on an assignment basis by preclinical contract research organisations. Preclinical toxicology studies are regularly undertaken on an assignment basis by specialised contract research organisations specialised in this kind of activity and which have all of the necessary permits to conduct such activities. Clinical studies are most often project managed by the Company's own personnel, while the actual testing is carried out by researching and practicing physicians and medical groups having access to and who treat the patients. Other physicians and scientific experts continuously monitor the implementation of the study and any questions with regard to the safety of the pharmaceutical candidate. Analysis of the medical and regulator conditions for product candidates is undertaken continuously by the Company's own staff and by external consultants and scientific advisors with special expertise.

Production strategy

Dependent on the pharmaceutical candidate's development stage, production of the pharmaceutical candidate takes place through different methods. For preclinical experiments, production takes place on a small and experimental scale under the Company's own management, or at academic research partners. Production for pivotal toxicology studies, and for clinical Phase I and Phase II studies, production for pivotal clinical studies, and for subsequent marketing and sales, is undertaken by contract producers. On the condition that the pharmaceutical is approved for marketing and achieves adequate sales volumes, the Company may build up production under its own management.

Commercialisation

The Company's fundamental strategy for commercialisation is to develop pharmaceutical candidates through pivotal studies for approval for marketing and then to introduce the pharmaceuticals on the international market. Distribution may take place via proprietary organisation, distributors or through partnerships with other pharmaceutical companies.

Financing strategy

The Company's capital requirements have historically been met through new share issues with preferential rights for the shareholders. On one occasion, a private placement to a new investor was made on market terms. In pace with the Company's pharmaceutical candidates achieving development success, additional financing possibilities open up. As a Swedish limited liability company, the first-hand choice for the Company is the new issue of shares with preferential rights for the shareholders. Secondary possibilities are the licensing of rights to pharmaceutical candidates and new issues of shares to new investors, and this can take place on terms beneficial for current shareholders. Debt financing is not deemed to be a suitable form of financing beyond a temporary timeframe, before the Company has achieved profitability and has a positive cash flow.

Products and projects

Hansa Medical's major product is the pharmaceutical candidate IdeS. The Company has also developed HBP, a biomarker for the diagnosis and prediction of severe sepsis which has been launched in the market, and conducts preclinical research on EndoS, a bacterial enzyme with the ability to modify antibodies.

Pharmaceutical candidate IdeS

IdeS is a bacterial enzyme that cleaves human IgG antibodies, a unique molecule, with a novel treatment mechanism. IdeS degrades all IgG specifically, swiftly and efficiently. IdeS has been tested for safety and efficacy in numerous in vitro and in vivo models. During 2013, a Phase I clinical trial on 29 healthy subjects was successfully conducted, demonstrating IdeS as effective and well tolerated with a favourable safety profile. During 2014 and 2015, a Phase II clinical trial in sensitized patients awaiting kidney transplantation has been carried out. Preliminary data indicates that IdeS is very effective in highly-sensitized patients on the waiting list for a kidney transplant. The study shows that IdeS has the capacity to desensitize sensitized patients and allow them the possibility to be transplanted by reducing HLA antibodies to levels acceptable for transplantation. IdeS has treatment potential as non-recurring treatment in transplantation and a high number of autoimmune diseases where there is currently a lack of adequately effective treatment methods. IdeS is protected by a number of different patents and has been the described in a number of articles published in peer-reviewed scientific journals.

Diagnostic method HBP assay

HBP assay is a market-launched diagnostic method for predicting severe sepsis at emergency wards. In December 2012, Hansa Medical's partner, Axis-Shield Diagnostics Ltd, launched a CE marked version of the assay. The cooperation agreement with Axis-Shield entitles Hansa Medical to receive milestone payments from Axis-Shield, as well as royalty income from license payments to Axis-Shield and to that company's sale of HBP assay.

Axis-Shield has launched a first version of the assay primarily suited to research and, in particularly, interested specialists. Axis-Shield is currently developing the assay further with the ambition of incorporating it into a faster and more accessible analysis platform. A number of clinical studies are also being conducted. The goal is to commercially launch the method in 2015.

The EndoS research project

EndoS is an enzyme which modifies the glycosylation (sugar structure) of antibodies. By modifying the sugar structure, EndoS can inhibit and modify the antibodies' effect without completely eliminating them. This mechanism has several potential medical applications.
Together with academic research teams, Hansa Medical conducts research to find new treatment methods of rare but serious autoimmune diseases based on EndoS.

Financial development during the year

Sales and profit

Net sales for the financial year 2014 amounted to TSEK 4,716 compared with TSEK 1,727 for the financial year 2013 and TSEK 2,619 for 2012. For 2014 and 2013, net sales comprised licensing income from Axis-Shield Diagnostics, and compensation for patent costs from Axis-Shield Diagnostics. For 2014, net sales furthermore comprised funding from VINNOVA. For 2012, net sales primarily comprised licensing income from Genovis AB and Axis-Shield Diagnostics, as well as compensation for patent costs from Axis-Shield Diagnostics and Alere Inc.

Operating result for the financial year 2014 amounted to TSEK -24,709 compared with an operating result of TSEK -17,629 for 2013 and TSEK -16,798 for 2012.

Net profit/loss for the financial year 2014 amounted to TSEK -29,042, compared with TSEK -17,562 for 2013 and TSEK -16,468 for 2012. Net profit/loss for 2014 was negatively impacted by impairment of TSEK 4,252 referring to the shares in Genovis AB.

Cash flow and financial position

Cash flow from operating activities for financial year 2014 amounted to TSEK -23,623 compared with TSEK -14,830 for financial year 2013 and TSEK -17,899 for 2012. At year-end 2014, cash and cash equivalents amounted to TSEK 10,152 compared with TSEK 90 at the corresponding time in 2013 and TSEK 18,966 in 2012. At the end of financial year 2014, equity amounted to TSEK 49,804 compared with TSEK 45,349 at year-end 2013 and TSEK 60,585 in 2012.

Investments

Investments for financial year 2014 amounted to TSEK 1,319 compared with TSEK 4,529 for 2013 and TSEK 6,559 for 2012. Investments in 2014 primarily pertain to purchases of laboratory equipment and office furniture amounting to TSEK 1,204, as well as the acquisition of 29,000 shares in Genovis AB at total price of TSEK 115

In total, the Company's holding in Genovis AB amounts to 2,177,065 shares with a cost of TSEK 8,432. Genovis AB is a biotechnology company focusing on antibody modification using the enzymes IdeS and EndoS. Genovis' applications of IdeS and EndoS are marketed under the trademarks FabRICATOR and IgGZERO. These products simplify the development and quality control of pharmaceutical products. In 2007, Hansa Medical and Genovis entered into a licence agreement granting Genovis right to commercialise the enzyme IdeS as a non-therapeutic research tool. Hansa Medical's investment in Genovis is a strategic investment in a biotechnology company developing new promising non-therapeutic applications of assets central to the business of Hansa Medical: the enzymes IdeS and EndoS.

