

LinkMed AB (publ)

Year-end report 2006

Important events in the fourth quarter

- LinkMed was listed on the Stockholm Stock Exchange following a new share issue of SEK 195.6 million
- AbSorber entered into an agreement with BD for the transplantation cross-match test XM-ONE, which was launched in December
- New portfolio company Ortoviva
- LinkMed and the Norrland Fund invested SEK 4.5 million in BioResonator

Important events after the period end

- Biovator's allergen test receives SEK 3.5 million from EUREKA

Financial information for the period

- Profit/loss from investment operations amounted to SEK -2.5 million (-0.4) in the period, with SEK 0.0 million (-0.4) in the fourth quarter
- Other income amounted to SEK 4.0 million (3.6), with SEK 1.3 million (0.6) in the fourth quarter
- Profit/loss after tax amounted to SEK -14.5 million (-3.5), with SEK -4.0 million (-1.5) in the fourth quarter
- Earnings per share were SEK -2.58 (-0.86)
- Shareholder equity totaled SEK 296.2 million (64.1). Equity per share totaled SEK 33.96 (14.27)
- Equity/assets ratio was 97 (94) percent
- Cash and bank balances increased to SEK 202.7 million (2.9)

Important events during the fourth quarter

Associated companies

AbSorber enters into an agreement with BD for XM-ONE

In November, AbSorber entered into an agreement with the U.S. company BD (Becton Dickinson and Company) for the distribution of the transplantation test XM-ONE. Under the agreement, BD receives exclusive rights to distribute XM-ONE in all markets, apart from the Nordic region. BD launched the test in Europe in December.

AnaMar Medical begins out-licensing

In November, AnaMar Medical began the out-licensing process for three drug candidates: AMAP102 for rheumatoid arthritis, CS-E for wound healing and SCI for spinal injuries.

Ortoviva AB a new associated company

In October, LinkMed made the decision to invest up to SEK 12 million in the recently formed company Ortoviva AB, a company that develops surgical tools for spinal surgery. LinkMed's ownership stake in Ortoviva is 49 percent. In December, Sven Gustafsson was appointed chairman of the company. Sven has many years of experience in medical electronics from Siemens-Elcoma and Fresenius. He also founded and manages the medtech equipment company Dicamed, which is active in the field of heart surgery and anesthesia.

LinkMed and the Norrland Fund invest in BioResonator

In December, LinkMed contributed SEK 2.0 million to BioResonator through a new share issue and the Norrland Fund contributed SEK 2.5 million in the form of a convertible.

Financial operations and corporate governance

LinkMed is listed on the Stockholm Stock Exchange

The LinkMed share was listed on the Stockholm Stock Exchange on December 12, 2006. In conjunction with the listing, a new share issue was executed at a price of SEK 70 per share, which generated SEK 195.6 million for the company after listing costs. At the period end, LinkMed had approximately 2 300 shareholders. The number of shares totaled 8 721 985 following the new share issue.

LinkMed strengthens the organization

In December, Yvonne Axelsson was appointed financial manager. Yvonne previously ran her own consultancy firm and has been involved with LinkMed in her role as consultant since the beginning of 2006.

Important events after the report period

Biovator's allergen test receives SEK 3.5 million from EUREKA

In January, Biovator formed a project for the final-phase development of an *in vitro* test that predicts if chemical substances may cause allergic reactions. The project received a grant from EUREKA for half of the development costs, which are estimated at SEK 7.0 million.

Important events during the year

Associated companies

LinkMed sold all shares in Pegasus lab

In February, LinkMed sold all shares in Pegasus lab AB. The sale of Pegasus lab has had no effect on LinkMed's 2006 income.

LinkMed invests in AnaMar Medical and IMED

In April, the LinkMed board resolved to invest SEK 8.0 million in AnaMar Medical and SEK 3.0 million in IMED.

LinkMed invests in AbSorber

In June, LinkMed invested SEK 3.0 million in Absorber.

New CEO at SACS Medical

In June, LinkMed's senior venture manager Stan Mikulowski was appointed as the new CEO of SACS Medical.

LinkMed invests in Recopharma

In September, LinkMed provided SEK 9.5 million in financing for the associated company Recopharma through debt instrument conversion as well as committing to invest SEK 6.0 million in a convertible. Recopharma is using the investment to study the effect of vaccine adjuvants in animal models. Three new staff members have also been employed to strengthen the organization.

