Immunovia Interim report, January-June 2017

”During Q2 we announced that we are establishing our American office in Boston. The head office for the US includes our own reference laboratory that complements our earlier collaboration with Knight Diagnostic Laboratories and gives us delivery capacity in both the east and west of the United States.”

”Another highlight for Immunovia during the quarter was the excellent results from the study of differentiation of Rheumatoid Arthritis (RA), Sjögren’s Syndrome and Systemic Vasculitis. These results complement the ones from the earlier differential study that we presented for SLE in Q1. They further confirm that our IMMray™ platform is generally applicable for many unsolved clinical problems within both cancer and autoimmunity while specifically strengthening our possibilities in the autoimmunity field.”

”During the quarter we announced that, together with Knight Cancer Institute at OHSU, we received a research grant from PanCAN, a patient advocacy group, to support a retroactive analysis of American patients who developed pancreatic cancer after being diagnosed with diabetes.”

Mats Grahn, CEO of Immunovia AB

Key indicators

SEK thousand unless otherwise stated

	1 April-30 June 2017	1 April-30 June 2016	1 Jan-30 June 2017	1 Jan-30 June 2016	Full year 2016
Net sales	68	66	95	66	177
Operating earnings	-10,645	-2,967	-18,515	-5,403	-14,978
Earnings before tax	-10,554	-2,892	-18,325	-5,298	-14,723
Net earnings	-10,554	-2,892	-18,325	-5,298	-14,723
Earnings per share before dilution (SEK/share)	-0.63	-0.20	-1.09	-0.37	-0.98

			30 June 2017	30 June 2016	31 Dec 2016
Equity ratio, %	96	93	96	93	98
No. of shares at the end of the period	16,804,059	14,291,216	16,804,059	14,291,216	16,804,059
Average number of shares before and after dilution	16,804,059	14,291,216	16,804,059	14,291,216	16 804 059

This financial statement has been produced in accordance with IFRS for the Immunovia Group, which comprises Immunovia AB and the wholly-owned subsidiary Immunovia Inc.

Outlook

Immunovia is focused on fundamentally transforming diagnosis of complex forms of cancer and autoimmune diseases. The antibody-based platform, iMMray™, is the result of 15 years of research at CREATE Health – the Center for Translational Cancer Research at Lund University, Sweden. IMMray™ is a technology platform for the development of diagnostic tests and the company’s primary test. IMMray™ PanCan-d is the first test in the world for early diagnosis of pancreatic cancer.

- It is planned to launch IMMray™ PanCan-d on the American and European markets with sales to out-of-pocket customers, to start when the accreditation and production upscaling have been completed, with revenues expected to begin in 2018. In coming years Immunovia will address a market that in total is worth around SEK 30 billion.
- Immunovia sees great potential in the development of tests for other unsolved problems in cancer and autoimmune diseases via its IMMray™ platform. The next focus area will be tests within SLE, based on the positive results announced in early 2017.

CEO's statement

Dear shareholders,

We are staying focused on bringing our patented test for pancreatic cancer to the market. The main activities that will take us to the commercial phase are the prospective studies and certifications, accreditations and scaling up of production, both of the product itself and of laboratory capacity. During Q2 we announced that we are establishing our American office in Boston. The main office includes its own reference laboratory that will complement our earlier collaboration with Knight Diagnostic Laboratories and give us delivery capacity in both east and west of the United States. Having our own laboratory with highly qualified staff also safeguards quality and service, which is very important, especially in the initial commercialisation phase.

Another highlight for Immunovia during the quarter was the excellent results from the study of differentiation of Rheumatoid Arthritis (RA), Sjögren's Syndrome and Systemic Vasculitis. These results complement the ones from the earlier differential study that we presented for SLE in Q1. They further confirm that our IMMray™ platform is generally applicable for many unsolved clinical problems within both cancer and autoimmunity while specifically strengthening our possibilities in the autoimmunity field.

"Another highlight for Immunovia during the quarter was the excellent results from the study of differentiation of Rheumatoid Arthritis (RA), Sjögren's Syndrome and Systemic Vasculitis.

These results complement the ones from the earlier differential study that we presented for SLE in Q1."

On the road to reimbursement with PANFAM-1 study

In December 2016 we announced the start of a prospective study on hereditary risk groups, 'PANFAM-1'. The purpose of this study is to monitor over three years one thousand individuals with a genetic predisposition for pancreatic cancer. In the study, IMMray™ PanCan-d testing will be added to the existing high-risk surveillance in familiar pancreatic cancer programs in the US and Europe. During Q2, in addition to the commitment from the existing cancer centre participants, we have worked intensively to involve more cancer centers in the study, both in the US and the EU. We will continue to involve key partners during the remainder of the year, for both analytical and marketing purposes. A very important milestone will be an interim reading at the half way stage of the study, something we greatly look forward to.

New diabetes patients are largest target group

One of the highest risk groups for pancreatic cancer that has gained a lot of attention in recent time are new onset Type II diabetes patients diagnosed after 50 years of age.

During the quarter we announced that, together with Knight Cancer Institute at OHSU, we received a research grant from PanCAN, a patient advocacy group, to support a retroactive analysis of American patients who developed pancreatic cancer after being diagnosed with diabetes. This provides access to unique samples from a very large diabetes biobank. During Q2 we also started a study with a similar biobank from the Skåne region which is designed to give us vital info that will help establish IMMray™ PanCan-d as standard for diabetes risk groups. These studies are designed to complement existing data by showing that we have the capability to specifically distinguish between diabetes patients with or without cancer.

