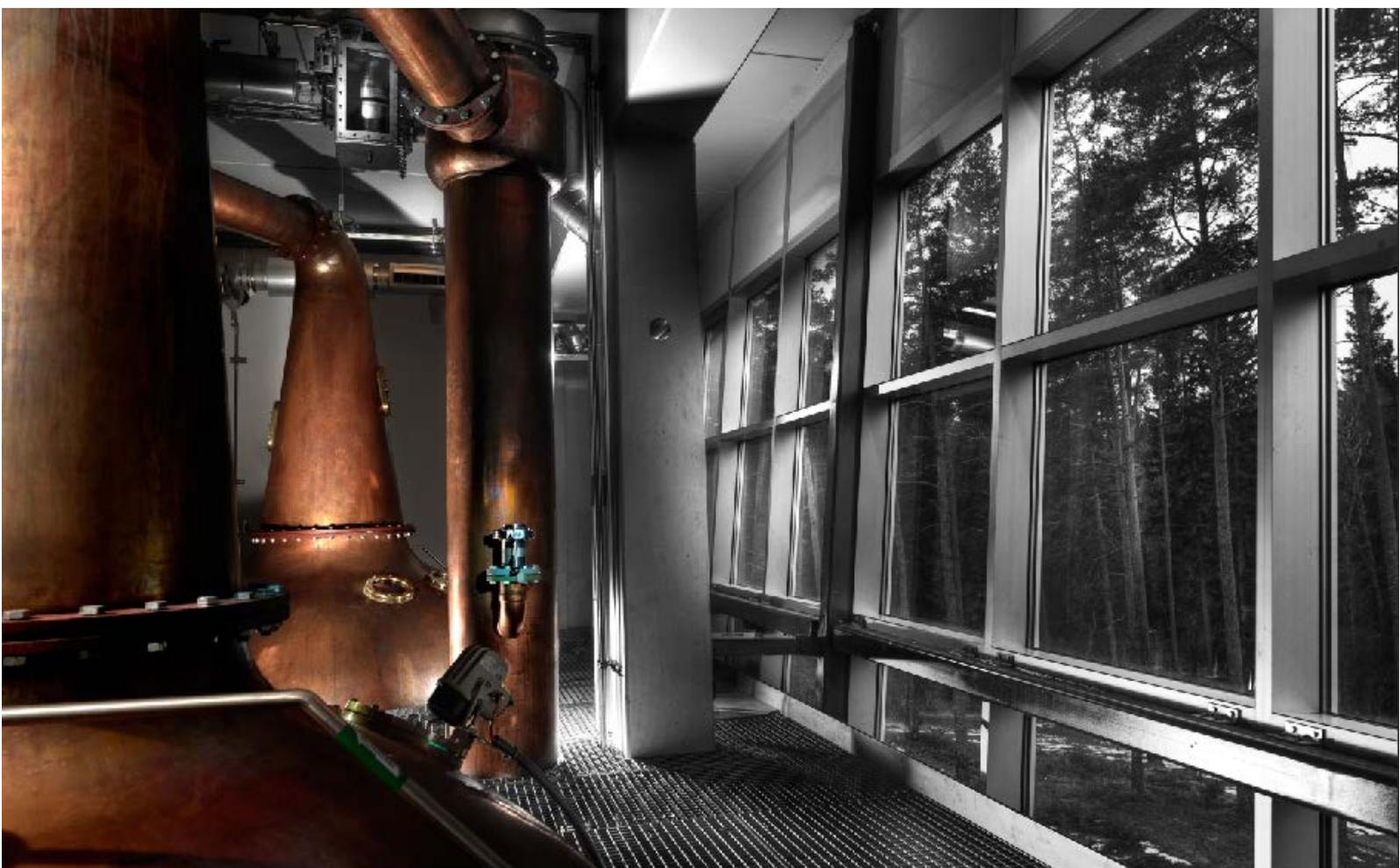


MACKMYRA SVENSK WHISKY AB (PUBL)

Q4 **YEAR-END REPORT**
JANUARY – DECEMBER 2016



MACKMYRA
SWEDISH SINGLE MALT WHISKY

Published 28 February 2017

RESULTS IN BRIEF

Key figures	2016	2015	2016	2015
	Oct.-Dec.	Oct.-Dec.	Full year	Full year
Net sales (excluding alcohol tax), SEKm	26.2	19.8	73.4	62.1
<i>Growth in sales (excluding alcohol tax)</i>	32%	14%	18%	19%
Sales of Bottled Products, SEKm	16.8	13.4	47.1	37.5
Sales of Casks and Experiences, SEKm	9.5	6.4	26.3	24.3
Gross profit/loss, before under-absorption, SEKm	12.6	10.6	36.2	32.8
Gross profit margin before under-absorption, percent	48%	53%	49%	53%
Gross profit/loss, SEKm	12.6	8.0	29.5	21.5
Gross profit margin, percent	48%	41%	40%	35%
Operating profit before depreciation, amortisation (EBITDA) and under-absorption, SEKm	-0.9	-0.2	-5.3	-4.4
Under-absorption and depreciation/amortisation	-0.4	-2.9	-8.3	-12.9
Operating profit/loss, SEKm	-1.3	-3.1	-13.6	-17.3
Interest expenses, SEKm	-3.1	-1.8	-12.4	-8.6
Taxes, SEKm	-0.1	-0.1	-0.1	-0.1
Profit/loss after tax, SEKm	-4.5	-5.0	-26.1	-26.1
Cash flow after investments, SEKm	4.5	3.6	-9.5	-7.0
Earnings per share, basic, SEK	-0.39	-0.55	-2.70	-3.19

32% sales growth in Q4 gives Mackmyra eighth consecutive quarter of growth**Sales growth 2016**

The fourth quarter gave a strong finish to 2016 with 32 percent sales growth compared with the corresponding quarter in 2015. Sales growth for the full year 2016 amounted to 18 percent. Growth is mainly driven by increased bottle sales, though sales of Casks and Experiences also improved during the year.