Financial operations and corporate governance

LinkMed receives SEK 4.6 million through an options program

In April, stock option holders in LinkMed executed a matured stock option program of 165 000 at a strike price of SEK 28 per share. The program was fully executed, resulting in a capital injection of SEK 4.6 million to LinkMed.

Conversion of convertible bonds increases the number of shares by 3 percent

In March, all bearers of convertible bonds converted the bonds to shares, this resulted in an increase in the number of shares by 137 275.

LinkMed secures SEK 43.1 million through new share issue with preferential rights

A new share issue with preferential rights was executed in April, with a mandate from the Annual General Meeting. A holding of five shares entitled the holder the right to subscribe to one new share at an issue price of SEK 50. The new share issue was fully subscribed, resulting in an issue of 926 164 new shares and a net capital injection of approximately SEK 43.1 million to the company, after deduction of issuing costs.

Monica Caneman new chairperson

Monica Caneman, Sven-Olof Johansson and Agneta Edberg were appointed as new board members at LinkMed's Annual General Meeting on April 26. Monica Caneman was appointed as chairperson. Gunnar Mattsson, Anders Erlandsson and Jan Eriksson were re-elected.

Ingemar Lagerlöf new CEO

Ingemar Lagerlöf, LinkMed's founder, who previously acted as senior venture manager at the company, took over the CEO position from Olle Johansson in June.

Other information**LinkMed forms a scientific advisory board**

In April, LinkMed formed a scientific advisory board whose task is to evaluate the opportunities and risks of associated company projects and products, as well as new investment proposals. The advisory board is chaired by associated professor Bengt-Göran Hansson, previously head of the Medicinkliniken in Halmstad, among other positions.

Lars Martin new senior venture manager

In June, Lars Martin was employed as senior venture manager. Lars joined LinkMed from MSD and has previously held various management positions in the pharmaceutical industry.

Write-down of holding in SACS Medical, preparation of sale

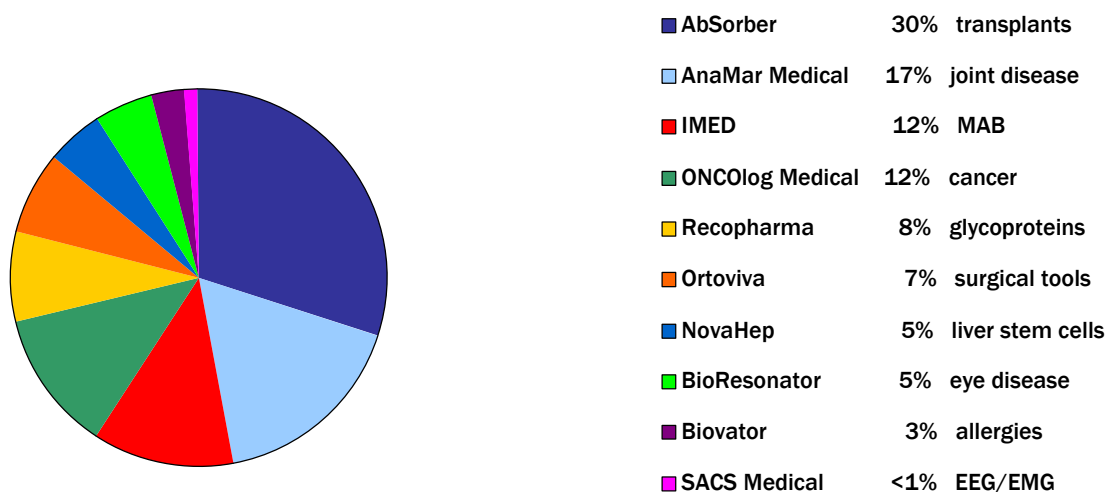
LinkMed made a downward adjustment of the value of its holding in SACS Medical by SEK 2.5 million in September. Together with other shareholders, LinkMed is preparing the sale of the company.

About LinkMed

LinkMed, in collaboration with innovators and other financiers, develops new life science companies. By contributing entrepreneurship and capital, LinkMed has created a portfolio of ten companies, six in drug development and biotechnology and four in medical technology. LinkMed's roll changes as the portfolio companies develop. With time, the work emphasis moves from operational to strategic as the entrepreneurship role evolves into active board work. Principle owners are FastPartner, Koncentra Holding, Mannerson Fastigheter and the founder, Ingemar Lagerlöf. See linkmed.se for more information.