Meanwhile, through our collaboration with NCI and the healthcare systems that are members of the consortium, we are continuing the work of identifying and starting up the studies that are needed within this highly-interesting risk group. We are holding direct discussions about planning the studies with some of the most important of these members. We are also performing similar initiatives in Europe in order to set up prospective studies among diabetes risk groups as quickly as possible and eventually receive reimbursement and national guideline status.

During the quarter we started work on our market access scheme for diabetes risk groups. The first marketing activities are being established. The aim is cultivate awareness among key decision makers and interest groups about how pancreatic cancer is linked to diabetes and how our test can improve the chances of survival.

Early-symptom risk group are a growing opportunity

As previously reported, our Key Opinion Leaders have pointed to the opportunity for using IMMray™ PanCan-d in another area, solving the delay that occurs from the time a patient seeks medical help for vague symptoms that could be the early stages of pancreatic cancer to the time when the cancer is diagnosed. Often, it is a question of something other than pancreatic cancer. However, for a patient with a developing cancer it has been shown that it takes on average 18 visits to a doctor over 6-9 months before pancreatic cancer is diagnosed. This delay can mean that a treatable situation becomes one that is no longer treatable.

During the quarter we have been working intensively with experts in this area in order to understand the market potential in greater detail and then define the steps needed to reach this market. We have not previously included this potential in our total summary of the market opportunities for the pancreatic cancer test. As we announced in July, one of the world's leading experts in this field, Professor Stephen Pereira at University College London, has begun working with Immunovia as a clinical adviser. We now intend to start prospective studies in this field as we believe that there are good opportunities for early market penetration regarding this risk group. Our assessment is that the market potential may exceed one million tests per year in Europe and the United States at full penetration.

Certifications and accreditations continue

We are working intensively to industrialize IMMray™ PanCan-d and start sales, which is our most important milestone. This includes development and all preparation for ISO 13485 certification and other related accreditations required for starting sales in the US and Europe. The preparation

for the market introduction and the CE marking has included developing strategies for scaling up the production of the antibody microarray while maintaining the same robustness and reproducibility as in the retrospective validation studies.

Industrialization, software verification, validation according to ISO 13485:2016 and upscaling of production are being performed in parallel. We have also carried out work to rationalize laboratory methods in order to reduce the time required for a commercial sample, which is an important parameter both for customer acceptance and the product cost for the company. The increased workload has been addressed with greater resources but it affects the timetable for the certifications and accreditations, which are linked and dependent on the scaling up of production, in such a way that we will be able to conclude it in the second half of 2018.

Continued good results – autoimmunity RA and SLE

In Q1 we reported the results of an important study that proved our ability to use IMMray™ to differentiate between SLE and other common autoimmune diseases. The study's excellent results, showing that SLE could be differentiated with accuracy of 96% against a mix of healthy, rheumatoid arthritis, Sjögren's syndrome and Vasculitis patient samples, gives us a very strong reason to invest further in the autoimmune area. During Q2, analysis was completed for RA, Sjögren's syndrome and Vasculitis, whereby very good accuracy was achieved in distinguishing these conditions in a mix of them: 89% for RA, 95% for Vasculitis and 83% for Sjögren's. This provides very strong data as we continue the process of establishing our product.

A number of important activities will be carried out in parallel during the remainder of the year:

- Definition and implementation of complementing and validating retrospective studies,
- Expansion of Key Opinion Leader network within autoimmunity and greater cooperation among the network. First meetings held during Q2.
- Strategy and planning for commercial market access

We look forward to providing regular updates about progress within autoimmunity during 2017.

Growing demand for new diagnostics technology in pharmaceutical development

In March we strengthened our management team with the appointment of Henrik Winther as business development manager for Immunovia. Henrik was previously Vice President and General manager for Agilent/Dakos Companion Diagnostics Division, a world-leading organization for diagnostics projects supplied to pharmaceutical companies that required diagnostics for their products and projects. Significant interest is now being shown in the IMMray technology and this reinforcement of our management team will significantly increase Immunovia's capacity to handle and prioritize various external collaborations, to make them more concrete and advantageous for Immunovia.

Thank you for your continuing support of Immunovia!

Mats Grahn
CEO, Immunovia AB

Group performance in January-June 2017

Net sales

Net sales for Q2 2017 were SEK 68 thousand (66 k). For the first six months of 2017 net sales were SEK 95 thousand (66 k). Net sales principally comprise royalties.

In Q2 2017, investment in the form of capitalisation of development costs amounted to SEK 5,553 thousand (6,695 k). Where capitalised development costs are financed through approved and paid grants, the reported amounts are reduced by a comparable amount. In the first six months of 2017 no grants for development costs were received. In the corresponding period in 2016, grants amounting to SEK 800 thousand were received.

Earnings

The net loss for Q2 2017 was SEK 10,554 thousand (-2,892 k). The loss for the first six months of 2017 was SEK 18,325 thousand (-5,298 k). The net loss for the first six months of 2017 was mainly due to higher costs, which in turn were due to an expanded organization and increased market activity. Other external costs and personnel costs increased by a total of SEK 6,261 thousand compared with the previous year to reach SEK 25,537 thousand in the first six months of 2017.