This year's sales successes are the result of the advances Mackmyra made on several parallel fronts during the year, based on the Company's focus on selected markets, individual products and business segments over the past few years.

- Continued strong sales growth and significant sales successes in Europe. Growth for Mackmyra's priority export markets (Germany, France and the UK) was 67 percent during the year. Sales in these markets in 2016 accounted for 24 percent (18) of total sales of bottles.
- In France, Mackmyra's sales growth during the year was more than 100 percent.
- Sales to Swedish Systembolaget increased during the year by the equivalent of 14 percent, largely driven by MACK by Mackmyra, which was a huge sales hit and in 2016 became the third best-selling single malt whisky in Sweden.
- Sales in the Private Brand segment grew by 72 percent during the year.
- The number of bottles sold for the full year 2016 was 281,000 (214,000), the highest annual level since Mackmyra was founded in 1999.

Earnings and cash flow 2016

Mackmyra's operating loss was SEK -13.6 million (-17.3), an improvement of about SEK 3.7 million compared with the previous year. The operating loss for the year includes a nonrecurring item of SEK 1.4 million relating to the disposal of non-current assets.

The after-tax financial results for the year amounted to SEK -26.1 million (-26.1), which is unchanged from 2015. Net financial items resulted in an increase in expenses equivalent to SEK 3.8 million, largely due to higher interest expenses related to the increase in interest rates during the year by the Company's lenders. With continued growth and positive earnings growth, we believe the potential to reduce the Company's financial costs is good.

Cash flow after investments amounted to SEK -9.5 million (-7.0) for the full year. Cash flow was weaker than previous years largely because of increased distillation in 2016. Nevertheless, Mackmyra achieved a positive cash flow after investments for the second half of 2016 corresponding to approximately SEK 2.5 million.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

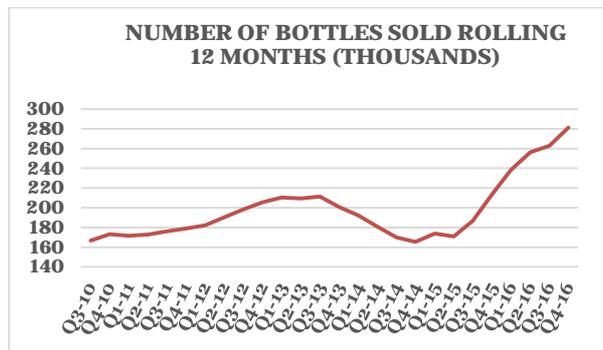
- The private placement for a total of about SEK 6 million, which the Board resolved on in September, was fully subscribed and completed in October.
- The pace of distillation accelerated at the end of the third quarter following the successful financing and reached the highest level seen for a single quarter since 2013 during the fourth quarter of the year.
- Amortisation of Mackmyra's bank loans continued at a quarterly rate of approximately SEK 1.5 million. Bank loan repayments for 2016 totalled SEK 6 million, an increase from SEK 4.3 million in 2015.
- MACK by Mackmyra was included on the regular shelves at Systembolaget in March 2016 and became the third best-selling single malt whisky (all categories) at Systembolaget in 2016.
- Mackmyra announced in December 2016 that it intends to launch Sweden's first 12-year-old whisky in February 2017. The name of the whisky is Mackmyra Moment Tolv (Twelve).
- Mackmyra garnered an impressive seven medals for its Swedish whisky in the "2016 Best Whisky of the Festival" competition at the Stockholm Beer & Whisky Festival in October.
- At C2C Spirit Cup in Germany, Vinterdröm, MACK by Mackmyra, Moment Jakt and Blomstertid all won medals.
- Mackmyra was awarded Spritakademin's "Guld nubben" prize.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- Mackmyra announced that the first whisky distilled at its climate-smart gravity distillery will be available at Systembolaget from the end of February. The first whisky from the gravity distillery is MACK by Mackmyra.
- The launch of Moment Tolv was a huge success. The 1,200 bottles that Systembolaget released were popular among the customers to say the least. It did not take more than a few minutes before all bottles were sold out. The remaining 300 bottles are allocated for export markets. They were sold in advance and sold out some time ago, with a demand that far exceeds the supply many times over.

CEO'S REPORT

Mackmyra increased sales in 2016 for the second year in a row by nearly 20%. The number of bottles sold rose by over 30% and ended at 281,000 units, the highest volume Mackmyra has achieved to date on an annual basis.



The close of Q4 2016, with 32% growth, including 46% for casks & experiences, a positive cash flow despite the increased pace of distillation and substantial amortisation payments, and an operating result that is just about ready to break even (excluding the quarter's nonrecurring item of SEK 1.4 million, the operating result is positive), illustrates the positive spiral that we have now entered and that we must leverage moving forward.

The most exciting aspect of 2016 is the breakthrough Mackmyra experienced with international consumers.