Portfolio development

Estimated breakdown of the portfolio's value



LinkMed continuously monitors the value development of portfolio companies and their projects. In order to estimate the value of the portfolio of companies, LinkMed uses a probability adjusted cash flow model, described at linkmed.se. According to this evaluation method, the company's holdings in AbSorber represented 30 percent of the portfolio's value. Together, four portfolio companies – AbSorber, AnaMar Medical, IMED and ONCOlog Medical – make up 71 percent of portfolio value.

Investment in associated companies, SEK thousands

Associated company	Invested by LinkMed ¹⁾		Total Invested ¹⁾		Ownership Stake		Share of portfolio ²⁾ value
	2006	2005	2006	2005	2006	2005	2006
<i>Drug development and biotechnology</i>							
AbSorber	13 526	10 716	35 000	28 940	40.4%	38.8%	30%
AnaMar Medical	27 914	20 000	123 100	97 100	29.2%	28.1%	17%
Biovator	2 593	1 389	7 153	5 672	46.0%	35.0%	3%
IMED	11 010	7 208	26 100	16 100	38.8%	38.4%	12%
NovaHep	2 626	792	2 725	891	49.5%	49.5%	5%
Recopharma	10 949	5 086	12 183	6 320	49.5%	49.5%	8%
<i>Medtech</i>							
BioResonator	5 305	3 361	12 250	8 500	42.4%	36.7%	5%
ONCOlog Medical	13 425	5 564	25 362	17 500	48.1%	48.1%	12%
Ortoviva ³⁾	4 320		4 321	0	49.0%	0.0%	7%
SACS Medical	10 838	5 481	12 850	7 795	42.8%	42.8%	<1%
Total	102 506	59 597	261 044	188 818			

¹⁾ Investments refer to accumulated value related to share capital, shareholders' contributions, convertibles and receivables.

²⁾ Evaluated according to LinkMed's probability adjusted cash flow model.

³⁾ Established, October 23, 2006.

LinkMed's accumulated investments in associated companies increased by 72 percent in 2006 to SEK 102.5 million (59.6). The increase reflects the maturation of the associated companies, which in turn causes an increase in their capital requirements. The largest investments made during the year were in AnaMar Medical and ONCOlog Medical; companies that are on the point of commercializing their projects and products. The increase in investments also reflects the fact that several of the associated companies work within the area of drug development and biotechnology, a capital-intensive area with great potential. Of the four companies in which LinkMed has invested the most, three of them - AnaMar Medical, Recopharma and IMED – work within this area.

During 2006, LinkMed represented 59 percent of investments made in associated companies. Accordingly, LinkMed's share of investment in associated companies increased to 39 percent (32).

Financial information associated companies 2006, SEK thousands

Associated companies	Capitalized ¹⁾	Cash	Assets	Liabilities	Equity	Revenue ²⁾	Net profit	Cash flow ³⁾
<i>Pharmaceuticals and biotechnology</i>								
AbSorber	10 368	2 056	13 430	1 062	12 368	336	-4 686	-7 598
AnaMar Medical	12 405	7 970	23 162	16 794	6 368	3 207	-41 098	-32 482
Biovator	3 448	222	3 833	1 126	2 707	0	-1 173	-1 061
IMED	738	7 231	8 112	363	7 749	0	-4 146	-4 541
NovaHep	2 298	2	2 388	1 861	527	0	-408	-1 871
Recopharma	1 553	20	12 093	4 696	7 397	55	-4 164	-4 955
<i>Medtech</i>								
BioResonator	5 326	2 928	8 315	6 418	1 897	1 409	-1 006	-2 016
ONCOlog Medical	5 165	0	8 547	6 814	1 733	8 874	-4 886	-7 698
Ortoviva	5	1 120	1 235	215	1 020	0	-487	-387
SACS Medical	5 188	1	5 683	5 477	206	1 411	-4 719	-5 826
Total 2006	46 494	21 550	86 798	44 826	41 972	15 292	-66 773	-68 435
Total 2005	44 223	12 652	76 413	57 851	18 562	21 214	-44 848	-47 680
LinkMed's share 2006	18 555	7 873	34 948	17 687	17 261	6 429	-22 236	-24 455
LinkMed's share 2005	15 536	4 198	28 365	21 386	6 979	8 662	-14 567	-16 818

¹⁾ Capitalization refers to development and patent costs brought forward.