Parent Company

The Parent Company's net sales for the financial year 2014 were TSEK 4,716, compared with TSEK 1,727 for the financial year 2013 and TSEK 2,618 for the financial year 2012. Result after net financial items for the Parent Company amounted to TSEK -31,438 in the financial year 2014, compared with TSEK -17,560 for 2013 and TSEK -16,466 for 2012. At year-end 2014,

liquidity amounted to TSEK 10,152 compared with TSEK 90 at year-end 2013 and TSEK 18,965 at year-end 2012.

Equity

The Parent Company's equity amounted to TSEK 49,806 as per 31 December 2014, compared with TSEK 45,683 and the end of financial year 2013 and TSEK 63,243 at the corresponding date in 2012.

Future capital requirements / continuing operations

Thus far, Hansa Medical has financed its operations with equity raised through new share issues, primarily with preferential rights for existing shareholders. In addition, milestone payments, one-off payments and royalty payments have been received from the Company's current and former partners.

The future financing of the operations is expected to be secured through new share issues, raising of loans, licensing income and the sale of rights or patents. Hansa Medical does not currently have sufficient working capital for the requirements of the coming 12 months. The Board's initial plan is to acquire the requisite capital by raising equity from existing shareholders and new investors. A financial advisor has been contracted to assist in this process.

Employees

The number of employees at year-end 2014 was 14, compared with 2013 and 2012 when the number of employees at each year-end amounted to 8.

Organisation and employees

The Hansa Medical Group consists of the Company and the subsidiary, Cartela R&D AB, in which no operations are currently conducted.

At year-end 2014, the Board of Directors consisted of Chairwoman, Birgit Stattin Norinder, and the Board members Anders Blom, Stina Gestrelius, Per-Olof Wallström and Cindy Wong. The Board of Directors' Audit Committee consists of Anders Blom (Chair), Birgit Stattin Norinder and Per-Olof Wallström, and the Remuneration Committee consists of Birgit Stattin Norinder (Chair), Stina Gestrelius and Per-Olof Wallström.

Company management is comprised of CEO Fredrik Lindgren, Chief Scientific Officer Christian Kjellman, CFO Göran Arvidson, Clinical Research Director Lena Winstedt and Corporate Development Director Emanuel Björne.

Disputes

The Company is not, and has never been, party to any form of legal proceedings which have had, or could have, a significant effect on Hansa Medical's financial position or profitability, nor is the Company aware of any circumstance which may result in such legal proceedings or arbitration procedures arising.

Genovis AB (publ), in which the Company owns just under 10 percent of the shares, has presented an application for a summons against the American Promega Corporation, regarding a breach of the patenet for IdeS. Genovis has been granted a licence by the Company for certain non-medicinal applications of IdeS. The dispute is deemed not to have any financial or commercial effect on the Company.

Insurance

Hansa Medical has the commercial insurance policies normally used in the industry. With regard to the nature and extent of the operations, the Board of Directors of Hansa Medical deems that the Group's insurance coverage is adequate.

The share

Hansa Medical's share capital as of 31 December 2014 amounted to SEK 25,929,603 divided between 25,929,603 shares. There is only one share class in the Company. At a general meeting of shareholders, each share in Hansa Medical entitles the holder to one vote, with each shareholder entitled to vote for their full holding of shares. Each share entails equal rights to participation in the Company's assets and profits and equal dividends. Existing shareholders usually have preferential rights to new share issues. A general meeting of shareholders can, however, resolve on an exception from this practice. Any changes in the rights of shareholders require the approval of a general meeting of shareholders. The terms and conditions for any changes in the rights of shareholders are equivalent to those prescribed by law. There are no restrictions placed on the transfer of shares. There are no outstanding warrants, convertible promissory notes or other financial instruments that could lead to a dilution for existing shareholders.

Ownership structure

According to the shareholder register maintained by Euroclear Sweden AB, as of 31 December 2014, Hansa Medical had 1,198 shareholders. Information regarding shareholders and shareholdings is updated each quarter on the Company's website, www.hansamedical.com.

Name	**Number of shares**	**Participating interest (%)**
Farstorps Gård AB	11,070,320	42.69
Nexttobe AB	7,555,009	29.14
Försäkringsaktiebolaget, Avanza Pension	2,605,002	10.05
Sven Sandberg	345,000	1.33
Anja Ellesson Ljunggren	269,097	1.04
Aktiebolaget Protiga	233,333	0.90
Strategic Wisdom Nordic AB	138,630	0.53
Nordnet Pensionsförsäkring AB	133,658	0.52
Wigzellproduktion AB	91,269	0.35
Tobias Ekman	90,000	0.35
Others	3,398,285	13.1
Total	**25,929,603**	**100.0%**

Annual General Meeting

The Annual General Meeting of Hansa Medical AB (publ) will take place on 16 April 2015. The notice of the Annual General Meeting will be available on Hansa Medical's website no later than four weeks prior to the Meeting: www.hansamedical.com.

Annual Report

Hansa Medical will publish the annual report for 2014 on 2 March 2015. The annual report is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Condensed Consolidated Income Statement

	Fourth quarter			1 January - 31 December		
TSEK	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
Net sales	841	762	392	4 716	1 727	2 619
Work performed by the Company for its own use and capitalised			322		64	2 706
Other operating income	59			59		
Total operating income, inventory changes, etc.	900	762	714	4 775	1 791	5 325
Raw materials and consumables	-7	-73	-205	-245	-382	-220
Other external expenses	-4 903	-2 887	-2 233	-17 422	-11 190	-14 073
Personnel costs	-3 340	-2 046	-2 144	-10 468	-7 696	-7 647
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-1 208	-38	-45	-1 349	-152	-183
Operating profit/loss	-8 558	-4 282	-3 913	-24 709	-17 629	-16 798
Financial income	42	93	346	42	93	347
Financial expenses	-4 255	-17	-7	-4 375	-26	-17
Net financial items	-4 213	76	339	-4 333	67	330
Profit/loss before tax	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Tax						
Net profit/loss for the year	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Attributable to:						
Shareholders in the Parent Company	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Minority interests						
	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Earnings per share						
before dilution (SEK)	-0,51	-0,18	-0,15	-1,16	-0,75	-0,75
after dilution (SEK)	-0,51	-0,18	-0,15	-1,16	-0,75	-0,75

Condensed Statement of Comprehensive Income for the Group

	Fourth quarter			1 January - 31 December		
TSEK	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
Net profit/loss for the year	-12 771	-4 206	-3 574	-29 042	-17 562	-16 468
Other comprehensive income						
Items that have been or may be transferred to profit/loss for the year						
Changes for the year in the fair value of available-for-sale financial	703	-75	-262	-2 064	2 326	-262
Other comprehensive income for the year	703	-75	-262	-2 064	2 326	-262
Comprehensive income for the year	-12 068	-4 281	-3 836	-31 106	-15 236	-16 730

