



AroCell AB (publ)

Interim report, 1 January – 30 September 2016

- Net sales were TSEK 46 (0)
- Loss after financial items was TSEK -6,637 (-5,857)
- Earnings per share where SEK -0.23 (-0.25)
- Cash flow from operating activities was TSEK -3,285 (-4,676)

Reporting period, 1 July – 30 September 2016

- Net sales were TSEK 46 (0)
- Loss after financial items was TSEK -2,591 (-1,811)
- Cash flow from operating activities was TSEK -784 (-891)
- Prostate cancer study initiated and Stockholm South General Hospital started to enroll patients
- Sarcoma cancer study initiated and Helsinki University Hospital started to enroll patients
- Publication and oral presentation of study on performance improvement on TK 210 ELISA at ISOBM on 4 September 2016 in Chicago
- Signed distribution agreement with Eagle Bioscience Inc. for the North American market with first orders placed for research purposes
- Ann Hammarstrand appointed as new CFO to AroCell from 1 January 2017

This information is information that AroCell is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through Jan Stålemark, at 08:45 CET on 17 November 2016.

About AroCell

AroCell AB (publ) is a Swedish company that develops standardized modern blood tests to support the prognosis and follow up of cancer patients. AroCell's new technology is based on patented methods to measure TK1 protein levels, which provide valuable information about the speed of cell turnover. A tumor has high cell turnover (speed of cell division and cell death) and as a result TK1 can be detected in the blood with a simple laboratory test, called TK 210 ELISA. The test provides valuable clinical information for prognosis and optimization of treatment strategy. The test may also be used for monitoring disease relapse. AroCell (AROC) is listed at Nasdaq First North and has about 2 700 shareholders. For more information, please see www.arocell.com.



Significant events during the reporting period

- Abstract on performance improvement on TK 210 ELISA accepted by ISOBM for an oral presentation by Kiran Jagarlamudi, Clinical Research Manager at AroCell. The presentation took place on 4 September 2016 in Chicago.
- Prostate cancer study initiated and Stockholm South General Hospital started to enroll patients.
- Sarcoma cancer study approved and initiated at Helsinki University Hospital and patient enrollment started.

Significant events after the reporting period

- Signed distribution agreement with Eagle Biosciences Inc. for the North American market to broaden our clinical development initiative and access clinical research teams in North America.
- Ann Hammarstrand appointed as new CFO at AroCell from 1 January 2017.

Comments from Jan Stålemark, CEO of AroCell

We continue to focus our resources on the clinical development plan for TK 210 ELISA and I am glad to report that we have initiated two exciting trials, South General Hospital on patients with prostate cancer and Helsinki University Hospital on patients with sarcoma cancer.

In order to broaden our clinical development initiative, we have now established a collaboration with Eagle Biosciences Inc. as our distributor to access clinical research teams in North America.

Upon announcement of the availability of our product for research purposes, we have received our first customer orders on TK 210 ELISA. These initial orders are strategically important as our product gets exposed to the global clinical research market and will validate our clinical applications.

As announced earlier the improvements of TK 210 ELISA with increased sensitivity in the low range were presented at ISOBM, The International Society of Oncology and Biomarkers, in Chicago on 4 September 2016. The improvement allows us to better discriminate between healthy individuals and those with an elevated level of the biomarker TK 1 in the blood sample.

I am pleased to welcome Ann Hammarstrand to AroCell as Chief Financial Officer. Her extensive financial background and global experience within the Life Science industry as CFO and Director of Finance will significantly augment not only our management team but also our business operations in the future. I want to thank Bengt Norvik sincerely for all his contributions to the company during his time with us and wish all the success in his future endeavors.

Jan Stålemark

CEO



Essential risks

Financial risks

AroCell's business activities are based on external financing. To date, the company has been successful in obtaining financing, but there are no guarantees of this happening in the future in a way that is advantageous to the company's shareholders. A sufficiently serious failure in future financing may affect the company's development and market value.

Development and production risks

Development and transfer to production are always associated with risks. A product manufactured at production scale does not always display exactly the same characteristics as one manufactured at research scale. Developing future products may also prove to be more complicated and take longer than expected.

Commercialization risks

There is always a risk that the products AroCell has developed will not achieve the expected positive reception on the market and that the product will need longer to gain acceptance. Particularly in the early stages, the quantity of products sold may then be lower and the time it takes to establish the product on the market may be longer than the company allowed for in its sales estimates.