²⁾ Revenue includes capitalized development and patent costs.

³⁾ Cash flow refers to the operation's cash flow after investments.

Associated company accounts are prepared in accordance with Annual Accounts Act and the Swedish Accounting Standards Board and are unaudited for 2006.

All associated companies had negative cash flows during 2006, which together amounted to SEK -68.4 million (-47.7). This mainly comprised costs for development work financed by capital provided by owners. At the period end, the associated companies together had cash and cash equivalents of SEK 21.6 million (12.7).

LinkMed anticipates that the associated companies' capital requirements will continue to increase during 2007, in pace with company maturation. As the level of maturity of an associated company increases, it becomes less complicated to evaluate and the company's agenda can be followed and managed from a position on the board of directors. This improves the company's opportunities of attracting more investors.

Today, AbSorber, AnaMar Medical, IMED and Bioresonator already have several owners who take an active part in financing. In 2007, ONCOlog Medical and Recopharma plan to seek out

new investors, who in collaboration with LinkMed can contribute continued financing. The associated companies expected to have the greatest capital requirements during 2007 are IMED, Recopharma and ONCOlog Medical. No capital requirements are anticipated from AbSorber and AnaMar.

Development of portfolio companies

Drug development and biotechnology

AbSorber AB

AbSorber develops products that facilitate successful transplantations. Its first product, the transplantation test XM-ONE™, identifies important antibodies responsible for rejection subsequent to transplantation. The company has a patent pending on ABO-Column for transplantation between individuals of different blood groups.

AbSorber	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	10 368	2 056	13 430	1 062	12 368	336	-4 686	-7 598
12 mån 2005	7 562	3 702	12 051	1 065	10 986	78	-2 591	-5 741

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

In November, AbSorber entered into an agreement with the U.S. based global medical company BD. Under the agreement, BD receives exclusive rights to distribute XM-ONE in all markets, apart from the Nordic region. BD and AbSorber presented the test at a launch symposium in Barcelona in December and in January, BD began work to sell the product using a dedicated sales force. AbSorber itself handles sales in the Nordic region.

Sales of XM-ONE amounted to revenues of SEK 0.1 million in December and were primarily made to transplantation clinics in Sweden.

AbSorber's prognosis of a positive cash flow in 2007 remains.

AnaMar Medical AB

AnaMar Medical is active in the area of destructive joint disease, developing products to diagnose, treat and monitor/predict rheumatoid arthritis and chronic joint inflammation. The company markets a blood test, COMP®-Elisa that provides early evidence of cartilage degradation. AnaMar Medical has five drug candidates in preclinical development and one biomarker in prototype development.

AnaMar Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	12 405	7 970	23 162	16 794	6 368	3 207	-41 098	-32 482
12 mån 2005	19 038	6 654	29 244	26 971	2 273	5 893	-30 812	-24 619

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

In November, AnaMar Medical began the out-licensing process for three pharmaceutical drug candidates: AMAP102 for rheumatoid arthritis, CS-E for wound healing and SCI for spinal

injuries. The process, which includes preparatory work, scanning of the market for interested parties and negotiations, is expected to take at least 12 months.

Capitalized development costs made up SEK 0.8 million (2.7) of revenues, while sales amounted to SEK 2.4 (3.2) million. The company focused work on its drug development program, enhancement of current biomarkers and development of a completely new type of biomarker for joint inflammation.

On January 10, 2007 a targeted new share issue was made to Koncentra Holding for SEK 13.0 million, shown in the table above.

Biovator AB

Biovator develops tests to predict whether chemical substances may cause allergies. The technology has the potential to substantially reduce the need for animal testing, since it is less expensive and quicker to use and provides results that are more reliable. The tests are designed for use in the pharmaceutical, chemical and cosmetic industries.