Condensed Consolidated Balance Sheet

TSEK	Per 31 December 2014	2013	2012	OB 1 Jan 12
Assets				
Intangible fixed assets	36 898	38 028	37 976	35 282
Tangible fixed assets	1 283	298	438	608
Financial fixed assets	4 180	10 381	3 590	0
Total fixed assets	42 361	48 707	42 004	35 890
Tax assets	292	211	101	108
Accounts receivable - trade	59		672	381
Prepaid expenses and accrued income	373	953	1 119	502
Other receivables	1 074	653	483	703
Cash and cash equivalents	10 152	90	18 966	1 157
Total current assets	11 950	1 907	21 341	2 851
Total assets	54 311	50 614	63 345	38 741
Equity				
Share capital	25 930	22 225	22 225	67 605
Other contributed capital	33 336	1 480	1 480	19 806
Reserves		2 064	-262	0
Retained earnings including net profit/loss for the year	-9 462	19 580	37 142	-55 097
Equity attributable to shareholders in the Parent Company	49 804	45 349	60 585	32 314
Non-controlling interests				0
Total equity	49 804	45 349	60 585	32 314
Liabilities				
Non-current interest-bearing liabilities	91	131	168	204
Total non-current liabilities	91	131	168	204
Current interest-bearing liabilities	39	556	36	2 734
Accounts payable - trade	1 795	710	840	634
Other liabilities	1 039	804	617	477
Accrued expenses and deferred income	1 543	3 064	1 099	2 378
Total current liabilities	4 416	5 134	2 592	6 223
Total liabilities	4 507	5 265	2 760	6 427
Total equity and liabilities	54 311	50 614	63 345	38 741
Pledged assets	128	183	239	295
Contingent liabilities	None	None	None	None

Condensed Statement of Changes in Equity for the Group

	Equity attributable to shareholders in the Parent Company						
TSEK	Share capital	Other contributed capital	Fair value reserve	Retained earnings incl. net profit/loss for the year	**Total**	Non-controlling interests	**Total equity**
Opening equity, 1 Jan 2012	67 605	19 806		-55 097	32 314		32 314
Comprehensive income for the year							
Net profit/loss for the year				-16 468	-16 468	0	-16 468
Other comprehensive income for the year			-262		-262		-262
Comprehensive income for the year	0	0	-262	-16 468	-16 730	0	-16 730
Reduction of share capital	-88 901	-19 806		108 707	0		0
Transactions with the Group's owners							
New share issue	43 521	2 500			46 021		46 021
Share issue expenses		-1 020			-1 020		-1 020
Total transactions with the Group's owners	-45 380	-18 326	0	108 707	45 001	0	45 001
Closing equity, 31 Dec 2012	22 225	1 480	-262	37 142	60 585	0	60 585

	Equity attributable to shareholders in the Parent Company						
TSEK	Share capital	Other contributed capital	Fair value reserve	Retained earnings incl. net profit/loss for the year	**Total**	Non-controlling interests	**Total equity**
Opening equity, 1 Jan 2013	22 225	1 480	-262	37 142	60 585	0	60 585
Comprehensive income for the year							
Net profit/loss for the year				-17 562	-17 562	0	-17 562
Other comprehensive income for the year			2 326		2 326		2 326
Comprehensive income for the year	0	0	2 326	-17 562	-15 236	0	-15 236
Transactions with the Group's owners							
Total transactions with the Group's owners	0	0	0	0	0	0	0
Closing equity, 31 Dec 2013	22 225	1 480	2 064	19 580	45 349	0	45 349

	Equity attributable to shareholders in the Parent Company						
TSEK	Share capital	Other contributed capital	Fair value reserve	Retained earnings incl. net profit/loss for the year	**Total**	Non-controlling interests	**Total equity**
Opening equity, 1 Jan 2014	22 225	1 480	2 064	19 580	45 349	0	45 349
Comprehensive income for the year							
Net profit/loss for the year				-29 042	-29 042	0	-29 042
Other comprehensive income for the year			-2 064		-2 064		-2 064
Comprehensive income for the year	0	0	-2 064	-29 042	-31 106	0	-31 106
Transactions with the Group's owners							
New share issue	3 705	33 337			37 042		37 042
Share issue expenses		-1 481			-1 481		-1 481
Total transactions with the Group's owners	3 705	31 856	0	0	35 561	0	35 561
Closing equity, 31 Dec 2014	25 930	33 336	0	-9 462	49 804	0	49 804

Condensed Cash Flow Statement for the Group

	1 January - 31 December		
TSEK	**2014**	**2013**	**2012**
Operating activities			
Operating profit/loss	-24 709	-17 629	-16 798
Adjustment for non-cash items	1 349	152	183
Interest received	42	93	347
Interest paid	-123	-26	-17
Income tax paid	-81	-110	7
Cash flow from operating activities before changes in working capital	-23 522	-17 520	-16 278
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in accounts receivable - trade	-59	672	-291
Increase (-)/Decrease (+) in other operating receivables	159	-4	-397
Increase (+)/Decrease (-) in accounts payable - trade	1 085	-130	206
Increase (+)/Decrease (-) in other operating liabilities	-1 286	2 152	-1 139
Cash flow from operating activities	-23 623	-14 830	-17 899
Investing activities			
Acquisition of tangible fixed assets	-1 204		
Investments in capitalised development costs		-64	-2 707
Acquisition of financial assets	-115	-4 465	-3 852
Disposal of financial assets			
Cash flow from investing activities	-1 319	-4 529	-6 559
Financing activities			
New share issue	37 042		46 021
Share issue expenses	-1 481		-1 020
Borrowings		519	
Repayments of borrowings	-519		-2 700
Repayments of leasing liabilities	-38	-36	-34
Cash flow from financing activities	35 004	483	42 267
Cash flow for the year	10 062	-18 876	17 809
Cash and cash equivalents at beginning of year	90	18 966	1 157
Cash and cash equivalents at year-end	10 152	90	18 966

Quarterly Consolidated Income Statement

	2014				2013			
TSEK	4 quarter	3 quarter	2 quarter	1 quarter	4 quarter	3 quarter	2 quarter	1 quarter
Net sales	841	877	1 386	1 612	762	353	275	337
Work performed by the company for its own use and capitalised								64
Other operating income	59							
Total operating income, inventory changes, etc.	900	877	1 386	1 612	762	353	275	401
Raw materials and consumables	-7	-68	-15	-155	-73	-132	-118	-59
Other external expenses	-4 903	-3 437	-3 904	-5 178	-2 887	-3 054	-2 723	-2 526
Personnel costs	-3 340	-2 737	-2 255	-2 136	-2 046	-1 843	-2 010	-1 797
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-1 208	-56	-46	-39	-38	-38	-38	-38
Operating profit/loss	-8 558	-5 421	-4 834	-5 896	-4 282	-4 714	-4 614	-4 019
Financial income	42				93			
Financial expenses	-4 255	-4	-14	-102	-17	-3	-3	-3
Net financial items	-4 213	-4	-14	-102	76	-3	-3	-3
Profit/loss before tax	-12 771	-5 425	-4 848	-5 998	-4 206	-4 717	-4 617	-4 022
Tax								
Net profit/loss for the year	-12 771	-5 425	-4 848	-5 998	-4 206	-4 717	-4 617	-4 022

Quarterly Statement of Comprehensive Income for the Group

	2014				2013			
TSEK	4 quarter	3 quarter	2 quarter	1 quarter	4 quarter	3 quarter	2 quarter	1 quarter
Net profit/loss for the year	-12 771	-5 425	-4 848	-5 998	-4 206	-4 717	-4 617	-4 022
Other comprehensive income								
Items that have been or can be transferred to profit/loss for the year								
Changes for the year in the fair value of available-for-sale financial assets	703	-957	-21	-1789	-75	1434	1039	-72
Other comprehensive income for the year	703	-957	-21	-1 789	-75	1 434	1 039	-72
Comprehensive income for the year	-12 068	-6 382	-4 869	-7 787	-4 281	-3 283	-3 578	-4 094

