

FIT Biotech Oy

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FIT BIOTECH OY HALF-YEARLY FINANCIAL REPORT JANUARY 1 - JUNE 30, 2017

(unaudited)

Major research milestone reached in applying GENE delivery vector gtGTU

Company highlights January-June 2017

- FIT Biotech Oy met a major research milestone in utilizing its novel gene therapy vector gtGTU for producing a therapeutic anticancer antibody in the body.
- Patent application for the gtGTU was filed.
- Preparations for manufacturing HIV-vaccine for the EU Horizon 2020 EHVA project have been completed and manufacturing of GMP grade clinical trial materials has been initiated.
- FIT Biotech explores possibilities to apply for secondary listing for its shares in the First North Sweden market.
- Sitra and Bracknor amended its financing agreements from convertible loans to convertible capital loans in March.
- FIT Biotech raised 1,000 thousand euros from the Bracknor financing.
- Cash flow from operations was -1,400 (-1,300) thousand euros.
- Equity including additions according to the Companies Act was 260 (1,024) thousand euro.

Post period end highlights

- FIT Biotech received in July EHVA financing of 645 thousand euro as part of a contractual agreement to produce clinical trial material for the upcoming Phase 2 clinical study.
- FIT Biotech raised Bracknor financing Tranches 8-9, amounting to 500 thousand euros in July-September.
- The Board elected Board member Mr Erkki Pekkarinen to the Vice Chairman of the Board in August.

Outlook for 2017

The Company continues to work on developing novel therapeutic applications using its proprietary technology, and expects to have initiated new projects in the near future. Further business activities include partner and licensee prospecting for our GTU and gtGTU technologies. The Company's flagship HIV-vaccine will be tested for a functional HIV-cure by the EU Horizon 2020 EHVA Consortium. This phase II clinical trial is planned to start in late 2017.

The Board and the Management of the Company believe that the financing of the Company is secured for the next twelve months.

The Company does not anticipate generating any turnover in 2017.

Key financial figures for January-June 2017

Key financial figures			
1000 EUR	1-6/ 2017	1-6/ 2016	1-12/ 2016
Net sales	0	10	10
Grants	351	0	191
Personnel expenses	693	507	992
Depreciations, amortisations and impairments	81	78	159
Other operating expenses	659	700	1,704
Operating profit/loss	-1,321	-1,475	-3,030
Profit/loss for the period	-1,379	-1,475	-3,651
Cash flow from operations	-1,400	-1,300	-2,487
Cash in hand and in bank	18	521	486
Equity	-12,614	-10,750	-12,404
Equity including additions according to Companies Act	260	1,024	-630
Balance sheet total	1,237	1,358	1,428
Equity ratio, %	negat.	negat.	negat.
Return on investment (ROI), %	negat.	negat.	negat.
Earnings per share	-0,03	-0,05	-0,12
Number of shares in the end of the period (pcs)	64,460,629	27,670,281	43,022,718
Average number of shares during the period (pcs)	43,741,674	27,670,281	30,346,499

Formulas for key financial figures

$$\text{Equity ratio, \%} = \frac{(\text{Total equity} + \text{capital loans}) \times 100}{(\text{Total assets} - \text{advances received})}$$

$$\text{Return on investment (ROI), \%} = \frac{(\text{Profit (loss)} + \text{financial expences}) \times 100}{(\text{Total equity} + \text{capital loans} + \text{interest bearing liabilities})}$$

$$\text{Earnings per share} = \frac{\text{Profit (loss) for the period}}{\text{Average number of shares}}$$

CEO James Kuo comments

FIT Biotech Oy has met a major research milestone in utilizing its novel gene therapy vector gtGTU for producing a therapeutic anticancer antibody in the body. A related patent application has been filed. gtGTU shows promise for gene therapy applications and will open new opportunities for us in several major disease areas, including infectious disease, cancer, regenerative medicine and rare diseases. We continue working closely with our international partners for bringing new groundbreaking therapies to those most in need.