Research and development

Research and development follows established plans. The total cost of research and development the first six months of 2017 was SEK 13,236 thousand (11,884 k), which corresponds to 45% (68) of the Group's total operating costs. The decrease in the proportion of R&D activity was mainly due to the increase in activities and costs for marketing and production.

Financial position and cash flow

Cash flow for Q2 2017 from operating activities amounted to SEK -9,833 thousand (-1,044 k) and total cash flow for the first six months of 2017 amounted to SEK -30,768 thousand (-16,039 k). Cash and cash equivalents as at 30 June 2017 were SEK 228,326 thousand (59,728 k).

Shareholders' equity at the end of the period was SEK 258,779 thousand (78,697 k) and the equity ratio was 96% (93).

Management believes that there is sufficient working capital to meet working capital needs, given the current business and development plan, for approximately 2 years going forward.

Investments

In Q1 2017, intangible assets were acquired for SEK 6,176 thousand (5,536 k), consisting of capitalized development expenditure for SEK 5,174 thousand (5,189 k) and patents for SEK 1,002 thousand (347 k).

In Q2 2017, intangible assets were acquired for SEK 6,156 thousand (7,848 k), consisting of capitalized development expenditure for SEK 5,322 thousand (6,695 k) and patents for SEK 834 thousand (1,153 k).

Investments were made in Q2 2017 in tangible assets in the form of inventories amounting to SEK 2,520 thousand. For the corresponding period last year the total was SEK 70 thousand.

In the first six months of 2017, intangible assets were acquired for SEK 12,332 thousand (13,384 k), consisting of capitalized development expenditure for SEK 10,496 thousand (11,884 k) and patents for SEK 1,836 thousand (1,500 k).

Employees

The number of employees in the Group during the period averaged 28 (12) and at the end of the period the number of full-time positions was 30, divided across 30 individuals.

Key events in Q2

Important events in Q2 2017

Immunovia's biomarker signature for the diagnosis of pancreatic cancer patented in Japan

During the quarter the Japanese Patent Office awarded Immunovia a patent for its biomarker signature for the diagnosis of pancreatic cancer. Japanese Patent No. JP 611501 is the first patent awarded to Immunovia in Japan covering its proprietary IMMray™ PanCan-d test.

Announcement of timetable for listing on Nasdaq Stockholm's main market

The Board of Directors of Immunovia announced during Q2 the timetable for the application for listing of the company's shares on Nasdaq Stockholm's main market.

The company's preparations of internal processes to meet the requirements on the main market are expected to be completed in September. After that, Nasdaq's process is expected to be initiated and Immunovia anticipates that listing on the main market will begin by the end of the year.

Immunovia's IMMray™ biomarkers differentiates Rheumatoid Arthritis from other autoimmune diseases with 89% accuracy

Immunovia announced the results of the analysis of the three other autoimmune diseases included in the previously reported retrospective autoimmune disease study performed at Lund University. The study included 315 blood samples and covered main autoimmune indications such as Systemic Lupus Erythematosus (SLE), Rheumatoid Arthritis (RA), Sjögren's Syndrome and Systemic Vasculitis.

In this third data set, the IMMray™ biomarker signature was able to differentiate RA from SLE, Sjögren Syndrome and Systemic Vasculitis with 89% accuracy. The IMMray™ signatures also detected RA with an accuracy of 98% from the healthy controls. When differentiated from Sjögren's Syndrome, and Systemic Vasculitis, the RA accuracy was 83% and 95%, respectively.

Finally, Sjögren's Syndrome and Systemic Vasculitis could also be differentiated with high accuracies from the three other autoimmune diseases, at 85% and 94%, respectively.

Immunovia establishes headquarter for US operations in Boston including accredited reference laboratory

Immunovia has chosen Boston, Massachusetts, as the location for the headquarters of its American office. An agreement was signed to ensure that facilities at the premises will meet the company's requirements. The American business will operate a reference laboratory for the Eastern US states as well as facilitating commercialization, covering marketing, sales and customer support.

Immunovia together with Oregon Health and Science University awarded one of the Pancreatic Cancer Action Network 2017 Research Grants

Pancreatic Cancer Action Network (PanCAN), the largest patient advocacy group in the US, in partnership with donors, has awarded Professor Brett Sheppard and Professor Rosalie Sears from Oregon Health and Science University one of its research grants for 2017. The grant is worth USD 250,000.

This grant will be used to investigate the possibility to screen the high risk group of new-onset diabetics (NoD, patients over the age of 50 with new diabetes diagnosis and with no prior medical or family history of the disease) for early diagnosis of pancreatic cancer. The risk of developing pancreatic cancer among these patients is reported to be nearly eight times greater than that of the general population over the three years following diagnosis. The project will start July 1, 2017 and will continue until June 30, 2019.

Significant events after the end of Q2 2017

Professor Stephen Pereira from University College London, one of the globally leading experts in the diagnosis of early symptoms of pancreatic cancer, has been appointed to Immunovia's Scientific Advisory Board.

Professor Pereira has been involved in the setting up of multidisciplinary diagnostic centers in London. He is currently Professor of Hepatology & Gastroenterology at University College London, and an honorary consultant in pancreaticobiliary medicine at UCL Hospitals and The Royal Free Hospital.