Quarterly Consolidated Income Statement

	2012			
TSEK	4 quarter	3 quarter	2 quarter	1 quarter
Net sales	392	341	1 310	576
Work performed by the company for its own use and capitalised	322	260	684	1 440
Other operating income				
Total operating income, inventory changes, etc.	714	601	1 994	2 016
Raw materials and consumables	-205	-8	-8	1
Other external expenses	-2 233	-2 905	-4 126	-4 809
Personnel costs	-2 144	-1 337	-2 196	-1 970
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-45	-46	-46	-46
Operating profit/loss	-3 913	-3 695	-4 382	-4 808
Financial income	346	1		
Financial expenses	-7	-4	-7	1
Net financial items	339	-3	-7	1
Profit/loss before tax	-3 574	-3 698	-4 389	-4 807
Tax				
Net profit/loss for the year	-3 574	-3 698	-4 389	-4 807

Quarterly Statement of Comprehensive Income for the Group

	2012			
TSEK	4 quarter	3 quarter	2 quarter	1 quarter
Net profit/loss for the year	-3 574	-3 698	-4 389	-4 807
Other comprehensive income				
Items that have been or can be transferred to profit/loss for the year				
Changes for the year in the fair value of available-for-sale financial assets	-262			
Other comprehensive income for the year	-262	0	0	0
Comprehensive income for the year	-3 836	-3 698	-4 389	-4 807

Parent Company Condensed Income Statement

	1 January - 31 December		
TSEK	**2014**	**2013**	**2012**
Net sales	4 716	1 727	2 618
Work performed by the Company for its own use and capitalised		64	2 706
Other operating income	59		
Total operating income, inventory changes, etc.	4 775	1 791	5 324
Raw materials and consumables	-245	-382	-220
Other external expenses	-17 483	-11 254	-14 138
Personnel costs	-10 468	-7 696	-7 647
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-1 294	-96	-127
Operating profit/loss	-24 715	-17 637	-16 808
Profit/loss from financial items:			
Profit/loss from participations in Group companies	-2 398		
Profit/loss from securities and other receivables accounted for as fixed assets	-4 252		
Other interest income and similar profit/loss items	42	93	347
Interest expenses and similar profit/loss items	-115	-16	-5
Profit/loss after financial items	-31 438	-17 560	-16 466
Profit/loss before tax	-31 438	-17 560	-16 466
Tax			
Net profit/loss for the year	-31 438	-17 560	-16 466

Condensed Statement of Comprehensive Income for the Parent company

	1 January - 31 December		
TSEK	**2014**	**2013**	**2012**
Net profit/loss for the year	-31 438	-17 560	-16 466
Other comprehensive income			
Other comprehensive income for the year	0	0	0
Comprehensive income for the year	-31 438	-17 560	-16 466

Parent Company Condensed Balance Sheet

TSEK	Per den 31 december 2014	2013	2012
Assets			
Fixed assets			
Intangible fixed assets	36 898	38 028	37 976
Tangible fixed assets	1 155	115	199
Financial fixed assets			
Participations in Group companies	100	100	100
Receivables from Group companies	0	2 296	2 295
Other securities held as fixed assets	4 180	8 317	3 852
Total financial fixed assets	4 280	10 713	6 247
Total fixed assets	42 333	48 856	44 422
Current assets			
Current receivables			
Accounts receivable - trade	59		672
Tax assets	292	211	101
Other receivables	1 074	653	483
Prepaid expenses and accrued income	373	970	1 156
Total current receivables	1 798	1 834	2 412
Cash and bank balances	10 152	90	18 965
Total current assets	11 950	1 924	21 377
Total assets	54 283	50 780	65 799

TSEK	Per 31 December 2014	2013	2012
Equity and liabilities			
Equity			
Restricted equity			
Share capital	25 930	22 225	22 225
Non-restricted equity			
Share premium reserve	33 336	1 480	1 480
Fair value reserve			
Retained earnings	21 978	39 538	56 004
Net profit/loss for the year	-31 438	-17 560	-16 466
Total equity	49 806	45 683	63 243
Current liabilities			
Liabilities to credit institutions		519	0
Accounts payable - trade	1 795	710	840
Liabilities to Group companies	100		
Other liabilities	1 039	804	617
Accrued expenses and deferred income	1 543	3 064	1 099
Total current liabilities	4 477	5 097	2 556
Total equity and liabilities	54 283	50 780	65 799

Pledged assets and contingent liabilities, Parent Company

TSEK	Per 31 December 2014	2013	2012
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Notes

Note 1 Accounting principles

This interim report for the Group has been prepared according to IAS 34 “Interim Financial Reporting” and the applicable provisions of the Swedish Annual Accounts Act. The year-end report for the Parent Company has been prepared according to the provisions covering interim reporting found in Chapter 9 of the Annual Accounts Act. The accounting principles and bases of calculation applied in the preparation of this interim report for the Group and the Parent Company are listed below.

This interim report is the first official report in which Hansa Medical applies IFRS. For this reason, a full description of the accounting principles applied in this interim report is provided below, as these differ from the principles applied in the preparation of the Group’s most recently published Annual Report.

(a) Compliance with standards and statutory requirements

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the EU. The Swedish Financial Reporting Board’s standard RFR 1 has also been applied. Furthermore, the Swedish Financial Reporting Board’s standard RFR 1 “Supplementary accounting rules for Groups” has also been applied. The Parent Company has applied the same accounting principles as the Group, except for the cases specified below in the section “Parent Company Accounting Principles”.

(b) Valuation bases applied in the preparation of the financial statements

Assets and liabilities are reported at historical acquisition cost, with the exception of certain financial assets and liabilities which are recognised at fair value. Financial assets and liabilities recognised at fair value are comprised of listed shares.

(c) Functional currency and presentation currency

The Parent Company’s functional currency is the Swedish krona (SEK), which is also the presentation currency of the Parent Company and the Group. Consequently, the financial statements are presented in Swedish krona. All amounts are rounded to the nearest thousand, unless stated otherwise.

(d) Assessments and estimations in the financial statements

Preparation of the financial statements in accordance with IFRS requires that company management make assessments and estimations, as well as assumptions, affecting the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome can differ from these estimations and assessments.

Estimations and assumptions are regularly taken under review. Changes in estimations are reported in the period in which the change is made if the change effects only this period, or in the period in which the change is made and in subsequent periods if the change affects both the period in question and future periods.

(e) Changes in accounting principles

(i) Transition to IFRS

This year-end report for 2014 is Hansa Medical's first financial statement prepared in accordance with IFRS. As such, this interim report is the first official IFRS report published by Hansa Medical.

The date for the transition to IFRS is 1 January 2012. The effects of the transition to IFRS are described in Note 3.

