



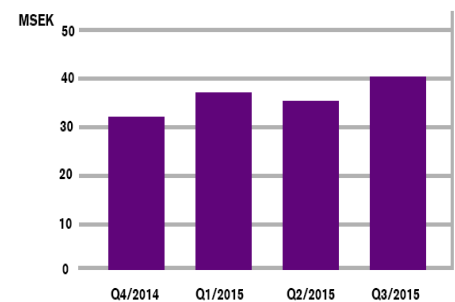
January – September  
2015 report

# January – September 2015 report

## July – September 2015

- Deployed license base
  - The VAS (value added services) enabled license base grew by 11% in the third quarter, adding some 195 thousand licenses to an accumulated base of 1.9 million
  - The total license base grew by 7% in the third quarter, adding some 195 thousand licenses to the accumulated base of 3.2 million
- Net sales and other operating income in the third quarter increased 56% year-on-year to SEK 39.6 million (SEK 25.3 million)
- EBITDA in the quarter were SEK -11.4 million (SEK -13.5 million), which is an improvement compared to the EBITDA of SEK -27.4 million reported in the second quarter 2015.
  - EBITDA in September were SEK 2 million
- Net result in the quarter was SEK -22.5 million (SEK -19.7 million)
- August 28, 2015, Zenterio released the latest version of its independent operating system, Zenterio OS 15.2 in conjunction with its participation at IBC.

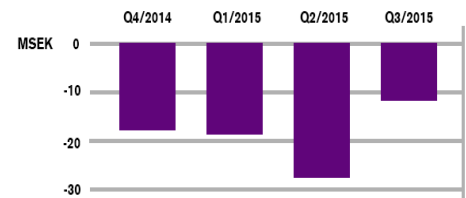
Net sales and other operating income



## January – September 2015

- Deployed license base
  - The VAS (value added services) enabled license base grew by 31% during the first 9 months, adding some 454 thousand licenses to an accumulated base of 1.9 million
  - The total license base grew by 17% during the first 9 months, adding some 458 thousand licenses to the accumulated base of 3.2 million
- Net sales and other operating income during the first 9 months increased 120% year on-year to SEK 112.9 million (SEK 51.3 million)
- EBITDA during the first 9 months were SEK -58.0 million (SEK -60.4 million)
- Net result during the first 9 months was SEK -86.3 million (SEK -79.7 million)

EBITDA



# CEO Comments

We are now really getting into exciting times for Zenterio. The third quarter has been about operational excellence and setting key priorities for Zenterio. During the first half of 2015 we reviewed the way we work, what we focus on and how we approach our customers in order to improve in all areas. During the third quarter we have been executing according to this long-term operational growth plan and the organization is now structured to be nimble, agile and resourceful, and at the same time capable of scaling quickly when needed.

I am extremely excited that the changes we have made are already becoming visible in our key performance indicators. Throughout the third quarter our performance moved in the right direction. The last month of the quarter was also the first month in years where Zenterio had a positive EBITDA. This is a very important milestone for the company and shows the significant improvements that we have made. We will continue to build on this success and keep the momentum going into the fourth quarter and beyond. We expect to see a similar seasonal pattern in our annual sales 2015 as we saw last year.

As I indicated in my CEO Comments in the second quarter 2015 report, Zenterio started an engagement with a major new customer during the first half of 2015, but for various reasons we are not yet allowed to disclose the customer name. Having won this strategically important contract with a European tier-1 operator is something that I am extremely proud of and it

shows that Zenterio's value proposition is relevant for both developing and more mature markets. This engagement will in itself contribute significantly to our ability to plan and forecast our business, which will help improve business maturity in general. In addition, it is a lighthouse account that will serve as a very strong reference and will allow us to continue winning volumes in the Mediaroom market and fuel further growth.

The TV industry is changing fast with new dynamics for vendors, operators and customers alike. This environment is creating both opportunities and challenges and we strongly believe Zenterio's approach; to make operators independent, to reduce cost by extending the lifespan of existing hardware, to enable improved insight of customers usage and to bring new exciting revenue opportunities will position Zenterio as a unique partner for the pay TV operators.

On the Value Added Services (VAS) side, the strategic partnership with AdScribe is well underway. One concrete milestone was announced at IBC in Amsterdam in September where we communicated that the Zenterio OS 15.2 is now supporting one-way advertising. Also, display and interactive advertising campaigns can now be created and managed using the AdScribe Advertising Management System and be delivered via a data carousel. This enables TV operators using one-way, broadcast-only set-top boxes without an IP return channel to create new revenue streams through advertising.