Total sales to our priority export markets (Germany, France and the UK) amounted to SEK 11.5 million (6.9), an increase of 67% and 24% of total bottle sales. These three enormous markets have great potential and a clear interest in "New World Whisky": whisky from non-traditional whisky countries. France has grown most in terms of percentage: over 100% from 2015, which is particularly exciting since France is the largest whisky market in the world in absolute figures.

Systembolaget, our largest and most important market at SEK 22.9 million (20.1), accounted for about 50% of bottle sales for both 2015 and 2016. The 2016 figures represent a growth rate corresponding to about 14% in sales and 44% in number of bottles. This trend reflects a nice tailwind in Sweden and we have found our way to a large new target group in the popular SEK 300 segment. Beginning in March our MACK by Mackmyra whisky became available on the regular shelves at Systembolaget and was a great success - Sweden's third best-selling single malt whisky in 2016. People love to drink MACK however it is served: neat, on the rocks, or in cocktails.

MACK by Mackmyra is also an important component in our strong focus on cash flow. The other strong contributor to the recent improvement in cash flow is the Private Brand segment, in which we develop and bottle whisky in collaboration with others. The business segment,

which was started in 2015, made strong progress in 2016 (+72%), mainly with Motörhead whisky and Sweden Rock, but also with small bottlings. Partners handle sales both in Sweden and for export.

The Casks & Experiences segment produces a robust cash flow and spreads awareness of Mackmyra's whisky and brand, primarily in Sweden. It represents about one third of total sales in 2016 with sales of SEK 26 million, an increase of 8% over 2015. An exciting new option this year was the opportunity to reserve a 9-year old 200-litre cask that can be bottled later as Mackmyra's first 15-year-old whisky in 2022. The offer was extremely successful and casks were reserved for about SEK 3.5 million. This amount has not been recognised as revenue, but helps cash flow. The example shows the strength of a large and older maturing stock. The large and relatively old maturing stock gives Mackmyra a unique position among the fast-growing phenomenon of New World Whisky/Craft whisky distilleries seen in the Nordic countries as well as worldwide. The background to this competitive advantage is that Mackmyra had a relative head start and began to invest large amounts early on in maturing stock capacity.

The launch of Mackmyra TOLV, Sweden's first twelve-year-old whisky, on 16 February 2017 is another example of the opportunities provided by an older whisky warehouse facility. Despite a price tag of almost SEK 1,200, the 1,500 bottles were sold out in minutes. The demand can be compared with the frenzied queues lined up outside Systembolaget stores when Mackmyra's early first Preludium editions were released in Sweden in 2006-2007. The difference is that now the whisky is nine years older, which means it is of considerably higher quality, plus there is consumer interest throughout Europe.



Photo: Queue outside Systembolaget at Hansakompaniet, Malmö, in March 2006, to buy one of the first bottles of whisky from Mackmyra.

Welcome to Mackmyra Whisky!

Magnus Dandanell
Chief Executive Officer, Mackmyra Svensk Whisky AB

MACKMYRA SVENSK WHISKY AB

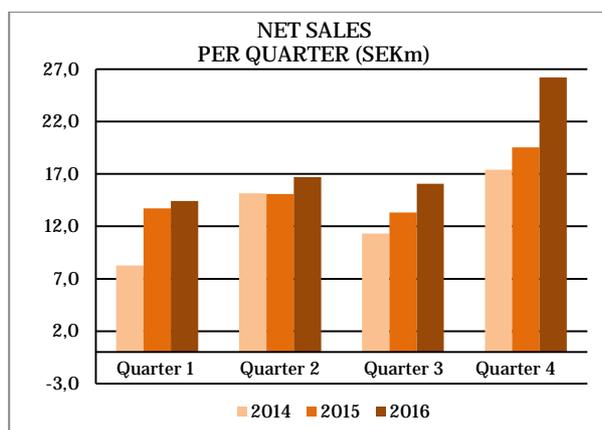
Mackmyra Svensk Whisky AB (publ) was founded in 1999 and is Sweden's first producer of malt whisky. The Company has successfully launched the first Swedish single malt whisky in the form of personal 30-litre casks and single malt whisky sold in bottles. Operations are conducted in Mackmyra Whisky Village outside Gävle with marketing handled in Stockholm, as well as through the subsidiaries Mat och Upplevelser i Kungsbäck AB and Mackmyra Swedish Whisky GmbH, which is based in Hamburg. Mackmyra has approximately 6,700 shareholders and Mackmyra Class B shares are listed on Nasdaq First North.

MARKET

Systembolaget's sales of single malt whisky rose by about 2 percent (10) in 2016 compared with the previous year, according to Systembolaget's own statistics. The trend for New World Whisky, whisky from non-traditional countries, remains positive. Many new distilleries are starting all over the world and receiving strong interest among consumers and the media.

NET SALES AND FINANCIAL PERFORMANCE

Net sales



Whisky sales are subject to substantial seasonal variations. For Mackmyra, Q4 and Q2 have been the strongest quarters historically.

Net sales excluding alcohol tax for the fourth quarter totalled SEK 26.2 million (19.8), up 32 (14) percent over the previous year.

Net sales excluding alcohol tax for the full year 2016 increased by 18 percent (19), to SEK 73.4 million (62.1). The fourth quarter of 2016 was the

eighth consecutive quarter of growth compared with the previous year.

In the fourth quarter, Bottled Products comprised 64 percent (68) of net sales excluding alcohol tax for the quarter, while Casks and Experiences accounted for the remaining 36 percent (32).

For the full year 2016, Bottles comprised 64 percent (61) and Casks and Experiences 36 percent (39) of net sales excluding alcohol tax.