Furthest advanced in the pipeline, we have our HIV-vaccine candidate that will be tested in a phase II clinical trial. Our vaccine has the potential of offering patients a safe, long-term therapy for keeping the virus at undetectable levels without antiviral medicines, thus offering a functional cure. Together with our partners at the European HIV Alliance and with the support of the HIV community, we look forward to getting started with the trial in late 2017.

We are also exploring possibilities to apply for secondary listing for FIT Biotech shares in the First North Sweden market. We aim to increase awareness of FIT Biotech in the Swedish market and to facilitate trading liquidity.

Market

The global biologics market is expected to grow at 11% CAGR to \$480 billion by 2024 (source: Transparency Market research, 2016). This growth is largely fuelled by the increasing global pace of technological advancement, faster rate of discovery of disease pathology and genomics, and the emergence of advanced treatments that harness the body's own defences to fight disease. Biologic drugs, i.e. drugs that are made by living cells in bioreactors, will bring in bring the bulk of the profit to biopharma companies in the coming years, particularly via antibodies and vaccines that are designed to treat various forms of cancer. However, complex costly manufacturing of biologics and increasing competition from biosimilars compress profit margins.

FIT Biotech has positioned itself well with the market. The Company's strategy is to develop therapies based on the genetic code of biologics (gene therapy), transferring production of the therapies into the cells of the patient. Gene therapy is becoming increasingly recognized, which is also reflected by fact that some of the largest biopharma deals in the past years have executed in this area (source: EY 2016).

REVIEW OF OPERATIONS JANUARY 1st - JUNE 30th, 2017

Business environment and strategic focus

The lifeblood of biopharmaceutical companies is intensive research and development (R&D) that aims to bring therapies to those in need, while supporting growth of the company in the long term. R&D projects typically require heavy investment early in the project. They create revenue when successfully brought to market, on average 8-12 years later. FIT Biotech's technology offers the technological advantage of scalability as it serves as a platform for developing gene-based therapies at a faster rate. Furthermore, the technology allows FIT Biotech to use the patient's own cells to produce the therapy, thereby offering the competitive advantage of faster development time lines, lower cost of production, and ultimately better and safer therapies to the patient.

Large biopharmaceutical companies are in-licensing and outsourcing R&D activities at an accelerating pace. FIT Biotech's strategy is to seek partners for clinical development of drug candidates, as well as to license its platform to other companies. This two-prong approach serves to increase usability of the technology as well as to bringing working capital to in-house projects. FIT Biotech continues to pursue and implement this strategy.

FIT Biotech continues its' research collaboration with an international research consortium (European HIV Vaccine Alliance, EHVA) where a HIV vaccine candidate based on FIT Biotech's GTU® technology is entering a phase 2 clinical trial. This project is funded by a European Commission grant of 22 million euro. Out of this total amount, FIT Biotech share is 0,9 million euro. FIT Biotech has

received EUR 0,6 million euro this year and 0,2 million euro in 2016 for its costs related to this project during 2016-7. The EHVA project is expected to run until 2021.

During the reporting period, FIT Biotech achieved positive preclinical results regarding the suitability of its gtGTU® technology to gene-based treatments. In this study, we demonstrated the usability of the gtGTU vector for producing a therapeutic anticancer antibody in the cells. Importantly, producing this antibody through gtGTU slowed tumor growth and increased survival. These results have encouraged us to pursue the further development of gene-based therapies using the gtGTU vector.

FIT Biotech initiated a collaboration with InnaVirVax in HIV-treatment in 2016. The intended collaboration has been terminated due to InnaVirVax's vaccine failing to meet its primary endpoint in a phase II trial.

Production

FIT Biotech's capability to operate its own GMP (Good Manufacturing Practice) certified production facility is one of its key strategic assets. Certification includes all the equipment, utilities, personnel and operational procedures. The facility allows the company to produce DNA-based vaccines for pre-clinical research and for clinical trials.

FIT Biotech has initiated the production of its therapeutic HIV-vaccine for the EU Horizon 2020 EHVA-project where its therapeutic effect will be tested as part of a novel treatment concept. The first vaccines are planned to be shipped to the study sites in Q4 2017.