(ii) New IFRS which have not been early adopted

A number of new and amended IFRS standards and interpretations enter into force for the forthcoming financial year and have not been early adopted for the preparation of these financial statements. No new and amended standards or interpretations entering into force in the future are planned to be early adopted. No IFRS amendments entering into force in the future are expected to have a material impact on the consolidated accounts.

(f) Classification

Fixed assets and non-current liabilities are comprised, in all material respects, of only the amounts expected to be recovered or paid later than twelve months after the balance sheet date. Current assets and current liabilities comprise, in all material respects, only those amounts expected to be recovered or paid within twelve months after the balance sheet date.

(g) Operating segment reporting

An operating segment is a part of the Group that conducts business from which it can generate income and incur expenses and for which independent financial information is available. An operating segment's results are followed up by the Company's senior executive decision-maker, in order to evaluate financial performance and to inform decisions regarding the allocation of resources to operating segments. As the Group's operations are organised as a single, coherent business, with the goods and services produced facing similar risks and opportunities, the Group's operations as a whole constitute one operating segment. All operations are conducted in Sweden.

(h) Consolidation principles

Subsidiaries are companies that are controlled by Hansa Medical AB. Intra-Group receivables and liabilities, income and expenses and unrealised gains and losses arising on intra-Group transactions between Group companies are eliminated in full upon consolidation.

(i) Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate on the transaction date. The functional currency is the currency in the primary economic environment in which the companies conduct their operations. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate applicable on

the balance sheet date. Exchange rate differences arising on translation are reported in net profit/loss for the year. Non-monetary assets and liabilities reported at historical acquisition cost are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated to the functional currency at the exchange rate applicable at the date of recognition at fair value.

(j) Net sales

Reported net sales for the Group refer primarily to licensing income. Income is reported at the fair value of the amounts received or expected to be received. Income is reported to the extent that it is probable that the economic benefits will accrue to the Company and when the income can be reliably calculated.

Licensing fees are reported as income when the Group's contractual obligations have been completely fulfilled.

(k) Leasing

(i) Operational lease agreements

Expenses related to operational lease agreements are reported in net profit/loss for the year on a straight-line basis over the tenor of the lease. Benefits received in conjunction with the signing of an agreement are recognised in net profit/loss for the year as a reduction of the leasing fees on a straight-line basis over the tenor of the lease agreement. Variable fees are charged to expenses in the periods in which they incur.

(ii) Financial lease agreements

Minimum leasing fees are apportioned between interest expenses and the repayment of the outstanding loan. The interest expense is allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Variable fees are charged to expenses in the periods in which they incur.

(m) Financial income and expenses

Financial income consists of interest income and other financial income. Financial expenses consist of interest expenses on borrowings, impairment of financial assets and other financial expenses.

(n) Tax

Income tax is comprised of current tax and deferred tax. Income tax is reported in net profit/loss for the year, except when the underlying transaction is reported directly in other comprehensive income or equity, in which case the associated tax effect is also reported directly in other comprehensive income or equity, respectively.

Current tax is tax which is to be paid or received for the current year, with the application of the tax rates that are enacted or which have been announced and are likely to be enacted as per the balance sheet date. Current tax also includes adjustments to previous periods' current tax.

Deferred tax is calculated according to the balance sheet method on the basis of the temporary differences between the fiscal values and reported values of assets and liabilities. The following temporary differences are not considered: temporary differences arising on the initial reporting of goodwill, the initial reporting of assets and liabilities that are not business combinations and which do not impact either reported or taxable profit/loss on the transaction date. Furthermore, temporary differences attributable to shares in subsidiaries and associated companies which are not expected to be reversed within the near future are not considered. The valuation of deferred tax is based on the manner in which the reported values of assets and liabilities are expected to be realised or settled. Deferred tax is calculated with the application of the tax rates that are enacted or which have been announced and are likely to be enacted as per the balance sheet date.

Deferred tax assets on deductible temporary differences and loss carry-forwards are reported only to the extent that it is likely that these can be utilised. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

(o) Financial instruments

Financial instruments reported as assets in the balance sheet include cash and cash equivalents, accounts receivable, other receivables and listed shares. Items reported as liabilities include accounts payable, interest-bearing liabilities and other liabilities.

(i) Recognition and de-recognition in the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the commercial terms and conditions of the instrument. A receivable is recognised the balance sheet when the Company has fulfilled its commitments and the counterparty is contractually obliged to provide payment, even if an invoice is yet to be sent. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has fulfilled its commitments and there is a contractual obligation to pay, even if no invoice has been received. Accounts payable are recognised when an invoice has been received.

A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised, expire or if the Company loses control over them. The same applies to portions of financial assets. A financial liability is removed from the balance sheet when the obligation arising from the agreement has been met or expires for other reasons. The same applies to portions of financial liabilities.

A financial asset and a financial liability are offset and recognised on a net basis in the balance sheet only when there exists a legal right to offset the amounts and there is an intention to settle the items on a net basis or to, simultaneously, realise the asset and settle the liability.

Acquisitions and sales of financial assets are recognised at transaction date, the date on which the Company commits to acquire or sell the asset.

(ii) Classification and valuation

Financial instruments are recognised initially at acquisition cost, which corresponds to the fair value of the instrument plus transaction costs, for all financial instruments. Upon initial recogni-

tion, a financial instrument is classified on the basis of the purpose for which the instrument was acquired. The classification determines the manner in which the financial instrument will be valued after initial recognition, as described below.

Cash and cash equivalents consist of cash and immediately available balances at banks and similar institutions and short-term liquid investments, with maturity of three months or less from the acquisition, that are subject to an insignificant risk of changes in value.

Loans receivable and accounts receivable

Loans receivable and accounts receivable are financial instruments that are not derivatives, that have fixed or determinable payments and that are not listed on an active market. These assets are valued at amortised cost applying the effective interest rate at the time of acquisition. Accounts receivable are recognised in the amounts that are expected to be received, i.e. after deduction of doubtful receivables.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets which have not been included in the other categories of financial assets or financial assets which the Company has initially chosen to define as such. This category consists solely of the Group's holdings of listed shares.

Financial liabilities valued at amortised cost

Loans and other financial liabilities, e.g. accounts payable, are included in this category. The liabilities are valued at amortised cost.

(p) Tangible fixed assets

Tangible fixed assets are reported in the Group at acquisition cost after deductions for accumulated depreciation and any impairment. The acquisition cost includes the purchase price and expenses directly attributable to the transport of the asset to its required location and to ensuring that the asset is in a suitable condition to be utilised as intended. The accounting principle for impairment is presented below.

The reported value of a tangible fixed asset is removed from the balance sheet on the sale or disposal of the asset, or when no future economic benefits are expected to be derived from the utilisation or sale/disposal of the asset. Gains or losses arising on the sale or disposal of an asset are comprised of the difference between the sale price and the asset's reported value, less direct selling expenses. Such gains and losses are reported as other operating income/expenses.

Depreciation takes place on a straight-line basis over the estimated useful lifetime of the asset. Land is not depreciated.