Financial Performance

Gross profit before under-absorption for the quarter amounted to SEK 12.6 million (10.6) with a gross profit margin of 48 percent (51). The reason for the somewhat lower gross profit margin is that the large volumes of MACK by Mackmyra are sold with lower margins than the rest of Mackmyra's product line. However, its contribution to cash flow is relatively large, since existing whisky from stock that was paid for long ago comprises most of the cost of goods sold.

Gross profit before under-absorption for the full year was SEK 36.2 million (32.8). Gross profit margin for the full year is also somewhat lower at 49 percent (53), for the same reason as for the fourth quarter.

Gross profit after under-absorption for the quarter was SEK 12.6 million (8.0). No under-absorption was charged against the fourth quarter because the distillation pace for the quarter was so high, unlike the previous year, when under-absorption was SEK 2.6 million for the corresponding quarter.

Gross profit after under-absorption for the full year was SEK 29.5 million (21.5), representing an increase in gross margin of 40 percent (35). The improvement can be explained by the increase in sales and the lower under-absorption costs.

In practice, the cost of under-absorption entails periods with low distillation volume during which earnings are charged with fixed expenses that cannot reasonably be applied to the value of the maturation stock because of the low distillation volume. The negative impact on earnings arises when the fixed production costs cannot be fully allocated to the distilled volumes and instead are expensed directly in income. In recent years under-absorption has had a substantial negative impact on gross profit. However, the lower distillation volume during these years has also contributed to a significant improvement in cash flow.

Other operating expenses in the fourth quarter amounted to SEK 13.8 million (11.1). The increase in expenses largely reflects the increased investment in sales and marketing in both Sweden and Europe, but includes a non-recurring expense of about SEK 1.4 million related to the disposal of non-current assets.

Operating expenses for the full year, equivalent to about SEK 4.2 million, are also higher for the same reason as for the fourth quarter.

The operating loss for the fourth quarter was SEK 1.3 million (loss: 3.1) and the loss for the full year was SEK 13.6 million (loss: 17.4).

Note that the operating result for the fourth quarter includes a non-recurring item related to the disposal of non-current assets. Excluding this non-recurring expense, the operating result for the quarter would have been marginally positive.

Depreciation and amortisation for the year amounted to SEK 11.9 million (11.9). Depreciation and amortisation for the fourth quarter amounted to SEK 2.8 million (3.0).

Net financial items for the fourth quarter amounted to SEK -3.1 million (-1.8). Net financial items for the full year totalled SEK -12.4 million (-8.6).

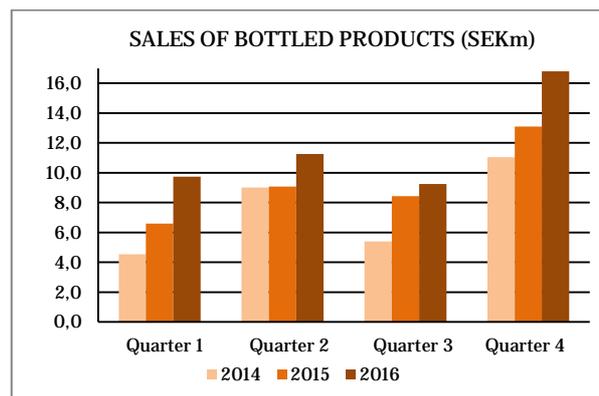
The reason for the lower net financial income between the years is that in 2016 interest rates increased on some of the Company's bank loans, as well as the interest expense on the equity portion of convertible debentures that had a negative impact on earnings of approximately SEK 1.3 million (no equivalent in 2015). This latter interest expense has no impact on cash flow for the company, either historically or in the future.

The loss after tax for the fourth quarter amounted to SEK 4.5 million (loss: 5.0) and the loss for the full year was SEK 26.1 million (loss: 26.1).

BOTTLED PRODUCTS

Systembolaget accounts for approximately half of Mackmyra's bottle sales.

The priority export markets, Germany, France and the UK, account for one fourth of sales. Borders Shops, Travel Retail and Private Brand account for almost another quarter of sales. The remainder is sold in small volumes to other export markets.



Sales of Bottled Products increased by 25 percent during the fourth quarter to SEK 16.8 million (13.4), compared with the previous year. In 2016 sales increased by 26 percent to SEK 47.1 million (37.5).

The number of bottles sold during the fourth quarter amounted to 101,400 (83,500), an increase of 21 percent (50) compared with the previous year. For the full year 2016 the number of bottles sold increased by 32 percent (26) to 281,000 (214,000), thereby reaching a historic record high in 2016.

Mackmyra's priority export markets

Sales to the priority export markets increased by SEK 4.6 million (3.3) to SEK 11.5 million (6.9) in 2016, representing sales growth equivalent to 67 percent compared with the previous year. Sales in these markets together thereby accounted for 24 percent (18) of total bottle sales for 2016. It is particularly gratifying that sales in France more than doubled in 2016.

Systembolaget

Sales to Systembolaget increased by 14 percent (10) in 2016. The increase is largely attributable to MACK by Mackmyra, but Mackmyra's exclusive Moment editions also make a strong contribution to sales growth. Mackmyra Brukswhisky and Svensk Ek are holding their own despite the possibility of some cannibalisation when the less expensive non-smoky Mackmyra entered the scene. However, Svensk Rök slipped about 30% compared with 2015, which can be attributed to the addition of similar options to the segment.

The number of bottles sold rose by an impressive 44 percent, primarily due to the volumes that MACK by Mackmyra added during the year.