FINANCIAL REVIEW JANUARY 1st - JUNE 30th, 2017

Revenue, profitability and financial performance

The Company net sales was 0 (10) thousand euros. FIT Biotech have focused on product development, where the net sales is expected first after several years of scientific research and development as well as clinical trials.

Other income comprised of accrued EHVA grant amounting to 351 thousand euro, during the corresponding period last year there was no other income.

Personnel expenses increased by 186 thousand euro to 693 (507) thousand euro mainly due to social costs related to foreign employees and of employee agreement termination costs related to personnel laid-off.

Other operating expenses were 659 thousand euro (603).

The Company's result for the period amounted to -1,379 (-1,475) euros. Earnings per share were -0,03 (-0,05) euros.

Balance sheet, financing and capital expenditure

The balance sheet amounted to 1,237 (1,358) thousand euro at the end of the reporting period. The Company's total equity was -12,614 (-10,750) thousand euros. Equity including the additions according to Companies Act was 260 (1,024) thousand euro.

Patents are recognised in the balance sheet at acquisition price less depreciation. Yearly patent costs are recognized in profit and loss account as costs. Research and development expenses are not capitalized to balance sheet.

Capital expenditure for the period was 69 (23) thousand euro.

Cash and cash equivalents at the end of the reporting period amounted to 18 (521) thousand euros. The Company received 645 thousand euro EHVA grant payments after the reporting period in July.

At the end of the reporting period, the Company's interest-bearing debt totalled 12,874 (11,774) thousand euros.

Interest-bearing liabilities			
1000 EUR	1-6/ 2017	1-6/ 2016	1-12/ 2016
Teles loans*)	11,774	11,774	11,774
Convertible capital bonds, Bracknor**)	800	0	870
Convertible capital bonds Sitra**)	300	0	400
Total	12,874	11,774	13,093
*) Accrued interest, not included to the loan amount	3,881	***)	3,706

***) Conversion to capital loans 10.3.2017

***) Information not available

Short-term risks, going concern and sufficiency of funding

The Management estimates and follows weekly and monthly cash flows to control FIT Biotech's liquidity. These are also reported to the Board monthly. The near future cash inflow is mainly based on the Bracknor financing agreement. According to the Bracknor financing agreement the Company may raise 1,250 thousand euro during July-December 2017 and 2,250 thousand euro in 2018.

The implementation of the Bracknor financing agreement has several conditions that may affect the availability of financing if realized. The financing agreement dilutes the ownership of current shareholders significantly. The financing agreement does not limit FIT Biotech's possibilities to obtain other kind of equity or debt financing. FIT Biotech is actively seeking and negotiating these other financing possibilities.

The grant from the program admitted by the European Commission to HIV Vaccine Alliance (EHVA) was received in July after the reporting period.

The Company may influence the amount of capital needed by adjusting the expense structure according to the funding possibilities.

The Board and the Management of the Company believe that the financing of the Company is secured for the next twelve months.

As the Company has currently no net sales, there is a risk that the shareholders' equity is negative despite the capital loans. Equity is estimated and followed monthly to comply with the Companies Act.

Strategic risks relate to technical success of research and development programs and new competing products availability in the market. Any unfavourable change in R&D projects may endanger the property values and thus represent a remarkable risk for the company. This kind of unfavourable occasions may occur on short notice and are unpredictable.

Research and development

The Company collaborates with an Estonian contract research organization for the development of gene-based treatments. This collaboration enables FIT Biotech to efficiently and cost-effectively pursue its therapeutic candidates. We also collaborate with renown research institutions in Europe to further develop immune therapeutics based on our proprietary technology.

Personnel

The number of personnel (full time equivalents, FTE) at the end of the review period was 9 (9). The number does not include personnel from outsourced functions such as administration or research and development.

A big part of the Company's functions are outsourced to ensure effective R&D and preclinical development of the new novel products. Also, part of the QC testing is outsourced including identity testing of the primary packing material and critical raw materials, sterility test of raw materials, and part of sequencing analysis of plasmid product.