Depreciation periods;
- Equipment, tools, fixtures and fittings 5 years

(q) Intangible fixed assets

Capitalised development costs

Costs for research are charged to expenses immediately. Costs for development projects directly attributable to the development of production processes, which will probably be used in the production of a pharmaceutical candidate for clinical studies and for the introduction of an approved pharmaceutical on the market, are capitalised. Costs for developments projects (attributable to the construction and testing of new or improved products) are capitalised by the Group as an intangible asset to the extent that these costs are expected to generate future economic benefits. Other development costs are charged to expenses as and when they arise. Development costs which have previously been reported as expenses are not capitalised as an asset in a subsequent period.

The amortisation of capitalised development costs begins when the project is considered to be complete, which corresponds either with a decision made by the Group or upon the remunerated licensing of a patent or preparation, after which continued development work is undertaken by an independent party. Amortisation takes place on a straight-line basis over the estimated useful lifetime of the asset, although for patents this is a maximum of the remaining patent protection period.

(s) Impairment

The reported values of the Group's assets are tested on each balance sheet date in order to ascertain whether there is any indication of an impairment requirement. IAS 36 is applied for the impairment testing of assets other than financial assets, which are reported according to IAS 39.

(i) Impairment of intangible assets

Intangible assets with indefinite useful lifetimes and intangible assets which are not yet subject to amortisation according to plan are tested each year in order to ascertain to recoverable amount, which is the higher of net realisable value and value in use. When calculating the value in use, future cash flows are discounted with the application of an interest rate reflecting the market's assessment of risk-free interest and risk associated with the asset in question.

(ii) Impairment of financial assets

On each reporting date, the Company evaluates whether there are objective indications of an impairment requirement in a financial asset or a group of financial assets. Objective evidence is comprised partly of observable circumstances that have occurred and that negatively affect the ability to recover the acquisition cost, and partly of significant or extended decreases in the fair value of a financial investment classified as an available-for-sale financial asset.

(iii) Reversal of impairment losses

An impairment loss on an asset covered by the area of application of IAS 36 is reversed if there is an indication that the impairment loss may no longer exist and if there has been a change in the assumptions on which the calculation of the recoverable amount was based. Impairment losses on goodwill are never reversed. A reversal is made only to the extent that the reported

value of the asset after the reversal is less than the reported value that would have been recognised, less any depreciation, if no impairment loss had been recognised.

Impairment losses on loans receivable and accounts receivable valued at amortised cost are reversed if the circumstances forming the basis for the impairment loss are no longer applicable and when full payment from the customer is expected.

Impairment losses on equity instruments classified as available-for-sale financial assets which were previously recognised in the income statement are not reversed in the income statement but in other comprehensive income. The impaired value is the value from which subsequent revaluations are made, and which is reported in other comprehensive income.

(t) Dividends

Dividends paid are recognised as a liability when the Annual General Meeting of Shareholders has approved the dividend.

(u) Earnings per share

The calculation of earnings per share is based on consolidated net profit/loss for the year attributable to shareholders in the Parent Company and the weighted average number of outstanding shares during the year. There were no ordinary shares with a potential dilution effect during either the current financial year or the comparative years. Consequently, there is no dilution effect to report.

(v) Employee benefits

(i) Short-term benefits

Short-term benefits to employees are not discounted and are recognised as an expense when the related services are received.

(ii) Defined contribution pension plans

Pension plans in which the Company's obligations are limited to the premiums which the Company commits to pay are classified as defined contribution plans. For such plans, the amount of the employee's pension depends on the premiums paid into the plan or to an insurance company by the Company and the return on capital yielded from these premiums. Subsequently, it is the employee who bears the actuarial risk (that the pension payments are lower than expected) and the investment risk (that the invested assets prove to be insufficient to provide the anticipated payments). The Company's obligations regarding premiums to defined contribution plans are recognised as an expense in the income statement at the rate they are incurred by means of the employee rendering services on behalf of the
Company during a period of time.

(y) Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from past events, the existence of which is confirmed only by uncertain future events over which the Group has no control, or when there is an obligation that is not recognised as a liability or provision be-

cause it is unlikely that an outflow of resources will be required, or that it cannot be measured in a reliable manner.

Parent Company accounting principles

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554), as well as with the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities" and its statements applying to listed companies. This implies that the Parent Company applies all IFRS and interpretations adopted by the EU in its annual report for the legal entity, in so far as this is possible under the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the close links between financial reporting and taxation. The standard specifies the exceptions and amendments to IFRS that must be made.

Differences between the Group's and the Parent Company's accounting principles

The differences between the Group's and the Parent Company's accounting principles are described below. The following accounting principles for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial statements.

Classification and presentation

The differences compared to the Group's reports which are applicable in the Parent Company's income statement and balance sheet refer primarily to the reporting of financial income and expenses, fixed assets and equity.

Financial instruments

With regard to the close links between financial reporting and taxation, the regulations regarding financial instruments and hedge accounting stipulated in IAS 39 are not applied in the Parent Company as a legal entity.

Note 2 Fair value for financial instruments

The reported value is assessed as being a fair approximation of the fair value for all of the Group's financial instruments. The financial instruments reported at fair value in the balance sheet are comprised solely of the Group's holding of shares in Genovis, which is listed on Nasdaq First North. The fair value of the shares as per the balance sheet date was TSEK 4,180 (10,381; 3,590), calculated on the basis of the closing price. The valuation of the holding is, thereby, in accordance with Level 1 in the valuation hierarchy.

Note 3 Transition to financial reporting in accordance with IFRS

This financial statement for the Group is the first prepared with the application of IFRS, as stated in Note 1.

The accounting principles stated in Note 1 were applied in the preparation of the consolidated accounts for the financial year 2014 and for the comparative years 2013 and 2012, as well as

for the Group's opening balance on 1 January 2012. When preparing the Group's opening balance sheet, amounts reported according to previously applied accounting principles have been adjusted according to IFRS. Explanations of how the transition from the previous accounting principles to IFRS has affected the Group's financial position, financial performance and cash flows are presented by the following tables and clarifications.

Business combinations before 2012-01-01 have not been translated.

IAS 17

According to the previously applied accounting principles, lease agreements were recognised as operating leases. The transition to IFRS has implied that some of the leases are classified as financial lease agreements and are, accordingly, recognised as assets or interest-bearing liabilities in the consolidated balance sheet. In the income statement, the leasing cost is replaced by depreciation and interest expenses.

IAS 36

The reported values of assets have been reviewed in conjunction with the transition to IFRS in accordance with IFRS directives. This review involved a test of intangible assets for which utilisation has begun to ascertain whether there were any indications of impairment requirements and, if so, the assets in question have been impaired. For intangible assets which are not yet ready for use, impairment testing is obligatory. The result of this testing has been that intangible assets have been impaired in the opening balance sheet for 1 January 2012.

IAS 39

The Group has holdings of listed shares and participations. These have been classified as available-for-sale financial assets. According to IAS 39, these have been recognised at fair value in the balance sheet, with changes in value being reported in other comprehensive income and accumulating in the fair value reserve in equity.

Effects on the income statement, balance sheet and equity

The compilations below present the effects of the above on the income statement, balance sheet and equity as if IFRS had been applied in 2012 and 2013.