MACK by Mackmyra has been included in Systembolaget's standard product line since 1 March 2016.

Private Brand and cooperative partnerships

The Private Brand segment, which was initiated in 2015, has continued to show strong growth. Motörhead Whisky, which is produced by Mackmyra and sold to an external distributor, has been particularly prominent during the year. Motörhead Whisky has been part of Systembolaget's standard product line since early 2016. The wholly owned subsidiary Mackmyra Swedish Whisky GmbH has also sold the product in the German market since the second quarter of the year.

Sweden Rock Edition 2016, the second edition in the collaboration with the festival arranger, was also launched during the year.

The product area also includes several small collaborative partnerships that have resulted in customised bottlings.



New products

MACK by Mackmyra

For Mackmyra, MACK by Mackmyra represented a strategic step into the price segment where the majority of whisky volumes are currently sold. In Sweden alone, a total of about 9 million bottles of all whisky (malt, bourbon, blended, rye, etc.) are sold annually at Systembolaget. Almost 90% of these volumes relate to whisky that costs a maximum of SEK 350 per bottle. This price segment is currently dominated by about twenty brands, each of which sells volumes of about 100,000 – 700,000 bottles annually. The bestsellers around the SEK 300 price point include the classics Famous Grouse, Tullamore Dew, Jameson, Glen Grant and Jack Daniels. MACK by Mackmyra challenges the segment with the first Swedish option.

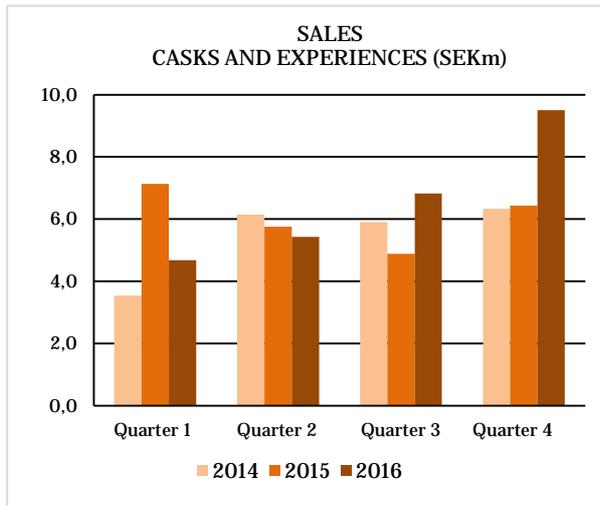
When selling to Systembolaget, MACK by Mackmyra has lower margins than Mackmyra's other products, though this channel provides greater opportunities to increase both sales volumes and awareness of the Company by targeting a new customer group for Mackmyra, while further enhancing cash flow.

Vinterdröm

Mackmyra Vinterdröm (Winter Dream) was launched on some of the export markets at the end of September and at Systembolaget in early December. Vinterdröm is a fruity and spicy single malt whisky that is produced in a limited edition. The whisky is a collaboration with Plantation Rum and has been stored for finishing in part in casks that previously stored Barbados and Jamaican Rum. The result is a soft oaky whisky with notes of orange, vanilla, arrack and demerara sugar. Vinterdröm was sold out from Mackmyra's stock well before Christmas, even though the launch at Systembolaget was so late in the season.



Casks and Experiences



Fourth quarter sales of Casks and Experiences totalled SEK 9.5 million (6.4), which was an increase of 48 percent (2) compared with the previous year.

In 2016 sales increased by 8 percent (11) to SEK 26.3 million (24.4).

A key success factor for the increase in cask sales was the year’s cask campaign – casks with a rum finish, launched during the third quarter. The cask, which was developed in collaboration with Plantation Rum, was saturated with Barbados Grand Reserve Rum for eight months. The combination of whisky and rum opens doors to new dimensions in the whisky, which gains notes of molasses, arrack and baking spices.



The first 15-year-old Swedish single malt whisky

Since early July 2016 Mackmyra has supplemented the cask offering with the first 15-year-old Swedish single malt whisky. Customers will be able to invest about SEK 100 thousand to reserve one of the elegant 200-litre bourbon casks from 2007.

While the transactions are not reported as sales/revenue until after bottling and delivery, they represent a cash injection already at the time of the reservation. The value of these reservations for the full year 2016 was SEK 3.5 million. The timing of bottling and delivery (and thus also of revenue recognition for Mackmyra) is governed by the customer and is possible between 2017 and 2022.

Other

In 2016 Mackmyra continued to add large volumes to the Swedish market, approximately 66,000 reserve bottles (75,000), of Mackmyra’s best whisky through delivery of bottled products from previously sold customer casks. This may temporarily saturate demand for Mackmyra’s standard bottled products at Systembolaget, but provides continued good distribution over the longer term as they become offered to friends and acquaintances. Overall, the high levels of reserve bottles thereby help to increase long-term sales of Mackmyra’s standard bottled products at Systembolaget. However, it should be noted that these reserve bottles are not included in the volumes mentioned above in this report, as these bottles are classified as sales of casks.

As previously, Mackmyra’s visitor centre in Mackmyra Whisky Village offers visits to Mackmyra’s restaurant, whisky tastings, tours of the distillery and warehouse, as well as conferences. Mackmyra targets both private individuals and companies. Mackmyra’s visitor centre plays an important part in supporting the marketing of Mackmyra’s whisky experiences of both bottled products and casks.