Changes in company management during the reporting period

Santeri Kiviluoto, PhD, was appointed as the Company's new Chief Scientific Officer and a member of the management team as of May 1st, 2017. Dr. Männik, the Company's previous Chief Scientific Officer, will continue heading the Company's preclinical research. Former Chief Scientific Officer Dr. Kalevi Reijonen will retire during 2017.

On April 4th, 2017, the Company announced it has outsourced financial management and appoints Kaisa Kokkonen as CFO. Ms. Kokkonen, MSc (Economics), HT auditor, is a Principal at Akeba Oy, a financial consulting firm. Matti Lähde was appointed as Manager of Tampere Operation. Both appointments are for fixed term during the Company's current Senior Vice President, Country Manager and CFO Ms. Liisa Laitinen's prolonged leave of absence.

Members of the Management team at the end of the reporting period were: James Kuo, MD, MBA, Chief Executive Officer, Santeri Kiviluoto, Vice President, Chief Scientific Officer, Kaisa Kokkonen, Senior Vice President and Chief Financial Officer, Matti Lähde, Vice President, Production and Jussi Seitsonen, Vice President, Quality Assurance and Quality Control.

Chairman of the Board, Juha Vapaavuori, retired from the Board effective April 7th, 2017. Rabbe Slätis was elected on April 7th, 2017 as the new Chairman of the Board. Eero Rautalahti was elected to the Board as of January 26th, 2017 and Anne-Maria Salenius as of April 7th, 2017.

Resolutions of Extraordinary General Meeting held on January 26th, 2017

FIT Biotech Oy's Extraordinary General Meeting decided the number of board members to be six. The Extraordinary General Meeting elected LL.M. Solicitor Eero Rautalahti as a new board member as proposed by the Board of Directors.

Resolutions of the Annual General Meeting 2017

The Annual General Meeting of FIT Biotech was held in Helsinki on April 7th, 2017.

1. Annual Accounts, Board of Directors and Auditors

The Annual General Meeting approved the annual accounts of the Company and discharged the members and the vice members of the Board of Directors and the CEO from liability for the financial period of 2016.

The Annual General Meeting decided that the number of the members of the Board of Directors is five (5). Erkki Pekkarinen, Rabbe Slätis, Eero Rautalahti, Chitra Bharucha and Anne-Maria Salenius were elected as members of the Board.

The Annual General Meeting resolved that the members of the Board be paid the following remuneration for the term ending at the end of the 2018 Annual General Meeting:

- Chairperson of the Board EUR 3,000 per month.
- Other members of the Board will be paid a meeting compensation of EUR 800 for each physical meeting in which the Board member is personally in attendance throughout the duration of the Board meeting.
- The members of the Board who reside abroad will be paid a meeting compensation of EUR 500 also for meetings that they attend by telephone, provided that the member is in attendance via telephone throughout the duration of the Board meeting and that the Board meeting would otherwise be considered a physical meeting.
- In addition, the chairperson of the Board and other Board members will be paid for their reasonable travelling expenses to Board meetings.

The Annual General Meeting resolved that audit firm PricewaterhouseCoopers Oy is to be re-elected as the auditor, Janne Rajalahti, APA as the responsible auditor.

2. Use of the profit shown on the balance sheet

The Annual General Meeting resolved that no dividends be distributed for the 2016 financial period and that the financial result of EUR -3,651,186.26 for the financial period be transferred to the profit/loss account.

3. Board's Assembly meeting

In its assembly meeting, right after the Annual General Meeting, the Board of Directors elected Rabbe Slätis as the Chairperson.

Shares and share capital

As at June 30, 2017 the fully paid share capital of FIT Biotech Oy amounts to EUR 9,452,472.63, consisting of 64,460,629 shares.

The Company's shares are divided into four series, A, D, B and K, of which only the K series shares are traded in the Helsinki Stock Exchange, First North Finland.

The shares are divided in share series as follows: A: 5,229 shares, D: 65,235 shares, B: 0 shares and K: 64,390,165 shares. The main differences between different share series relate to proportional distribution upon placing the Company in liquidation or upon dissolving the company and to the conversion of shares between the share series. The articles of association of the Company contain a

more detailed description of the different rights pertaining to different share series and on the conversion of shares.