All in all, we will strive to offer harmonization, de-coupling and independence, as well as opportunities to monetize the customer data that the operators have unique access to.

Finally I want to thank all the employees at Zenterio and at our subsidiaries, as well as at our key partners, for their passion and their contribution to this quarter's result and to our continuous improvement.

Jörgen Nilsson

CEO

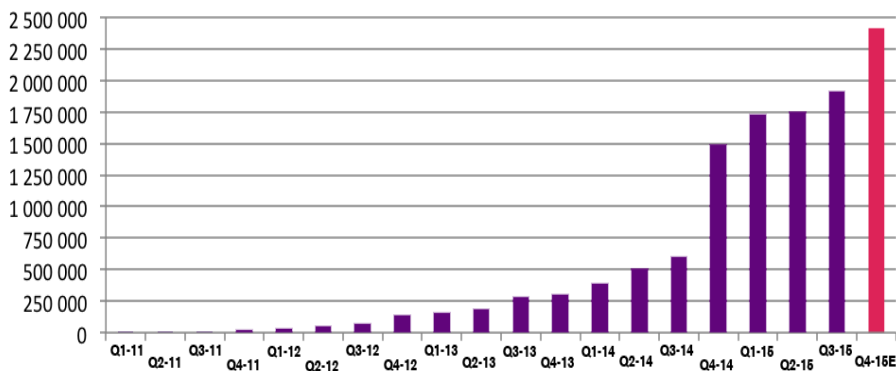
# Third quarter 2015 comments

## Value added services enabled installed license base

By the end of September 2015, the total license base reached 3.2 million, which is an increase of 1.4 million compared to the end of the third quarter 2014. Zenterio's value added services enabled license base increased to 1.9 million by the end of the third quarter 2015, showing a growth of 220% year-on-year. During the third quarter 2015 the increase in Zenterio's value added services enabled installed license base was primarily due to licenses sold for new set-top boxes, there were no license volumes from swap-out projects in the third quarter

2015. Zenterio expects its installed base of value added service enabled licenses to reach some 2.4 million by the end of 2015, representing a growth of about 500k licenses in the fourth quarter 2015. The volume estimate for the fourth quarter does not include any major volumes from the previously mentioned European tier-1 operator as these swap-out volumes are expected to be carried out during 2016 and 2017 and hence, serve as a firm volume base for future license growth.

Value added service enabled installed license base



Zenterio intends to start to offer advertising solutions, applications, and services – such as Netflix, HBO Go, and YouTube – to operators that run Zenterio OS. The revenue model from such reseller agreements will be recurring and documented as average service revenue per user (ARPU) in Zenterio's reporting and is transforming the company revenue dynamics overall.

Given the current growth projections of the value added services enabled installed license base, Zenterio expects that it will begin to offer these services at the end of 2015.

# Business review

## Q3 2015

In September 2015 Zenterio and RiksTV, one of Norway's largest pay TV distributors, rolled out the Smartbox II, a new hybrid set-top box with Zenterio OS. The successful partnership has resulted in a set-top box that includes better viewer experience through quicker response times, integrated WiFi that supports OTT services and a more responsive remote control.

In September 2015 Zenterio also released the latest version of its independent operating system, Zenterio OS 15.2 in conjunction

with its participation at IBC. Zenterio OS 15.2 comes with a number of new features and improvements that will help operators to deploy interactive TV services both faster and cheaper.

## Q1 - Q3 2015

In February 2015, Zenterio announced the acquisition of the assets and liabilities of the US-based VTilt Digital – now Zenterio Inc. – a software company specialized in digital video technology. With Zenterio Inc. the company has established a presence in Atlanta, which is a TV industry stronghold, a business-critical center for global digital TV trends, and an important springboard for expanding into Latin American markets. The acquisition also adds delivery capacity as well as important knowledge and experience to Zenterio.

In addition, Zenterio announced in March that the company has signed a wide-ranging partnership agreement with the UK-based digital agency AdScribe. Within the partnership deal, Zenterio also becomes a strategic investor in AdScribe. AdScribe is a cutting-edge agency working with brands and content owners to exploit opportunities on digital distribution platforms. The agreement adds important knowledge and experience that is linked to Zenterio's value added services offering.