In addition, there are risks associated with patent security and how the market assesses studies, approvals and certifications. Taking risk factors into consideration in decision processes and when designing routines and drawing up documentation means that the risks are assessed and their effects can be minimized and, to some extent, avoided.

Accounting principles

The interim report has been prepared in accordance with Årsredovisningslagen och Bokföringsnämndens allmänna råd, BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) and with the same accounting principles as in the company's annual report 2015.

The share

AroCell AB (publ) was listed on the AktieTorget marketplace on 25 May 2011. From 30 June 2016 AroCell is listed on Nasdaq First North. At 30 September 2016, there were 28,674,506 shares (quota value SEK 0.10).

Contact information

Jan Stålemark, CEO
info@arocell.com
+46 (0)706-92 62 06
www.arocell.com

AroCell AB (publ)
Virdings Allé 32B
SE-754 50 UPPSALA
SWEDEN

Financial calendar

2017-02-16	Year-End report 2016
2017-05-11	Interim report no. 1 2017
2017-05-18	Annual general meeting 2017
2017-08-24	Interim report no. 2 2017
2017-11-23	Interim report no. 3 2017
2018-02-22	Year-End report 2017

The interim report has not been reviewed by the company's auditor.

Submission of interim report

Uppsala, 17 November 2016

The Board of Directors

Summary Income statement

(TSEK)	2016 Jul-Sep 3 mths	2015 Jul-Sep 3 mths	2016 Jan-Sep 9 mths	2015 Jan-Sep 9 mths	2015 Jan-Dec full year
Net sales	46	0	46	0	460
Operating expenses	-2,635	-1,804	-6,668	-5,837	-7,938
Depreciation of tangible fixed assets	-1	-2	-5	-6	-7
Operating loss	-2,590	-1,806	-6,627	-5,843	-7,485
Financial income	0	0	0	0	20
Financial expenses	-1	-5	-10	-14	-14
Loss after financial items	-2,591	-1,811	-6,637	-5,857	-7,479
Income taxes	0	0	0	0	-
Loss for the period	-2,591	-1,811	-6,637	-5,857	-7,479

Summary balance sheet

(TSEK)	2016 Sep 30	2015 Sep 30	2015 Dec 31
ASSETS			
Fixed assets			
Intangible assets	29,206	21,182	21,810
Tangible assets	9	15	14
Total fixed assets	29,215	21,197	21,824
Current asset			
Inventories	1,419	1,439	1,419
Other receivables	312	285	1,378
Cash and cash equivalents	39,021	10,331	49,702
Total current assets	40,752	12,055	52,499
Total assets	69,967	33,252	74,323
EQUITY AND LIABILITIES			
Share capital	2,867	2,346	2,867
Other contributed capital and reserves	69,824	33,374	77,303
Non-restricted equity	-6,637	-5,857	-7,479
Total equity	66,054	29,863	72,691
Long-term liabilities	0	0	0
Current liabilities	3,913	3,389	1,632
Total equity and liabilities	69,967	33,252	74,323

Summary cash flow statement

(TSEK)	2016 Jul-Sep 3 mths	2015 Jul-Sep 3 mths	2016 Jan-Sep 9 mths	2015 Jan-Sep 9 mths	2015 Jan-Dec full year
Cash flow from operating activities	-784	-891	-3,285	-4,676	-9,127
Cash flow from investing activities	-2,376	-1,352	-7,396	-3,356	-3,984
Cash flow from financing activities	0	-50	0	-150	44,300
Cash flow from the period	-3,160	-2,293	-10,681	-8,182	31,189
Cash and cash equivalents at beginning of period	42,181	12,624	49,702	18,513	18,513
Cash and cash equivalents at end of period	39,021	10,331	39,021	10,331	49,702

Share data

	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Earnings per share (SEK)			
Before dilution	-0.23	-0.25	-0.32
After dilution	-0.23	-0.25	-0.32
Average number of shares			
Before dilution	28,674,506	23,460,960	28,674,506
After dilution	28,674,506	23,460,960	28,674,506
Number of shares on balance sheet date			
Before dilution	28,674,506	23,460,960	23,797,318
After dilution	28,674,506	23,460,960	23,797,318

Change in equity (TSEK)

	Share capital	Development expenditure reserve	Other contributed capital	Retained earnings incl. loss for the year	Total equity
Opening balance 2016-01-01	2,867	0	77,303	-7,479	72,691
Provisions		6,969	-6,969		0
Allocation in accordance with resolution at AGM			-7,479	7,479	0
Loss for the period				-6,637	-6,637
Closing balance 2016-09-30	2,867	6,969	62,855	-6,637	66,054