The Company has in its' possession shares of K-series totaling to 10,000,000 shares and 15,53 % of the Company's shares and voting rights.

During the financial period Bracknor converted 1,070 thousand euros and Sitra 100 thousand euros of the convertible loans into equity. Along with the conversion of the convertible loans the Company issued 1,410,233 K-shares to Bracknor and 1,410,233 K-shares to Sitra. Bracknor has 25,313,396 and Sitra has 1,532,479 outstanding warrants related to the convertible loans.

Convertible capital bonds change during the period						
1000 EUR	Convertible loans 1.1.2017	Convertible loans increase	Loans converted	Convertible loans 30.6.2017	K shares given on the basis of conversion 1.1.2017	K shares given on the basis of conversion 30.6.2017
Bracknor	870	1,000	-1,070	800	3,528,496	20,027,678
Sitra	400	0	-100	300	1,610,208	1,410,233
Total	1,270	1,000	-1,170	1,100	5,138,674	21,437,911

Convertible capital bonds 30th of June					
1000 EUR	Issued warranties 1.1.2017	Increase	Issued warranties 30.6.2017	% of the Companys shares	% of the Companys' votes
Bracknor	2,745,151	22,568,245	25,313,396	28.2	28.2
Sitra	1,532,479	0	1,532,479	2.3	2.3
Total	4,277,630	22,568,245	26,845,875		

Trading, market capitalization and shareholders

Shares in the Helsinki Stock Exchange, First North Finland

January-June 2017	No. of shares traded	Total value, euros	Highest, euros	Lowest, euros	Average, euros	Last paid, euros
FITBIO	39,929,940	2,518,077	0.15	0.03	0.06	0.04

	June 30, 2017	December 31, 2016
Market capitalization, euros	2,382,436	3,479,133
No. of shareholders	1,653	913

Largest shareholders

Name	Amount	%
Suomen itsenäisyyden juhlarahasto	13,192,257	20.49
FIT Biotech Oy	10,000,000	15.53
Keskinäinen työeläkevakuutusyhtiö Varma	3,943,753	6.12
AC Invest Oy	2,000,000	3.10
Svenska Handelsbanken AB	1,827,623	2.84
Biothom Oy	1,119,756	1.74
Piiroinen Kerttu	1,045,433	1.62
Translink Corporate Finance Oy	1,009,316	1.57
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	960,000	1.49
Niemi – Säätiö SR	842,006	1.31
Sararda Oy	835,700	1.30
Keskinäinen Eläkevakuutusyhtiö Etera	775,143	1.20
Keskinäinen Työeläkevakuutusyhtiö ELO	760,878	1.18
Piiroinen Jorma	540,151	0.84
Nikkola Kari	500,000	0.78

Option and incentive programs

Option program 2016

The Annual General Meeting of April 8, 2016 authorized the Board of Directors to decide upon granting option and other special rights. Upon authorization, total maximum of 5 300 000 new shares or Company's own K-shares can be granted. The authorization is valid until June 30, 2017. During the review period, the Board of Directors did not execute the authorization.

Option program 2015

The extraordinary general meeting of February 24, 2015 authorized the Board of Directors to decide upon granting option rights to key personnel of the company. The Board of Directors, in its meeting on May 18, 2015, approved the 2015 option rights. Option rights were issued for a total maximum number of 1,910,000, and they entitle their holders to subscribe for no more than 1,910,000 new series K shares in or possessed by the company. Of the share options, 1,004,330 are marked with the symbol 2015A; 301,890 with the symbol 2015B; 301,890 with the symbol 2015C, and 301,890 with the symbol 2015D. The option rights were to key personnel without consideration. Each option right entitles its holder to subscribe for one (1) new share in the Company or existing share held by the Company. The share subscription period for share options 2015A is July 1, 2016–December 31, 2021, for share options 2015B January 1, 2018–December 31, 2021, for share options 2015C January 1, 2019–December 31, 2021 and for share options 2015D January 1, 2020–December 31, 2021. The share subscription price with option right 2015A is 1.25 euros, i.e. twenty per cent (20%) less than the subscription price in the initial public offering, with option right 2015B 1.56 euros, i.e. the same as the subscription price in the initial public offering, with option right 2015C 1.56 euros, i.e. the same as the subscription price in the initial public offering, and with option right 2015D 1.56 euros, i.e. the same as the subscription price in the initial public offering. The subscription price of a share subscribed for with an option right may be set lower in special cases. Notwithstanding this, the subscription price of the share is always a minimum of 0.01 euros per share.