Zenterio has also continued the development of its operating system by implementing new features and technologies. In February, Zenterio entered into a strategic

partnership with content discovery service provider XroadMedia. With XroadMedia's software, both companies can offer an attractive combined search and recommendation package to TV operators. In addition, Zenterio announced that the company has decided to support HbbTV, an open platform for broadcasters to deliver on-demand services to the end-consumer, such as catch-up services, interactive advertising, video-on-demand and apps. By supporting HbbTV, Zenterio will be able to offer a strengthened proposition for broadcasters and hybrid operators that want to launch interactive services based on standard technologies such as HbbTV.

In April 2015 Zenterio signed its largest contract yet with German TV operator Deutsche Telekom. This new contract implies that Zenterio OS will be rolled out in all of Deutsche Telekom's European markets i.e. in Slovakia, Hungary, Romania, Croatia, Montenegro, Macedonia and Greece. The project is currently in the planning phase and the implementation of our operating system will be commenced during 2016 and 2017.

Furthermore, in continuing our focus on a partner driven business model, Zenterio signed a new partnership agreement with

European Cloud TV solutions provider Stream Group. A partnership that has already brought in its first business with the implementation of Zenterio OS for the M7 Group in the Netherlands.

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# Financial highlights

## July – September 2015

SEK million	Q3/2015	Q3/2014	Change
Net sales and other operating income	39.6	25.3	56%
Total costs	-65.5	-52.2	
EBITDA	-11.4	-13.5	
Net result	-22.5	-19.7	

Sales amounted to SEK 39.6 million in the third quarter 2015, representing a year-on-year growth of 56%. Sales for the core business, adjusted for comparable units (i.e. excluding hardware sales and acquisitions) increased by 76% year-on-year. There were no hardware related sales in the quarter, whereas license and integration revenue continued to grow and were SEK 37.8 million in the quarter versus SEK 15.5 million in the third quarter 2014.

In the third quarter 2015, total costs rose to SEK 65.5 million compared to SEK 52.2 million in the third quarter 2014. The total costs during the quarter were split between cost of goods sold of SEK 3.4 million (SEK 6.9 million), operating expenditures of SEK 53.6 million (SEK 39.6 million) and depreciation and amortization of SEK 8.4 million (SEK 5.6 million). Acquired companies added operating expenditures of SEK 11.4 million during the third quarter 2015 (SEK 2.0 million in the third quarter 2014).

EBITDA in the third quarter 2015 amounted to SEK -11.4 million compared to SEK -13.5 million in the third quarter 2014. The lower year-on-year EBITDA loss is mainly due to a few strategic customer engagements that Zenterio has worked on during the quarter. Furthermore, in the last month of the quarter, Zenterio showed a positive EBITDA.

## January – September 2015

SEK million	Q1-Q3/2015	Q1-Q3/2014	Change
Net sales and other operating income	112.9	51.3	120%
Total costs	-218.1	-150.4	
EBITDA	-58.0	-60.4	
Net result	-86.3	-79.7	

Sales amounted to SEK 112.9 million during the first 9 months of 2015, representing a year-on-year growth of 120%. Sales for the core business, adjusted for comparable units (i.e. excluding hardware sales and acquisitions) increased by 83% year-on-year. There were no hardware related sales during the first 9 months, whereas license and integration revenue continued to grow and were SEK 104.3 million during the first 9 months versus SEK 33.7 million during the first 9 months of 2014.

During the first 9 months of 2015, total

costs rose to SEK 218.1 million compared to SEK 150.4 million during the first 9 months of 2014. The total costs during the first 9 months were split between cost of goods sold of SEK 5.9 million (SEK 13.7 million), operating expenditures of SEK 187.6 million (SEK 121.3 million) and depreciation and amortization of SEK 24.5 million (SEK 15.4 million). Acquired companies added operating expenditures of SEK 42.1 million during the first 9 months of 2015 (SEK 2.0 million during the first 9 months of 2014).

EBITDA during the first 9 months of 2015 amounted to SEK -58.0 million compared to SEK -60.4 million during the first 9 months of 2014. Zenterio continues to execute its chosen strategy, which is visible during the first 9 months' operative result as the company takes investments in building long-term new customer and partner relationships.

## Shares

The total number of Zenterio shares on September 30, 2015, equaled 50 754 297.

## Personnel

Personnel	Q3/2014	Q4/2014	Q1/2015	Q2/2015	Q3/2015
Average number of employees	119	160	205	215	210

The average number of employees decreased during the quarter by five employees, much related to the reorganization of resources as the company

implemented the operational excellence program that was initiated by the newly appointed CEO Jörgen Nilsson.