Hansa Medical

Consolidated Balance Sheet, 1 January 2012

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Assets					
Intangible fixed assets	37 675		-2 393		35 282
Tangible fixed assets	313	295			608
Total fixed assets	37 988	295	-2 393	0	35 890
Tax assets	108				108
Accounts receivable - trade	381				381
Prepaid expenses and accrued income	559	-57			502
Other receivables	703				703
Cash and cash equivalents	1 157				1 157
Total current assets	2 908	-57	0	0	2 851
Total assets	40 896	238	-2 393	0	38 741
Equity					
Share capital	67 605				67 605
Other contributed capital	19 806				19 806
Reserves					0
Retained earnings including net profit/loss for the year	-52 704		-2 393		-55 097
Equity attributable to shareholders in the Parent Company	34 707	0	-2 393	0	32 314
Minority interests					0
Total equity	34 707	0	-2 393	0	32 314
Liabilities					
Non-current interest-bearing liabilities		204			204
Total non-current liabilities	0	204	0	0	204
Current interest-bearing liabilities	2 700	34			2 734
Accounts payable - trade	634				634
Other liabilities	477				477
Accrued expenses and deferred income	2 378				2 378
Total current liabilities	6 189	34	0	0	6 223
Total liabilities	6 189	238	0	0	6 427
Total equity and liabilities	40 896	238	-2 393	0	38 741

Consolidated Income Statement, 1 January - 31 December 2012

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Net sales	2 619				2 619
Work performed by the Company for its own use and capitalised	2 706				2 706
Total operating income, inventory changes, etc.	5 325	0		0	5 325
Raw materials and consumables	-220				-220
Other external expenses	-14 139	66			-14 073
Personnel costs	-7 647				-7 647
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-127	-56			0 -183
Operating profit/loss	-16 808	10		0	-16 798
Financial income	347				347
Financial expenses	-5	-12			-17
Net financial items	342	-12		0	330
Profit/loss before tax	-16 466	-2		0	-16 468
Tax					0
Net profit/loss for the year	-16 466	-2		0	-16 468
Attributable to:					
Shareholders in the Parent Company	-16 466	-2		0	-16 468
Minority interests					0
	-16 466	-2		0	-16 468
Earnings per share					
before dilution (SEK)	-0,75	0,00		0,00	-0,75
after dilution (SEK)	-0,75	0,00		0,00	-0,75

Statement of Comprehensive Income for the Group

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Net profit/loss for the year	-16 466	-2		0	-16 468
Other comprehensive income					
Items that have been or may be transferred to profit/loss for the year					
Changes for the year in the fair value of available-for-sale financial assets				-262	-262
Other comprehensive income for the year	0	0		-262	-262
Comprehensive income for the year	-16 466	-2		-262	-16 730
Comprehensive income for the year attributable to:					
Shareholders in the Parent Company	-16 466	-2		-262	-16 730
Non-controlling interests					0
Comprehensive income for the year	-16 466	-2		-262	-16 730

Consolidated Balance Sheet, 31 December 2012

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Assets					
Intangible fixed assets	40 369		-2 393		37 976
Tangible fixed assets	199	239			438
Financial fixed assets	3 852			-262	3 590
Total fixed assets	44 420	239	-2 393	-262	42 004
Inventories					0
Tax assets	101				101
Accounts receivable - trade	672				672
Prepaid expenses and accrued income	1 156	-37			1 119
Other receivables	483				483
Cash and cash equivalents	18 966				18 966
Total current assets	21 378	-37	0	0	21 341
Total assets	65 798	202	-2 393	-262	63 345
Equity					
Share capital	22 225				22 225
Other contributed capital	1 480				1 480
Reserves				-262	-262
Retained earnings including net profit/loss for the year	39 537	-2	-2 393		37 142
Equity attributable to shareholders in the Parent Company	63 242	-2	-2 393	-262	60 585
Minority interests					0
Total equity	63 242	-2	-2 393	-262	60 585
Liabilities					
Non-current interest-bearing liabilities		168			168
Total non-current liabilities	0	168	0	0	168
Current interest-bearing liabilities		36			36
Accounts payable - trade	840				840
Other liabilities	617				617
Accrued expenses and deferred income	1 099				1 099
Total current liabilities	2 556	36	0	0	2 592
Total liabilities	2 556	204	0	0	2 760
Total equity and liabilities	65 798	202	-2 393	-262	63 345

Consolidated Income Statement, 1 January - 31 December 2013

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Net sales	1 727				1 727
Work performed by the Company for its own use and capitalised	64				64
Total operating income, inventory changes, etc.	1 791	0		0	1 791
Raw materials and consumables	-382				-382
Other external expenses	-11 256	66			-11 190
Personnel costs	-7 696				-7 696
Depreciation, amortisation and impairment of tangible and intangible fixed assets	-96	-56			0 -152
Operating profit/loss	-17 639	10		0	-17 629
Financial income	93				93
Financial expenses	-16	-10			-26
Net financial items	77	-10		0	67
Profit/loss before tax	-17 562	0		0	-17 562
Tax					0
Net profit/loss for the year	-17 562	0		0	-17 562
Attributable to:					
Shareholders in the Parent Company	-17 562	0		0	-17 562
Minority interests					0
	-17 562	0		0	-17 562
Earnings per share					
before dilution (SEK)	-0,75	0,00		0,00	-0,75
after dilution (SEK)	-0,75	0,00		0,00	-0,75

Statement of Comprehensive Income for the Group

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Net profit/loss for the year	-17 562	0	0	0	-17 562
Other comprehensive income					
Items that have been or may be transferred to profit/loss for the year					
Changes for the year in the fair value of available-for-sale financial assets				2 326	2 326
Other comprehensive income for the year	0	0	0	2 326	2 326
Comprehensive income for the year	-17 562	0	0	2 326	-15 236
Comprehensive income for the year attributable to:					
Shareholders in the Parent Company	-17 562	0	0	2 326	-15 236
Non-controlling interests					0
Comprehensive income for the year	-17 562	0	0	2 326	-15 236

Consolidated Balance Sheet, 1 January 2013

TSEK	As per earlier principles	Effect of IAS 17	Effect of IAS 36	Effect of IAS 39	As per IFRS
Assets					
Intangible fixed assets	40 421		-2 393		38 028
Tangible fixed assets	115	183			298
Biological assets					0
Investment properties					0
Participations in associated companies and joint ventures					0
Financial investments					0
Financial fixed assets	8 317			2 064	10 381
Deferred tax assets					0
Total fixed assets	48 853	183	-2 393	2 064	48 707
Inventories					0
Biological assets					0
Tax assets	211				211
Accounts receivable - trade					0
Prepaid expenses and accrued income	970	-17			953
Other receivables	653				653
Investments in securities, etc.					0
Cash and cash equivalents	90				90
Assets held for sale					0
Total current assets	1 924	-17	0	0	1 907
Total assets	50 777	166	-2 393	2 064	50 614
Equity					
Share capital	22 225				22 225
Other contributed capital	1 480				1 480
Reserves				2 064	2 064
Retained earnings including net profit/loss for the year	21 975	-2	-2 393		19 580
Equity attributable to shareholders in the Parent Company	45 680	-2	-2 393	2 064	45 349
Minority interests					0
Total equity	45 680	-2	-2 393	2 064	45 349
Liabilities					
Non-current interest-bearing liabilities		131			131
Total non-current liabilities	0	131	0	0	131
Current interest-bearing liabilities	519	37			556
Accounts payable - trade	710				710
Tax liabilities					0
Other liabilities	804				804
Accrued expenses and deferred income	3 064				3 064
Provisions					0
Liabilities attributable to assets held for sale					0
Total current liabilities	5 097	37	0	0	5 134
Total liabilities	5 097	168	0	0	5 265
Total equity and liabilities	50 777	166	-2 393	2 064	50 614

The Board of Directors hereby confirm that this Year-End Report gives a true and fair view of the Group's and the Parent Company's operations, financial position and performance, and describes the significant risks and factors of uncertainty facing the Parent Company and the companies in the Group.