Main risks and uncertainties

The Company's business is at a development stage and is based on research and product development projects, and there is no guarantee that the business will develop favorably. The Company's future profitability and prospects and even the continuity of its operations will materially depend on the Company's ability to enter into potential license and collaboration agreements relating to the GTU[®] technology developed by the company and, in particular, on the Company's success of demonstrating the proof-of-concept of its gtGTU technology.

More information on risks can be found in the Annual Financial Report published on March 10th, 2017.

More information on financial risks can be found in this report under section "Short-term risks, going concern and sufficiency of funding".

Events after the review period

FIT Biotech received in July EHVA financing of 645 thousand euro as part of a contractual agreement to produce clinical trial material for the upcoming Phase 2 clinical study.

FIT Biotech raised Bracknor financing Tranches 8-9, amounting to 500 thousand euros in July-September.

The Board elected Board member Mr. Erkki Pekkarinen to Vice Chairman of the Board in August.

Publishing of the financial reporting in 2017

FIT Biotech's Financial statement release will be published 1.3.2018 and the Annual Financial Report 15.3.2018.

FINANCIAL TABLES:

Income statement (FAS)			
Thousand EUR	Jan 1 - June 30, 2017	Jan 1 - June 30, 2016	Jan 1-Dec 31, 2016
NET SALES	0	10	10
Other operating income	351	0	191
Materials and services			
Materials and supplies			
Purchases during the period	75	64	133
External services	163	233	243
Total materials and services	238	297	376
Personnel expenses			
Wages and salaries	535	453	872
Social security expenses			
Pension expenses	60	46	82
Other social security expenses	98	8	38
Total personnel expenses	693	507	992
Depreciations, amortisations and impairments	81	78	159
Other operating expenses	659	603	1,704
OPERATING PROFIT (LOSS)	-1,320	-1,475	-3,030
Financial income and expenses			
Other interest and financial income			
Interest and other financial expenses	-59	0	-621
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,379	-1,475	-3,651
PROFIT (LOSS) FOR THE PERIOD	-1,379	-1,475	-3,651

Balance sheet (FAS)			
Thousand EUR	June 30, 2017	June 30, 2016	Dec 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	598	641	620
Tangible assets			
Property, plant and equipment	55	32	42
Other tangible assets	65	0	69
Total tangible assets	120	32	111
TOTAL NON-CURRENT ASSETS	718	673	730
CURRENT ASSETS			
Non-current receivables			
Other accounts receivable	89	0	88
Total non-current receivables	89	0	88
Current receivables			
Trade receivables	47	92	90
Prepaid expenses and accrued Income	364	71	34
Total current receivables	411	163	123
Cash in hand and at banks	18	521	487
TOTAL CURRENT ASSETS	519	685	698
TOTAL ASSETS	1,237	1,358	1,428

Balance sheet (FAS)			
Thousand EUR	June 30, 2017	June 30, 2016	Dec 31, 2016
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9,452	7,761	8,282
Share premium account	6,906	6,906	6,906
Reserve for invested unrestricted equity	9,013	9,013	9,013
Retained earnings (loss)	-36,606	-32,955	-32,955
Profit (loss) for the period	-1,379	-1,475	-3,651
EQUITY TOTAL	-12,614	-10,750	-12,404

LIABILITIES			
Non-current liabilities			
Convertible capital loans*)	1,100	0	1,270
Deferred income and accrued liabilities	0	0	49
Capital loans	11,774	11,174 11,774	11,174 11,774
Total non-current liabilities	12,874	11,774	13,093
Current liabilities			
Advance payment	48	169	48
Trade payables	481	29	404
Other liabilities	45	20	79
Deferred income and accrued liabilities	402	116	208
Total current liabilities	977	334	739
TOTAL LIABILITIES	13,851	12,108	13,833
TOTAL EQUITY AND LIABILITIES	1,237	1,358	1,428