## Financial position

On September 30, 2015, cash and cash equivalents amounted to SEK 28.3 million compared to SEK 47.0 million on December 31, 2014. During the third quarter 2015 Zenterio raised debt to the amount of SEK 20 million, primarily to finance working capital needs during the ongoing transition period. Zenterio also had unused overdraft facilities of approximately SEK 12 million at September 30, 2015.

As a consequence of the decided postponement of the IPO, the Board of Directors is currently evaluating alternatives to strengthen the balance sheet prior to an IPO. A decision is expected before year-end 2015. Zenterio is continuously subject to interest from strategic partners, discussions which are all managed in the best interest of shareholders.

Financial position SEK million	Sept 2015	Dec 2014
Gross cash	28.3	47.0
- interesting bearing liabilities	88.7	12.2
Net cash	-60.3	34.8
Equity	117.8	203.9
Total assets	275.3	270.8

# Zenterio's business model and its market

## Zenterio's market

The TV market is growing. The global number of pay TV subscribers in the world reached over 900 million in 2014 and is expected to reach 1.1 billion in 2020 (ABI Research). These customers generated pay TV revenues of US\$ 257 billion in 2014, and this figure is expected to grow to US\$ 313 billion by 2020 (ABI Research). The number of set-top boxes shipped in 2014 reached 300 million (IHS). The number of set-top boxes shipped are expected to fluctuate over the coming years but is estimated to land at 277 million in 2019. The fastest growing segment of set-top boxes is connected pay TV set-top boxes, which is expected to grow from 109 million shipped boxes in 2014 to 175 million in 2019. Connected pay TV boxes are set-top boxes that are connected to an IP network and they are a key focus area for Zenterio.

Aside from the projected continued growth for the traditional TV market, other viewing sources are expected to compete for market share and gain traction. New players, such as OTT and Internet TV, challenge the pay TV operators' strong market position. So there is an urgent need to ramp up innovation and deploy new and more advanced services and to offer the best of Live TV and Internet TV in one simple solution.

However, the market for operating systems for set-top boxes and TV sets is highly fragmented. This means that hundreds of different operating systems flood the TV market (unlike the PC and mobile-device markets that after their consolidation uses only a few). The lack of a single standard inhibits rapid application and product development for the TV market.

The fragmented software environment has been one of the operators' main challenges in terms of developing and launching new TV services faster and cheaper as each operating system require a separate integration. With Zenterio OS, TV operators and set-top box suppliers get a standardized software

platform that allows for easier and faster development of interactive TV services and applications and which is compatible with all existing hardware.

By offering these possibilities to operators, Zenterio's solution is well positioned to become a global software standard for interactive-TV service deliveries.

Zenterio's independent OS enables TV operators to launch new services and content (e.g., video-on-demand and interactive advertising) at a lower cost and to do so on an independent platform that improves time-to-market. By reducing development and deployment complexity, Zenterio's independent solution enables operators to offer their customers a richer TV experience in which TVs, tablets, smartphones and other devices are all integrated. This capability offers Zenterio's customers a unique advantage and full control over their customer data.

Zenterio's potential market will continue to grow as the TV and Internet continue to merge and as interactive TV continues to grow over the next few years.

### Zenterio's business model

Zenterio sells licenses to system integrators, set-top box providers, and pay TV operators. With Zenterio's software, operators can offer new and more advanced services to their customers both quicker and at a lower cost. Zenterio OS allows operators to harmonize their operating environment with a standardized software platform, which simplifies operations, maintenance and administration significantly. With Zenterio's independent solution, operators can offer the interactive TV services that consumers demand – and a flexible software platform on which operators and third parties, through Zenterio's open API layer, can develop the next generation of services.

The pace at which Zenterio deploys its OS depends on the number of pay TV operators that select the company's software. To reach as many operators as possible, Zenterio has chosen a unique, partner based distribution model. Zenterio's partners include three out of five of the world's largest system integrators – Ericsson, Huawei, and Viaccess-Orca; as well as the world's leading hardware manufacturer – Pace.