Share information

Share information

Immunovia's shares have been listed on Nasdaq First North, Stockholm (ticker: IMMNOV) since 1 December 2015.

First North is Nasdaq's European growth market and has a less extensive regulatory framework than the main market. Each company on First North has a Certified Adviser to ensure that companies meet requirements and regulations. Shares on First North and the main Nasdaq market are traded in the same trading system.

At the end of the period the total number of shares was 16,804,059. On 30 June 2016 there were 14,291,216 shares. The nominal value of each share is SEK 0.05.

Subscription warrants scheme

Immunovia has three outstanding warrants schemes covering 688,000 warrants entitling to subscription of 688,000 shares. All outstanding options have an exercise price less than the market price on the balance sheet date. There will be no dilution as long as the Group's earnings are negative. For more information about he warrants, see page 8.

The largest shareholders as of 30 June 2017.

Name	No. of shares	Share capital and votes
Carl Borrebaeck	1,709,900	10.18%
Vincent Saldell	1,000,000	5.95%
Sara Andersson Ek	888,950	5.29%
Christer Wingren	888,950	5.29%
Per Mats Ohlin	888,950	5.29%
Försäkringsbolaget Avanza Pension	711,949	4.24%
Handelsbanken Svenska Småbolag	650,000	3.87%
Michael Löfman	411,000	2.45%
Ålandsbanken ABP, Bank of Åland Ltd	354,496	2.11%
Nordnet Pensionsförsäkring	312,269	1.86%
Ten largest	7,816,464	46.52%
Others	8,987,595	53.48%
Total	16,804,059	100.00%

Risks

Significant risks and uncertainties

Immunovia's business operations and market are subject to a number of risks that are wholly or partly outside the company's control and that affect or may in future affect Immunovia's business operations, financial position and earnings. The following risk factors are described in no special order and with no claim to be comprehensive:

- Immunovia is a development company with a relatively short operating history, which means that it may be some time before the company can report sales revenue.
- The company is in a commercialization phase that means there is a risk that sales revenue will be less than expected or zero.
- Validation studies could result in unexpected or negative research results.
- Development costs are difficult to anticipate. These costs may be higher than planned.
- The Company is dependent on collaboration and licensing agreements and there is a risk that the company cannot enter into the necessary partnerships.
- There is a risk that Immunovia does not receive the necessary registrations to sell and promote its products.
- There is a risk that the company will not receive accreditation to ISO 17025.
- Immunovia is subject to a number of government regulations that may change.
- There is a risk that Immunovia cannot defend granted patents, registered trademarks and other intellectual property rights or that submitted registration applications are not granted.
- For a description of financial risks, see page 7.

Market risks

Currency risks

The Group operates both nationally and internationally, which involves exposure to fluctuations in various currencies, especially USD and EUR. Currency risk arises from future commercial transactions and recognized assets and liabilities. The extent of the company's business currently means that the net exposure in foreign currencies is limited. The company therefore does not have a currency hedging policy.

Development of share capital

Year	Event	Total share capital (SEK)	Change (SEK)	Total no. of shares	Change in shares	Nominal value (SEK)
24 May 2007	Formation	100,000.00	100,000.00	1,000,000	1,000,000	0.10
19 Oct 2011	New share issue	105,263.00	5,263.00	1,052,630	52,630	0.10
27 Oct 2011	Share split 5:1	105,263.00	-	5,263,150	4,210,520	0.02
5 July 2012	New share issue	108,869.92	3,606.92	5,443,496	180,346	0.02
21 May 2013	New share issue	122,483.76	13,613.84	6,124,188	680,692	0.02
10 Sept 2013	New share issue	124,899.76	2,416.00	6,244,988	120,800	0.02
5 June 2014	New share issue	220,924.32	96,024.56	11,046,216	4,801,228	0.02
13 Aug 2015	Bonus issue	552,310.80	331,386.48	11,046,216	-	0.05
17 Dec 2015	New share issue	714,560.80	162,250.00	14,291,216	3,245,000	0.05
15 Sept 2016	New share issue	823,728.40	109,167.60	16,474,568	2,183,352	0.05
17 Oct 2016	New share issue	840,202.95	16,474.55	16,804,059	329,491	0.05
At end of period		840,202.95		16,804,059		0.05

Interest rate risk in cash flow
Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. The Group currently only has interest-bearing financial assets in the form of bank deposits.

Credit risk
Credit risk is the risk that one party to a transaction with a financial instrument fails to meet its obligation. The maximum exposure to credit risk on financial assets as of 30 June 2017 amounted to SEK 231,160 thousand (60,522 k).

Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash or agreed credit options to close market positions. Based on the existing business plan, there is enough liquidity for around two years.

Information about Nasdaq First North

Nasdaq First North is an alternative market, operated by the different exchanges within NASDAQ. Companies whose shares are traded on First North are not obliged to follow the same rules as companies whose shares are traded on a regulated market, but are subject instead to a more limited regulatory framework adapted for small growth companies. An investment in a company whose shares are traded on First North may therefore be more risky than an investment in a company whose shares are traded on a regulated market. All companies whose shares are traded on First North have a Certified Advisor who ensures that the company complies with First North's rules for disclosure of information to the market and investors.

Financial reports

In some cases figures have been rounded off, which means tables and calculations will not always appear to be correctly totalled.