*) Has been converted to capital loans as of 10.3.2017

STATEMENT OF CASH FLOW (FAS)			
Thousand EUR	Jan 1 - June 30, 2017	Jan 1 - June 30, 2016	Jan 1-Dec 31, 2016
Cash flow from operating activities			
Profit (loss)	-1,379	-1,475	-3,651
Adjustments:			
Depreciations, amortisations and impairments	81	78	159
Financial income and expenses	59	0	621
Cash flow before changes in working capital	-1,239	-1,396	-2,871
Changes in working capital:			
Increase (-) or decrease (+) in current Receivables	-290	-42	-89
Increase (-) or decrease (+) in current interest-free liabilities	188	139	495
Cash flow from operating activities before financial items and taxes	-1,341	-1,300	-2,465
Interest and other financial expenses paid	-59	0	-22
Cash flow from operating activities (A)	-1,400	-1,300	-2,487
Cash flow from investing activities:			
Investments in intangible and tangible assets	-69	-23	-162
Cash flow from investing activities (B)	-69	-23	-162
Cash flow from financing activities:			
Share issue	1,170	0	521
Change in non-current liabilities	-170	0	770
Cash flow from financing activities (C)	1,000	0	1,291
Change in cash in hand and at banks (A+B+C)	-469	-1,324	-1,358
Cash in hand and at banks in the beginning of the period	487	1,845	1,845
Cash in hand and at banks at the end of the period	18	521	487

STATEMENT OF CHANGES IN EQUITY

Thousand EUR	June 30, 2017	June 30, 2016	Dec 31, 2016
Share capital at the beginning of the period	8,282	7,761	7,761
Share capital increase	1,170	0	521
Share capital registered in the Trade Register at the end of the period	9,452	7,761	8,282
Share capital at the end of the period	9,452	7,761	8,282
Share premium account at the beginning of the period	6,906	6,906	6,906
Share premium account at the end of the period	6,906	6,906	6,906
Reserve for invested unrestricted equity at the beginning of the period	9,013	9,013	9,013
Changes during the period	0	0	0
Reserve for invested unrestricted equity at the end of the period	9,013	9,013	9,013
Retained earnings (loss) at the beginning of the period	-36,606	-32,955	-35,571
Loss from the previous period			2,616
Retained earnings (loss) at the end of the period			-32,955
Profit (loss) for the period	-1,379	-1,475	-3,651
Total equity	-12,614	-10,750	-12,404

Calculation of capital adequacy	June 30, 2017	June 30, 2016	Dec 31, 2016
Equity	-12,614	-10,750	-12,404
+ Capital loans	12,874	11,774	11,774
Equity including additions under the Finnish Limited Liability Companies Act	260	1,024	-630

General statement

Some statements in this report are estimates based on the management's best knowledge at the time they were made. Therefore, they contain a certain amount of risks and uncertainty. The estimates may change in the event of significant changes in the general economic or industry conditions.

FIT BIOTECH OY

Board of Directors

Further information:

Chairman of the Board Rabbe Slätis

E-mail: rabbe.slatis@fitbiotech.com

Tel: +358 40 8406749

Certified Advisor: Aalto Capital Partners Oy, mobile +358 40 5877000

FIT Biotech in brief

FIT Biotech Oy is a biotechnology company established in 1995 that develops and licenses its patented GTU® (Gene Transport Unit) vector technology for new-generation medical treatments. GTU® is a gene transport technology that meets an important medical challenge in the usability of gene therapy and DNA vaccines.

FIT Biotech applies its GTU® technology in its development projects, which at the time include gene-based treatments, genetic vaccines and research collaboration. Application areas include cancer (gene therapy) and infectious diseases such as HIV and tuberculosis, as well as animal vaccines.

FIT Biotech K-shares are listed on the First North Finland market maintained by Nasdaq Helsinki Ltd.

DISTRIBUTION:

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Principal media

www.fitbiotech.com