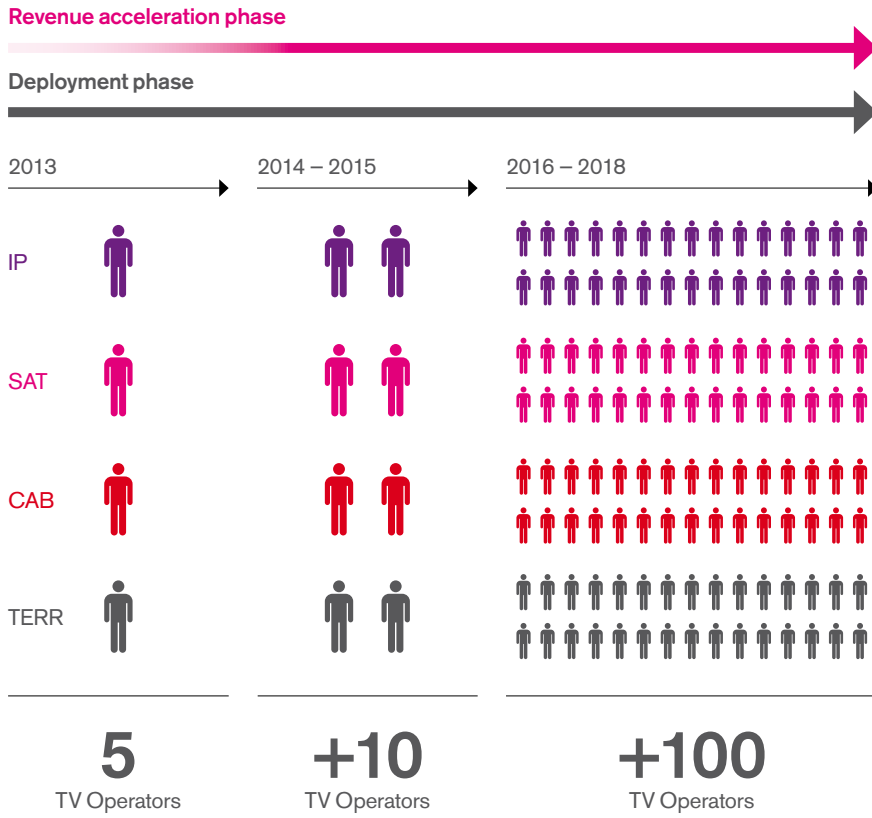
Being selected to become a global partner validates Zenterio's strength as well as the technical capability and scaling capacity of Zenterio OS. Because of the complex and often very specific product requirements combined with the high costs involved in launching new projects, each partner often only selects one or a very limited number of global partners for supplying client software. These dynamics result in long-term partnerships with strong product commitment to Zenterio OS – once it's been selected and integrated.

Partners normally offer Zenterio OS as part of their complete offering to pay TV operators. The driving forces behind Zenterio's business include the number of installed licenses for the Zenterio OS, integration, consulting as well as maintenance and support (including upgrades), and adding to this is revenue generated from value added services.

Once critical mass is reached in its installed license base, which generates license and maintenance fees for Zenterio, the company will start reselling a package of attractive services from leading application companies, resulting in recurring monthly income for Zenterio. Zenterio expects to reach a critical mass with its installed license base in 2015; at which point it will be launching its first package of value added services, including an advertising solution integrated into the pay TV operators' user interface.



# Zenterio's business model



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# Financial statements

# Consolidated statement of profit or loss

## Consolidated statement of profit or loss

Amounts in KSEK	July-Sept 2015	July-Sept 2014	Jan-Sept 2015	Jan-Sept 2014
Net sales	38,618	25,062	109,506	50,432
Capitalized research & development	6,000	7,720	22,669	23,250
Other operating income	993	269	3,382	883
<b>Total revenue</b>	<b>45,611</b>	<b>33,052</b>	<b>135,557</b>	<b>74,565</b>
Cost of good sold	-3,420	-6,913	-5,919	-13,702
Personnel expenses	-34,461	-18,530	-120,229	-57,680
Other external expenses	-18,750	-20,805	-65,269	-62,837
Depreciation, amortization and impairment of assets	-8,441	-5,610	-24,515	-15,351
Other operating expenses	-396	-314	-2,148	-793
<b>Total expenses</b>	<b>-65,467</b>	<b>-52,173</b>	<b>-218,080</b>	<b>-150,363</b>
<b>Operating profit (loss)</b>	<b>-19,856</b>	<b>-19,121</b>	<b>-82,523</b>	<b>-75,798</b>
Finance income	707	-255	1,594	-235
Finance costs	-3,620	-356	-6,103	-3,735
<b>Net finance income (costs)</b>	<b>-2,913</b>	<b>-611</b>	<b>-4,509</b>	<b>-3,970</b>
<b>Profit (loss) before tax</b>	<b>-22,769</b>	<b>-19,732</b>	<b>-87,031</b>	<b>-79,768</b>
Income tax expense	253	30	759	30
<b>Profit (loss) for the period</b>	<b>-22,516</b>	<b>-19,701</b>	<b>-86,272</b>	<b>-79,738</b>
<b>Earnings per share, basic and diluted</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>