Other information

Certified Adviser
Wildeco Ekonomisk Information AB is the company's Certified Adviser on Nasdaq First North.

Contakt information:
Immunovia AB (publ)
Medicon Village
Scheelevägen 2
223 81 Lund
SWEDEN

Tel: Tel: +46 46-2756 000
ir@immunovia.com
www.immunovia.com

For further information, please contact:
Mats Grahn, CEO, Immunovia AB
E-mail: mats.grahn@immunovia.com

Immunovia's annual report is available on the company's website: www.immunovia.com

Telephone conference:

23 August 2017, 16.00 (CET)

SE: +46 856 642 690

CH: +41 225675548

DE: +49 692 222 290 46

DK: +45 354 455 75

UK: +44 203 008 98 08

US: +18 558 315 945

Financial calendar

10 November 2017	Q3 2017 interim report
15 February 2018	2017 Financial statement

Accounting principles

The Group complies with the Swedish annual accounts act and applies International Financial Reporting Standards (IFRS) as adopted by the EU along with RFR 1 Complementary accounting rules for groups in the preparation of financial statements. The parent company complies with the Swedish annual accounts act and applies RFR 2 Accounting for legal entities in the preparation of financial statements. The accounting principles that have been applied are in agreement with those presented in the company's 2016 annual report.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. New and amended standards adopted from 2017 have not had any significant impact on the Group's financial position.

Transactions with related parties

No transactions have occurred with related parties in addition to salaries and other remuneration to company managers, and fees to Board members, as decided at the annual general meeting.

Financial instruments

The Group currently has no financial instruments measured at fair value. Instead all financial assets and liabilities are measured at amortized cost. There is not expected to be any significant differences between the fair value and the carrying value of the financial assets and liabilities. The carrying amount of financial assets on the closing day amounted to SEK 231,160 (60,522) thousand.

Incentive schemes

Warrants

The Annual General Meeting held on 25 April 2017 resolved to offer a warrants scheme (series 2017/2020) to employees and key persons in the company. The warrants (61,000) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2020. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 205.00 per share. Full utilization would increase the company's share capital by SEK 3,050.

The Annual General Meeting held on 30 May 2016 resolved to offer a warrants scheme (series 2016/2019) to employees and key persons in the company. The warrants (137,000) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2019. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 82.90 per share. Full utilization would increase the company's share capital by SEK 6,850.

The Annual General Meeting held on 1 June 2015 resolved to offer a warrants scheme (series 2015/2018) to employees and key persons in the company. The warrants (47,000) can be used to subscribe for newly issued shares of the Company during the period from registration of the decision until 15 October 2018. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 13.50 per share. Full utilization would increase the company's share capital by SEK 2,350.

The board meeting held on 10 September 2014 utilised the mandate issued by the Annual General Meeting held on 2 May 2014 to issue warrants (series 2014/2017) to employees and key persons in the company. The warrants (504,000) can be used to subscribe for new shares in the Company during the period from registration of the decision until 15 October 2017. Each warrant entitles the holder to subscribe for one share at a subscription price of SEK 9.50 per share. Full utilization would increase the company's share capital by SEK 25,200.

All the warrants schemes are subject to customary recalculation terms in connection with share issues, etc.

Consolidated income statement, summary

SEK thousand	1 Apr-30 Jun 2017	1 Apr-30 Jun 2016	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Operating income, etc.					
Net sales	68	66	95	66	177
Capitalized work for own account	5,553	6,695	11,080	11,884	24,293
Other income	8	0	24	7	33
Total	5,629	6,761	11,199	11,957	24,503
Operating costs					
Other external costs	-8,253	-6,519	-15,513	-11,029	-24,115
Personnel costs	-7,646	-3,119	-13,572	-6,154	-14,815
Depreciation and amortization of tangible and intangible assets	-267	-92	-507	-175	-549
Other operating expenses	-108	2	-122	-3	-2
Total operating expenses	-16,274	-9,728	-29,714	-17,360	-39,481
Operating profit/loss	-10,645	-2,967	-18,515	-5,403	-14,978
Financial items					
Interest income	92	76	191	106	256
Interest costs	-1	-1	-1	-1	-1
Total financial items	91	75	190	105	255
Profit/loss after financial items	-10,554	-2,892	-18,325	-5,298	-14,723
Tax on income	0	0	0	0	0
Profit/loss for the period	-10,554	-2,892	-18,325	-5,298	-14,723
Earnings per share before and after dilution (SEK)	-0.63	-0.20	-1.09	-0.37	-0.98
Average number of shares before and after dilution	16,804,059	14,291,216	16,804,059	14,291,216	14,985,688
No. of shares at the end of the period	16,804,059	14,291,216	16,804,059	14,291,216	16,804,059

Consolidated comprehensive income, summary

SEK thousand	1 Apr-30 Jun 2017	1 Apr-30 Jun 2016	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Profit/loss for the year	-10,554	-2,892	-18,325	-5,298	-14,723
Items that may be later reclassified in the income statement	*0*	*0*	*0*	*0*	*0*
Exchange rate differences for foreign net investment	0	0	0	0	0
Other comprehensive income for the year	0	0	0	0	0
Comprehensive income for the period	-10,554	-2,892	-18,325	-5,298	-14,723