Biovator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	3 448	222	3 833	1 126	2 707	0	-1 173	-1 061
12 mån 2005	3 448	25	3 653	922	2 731	0	-591	-443

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

In January 2007, Biovator formed a project for the final-phase development of an *in vitro* test that predicts if chemical substances may cause allergic reactions. The project received a grant of SEK 3.5 million from EUREKA for half of the development costs. In addition to Biovator, other partners in the project are the Swedish biochemical company Medicago, the University of Linköping and the German diagnostic company IBL Hamburg.

IMED AB

IMED develops human monoclonal antibodies (MAB) to induce or block natural cell death, or apoptosis. It plans to develop antibodies for large therapeutic areas, including HIV, cancer and transplantation.

IMED	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	738	7 231	8 112	363	7 749	0	-4 146	-4 541
12 mån 2005	607	1 772	2 684	789	1 895	0	-4 253	-3 965

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

During the fourth quarter, LinkMed invested SEK 1.0 million in new IMED shares.

In 2007, IMED will accelerate development work and execute a program that will make it possible to perform clinical trials. Accordingly, the company's capital requirements will increase. LinkMed intends to participate in a new share issue in order to secure the program.

NovaHep AB

NovaHep's operations are based on research in liver stem cells. This research, conducted in collaboration with the Karolinska Institute, is aimed at differentiating cell lines from fetal liver stem cells, which can then be used in transplant patients, for example. The company's initial

goal is to develop an immortalized cell line and then begin development work for more specific applications.

NovaHep	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	2 298	2	2 388	1 861	527	0	-408	-1 871
12 mån 2005	858	93	1 006	1 140	-134	0	-234	-750

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

LinkMed has decided to finance NovaHep on a continuous basis in 2007, during which time the company is expected to achieve its first development goal.

Recopharma AB

Recopharma is active in recombinant glycoproteins. These mucin-type proteins with customized glycolization effectively block specific biological processes. Recopharma develops mucins for the vaccine market (adjuvants and tumor vaccines) and antimicrobial substances to combat the bacteria that cause ulcers as well as viruses such as influenza and the Norwalk virus. The company also intends to optimize and produce drugs for other companies.

Recopharma	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	1 553	20	12 093	4 696	7 397	55	-4 164	-4 955
12 mån 2005	909	53	10 472	8 447	2 025	0	-3 100	-4 651

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

LinkMed contributed a total of SEK 15.5 million to Recopharma in September. Of this amount, SEK 9.5 million was previously a loan and the remaining part convertibles. Recopharma will use the investment capital to study the effect of vaccine adjuvants in animal models. Three new staff members have also been employed to strengthen the organization.

During 2007, development activity is expected to accelerate at Recopharma. The company has plans to invest in production equipment at their plant in Luleå. To accomplish this, the company has to raise significantly more capital than before. LinkMed intends to continue to invest in Recopharma.

Medtech companies

BioResonator AB

BioResonator develops biomedical sensors and diagnostics for use in several healthcare areas. The company's primary focus is on developing a concept and prototypes to measure eye pressure. Pilot studies have also been conducted in cancer diagnostics and oedema diagnostics.

BioResonator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	5 326	2 928	8 315	6 418	1 897	1 409	-1 006	-2 016
12 mån 2005	3 917	334	4 379	3 476	903	1 433	-441	-1 056

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Revenue during the year was composed in its entirety of capitalized development costs.

In December, LinkMed contributed SEK 2.0 million to BioResonator through a new share issue. At the same time, the Norrland Fund contributed SEK 2.5 million in the form of a convertible, of which SEK 0.75 million was converted from a previous loan. BioResonator will primarily use the capital to develop diagnostic tools for prostate cancer.

ONCOlog Medical QA AB

ONCOlog, develops, produces and markets a number of products and system solutions for quality assurance of radiation treatment clinics for cancer. The company is also developing a product for quality assurance of chemotherapy.

ONCOlog Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	5 165	0	8 547	6 814	1 733	8 874	-4 886	-7 698
12 mån 2005	2 376	1	6 451	5 832	619	10 168	-792	-3 220

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Product development costs continued to be high, as the company completed its new portfolio of products. Revenue included SEK 3.3 million (2.3) of capitalized development costs, while sales were SEK 5.6 (7.8) million. The decrease in sales was due to the changeover from old products to the new product range.

In January 2007, the company began a process to raise capital with the objective of bringing in new investors. LinkMed intends to participate in a new share issue. Until the process to raise new capital has been carried through, the company is being financed by a bridge loan from LinkMed.