## Consolidated statement of comprehensive income

Amounts in KSEK	July-Sept 2015	July-Sept 2014	Jan-Sept 2015	Jan-Sept 2014
<b>Profit (loss) for the year</b>	<b>-22,516</b>	<b>-19,701</b>	<b>-86,272</b>	<b>-79,738</b>
<b>Other Comprehensive Income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences	-39	0	-166	0
Other Comprehensive Income for the period	-39	0	-166	0
<b>Total Comprehensive Income for the period</b>	<b>-22,555</b>	<b>-19,701</b>	<b>-86,439</b>	<b>-79,738</b>

Total Comprehensive Income (loss) is attributable entirely to owners of the parent company.

# Consolidated statement of financial position

Amounts in KSEK	30 Sept 2015	31 Dec 2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Goodwill	82,988	71,001
Capitalized development costs	78,477	76,165
Other intangible assets	18,875	22,325
<b>Total intangible assets</b>	<b>180,340</b>	<b>169,491</b>
<b>Tangible assets</b>		
Property, plant and equipment	2,767	3,382
<b>Total tangible assets</b>	<b>2,767</b>	<b>3,382</b>
<b>Financial assets</b>		
Other non-current receivables	755	760
Shares in associated companies	3,172	0
<b>Total financial assets</b>	<b>3,928</b>	<b>760</b>
<b>Total non-current assets</b>	<b>187,035</b>	<b>173,633</b>
<b>Current assets</b>		
<b>Inventory, etc.</b>		
Advance payments to suppliers	0	28
<b>Total Inventory</b>	<b>0</b>	<b>28</b>
<b>Current receivables</b>		
Trade receivables	45,152	36,660
Current tax assets	4,896	2,360
Other receivables	2,442	4,220
Prepaid expenses and accrued income	7,443	6,880
<b>Total current receivables</b>	<b>59,933</b>	<b>50,121</b>
<b>Cash and cash equivalents</b>	<b>28,330</b>	<b>47,041</b>
<b>Total current assets</b>	<b>88,263</b>	<b>97,191</b>
<b>TOTAL ASSETS</b>	<b>275,298</b>	<b>270,824</b>

## Consolidated statement of financial position, cont.

Amounts in KSEK	30 Sept 2015	31 Dec 2014
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,692	1,678
Other capital contributions	562,147	561,963
Accumulated earnings (loss), incl earnings (loss) for the period	-446,043	-359,770
<b>Total equity</b>	<b>117,796</b>	<b>203,871</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Liabilities to credit institutions	16,415	5,921
Other non-current liabilities	26,459	0
Deferred tax liabilities	5,518	6,277
<b>Total non-current liabilities</b>	<b>48,391</b>	<b>12,197</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	33,094	6,300
Derivative instruments	9,236	0
Trade payables	11,975	15,121
Current tax liabilities	0	10
Other liabilities	14,433	8,089
Accrued expenses and prepaid income	40,373	25,236
<b>Total current liabilities</b>	<b>109,111</b>	<b>54,756</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>275,298</b>	<b>270,824</b>
<b>Pledged assets</b>	<b>49,500</b>	<b>52,969</b>