Consolidated financial position in summary

SEK thousand	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Fixed assets			
Intangible fixed assets	31,720	22,615	19,483
Tangible fixed assets	5,142	948	3,002
Financial fixed assets	0	0	0
Total fixed assets	36,862	23,563	22,485
Current assets			
Current receivables	3,359	1,029	1,830
Cash and cash equivalents	228,326	59,728	259,094
Total current assets	231,685	60,757	260,924
TOTAL ASSETS	268,547	84,320	283,409
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	840	715	840
Other contributed capital	309,273	101,566	308,800
Retained earnings including total comprehensive income	-51,334	-23,584	-33,009
Total shareholders' equity	258,779	78,697	276,631
Current liabilities			
Other liabilities	9,768	5,623	6,778
Total current liabilities	9,768	5,623	6,778
TOTAL EQUITY AND LIABILITIES	268,547	84,320	283,409

Consolidated statement of change in equity

SEK thousand	Share capital	Other contributed equity	Retained earnings including total comprehensive income	Total shareholders' equity
Equity, 1 January 2016	715	101,372	-18,286	83,801
Comprehensive income for the period			-5,298	-5,298
Received subscription warrant premiums		194		194
Equity, 30 June 2016	715	101,566	-23,584	78,697
Comprehensive income for the period			-9,425	-9,425
Received subscription warrant premiums		127		127
New share issue	125	218,492		218,617
Costs of share issue		-11,385		-11,385
Equity, 31 December 2016	840	308,800	-33,009	276,631
Comprehensive income for the period			-18,325	-18,325
Received subscription warrant premiums		473		473
Equity, 30 June 2017	840	309,273	-51,334	258,779

Consolidated cash flow statement in summary

SEK thousand	1 Apr-30 Jun 2017	1 Apr-30 Jun 2016	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Operating activities					
Operating profit/loss	-10,645	-2,967	-18,515	-5,403	-14,978
Adjustment for items not included in cash flow	267	92	507	175	548
Received interest	92	76	191	106	256
Paid interest	-1	-1	-1	-1	-1
Paid tax	0	0	0	0	0
Cash flow from operating activities before changes in operating capital	-10,287	-2,800	-17,818	-5,123	-14,175
Cash flow from changes in operating capital					
Change in operating receivables	-1,733	-230	-1,527	158	-645
Change in operating liabilities	2,187	1,986	2,987	1,732	2,951
Cash flow from operating activities	-9,833	-1,044	-16,358	-3,233	-11,869
Investment activities					
Investment in intangible assets	-6,156	-7,848	-12,332	-13,384	-28,028
Investment in tangible assets	-2,520	-70	-2,552	-415	-2,781
Cash flow from investing activities	-8,676	-7,918	-14,884	-13,799	-30,809
Financing activities					
National and European grants for development costs	0	800	0	800	18,451
New share issue	0	0	0	0	207,233
Received subscription warrant premiums	474	194	474	194	321
Cash flow from financing activities	474	994	474	994	226,005
Cash flow for the period	-18,035	-7,968	-30,768	-16,039	183,327
Cash and cash equivalents at beginning of period	246,361	67,696	259,094	75,767	75,767
Cash and cash equivalents at end of period	228,326	59,728	228,326	59,728	259,094

Consolidated key indicators

SEK thousand unless otherwise stated	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Operating profit/loss (SEK thousand)	-18,515	-5,403	-14,978
Profit/loss for the year (SEK thousand)	-18,325	-5,298	-14,723
Earnings per share before and after dilution (SEK)	-1.09	-0.37	-0.98
R&D costs (SEK thousand)	-13,236	-11,884	-24,293
R&D costs as percentage of operating costs (%)	45	68	62
Cash and cash equivalents at end of period (SEK thousand)	228,326	59,728	259,094
Cash flow from operating activities (SEK thousand)	-16,357	-3,233	-11,869
Cash flow for the period (SEK thousand)	-30,768	-16,039	183,327
Equity (SEK thousand)	258,779	78,697	276,631
Equity per share (SEK)	15.40	5.51	16.46
Equity ratio (%)	96	93	98
Average no. of employees	28	12	16
Average no. of employees in R&D	16	9	11

Definitions

Key indicator	Definition	Reason for using key indicator not defined in accordance with IFRS
Net sales	Revenues for goods and services sold in the main activity during the current period.	
Operating profit	Profit before financial items and tax.	Operating income provides a picture of the results that the company's regular operations have generated.
Earnings per share before and after dilution	Profit attributable to parent company shareholders divided by the weighted average number of shares during the period before and after dilution.	
Average number of shares before and after dilution	Average number of shares outstanding during the period before and after dilution. As the Group's performance is negative, there is no dilution although the issue price is lower than the market price.	
R & D costs	The Company's direct costs for research and development. Refers to the costs of personnel, materials and external services.	The company's main activity is research and development. Management believes that its R & D costs is an important parameter to follow as an indicator of the level of activity of the company.
R & D expenses as a percentage of operating expenses	R & D expenses divided by operating expenses, which include other external costs, personnel costs and depreciation.	Management believes that the company's R & D expenses in relation to total costs is an important parameter to follow as an indicator of how much of the total costs is used for the company's main business.
Cash and cash equivalents	Cash and bank balances.	
Cash flow from operating activities	Cash flow before cash flows from investing and financing activities.	
Cash flow	Net change in cash and cash equivalents excluding the impact of unrealized gains and losses.	
Equity per share	Equity divided by number of shares at period end.	Management monitors this number to monitor how much value is equity per share.
Equity ratio	Equity as a percentage of total assets.	Management monitors this ratio as an indicator of the financial stability of the company.
Average number of employees	The average number of employees is calculated as the sum of hours worked during the period divided by the normal working hours for the period.	
Average number of employees in R & D	The average number of employees in the company's research and development departments.	