AWARDS AND RECOGNITION

Awards and prizes are an important part of marketing and are strengths in discussions with international partners. The quality of Mackmyra’s whisky continues to garner recognition both internationally and in Sweden. Mackmyra’s whisky received the following awards during the year.

The Spirits Business

The magazine “The Spirits Business” ranked Svensk Rök as one of the “Top 10 best value for money world whiskies”.

Mackmyra Whisky’s Svensk Rök – which translates to Swedish Smoke – was deemed “very elegantly made with a hint of peat smoke” by the panel, winning a gold medal. “The expression is said to be the only ‘smoky’ single malt whisky made using Swedish ingredients.”

Stockholm Beer & Whisky Festival

Once again, Mackmyra was awarded several medals at the Stockholm Beer & Whisky Festival. Particularly significant are Mackmyra’s personal casks of Smoky Bourbon, which won a bronze in the category Peaty Malt Whisky in open competition with all of the world’s smoky whiskies, regardless of age.

Category: Swedish Whisky up to 5 YO

Gold - Elegant Svensk Ek

Silver - Svensk Rök

Bronze - Motörhead

Category: Swedish Whisky over 5 YO

Gold - Svensk Ek

Silver - Moment Jakt

Bronze - Vinterdröm

Category: Peaty Malt Whisky open

Gold - Bowmore 15 Darkest

Silver - anCnoc Rascan

Bronze - Rök Bourbon



Mackmyra Svensk Whisky was also awarded Spritakademin’s big “Guldnubben” prize during the fourth quarter.

PRODUCTION

DISTILLATION

About 75,000 bottles (23,000) were distilled during the fourth quarter. The pace of distillation ratcheted up significantly at the end of the year to meet the increased demand for Mackmyra bottled products and to ensure the future supply of younger whisky in Mackmyra maturing stocks associated with, for example, MACK by Mackmyra. An even age distribution in the maturing stock is preferable in the long term. Consequently, the aim over the next few years is for the distillation rate to at least correspond to balanced distillation, where the input of newly distilled whisky in the warehouse = output of bottled whisky from the warehouse. Moreover, the estimated growth of younger whisky products will be added to that amount.

MATURING STOCK

The carrying amount of the maturing stock declined during the year by SEK 9.6 million to a total of SEK 161.7 million as at 31 December 2016. The carrying amount of the maturing stock includes warehouse costs.

The maturing stock is valued at the lower of either production cost or net realisable sales value at the close of the reporting period.

Included in the production cost is the cost of storage during the period up until when the whisky is matured for selling.

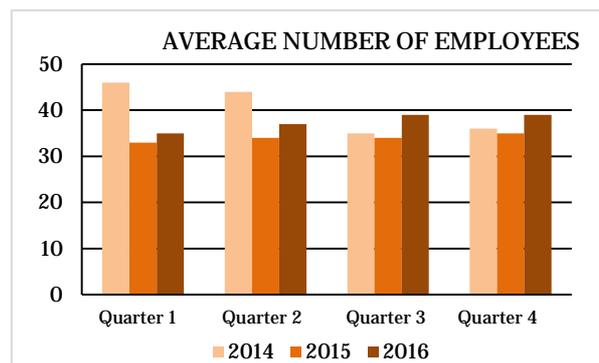
Finished whisky at the right age and recipe mix in sufficient quantities are crucial for increasing sales in the long term. Almost half of Mackmyra’s total maturing stock consists of whisky that has been stored and aged for five to ten years. This means that presently Mackmyra has a high delivery capacity even of somewhat older whisky. Meanwhile, because of the higher sales of bottles the distillery production needs to be increased to avoid a shortage of younger whisky in the warehouse around 2022.

The whisky in the warehouse now that will not be bottled until 2022 will be five years older and command a higher retail price. It should not be used for products in the lower price segment, but rather to supply the products in the more exclusive segments. It will be a major strength to have good capacity to bottle ten to fifteen-year-old whisky while hedging the supply of younger whisky with a well-balanced annual distillation.

FINANCIAL INFORMATION

PERSONNEL AND ORGANISATION

The Group had an average of 39 full-time employees (35) during the quarter. The increase is due to the addition of sales representatives. The management consists of the CEO, CFO, Sales and Marketing Manager, Master Blender, and Supply Chain Manager. The chart below shows the average number of full-time employees by quarter.



INVESTMENTS

Investments totalled SEK 0.3 million (0.4) for the quarter and SEK 1.9 million (1.9) for the full year. Investments mainly related to casks for ageing of whisky and IT system development.

CASH FLOW

Cash flow after investments for the fourth quarter amounted to SEK 4.5 million (3.6). This means that after investments, cash flow over the second half of 2016 was positive at SEK 2.5 million (-2.4). Cash flow after investments for the full year 2016 amounted to SEK -9.5 million (-7.0). The lower cash flow is largely the result of the increased pace of distillation during the year. Bank loan repayments during the year totalled about SEK 6.0 million (4.3)

LIQUIDITY AND FINANCING

At the close of the reporting period, cash and cash equivalents amounted to SEK 8.0 million, compared with SEK 6.1 million as at 30 September 2016. Unutilised bank lines of credit totalled SEK 10.0 million, compared with SEK 10.0 million as at 30 September 2016.

The fully underwritten rights issue for a total of about SEK 15.4 million carried out in September was registered with the Swedish Companies Registration Office in October. The same applies to the private placement of a total of about SEK 6 million that was carried out in September/October.