Ortoviva AB

Ortoviva develops surgical tools used in spinal surgery that facilitate the insertion of artificial discs. The company has developed three prototypes, an instrument that holds adjacent vertebrae apart, a frame for attaching the artificial disc and a bone cement administrator.

Ortoviva	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
2 mån 2006	5	1 120	1 235	215	1 020	0	-487	-387
12 mån 2005	-	-	-	-	-	-	-	-

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

LinkMed participated in the formation of the company and has committed to invest up to SEK 12.0 million in the company under certain conditions. LinkMed's ownership stake in the company is 49 percent. The company's CEO is Stan Mikulowski and Sven Gustafsson is chairman.

SACS Medical Göteborg AB

SACS Medical has developed a system concept for medical signal handling of EEG (neuroanalysis) and EMG (motor analysis). The system allows specialized clinics to diagnose, monitor and treat patients spread over a large area from a central location.

SACS Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
12 mån 2006	5 188	1	5 683	5 477	206	1 411	-4 719	-5 826
12 mån 2005	5 508	18	6 473	9 209	-2 736	3 642	-2 034	-3 235

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

A restructuring project was started in the third quarter to strengthen the company's potential of reaching a larger market. The current owners are interested in finding an industrial partner for SACS Medical. This partner should have excellent market contacts, an established sales organization and as owner should be interested in taking an active role in the company's development.

LinkMed made a downward adjustment of the value of its holding in SACS Medical by SEK 2.5 million in September and at the same time has converted company receivables of SEK 6.5 million to shareholders' contributions and convertibles.

Revenue for the year included capitalized development costs of SEK 1.0 million (1.4). The company's sales amounted to SEK 0.4 million (2.2). During the autumn, the company focused on completing a 510(k) registration application, which is a requirement for sales in the U.S.

Financial development, January 1 – December 31, 2006

Profit/loss

Profit/loss from investment activities for 2006 was SEK - 2.5 million (-0.4). The negative result is due to the write-down of LinkMed's holding in SACS Medical of the same amount. Other income, which is essentially comprised of consultancy revenues from associated companies, increased during the year to SEK 4.0 million (3.6).

Operating costs increased primarily because LinkMed strengthened its administrative resources in order to fulfill the requirements of being a listed company.

In 2006, LinkMed's results were SEK -14.5 million (-3.5) and SEK -4.0 million (-1.5) for the quarter. The year was charged with non-recurring costs of SEK 1.5 million for the change of CEO, the write-down of SACS Medical by SEK 2.5 million, as well as a management bonus of SEK 0.7 million.

Investments

LinkMed invested a total of SEK 42.9 million in associated companies during 2006. The largest investments were made in AnaMar Medical (SEK 8.0 million), ONCOlog Medical (SEK 7.9 million) and Recopharma (SEK 5.9 million). Investments in AbSorber were SEK 3.0 million. LinkMed anticipates that AbSorber has the potential to achieve a positive cash flow in 2007 following the commercial launch of XM-ONE.

During the fourth quarter, LinkMed invested SEK 4.3 million in a new portfolio company, Ortoviva. LinkMed made the decision to make a conditional investment of up to SEK 12.0 million in the company. SEK 1.5 million of the approved investment was paid at the period-end.

The book value of investments in associated companies increased to SEK 102.5 million (63.0), of which shares make up SEK 88.2 million (46.7), convertibles SEK 2.2 million (1.6) and receivables SEK 9.6 million (14.7). During the year, shares in Pegasus lab were sold at a book value of SEK 3.4 million. The book value of shares was also affected by the write-down of SACS Medical of SEK 2.5 million

Financial position, cash flow and key ratios

LinkMed's operations are financed by shareholders' equity. The company executed two new share issues during the year. In addition to this, new shares were created through conversion of convertibles and an options program. Altogether, a total of SEK 246.5 million was contributed to the company in shareholder equity. Costs of SEK 14.4 million are attributed to the company's exchange listing and new share issue in December.

The equity/asset ratio rose to 97 percent (94). Equity at the period end increased to SEK 296.2 million (64.1), equivalent to SEK 33.96 (14.27) per share. Cash and bank balances increased at the period-end to SEK 202.7 million (2.9). Cash flow for the year was SEK 199.8 million (0.6).