Lund, 12 February 2015

Birgit Stattin Norinder *Chairman of the Board*	Anders Blom *Board member*
Stina Gestrelius *Board member*	Per-Olof Wallström *Board member*
Cindy Wong *Board member*	

The information in this Year-End Report is information which Hansa Medical AB (Publ) shall publish in accordance with the Securities Market Act and /or the Financial Instruments Trading Act. The information was presented for publication on 13 February 2015, 08:30 CET.

Forthcoming financial reports

Annual Report 2014	2 March 2015
Annual General Meeting	16 April 2015
Interim Report for January – March 2015	16 April 2015
Interim Report for January – June 2015	25 August 2015
Interim Report for January – September 2015	28 October 2015

Financial reports, press releases, notices of extraordinary general meetings of shareholders and other information is available from Hansa Medical's website www.hansamedical.com from their date of publication.

Hansa Medical's financial reports and press releases are available for download from the Company's website. Hansa Medical's main distribution channel for financial reports is via digital distribution. The Annual Report can be delivered on request, by post, to shareholders or other interested parties. Copies of interim reports are also available on request by post.
For further information, please contact Fredrik Lindgren, CEO, tel. +46 705-61 61 77 or e-mail fredrik.lindgren@hansamedical.com.

Examination report

Hansa Medical AB (publ)

Corporate Identity Number 556734-5359

Introduction

I have reviewed the attached condensed financial year-end information (the year-end report) for Hansa Medical AB (oubl) as of 31 December 2014 and the 12-month period ending on this date. The Board of Directors and CEO are responsible for the preparation and fair presentation of this year-end report in accordance with IAS 34 and the Annual Reports Act.. My responsibility is to express a conclusion on this year-end report based on my review.

Focus and scope of the review

I conducted my review in accordance with International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, an opinion expressed on the basis of a review does not provide the level of assurance of an opinion expressed on the basis of an audit.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the attached year-end report is not, in all material respects, prepared in accordance with IAS 34, as regards the Group, and in accordance with the Annual Reports Act, as regards the Parent Company.

Without it qualifying my conclusion above, I would like to call attention to the Company's description on page 10 of its financial situation and its requirement for liquid injections during the coming 12-month period.

Lund, 12 February 2015

Dan Kjellqvist
Authorised Public Accountant

Glossary

Anti-GBM
Anti-GBM or Goodpastures syndrome is an autoimmune disease, which primarily affects kidneys and lungs.

Antigen
A substance foreign to the body that activates the immune system. The activation of the immune system that leads to immunity or tolerance of the antigen.

Antibody
One type of proteins produced by the body's immune system with the intent to recognise foreign substances, bacteria or viruses. Antibodies are also called immunoglobulins.

Autoimmune disease
Diseases that can occur when the body's immune system reacts against the body's own structures.

Biomarker
A biomarker is typically a protein that can be detected in blood. Often there is an authenticated link between the presence of the protein in blood and a particular state of disease.

Biotechnology
The use of live cells or components of cells, to produce or modify products used in health care, food, and agriculture.

Diagnostics
A wide range of different methods to identify diseases and medical conditions based on clinical symptoms and a variety of medical tests such as blood tests and radiology.

EndoS
EndoS is a bacterial endoglycosidase of Streptococcus pyogenes. An enzyme with the unique ability to modify a specific carbohydrate chain of immunoglobulines.

Enzyme
A protein that accelerates or starts a chemical reaction without itself being consumed.

FDA
US Food and Drug Administration

GMP
Good Manufacturing Practice, GMP, is a comprehensive quality assurance system applied in the production of pharmaceuticals.

Guillain-Barre syndrome
A rare and acute autoimmune disease of the nerves where antibodies are formed mainly directed towards the insulating myelin sheath of nerves and nerve roots.

HBP
HBP, Heparin Binding Protein, is a naturally occurring protein that is produced by certain immune cells, i.e. neutrophilic granulocytes, to direct immune cells from the bloodstream into the tissues.

HLA
HLA, human leukocyte antigen, is a protein complex found on the surface of all cells in a human. The immune system uses HLA to distinguish between endogenous and foreign.

IdeS
IdeS, immunoglobulin G-degrading enzyme of Streptococcus pyogenes, a bacterial enzyme with strict specificity for IgG antibodies. The enzyme has a unique ability to cleave and thereby inactivate human IgG antibodies.

IgG
IgG, Immunoglobulin G, is the predominant type of antibody in serum.

In vitro
Term within biomedical science to indicate that experiments or observations are made, for example in test tubes, i.e. in an artificial environment and not in a living organism.

In vivo
Term within biomedical science to indicate that experiments or observations are made on living organisms.

Inflammation
In a broad sense the body's defence against injurious factors such as tissue damage or infection.

Clinical studies
Investigation of a new drug or treatment using healthy subjects or patients with the intention to study the efficacy and safety of a not-yet-approved treatment approach.

Clinical Phase I
Phase I, the first time that a drug under development is administered to humans. Phase I studies are often conducted with a small number of healthy volunteers to assess the safety and dosing of a not yet approved form of treatment.

Clinical Phase II
Phase II refers to the first time that a drug under development is administered to patients for the study of safety, dosage and efficacy of a not yet approved treatment regimen

Clinical Phase III
Phase III trials involve many patients and often continues for a longer time; they are intended to identify the drug's effects and side effects during ordinary but still carefully controlled conditions.

Milestone
Payments a company receives in accordance with a cooperation agreement after the company reaches a pre-set target, such as “proof-of-concept”.

Plasmapheresis
Plasmapheresis is a medical technical method where proteins in the blood are removed from the blood outside the body by devices similar to dialysis equipment.

Preclinical development
Testing and documentation of a pharmaceutical candidate's properties in model systems.

Recombinant DNA
DNA molecule produced artificially by combining DNA from different sources.

Sepsis
Diagnosed or suspected infection in combination with the patient is in a systemic inflammatory state (SIRS). Clinical symptoms of systemic inflammation may be a combination of fever, increased heart rate and increased respiratory rate.

Septic shock
A very serious condition in which a patient with severe sepsis suffers from a drop in blood pressure that cannot be alleviated through infusions resulting in multiple organ failure.

Streptococcus pyogenes
A Gram positive bacterium which primarily can be found in the human upper respiratory tract. Some strains can cause throat or wound infections.

Severe sepsis
Sepsis is progressing into severe sepsis when the patient may suffer circulatory effects and reduced functions of vital organs such as the brain, heart, lungs, kidneys or liver.