At the close of the reporting period, non-current liabilities amounted to SEK 159.7 million (compared with SEK 174.0 million as at 31 December 2015), of which SEK 135.6 million (141.6) relates to loans from credit institutions, SEK 15.2 million (15.9) relates to convertible debentures, SEK 0 million (3.8) relates to unutilised lines of credit, and SEK 8.9 million (12.7) relates to non-interest-bearing liabilities attributable to loans from the Company's cask owners.

Bank overdraft facilities totalled SEK 10.0 million (10.0).

SHARE CAPITAL

The total number of shares is 11,561,008. Share capital is SEK 11,561,008.

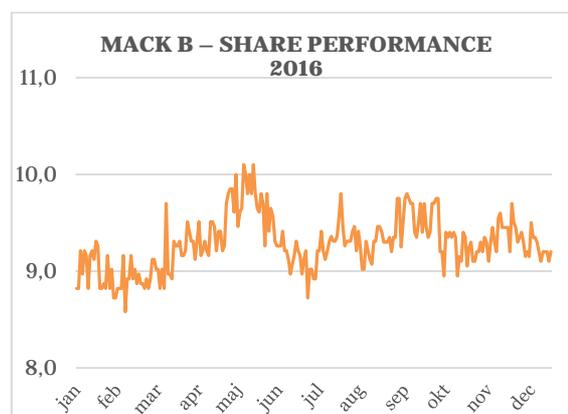
RISKS AND UNCERTAINTIES

For a description of risks and uncertainties, please refer to Mackmyra's 2015 Annual Report, pages 25-26.

THE MACKMYRA SHARE

Mackmyra Class B shares are listed on Nasdaq First North. The closing share price on 30 December 2016 was SEK 9.20, which can be compared with SEK 9.45 as at 30 September 2016. A total of 575,735 shares were traded over the course of the quarter, compared with 336,899 shares during the corresponding period the previous year.

The chart below shows the share price movements in 2016.



DIVIDEND

The Board of Directors intends to propose that no dividend be paid.

ACCOUNTING POLICIES

This quarterly report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board General Guidelines BFNAR 2012:1 Annual Reports and Consolidated Financial Statements (K3 rules). The same accounting policies are applied as in the 2015 Annual Report. For a more detailed

description of the accounting policies applied, please refer to the 2015 ANNUAL REPORT. All information in this report refers to the Group which consists of Mackmyra Svensk Whisky AB and the wholly owned subsidiaries Mat och Upplevelser i Kungsbäck AB and Mackmyra Swedish Whisky GmbH.

OWNERSHIP AS AT 31 December 2016

Owner	Total	Class A shares	Class B shares	Capital %	Votes %
Family Rolf Klingberg	1,606,750	11,000	1,595,750	13.9%	12.1%
The Founders' Group	1,337,062	207,860	1,129,202	11.6%	22.8%
Lantmännen ek. för.	1,136,908	34,940	1,101,968	9.8%	10.3%
Håkan Johansson	1,016,622	0	1,016,622	8.8%	7.2%
W & L Kapitalförvaltning AB	470,600	0	470,600	4.1%	3.4%
ALMI Invest Norra Mellansverige	250,000	0	250,000	2.2%	1.8%
Lennart Hero	204,219	0	204,219	1.8%	1.5%
Family Tage Klingberg	22,230	22,200	30	0.2%	1.6%
Other shareholders	5,516,617	0	5,516,617	47.7%	39.3%
Total	11,561,008	276,000	11,285,008	100.0%	100.0%

The above list of major shareholders reflects the ownership structure as at 31 December 2016.

* The Founders' Group consists of the eight founders (Annika Berg, Jonas Berg, Astrid Dandanell, Magnus Dandanell, Jennie Kastengren, Carl-Johan Kastengren, Richard Lundborg and Malin Lövmemark), Spritum Spritaktiebolag AB as well as the Gillesvik AB Group.

FINANCIAL REPORTS

PROFIT & LOSS STATEMENTS

PROFIT & LOSS STATEMENT (SEK THOUSAND)	2016 Oct.-Dec.	2015 Oct.-Dec.	2016 Full year	2015 Full year
Net sales	36,903	29,379	99,773	81,675
<i>Less: alcohol tax</i>	-10,727	-9,593	-26,417	-19,593
Net sales excluding alcohol tax	26,176	19,786	73,356	62,082
Cost of goods sold	-13,624	-9,218	-37,108	-29,233
Under-absorption	0	-2,520	-6,715	-11,327
Gross profit/loss	12,552	8,047	29,533	21,522
Other operating expenses				
Selling and marketing expenses	-8,467	-7,611	-27,854	-24,127
Administrative costs	-3,992	-3,518	-13,913	-14,735
Other operating expenses	-1,387		-1,387	
Operating profit/loss	-1,295	-3,082	-13,622	-17,341
Net financial items	-3,130	-1,769	-12,368	-8,643
Profit/loss after financial items	-4,426	-4,851	-25,990	-25,984
Taxes	-122	-123	-127	-123
Profit/loss after tax	-4,548	-4,974	-26,117	-26,106

BALANCE SHEETS

BALANCE SHEETS (SEK THOUSAND)	31 Dec. 2016	31 Dec. 2015
ASSETS		
NON-CURRENT ASSETS	109,869	121,195
CURRENT ASSETS		
Inventories	174,434	184,347
Other current assets	21,896	20,096
Cash and bank balances	7,999	5,950
	204,329	210,393
TOTAL ASSETS	314,198	331,588
EQUITY AND LIABILITIES		
SHAREHOLDER EQUITY	115,007	120,689
NON-CURRENT LIABILITIES AND PROVISIONS	163,651	176,760
SHORT-TERM LIABILITIES	35,540	34,139
TOTAL EQUITY AND LIABILITIES	314,198	331,588