Additional information

Share and ownership

LinkMed's share was listed on the Stockholm Stock Exchange on December 12, 2006. In conjunction with the listing, the company executed a new share issue targeting both institutional and private investors in Sweden and abroad. Interest in subscribing for the shares was strong and LinkMed gained approximately 2 300 new shareholders upon listing. The issue price was set at SEK 70. LinkMed had 2 300 shareholders at the period end.

Principle owners, December 31, 2006

FastPartner AB (publ)	1 570 000	18.0%
Koncentra Holding AB	1 249 844	14.3%
Mannersons Fastighets AB	468 870	5.4%
Ingemar Lagerlöf, directly and indirectly	460 180	5.3%
Länsförsäkringar Småbolagsfond	417 500	4.8%
DLG Aktiefond	285 000	3.3%
Kaupthing Bank Sverige AB	247 700	2.8%
Banque de Luxembourg	140 000	1.6%
Bo Millstam	140 000	1.6%
Länsförsäkringar Skåne	125 000	1.4%
Radar	115 000	1.3%
Stellar Holdings Inc.	108 035	1.2%
Finter Bank Zurich	95 300	1.1%
Team Catella Tennisfond	70 000	0.8%
Bank Julius Baes und Co AG	59 208	0.7%
Other	3 170 348	36.3%
	8 721 985	100.0%

Dividend

The board of directors recommends that no dividend be paid for the fiscal year 2006

Annual General Meeting

LinkMed AB's Annual General Meeting will be held on Wednesday, May 2, 2007 in Stockholm. The annual report will be available at the latest from April 18 at LinkMed's office at Drottninggatan 33 in Stockholm, as well as on the company's website linkmed.se.

The nominating committee is made up of Gustaf Mannerson (chair), Marie Encrantz and Monica Caneman.

Accounting principles

LinkMed's financial reports have been prepared in accordance with the Annual Accounts act and the Swedish Accounting Standards Board until the year-end 2005.

From 2006, the RR 32:05, Accounting for Legal Entities, is applicable. This year-end report has been prepared in accordance with the IAS 34 Interim Financial Reporting and RR 32:05. Apart from the exceptions described below, the application of the Swedish Financial Accounting Standards Council's recommendation RR 32:05 has not had any affect on accounts reported in this year-end report compared with previously applied principles. Application of RR 32:05 has involved a change in accounting principles for the disclosure of convertible bonds. With the new principle, the disclosure of LinkMed's convertible bonds, that are debentures where the holder has the right to convert his or her claim to shares and that bear interest lower than the market rate, occurs at the time of issuance, partly as a loan and partly as shareholders' equity. The liabilities part is valued at the present value of future payments, under the premise that the loan will be repaid on maturity date. The discount factor is calculated using estimated market rates. Reported loans are indexed using the discount factor during the life of the debenture and the index increase is debited to the income statement. The difference between nominal and discounted loan amounts is disclosed as shareholders' equity. The accounts have been changed retroactively and comparison figures have been recalculated accordingly. Consequently, the Income statement for January 1 – December 31, 2006 has been charged with a financial cost of SEK 0.0 million, (0.1), and SEK 0.0 million (0.0) for the fourth quarter.

Future report dates:

First quarter interim report	May 2, 2007
Second quarter interim report	August 23, 2007
Third quarter interim report	November 8, 2007
Year-end report 2007	February 2008

Stockholm, February 8, 2007

LinkMed AB (publ)
The Board of Directors

This year-end report presents unaudited annual earnings that have not been reviewed by company auditors.

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Income statement

SEK thousands	2006 Oct-Dec	2005 Oct-Dec	2006 Jan-Dec	2005 Jan-Dec
<i>Operating income</i>				
Profit/loss from sale of associated companies	-	-368		-368
Write-down of associated companies	-	-	-2 500	
Dividend from associated companies	-	-	-	-
Revenue from investment operations	-	-368	-2 500	-368
Other revenue	1 273	606	4 050	3 615
<i>Operating expenses</i>				
Other external costs	-3 185	-541	-7 974	-2 749
Personnel costs	-2 772	-1 375	-9 455	-4 763
Write-downs	-51	-22	-262	-89
<i>Net profit/loss for the year</i>	-4 735	-1 700	-16 141	-4 354
Profit/loss after financial investments	720	241	1 676	810
<i>Profit/loss after financial items</i>	-4 016	-1 459	-14 465	-3 544
Tax	-	-	-	-
<i>Net profit/loss</i>	-4 016	-1 459	-14 465	-3 544
Earnings per share before/after dilution, SEK	-0.60	-0.33	-2.58	-0.86
Number of shares at the period end before/after dilution	8 721 985	4 493 546	8 721 985	4 493 546
Average number of outstanding shares before/after dilution	6 721 985	4 382 046	5 599 135	4 097 421