Parent company, income statement in summary

SEK thousand	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Operating income, etc.			
Net sales	95	66	177
Capitalized work for own account	11,080	11,884	24,293
Other income	24	7	33
Total	11,199	11,957	24,503
Operating costs			
Other external costs	-17,595	-11,029	-24,115
Personnel costs	-11,490	-6,154	-14,815
Depreciation and amortization of tangible and intangible assets	-507	-175	-549
Other operating expenses	-122	-3	-2
Total operating expenses	-29,714	-17,360	-39,481
Operating profit/loss	-18,515	-5,403	-14,978
Financial items			
Interest income	191	106	256
Interest costs	-1	-1	-1
Total financial items	190	105	255
Profit/loss after financial items	-18,325	-5,298	-14,723
Tax on income	0	0	0
Profit/loss for the period	-18,325	-5,298	-14,723
Earnings per share before and after dilution (SEK)	-1.09	-0.35	-0.98
Average number of shares before and after dilution	16,804,059	14,925,216	14,985,688
No. of shares at the end of the period	16,804,059	14,291,216	16,804,059

Parent company, statement of comprehensive income in summary

SEK thousand	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Profit/loss for the period	-18,325	-5,298	-14,723
Other comprehensive income	0	0	0
Comprehensive income for the period	-18,325	-5,298	-14,723

Parent company, statement of financial position in summary

SEK thousand	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Fixed assets			
Intangible fixed assets	31,720	22,615	19,483
Tangible fixed assets	5,142	948	3,002
Financial fixed assets	0	0	0
Total fixed assets	36,862	23,563	22,485
Current assets			
Current receivables	3,781	1,029	1,831
Cash and cash equivalents	227,903	59,728	259,093
Total current assets	231,684	60,757	260,924
TOTAL ASSETS	268,546	84,320	283,409
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	840	715	840
Reserve for development expenses	35,373	7,267	24,293
	36,213	7,982	25,133
Unrestricted equity			
Premium fund	474	194	207,107
Retained earnings including total comprehensive income	222,092	70,521	44,391
	222,566	70,715	251,498
Total shareholders' equity	258,779	78,697	276,631
Current liabilities			
Other liabilities	9,767	5,623	6,778
Total current liabilities	9,767	5,623	6,778
TOTAL EQUITY AND LIABILITIES	268,546	84,320	283,409

Parent company, cash flow in summary

SEK thousand	1 Jan-30 Jun 2017	1 Jan-30 Jun 2016	Full year 2016
Cash flow from operating activities	-16,780	-3,233	-11,870
Cash flow from investment activities	-14,884	-13,799	-30,809
Cash flow from financing activities	474	994	226,005
Cash flow for the period	-31,190	-16,039	183,326
Cash and cash equivalents at beginning of period	259,093	75,767	75,767
Cash and cash equivalents at end of period	227,903	59,728	259,093

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

Board assurance

The Board of Directors and the Group CEO certify that this interim report provides a fair overview of the arent Company's and the Group's operations, their financial position and result, and describes material risks and uncertainties that the Parent Company and other companies in the Group are facing.

Lund, 23 August 2017.

Carl Borrebaeck
Chairman

Hans Johansson
Board member

Åsa Hedin
Board member

Ann-Christin Malmborg Hager
Board member

Mats Grahn
CEO

Ann-Christine Sundell
Board member

Glossary

Actionable information – In this context this means information that is sufficiently reliable and specific to form the basis for clinical decisions.

Antibodies – Antibodies, or immunoglobulins, are a type of protein used by the body's immune system to detect and identify foreign substances such as viruses, bacteria or parasites.

Antigen – A foreign body substance that elicits a reaction of the immune system in contact with the organism. The substance may be a chemical substance, a protein or a carbohydrate.

Autoimmunity – Autoimmunity is the immune system's harmful attack on the body's own tissue, which can take the form of disease or rejection of organs during transplantation.

Benign – If a tumour is benign it means that the tumour is not dangerous and will not spread.

Bioinformatics – Bioinformatics is an interdisciplinary field in which algorithms are developed for the analysis of biological (especially molecular biology) data.

Biomarker – A biomarker can be defined as a biological response to a change caused by disease or foreign substance. Biomarkers can be used as early warning signs of biological changes in an organism.

Companion Diagnostics – Diagnostics tools aimed at identifying which groups of patients will respond well to a particular treatment and thus ruling out ineffective treatments.

Discovery Study – Research carried out in order to verify a special hypothesis.

Histology – Histology is the study of biological tissue.

Invasive – Invasive means to penetrate or attack. Invasive medical examinations refer to examinations that include any form of penetration through a hole in the body or surgical operation.

Malignant – Malignant tumours tend to worsen and become mortal. They are termed cancer, and thus differ from benign tumours.

Metastasis – A metastasis is a tumour that has spread to other organs.

Microarray – A microarray is a molecular biology test format for simultaneously measuring the relative concentrations of proteins.