STATEMENT OF CASH FLOWS

CASH FLOW (SEK THOUSAND)	2016 Oct.-Dec.	2015 Oct.-Dec.	2016 Full year	2015 Full year
Cash flow from operating activities	-3,503	-1,190	-15,237	-13,219
Change in working capital				
Change in inventories	6,660	602	9,913	2,600
Change in other working capital	1,676	4,589	-2,208	5,594
Cash flow after changes in working capital	4,833	4,001	-7,532	-5,025
Cash flow to investments	-349	-414	-1,931	-1,941
Cash flow after investments	4,484	3,587	-9,463	-6,966
Cash flow from financing activities	-2,566	-100	11,512	10,811
Cash flow for the period	1,918	3,487	2,050	3,845
Cash and cash equivalents at the beginning of the period	6,082	2,464	5,950	2,105
Cash and cash equivalents at the end of the period	8,000	5,950	8,000	5,950

CHANGES IN EQUITY

SEK thousand	2016 Full year	2015 Full year
Equity at the beginning of the period	120,689	136,165
Issuance of new shares	21,378	9,846
Issuance expenses	-990	-860
Convertible debentures, value of conversion option	-	1,615
Translation differences	46	30
Profit/loss for the year	-26,117	-26,106
Equity at the end of the period	115,007	120,689

KEY FIGURES

Key figures	2016	2015	2016	2015
	Oct.-Dec.	Oct.-Dec.	Full year	Full year
Net sales (excluding alcohol tax), SEKm	26.2	19.8	73.4	62.1
<i>Growth in sales (excluding alcohol tax)</i>	<i>32%</i>	<i>14%</i>	<i>18%</i>	<i>19%</i>
Sales of Bottled Products, SEKm	16.8	13.4	47.1	37.5
Sales of Casks and Experiences, SEKm	9.5	6.4	26.3	24.3
Gross profit/loss, before under-absorption, SEKm	12.6	10.6	36.2	32.8
Gross profit margin before under-absorption, percent	48%	53%	49%	53%
<i>Less: under-absorption</i>	<i>0.0</i>	<i>-2.5</i>	<i>-6.7</i>	<i>-11.3</i>
Gross profit/loss, SEKm	12.6	8.0	29.5	21.5
Gross profit margin, percent	48%	41%	40%	35%
Operating profit before depreciation, amortisation (EBITDA) and under-absorption, SEKm	-0.9	-0.2	-5.3	-4.4
Operating profit/loss, SEKm	-1.3	-3.1	-13.6	-17.3
Profit/loss after tax, SEKm	-4.5	-5.0	-26.1	-26.1
Cash flow after investments, SEKm	4.5	3.6	-9.5	-7.0
Cash flow, SEKm	1.9	3.5	2.0	3.8
Investments, SEKm	0.3	0.4	1.9	1.9
Maturing stocks, carrying amount, SEKm	161.7	171.4	161.7	171.4
Financial net debt excluding convertible debentures, SEKm	136.7	146.7	136.7	146.7
Liquid ratio, percent	112%	95%	112%	95%
Interest coverage ratio (times)	-0.4	-1.7	-1.1	-2.0
Equity, SEKm	-4.6	120.7	115.0	120.7
Equity per share, SEK	-0.39	13.34	9.95	13.34
Equity ratio, percentage	37%	36%	37%	36%
Number of shares, before full dilution	11,561,008	9,045,924	11,561,008	9,045,924
Number of shares, diluted	12,529,881	9,946,521	12,529,881	9,946,521
Earnings per share, basic, SEK	-0.39	-0.55	-2.70	-3.19
Earnings per share, diluted, SEK	-0.39	-0.55	-2.70	-3.19
Average number of shares, basic	11,561,008	9,045,924	9,674,695	8,175,657
Average number of shares, diluted	12,529,881	9,946,521	10,629,053	8,942,920
Number of employees (average)	39	35	37	35

The Company's auditors did not audit this year-end report.

FINANCIAL CALENDAR, GLOSSARY AND DEFINITIONS

DATES FOR PUBLICATION OF FINANCIAL INFORMATION

20 April 2017 2016 Annual Report
11 May 2017 Quarterly report January–March
2017
20 May 2017 Annual General Meeting

GLOSSARY AND DEFINITIONS

Angel's share

Approximately three percent of the whisky evaporates from the oak casks each year during storage. This is referred to as the angels' share.

Bottle

70 cl raw spirit or whisky calculated with an alcohol content of at least 40 percent, distributed and sold via traditional channels.

Cask

Personal whisky casks ordered and produced according to customer orders. To be delivered after maturation for an average of five years, in about 48 whisky bottles containing 50 centilitres each.

Earnings per share (SEK)

Profit/loss after tax divided by average equity during the period.

Equity ratio (%)

Shareholder equity divided by the balance sheet total.

Financial net debt excluding convertible debentures

Interest-bearing liabilities, excluding convertible debentures - Cash and bank balances

Gross Profit Margin (%)

Gross profit divided by net sales.

Interest coverage ratio (times)

Earnings before interest expense divided by interest expense.

Liquidity ratio

The total of current assets, cash and cash equivalents and unutilised line of credit divided by current liabilities.

Operating Margin (%)

Operating profit divided by net sales.

Return on equity (%)

Profit/loss after tax divided by average shareholder equity.

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