Balance sheet

SEK thousands	2006 Dec 31	2005 Dec 31
Assets		
Intangible and tangible fixed assets	615	310
Shares in associated companies	88 189	46 736
Long-term receivables at associated companies	2 216	1 575
<i>Total fixed assets</i>	<i>91 020</i>	<i>48 621</i>
Short-term receivables at associated companies	9 601	14 700
Other short-term receivables	2 215	2 014
Cash and bank balances	202 673	2 859
<i>Total current assets</i>	<i>214 489</i>	<i>19 573</i>
Total assets	305 509	68 194
Shareholders' equity and liabilities		
Shareholders' equity	296 196	64 124
Convertible loan	-	2 559
Other short-term liabilities	9 313	1 511
Total shareholders' equity and liabilities	305 509	68 194

	2006 Dec 31	2005 Dec 31
Change in shareholders' equity		
Opening balance	64 124	38 112
Effect of change of accounting principles	-	262
Adjusted opening balance	64 124	38 374
New share issue	263 726	30 710
Issuing costs	-17 189	-1 416
Net profit/loss	-14 465	-3 544
Closing balance	296 196	64 124

Cash flow analysis

	2006	2005
SEK thousands	Jan-Dec	Jan-Dec
Cash flow from current operations		
before changes in working capital	-11 684	-2 996
Changes in working capital	7 601	-95
Cash flow from current operations	-4 083	-3 091
Cash flow from investment operations	-40 062	-25 631
Cash flow from financing operations	243 959	29 293
Cash flow for the period	199 814	571
Cash and cash equivalents at the period start	2 859	2 288
Cash and cash equivalents at the period end	202 673	2 859

Key ratios

	2006	2005	2004	2003
SEK thousands	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Profit/loss from investment operations	-2 500	-368	2 763	36
Other revenue	4 050	3 615	2 256	1 174
Profit/loss after financial items	-14 465	-3 544	-181	-2 795
Total invested in portfolio companies (shares, convertibles, loans)	100 006	63 011	37 788	26 530
Balance sheet total	305 509	68 194	41 903	27 487
Equity/asset ratio	97%	94%	92%	84%
Average no. of employees	5	3	3	2
Number of outstanding shares at period end	8 721 985	4 493 546	3 632 046	2 932 046
Average number of outstanding shares	5 599 135	4 097 421	3 398 713	2 684 237
Earnings per share, SEK	-2.58	-0.86	-0.05	-1.04
Shareholders' Equity per share, SEK	33.96	14.27	10.57	7.88
Share price at period end, SEK	69	-	-	-
Market value, SEK thousands	601 817	-	-	-

Ownership in associated companies 2006, SEK thousands

Associated companies	Area/ indication	Ownership stake	Convertible Shares	debt instruments	Other receivables	Total
<i>Drug development and biotechnology</i>						
AbSorber	Transplants	40.4%	13 358		168	13 526
AnaMar Medical	Joint disease	29.2%	27 914			27 914
Biovator	Allergies	46.0%	1 720		873	2 593
IMED	Cancer/HIV/Transplants	38.8%	10 964		46	11 010
NovaHep	Liver stem cells	49.5%	1 218		1 408	2 626
Recopharma	Glycoproteins	49.5%	9 566	909	474	10 949
<i>Medtech companies</i>						
BioResonator	Eye disease/Cancer	42.4%	5 289		16	5 305
ONCOlog Medical	Cancer	48.1%	9 515		3 910	13 425
Ortoviva	Orthopedics	49.0%	4 270		50	4 320
SACS Medical	Surveillance and telemedicine	42.8%	4 375	1 307	2 656	8 338
Book value			88 189	2 216	9 601	100 006