



AroCell AB (publ)

Reporting period 1 April – 30 June 2017

- Net sales were 237 (0) KSEK
- Losses after financial items were - 3,606 (- 1,962) KSEK
- Earnings per share were - 0.27 (- 0.17) SEK
- Cash flow from operating activities was - 3,163 (- 1,229) KSEK
- Cash flow from investing activities was - 318 (- 1,800) KSEK

Interim report, 1 January – 30 June 2017

- Net sales were 293 (0) KSEK
- Losses after financial items were - 7,831 (- 4,804) KSEK
- Earnings per share were - 0.27 (- 0.17) SEK

Revenues and expenses April – June 2017 (2016) KSEK

Sales for the period were 237 (0). Expenses were 3,771 (1,962). Taking into account capitalization of R&D, total expenses for the same period in 2016 amounted to 3,762. As the product has been fully developed and CE-marked, R&D expenses are no longer capitalized. According to plan marketing and sales expenses have increased which reflects our ambition to get TK 210 ELISA test to the market. Total cash flow for the period was -3,531 (-3,029). Cash at the end of the period was 24,423.

Revenues and expenses January – June 2017 (2016) KSEK

Sales for the period were 293 (0). Expenses were 8,052 (4,804). Taking into account capitalization of R&D, total expenses for the same period in 2016 amounted to 9,824. As the product has been fully developed and CE-marked, R&D expenses are no longer capitalized. According to plan marketing and sales expenses have increased which reflects our ambition to get TK 210 ELISA test to the market. Total cash flow for the period was -8,429 (-7,521). Cash at the end of the period was 24,423.

AroCell is obliged to make public this information pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through Jan Stålemark, at 08:15 CET on 24 August 2017.

About AroCell

AroCell AB (AROC) 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 rate of cell turnover. A tumor has high cell turnover (rate 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 strategies. The test may also be used for monitoring disease relapse. AroCell (AROC) is listed at Nasdaq First North and has about 2,500 shareholders. For more information, please see www.arocell.com. Redeye AB is AroCell:s Certified Adviser.

CEO Comments

As a result of our increased commercial activities we have begun to receive the first commercial orders from customers which is encouraging. The increase in the interest of our TK 210 ELISA test comes from pharmaceutical companies, IVD (in vitro diagnostic) companies as well as academic research groups. The key point of interest is that TK 210 ELISA is unique and the only CE marked IVD test for measuring TK 1 protein concentrations on the market. The AroCell team has been actively promoting TK 210 ELISA with potential customers in the US, Europe and Asia to identify future business opportunities. Recently a road tour has taken place in Japan and valuable contacts established.

The clinical validation remains a priority to ensure customer acceptance and long term growth. We have made good progress in the clinical development plan and we are excited about the first results which have been submitted for publication. The biomarker data specific to TK 210 ELISA from the Swedish Promix multicentre study has been submitted for presentation at a scientific meeting towards the end of this year. We will be able to share these results when they have been accepted for publication.

The second half of the year will be focused on further increasing customer interactions and identifying new opportunities for using TK 210 ELISA in clinical practice. There is also a focus on the R&D program to provide further data to support the clinical use of TK 210 ELISA.

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 not 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 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 time 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.

Currency risks

The company expenses are partially based in Euro, and this means that there is a risk that weakening of the Swedish krona against the Euro may lead to increased expenses for the company. A portion of the sales proceeds in future can be associated with currencies from other

countries, which means that there is a risk that if the Swedish krona becomes stronger to other currencies, this may lead to decreased profits for the company in SEK.

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.

The share

AroCell AB (publ) was listed on Nasdaq First North, Stockholm, June 30 2016 under AROC. On March 31, 2017 there were 28 674 506 shares (quota value SEK 0.10).

Accounting principles

This Interim Report has been prepared in accordance with the Swedish law: Årsredovisningslagen and Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och Koncernredovisning (K3).

Report review

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

Contact information

Jan Stålemark VD
jan.stalemark@arocell.com
0706-92 62 06
www.arocell.com

AroCell AB (publ)
Virdings allé 32B
754 83 UPPSALA
SVERIGE

Financial Calender

11/22/2017 Interim report 3 - 2017
02/22/2018 Interim report 4 - 2017
04/25/2018 Interim report 1 - 2018
08/23/2018 Interim report 2 - 2018

Submission of interim report

Uppsala August 23, 2017

The board of directors

Summary Income statement

(TSEK)

	2017	2016	2017	2016	2016
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	3 mths	3 mths	6 mths	6 mths	full year
Net sales	237	-	293	-	59
Cost of goods sold	-72	-	-72	-	-
Selling expenses	-1,494	-968	-3,682	-2,394	-5,020
Administrative expenses	-807	-625	-1,688	-1,343	-2,193
Research and development expenses	-1,470	-369	-2,682	-1,067	-2,075
Operating loss	-3,606	-1,962	-7,831	-4,804	-9,229
Net financial items					-6
Loss after financial items	-3,606	-1,962	-7,831	-4,804	-9,235
Loss for the period	-3,606	-1,962	-7,831	-4,804	-9,235

Summary balance sheet

(TSEK)

	2017	2016	2016
	Jun 30	Jun 30	Dec 31
ASSETS			
Fixed assets			
Intangible assets	31,328	26,830	31,328
Tangible assets	475	11	170
Financial assets	50	-	-
Total fixed assets	31,853	26,841	31,498
Current asset			
Inventories	2,243	1,419	1,419
Other receivables	663	682	652
Cash and cash equivalents	24,423	42,181	32,852
Total current assets	27,329	44,282	34,923
Total assets	59,182	71,123	66,421
EQUITY AND LIABILITIES			
Share capital	2,867	2,867	2,867
Restricted reserves	9,518	-	9,518
Other contributed capital and reserves	102,615	69,824	102,615
Non-restricted equity	-59,376	-4,804	-51,544
Total equity	55,624	67,887	63,456
Current liabilities	3,558	3,236	2,965
Total equity and liabilities	59,182	71,123	66,421

Summary cash flow statement

(TSEK)

	2017	2016	2017	2016	2016
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	3 mths	3 mths	6 mths	6 mths	full year
Cash flow from operating activities	-3,163	-1,229	-8,061	-2,501	-7,168
Cash flow from investing activities	-318	-1,800	-318	-5,020	-9,682
Cash flow from financing activities	-50	0	-50	0	0
Cash flow from the period	-3,531	-3,029	-8,429	-7,521	-16,850
Cash and cash equivalents at beginning of period	27,954	45,210	32,852	49,702	49,702
Cash and cash equivalents at end of period	24,423	42,181	24,423	42,181	32,852

Share data

	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Earnings per share (SEK)			
Before dilution	-0.27	-0.17	0.32
After dilution	-0.27	-0.17	0.32
Average number of shares	28 674 506	28 674 506	28 674 506