Out-of-pocket customers – Patients or organizations that pay for drugs without reimbursement from insurance companies or government agencies.

Palliative care – Palliative care is administered when the patient's disease is beyond the ability to cure. The purpose of palliative care is to provide support to patients and families using both psychological and medical practices.

Prospective study – A study in which a group of individuals are studied and followed over a period of time (often long) to see how a disease develops. A prospective study is used to study the link between different risk factors and a specific disease. Individuals with or without risk factors are monitored over time. At the end of the study a comparison is made of the proportion of individuals who have developed the disease in both groups.

Proteomics – Proteomics is a branch of biology and includes surveys of large amounts of data about proteins.

Reproducibility – Within the field of statistics, reproducibility is described as the correlation between results from repeated measurements performed by different observers with different instruments of the same type, which measurements are performed in order to reject any measurement error due to materials and personnel.

Retrospective study – A study in which you look back at something that has already occurred, i.e. historical data is used. A retrospective study begins with the answer, i.e. you already know which individuals will develop the disease.

Screening – Screening refers to medical examinations to identify a disease. It is normally carried out before the patient has exhibited obvious symptoms.

Sensitivity – Sensitivity is a statistical measure of the reliability of a binary diagnostic test and the probability that a generated positive result is correct.

Serum – A serum is a transparent yellowish liquid obtained by allowing the blood to clot, and then removing the blood cells and the coagulation proteins. Serum contains proteins, including antibodies.

SLE (Systemic Lupus Erythematosus) – SLE is an autoimmune inflammatory disease which means that the immune system attacks the body. The symptoms come and go in cycles, sometimes the patient is sick and sometimes has no sickness at all. Usually it is the joints, skin, blood and kidneys which become inflamed, but also the nervous system, lungs and heart can be affected. The disease is currently difficult to diagnose and is often confused with other autoimmune diseases.

Specificity – Specificity is a statistical measure of the reliability of a binary diagnostic test and the probability that the generated negative result is de facto negative.

Vinnova – Vinnova is a Swedish government agency under the Ministry of Industry which aims to promote sustainable growth by improving conditions for innovation and by funding needs-driven research.

Immunovia in brief

Immunovia is a Swedish molecular diagnostic company entering a commercialisation phase with a strong financial position. The company develops and commercialises diagnostic tools for complex forms of cancer and autoimmune diseases.

Immunovia AB was founded in 2007 by researchers from the Department of Immunotechnology at Lund University and CREATE Health, the Center for Translational Cancer Research in Lund, Sweden. The purpose was to establish a base from which to make scientific discoveries and gain patents within the fields of human antibodies, biomarkers and antibody arrays, covering the stages from research to clinical application.

Immunovia's core technology platform, IMMray™, is based on microarray analysis of biomarker antibodies. IMMray™ PanCan-d is the company's primary diagnostic tool, capable of diagnosing with a high level of sensitivity and specificity. This enables diagnosis of patients with pancreatic cancer before symptoms are noted (stages I and II), which is not currently possible with existing methods. Immunovia is now performing clinical validation studies to prepare for the commercialization of IMMray™ PanCan-d, which could become the first blood-based test for early diagnosis of pancreatic cancer.

The antibody-based technology platform, IMMray™, is the result of 15 years of research at CREATE Health, Lund University. It is used to decode mechanisms behind the body's immune system, the first system in the body that reacts to disease. The platform can also be used for the development of diagnostic tests for lupus (SLE), prostate cancer and breast cancer.

Pancreatic cancer
Each year about 338,000 patients fall ill with pancreatic cancer. This form of cancer has one of the worst survival forecasts and only about 5% of diagnosed patients live more than five years, making it one of the deadliest cancers in the world. It is estimated that early detection would increase the five-year survival rate by 59%. The initial addressable market for Immunovia consists of two high-risk pancreatic cancer groups. The market in the US and Europe for diagnosis of these groups is estimated to be worth over SEK 30 billion per year.

Goals
Immunovia's goal is to provide diagnostic tests that will enable earlier, more efficient and more accurate diagnosis of patients who run the risk of developing cancer or autoimmune disease. The aim is to make Immunovia's tests the first choice of specialist doctors and general practitioners across the world in the screening of specially high-risk groups or when there is a suspicion of the aforementioned diseases.

Strategy
As the first company, Immunovia's strategy is to decipher the wealth of information in blood and translate it into clinically useful tools to diagnose complex diseases earlier and more accurately than previously possible. The focus is on unsolved problems in early diagnosis, monitoring of the course of a disease and the patient's response to treatment. These are areas where there are extensive clinical benefits for patients and the healthcare system, current solutions are lacking or insufficient, and where IMMray™ has significant competitive advantages.

Initially, the key focus for Immunovia is to bring IMMray™ PanCan-d to the market. Because early detection of pancreatic cancer constitutes a major clinical problem, Immunovia considers there to be good prospects for being the first to establish a strong position on the market.

Organization. no. 556730-4299

Immunovia has its head office in Lund, Sweden. Immunovia's shares (IMMNOV) are listed on Nasdaq Stockholm First North. The Certified Advisor is Wildeco. For more information, visit www.immunovia.com

immunovia

Scheelevägen 2
Medicon Village
223 81 Lund
SWEDEN

Tel: 00 46 46-2756 000
ir@immunovia.com
www.immunovia.com