# Consolidated statements of changes in equity

Amounts in KSEK	Share capital	Other capital contributions	Reserves	Retained earnings (loss)	Total Equity
<b>Balance at 1 January 2014</b>	<b>1,226</b>	<b>299,636</b>	<b>160</b>	<b>-254,328</b>	<b>46,694</b>
Profit (loss) for the year	0	0	0	-105,442	-105,442
Other Comprehensive Income for the year	0	0	-76	0	-76
<b>Total Comprehensive Income</b>	<b>1,226</b>	<b>299,636</b>	<b>84</b>	<b>-359,770</b>	<b>-58,824</b>
Payments of issued shares	355	195,048	0	0	195,403
Warrants	0	828	0	0	828
Issue of ordinary shares related to business combination	96	66,367	0	0	66,464
<b>Total transactions with owners, recognized directly in equity</b>	<b>452</b>	<b>262,244</b>	<b>0</b>	<b>0</b>	<b>262,695</b>
<b>Balance at 31 December 2014</b>	<b>1,678</b>	<b>561,879</b>	<b>84</b>	<b>-359,770</b>	<b>203,871</b>
<b>Balance at 1 January 2015</b>	<b>1,678</b>	<b>561,879</b>	<b>84</b>	<b>-359,770</b>	<b>203,871</b>
Profit (loss) for the period	0	0	0	-86,272	-86,272
Other Comprehensive Income for the year	0	0	-166	0	-166
Registration of issued shares	14	-14	0	0	0
Warrants	0	1,005	0	0	1,005
Equity related transaction cost	0	-641	0	0	-641
<b>Balance at 30 September 2015</b>	<b>1,692</b>	<b>562,229</b>	<b>-82</b>	<b>-446,043</b>	<b>117,796</b>

# Consolidated statements of cash flows

Amounts in KSEK	July-Sept 2015	July-Sept 2014	Jan-Sept 2015	Jan-Sept 2014
<b>Cash flows from operating activities</b>				
Operating profit (loss)	-19,856	-19,121	-82,523	-75,798
Adjustments for items not affecting cash flow	8,441	5,610	24,515	15,351
Interest received	593	-22	1,368	-458
Interest paid	-3,379	-325	-6,279	-3,259
Income tax paid	0	-197	0	-789
<b>Cash flows from operating activities before changes in working capital</b>	<b>-14,201</b>	<b>-14,055</b>	<b>-62,919</b>	<b>-64,954</b>
<b>Change in working capital</b>	<b>408</b>	<b>1,100</b>	<b>2,019</b>	<b>5,842</b>
<b>Net cash from (used in) operating activities</b>	<b>-13,793</b>	<b>-12,955</b>	<b>-60,900</b>	<b>-59,112</b>
Acquisition of subsidiary, net of cash acquired	0	0	-2,773	0
Acquisition of tangible assets	-18	-362	-93	-752
Acquisition of intangible assets	-6,000	-7,720	-22,669	-23,250
<b>Net cash from (used in) investment activities</b>	<b>-6,018</b>	<b>-8,082</b>	<b>-25,535</b>	<b>-24,002</b>
<b>Cash flows from financing activities</b>				
Change in factoring	-4	0	-3,386	-6
Proceeds from issue of share capital	0	326	0	108,025
Proceeds from issue of convertible notes	3,800	0	31,500	0
Short-term borrowings	18,200	0	18,200	0
Long-term borrowings	14,244	-645	21,411	9,785
<b>Net cash from (used in) financing activities</b>	<b>36,240</b>	<b>-319</b>	<b>67,724</b>	<b>117,804</b>
<b>Decrease/increase in cash and cash equivalents</b>	<b>16,429</b>	<b>-21,356</b>	<b>18,711</b>	<b>34,690</b>
Cash and cash equivalents at the beginning of the period	11,901	57,860	47,041	1,814
Translation differences in cash and cash equivalents	0	0	0	0
<b>Cash and cash equivalents at the end of the period</b>	<b>28,330</b>	<b>36,504</b>	<b>28,330</b>	<b>36,504</b>

# Parent company income statement

Amounts in KSEK	July-Sept 2015	July-Sept 2014	Jan-Sept 2015	Jan-Sept 2014
Net sales	26,635	22,586	65,302	46,876
Capitalized research & development	6,000	7,656	22,476	23,186
Other operating revenue	904	663	3,767	1,256
<b>Total operating income</b>	<b>33,539</b>	<b>30,905</b>	<b>91,545</b>	<b>71,318</b>
<b>Operating expenses</b>				
Cost of goods sold	-3,414	-6,658	-5,919	-13,702
Personnel expenses	-20,092	-14,704	-71,040	-52,666
Other external expenses	-22,944	-21,461	-75,526	-61,534
Depreciation, amortization and impairments of assets	-7,067	-5,411	-20,529	-15,115
Other operating expenses	-411	-616	-2,778	-1,075
<b>Total operating expenses</b>	<b>-53,928</b>	<b>-48,850</b>	<b>-175,792</b>	<b>-144,092</b>
<b>Operating profit/loss</b>	<b>-20,389</b>	<b>-17,945</b>	<b>-84,248</b>	<b>-72,774</b>
Interest income and similar income items	81	-10	81	0
Interest expenses and similar loss items	-2,978	-272	-3,903	-3,638
<b>Net finance income (costs)</b>	<b>-2,897</b>	<b>-282</b>	<b>-3,822</b>	<b>-3,639</b>
<b>Profit (loss) after net finance income (costs)</b>	<b>-23,286</b>	<b>-18,227</b>	<b>-88,069</b>	<b>-76,413</b>
Tax on profit (loss) for the period	0	0	0	0
<b>Profit (loss) for the period</b>	<b>-23,286</b>	<b>-18,227</b>	<b>-88,069</b>	<b>-76,413</b>

There are no items for the parent company recognized in Other Comprehensive Income; Total Comprehensive Income therefore corresponds to profit (loss) for the period.



# Parent company balance sheet

Amounts in KSEK	30 Sept 2015	31 Dec 2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Capitalized development costs	76,092	73,589
<b>Total intangible assets</b>	<b>76,092</b>	<b>73,589</b>
<b>Tangible assets</b>		
Property, plant and equipment	2,195	2,701
<b>Total tangible assets</b>	<b>2,195</b>	<b>2,701</b>
<b>Financial assets</b>		
Investments in group companies	100,354	88,254
Shares in associated companies	3,172	0
Other non-current receivables	605	597
<b>Total financial assets</b>	<b>104,132</b>	<b>88,851</b>
<b>Total non-current assets</b>	<b>182,419</b>	<b>165,141</b>
<b>Current assets</b>		
<b>Inventory, etc</b>		
Advance payments to suppliers	0	28
<b>Total Inventory</b>	<b>0</b>	<b>28</b>
<b>Current receivables</b>		
Trade receivables	33,350	29,627
Other receivables	4,354	4,515
Receivables from group companies	17,626	8,296
Prepaid expenses and accrued income	7,129	6,509
<b>Total current liabilities</b>	<b>62,460</b>	<b>48,946</b>
<b>Cash and bank balances</b>	<b>17,076</b>	<b>34,726</b>
<b>Total current assets</b>	<b>79,535</b>	<b>83,700</b>
<b>TOTAL ASSETS</b>	<b>261,955</b>	<b>248,841</b>

## Parent company balance sheet, cont.

Amounts in KSEK	30 Sept 2015	31 Dec 2014
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	1,692	1,678
Non-restricted equity	5,040	5,040
<b>Total restricted equity</b>	<b>6,732</b>	<b>6,718</b>
<b>Non-restricted equity</b>		
Share premium reserve	544,244	544,899
Retained earnings	-365,131	-258,999
Profit (loss) for the year	-88,069	-106,131
<b>Total non-restricted equity</b>	<b>91,044</b>	<b>179,768</b>
<b>Total equity</b>	<b>97,776</b>	<b>186,486</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Liabilities to credit institutions	18,161	7,054
Other non-current liabilities	35,695	0
<b>Total non-current liabilities</b>	<b>53,856</b>	<b>7,054</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	33,094	6,300
Trade payables	9,343	12,084
Liabilities to group companies	24,632	18,077
Other liabilities	10,571	2,635
Prepaid expenses and deferred income	32,683	16,204
<b>Total current liabilities</b>	<b>110,323</b>	<b>55,302</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>261,955</b>	<b>248,841</b>
<b>Pledged assets</b>	<b>43,000</b>	<b>46,469</b>

## Risk factors

Zenterio's risk factors are described on pages 35-37 in Zenterio's January-December 2014 report. Apart from the general concern about the economy and the political unrest in some countries, the assessment is that no new significant risks or uncertainties have arisen. The report is available on [zenterio.com/investor-relations](http://zenterio.com/investor-relations).

## Accounting policies

This financial report is prepared by Zenterio AB in compliance with IFRSs (International Financial Reporting Standards). The consolidated financial statements for the Zenterio AB group have been prepared in compliance with IFRSs, IFRIC Interpretations as adopted by the EU, the Swedish Financial Reporting Board's Recommendation RFR 1

Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act.

Zenterio's accounting policies are described on pages 20-34 in Zenterio's January-December 2014 report.

Linköping 2015-10-30

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Zenterio AB  
Jörgen Nilsson, Chief Executive Officer



## **Report of Review of Interim Financial Information**

### **Introduction**

We have reviewed this report for the period January 1, 2015 to September 30, 2015 for Zenterio AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. 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. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

**Stockholm, October 30, 2015**

**Öhrlings PricewaterhouseCoopers AB**

**Lars Wennberg**

**Authorised Public Accountant**