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NeuroVive PHARMACEUTICAL

Interim report
January - June 2017

Strategic in-licensing broadens project portfolio

Business operations

Significant events April-June 2017

- The anti-fibrotic effects of NV556 in non-alcoholic steatohepatitis (NASH) was confirmed in an additional experimental model. The preclinical data was presented at The International Liver Congress™ in Amsterdam.
- At the Annual General Meeting on 27 April, two new board members were elected: Jan Törnell, adjunct Professor at the Institute of Neuroscience and Physiology, Sahlgrenska Academy, University of Gothenburg, and David Bejker, CEO of Affibody Medical AB
- NeuroVive entered into a global licensing agreement on Yungjin Pharm's compound KL1333 for genetic mitochondrial disorders. The clinical phase I study of KL1333 was initiated in South Korea end of June.
- In May, NeuroVive announced positive results from clinical and preclinical studies with its drug NeuroSTAT® for the prevention of the sequelae of traumatic brain injury (TBI). The results have enabled NeuroVive to proceed into the next stage of clinical development amd the company has therefore decided to close the clinical phase IIa study CHIC in advance and focus all TBI project efforts on preparing for the next clinical study with NeuroSTAT for TBI. Further analyses and additional data were presented at the Annual National Neurotrauma Symposium, Neurotrauma 2017, in Snowbird, Utah, on 9-12 July, by Michael Karlsson.
- NeuroVive received close to 1 million SEK in a research grant from Swedish innovation agency, Vinnova, for developing a new treatment for genetic mitochondrial diseases. Johannes Ehinger presented the project at UMDF's (United Mitochondrial Disease Foundation) meeting in Washington DC end of June.

Important events after the end of the period

- NeuroVive signed a private placement agreement with Esousa Holdings LLC, a New York-based family office investing in emerging growth companies, which will raise gross proceeds of 9 million SEK divided in two equal tranches. The first tranche was completed on 18 July.

Financial information

Second quarter (April-June 2017)

- Net revenues were SEK 0 (0) and other operating income was SEK 88,000 (28,000)
- Loss before tax was SEK 22,256,000 (loss: 12,059,000)
- Earnings per share* was SEK -0.45 (- 0.34)
- Diluted earnings per share** amounted to SEK -0.45 (- 0.34)

First six months (January-June 2017)

- Net revenues were SEK 27,000 (0) and other operating income was SEK 152,000 (74,000)
- Loss before tax was SEK 43,646,000 (22,975,000)
- Earnings per share* were SEK -0.79 (-0.64)
- Diluted earnings per share** were SEK -0.79 (-0.64)

* Profit/loss for the period divided by average number of shares before dilution at the end of the period.

** Profit/loss for the period divided by average number of shares after dilution at the end of the period

Comments from our CEO, Erik Kinnman

This has been an eventful and exciting second quarter. In early June, we were delighted to inform the market of the positive results from the clinical and preclinical trials for our drug candidate NeuroSTAT, which was developed to prevent damage after traumatic brain injuries (TBI). The results of the studies were eagerly awaited and bode well for the future of the project. The clinical trial for the in-licensed drug candidate KL1333, developed for the treatment of genetic mitochondrial disorders, began at the end of the quarter, marking an important milestone for the project itself and the start of our clinical development collaboration with the South Korean pharmaceutical company Yungjin Pharm. We were also pleased to announce that our NVP015 project, which focuses on the same area of disease, had received a substantial research grant from Sweden's innovation agency, Vinnova, and that we had gained a new, strategically important owner.

Continued clinical development of NeuroSTAT® following positive data

As promised in the late spring, we were able to present results from our NeuroSTAT in traumatic brain injury (TBI) clinical project, including results from both the completed preclinical efficacy study at the highly reputable University of Pennsylvania (Penn) in the US and the CHIC Phase II clinical trial at Copenhagen University Hospital in Denmark. These positive results marked important milestones in the NeuroSTAT clinical development program, and we are now planning the next phase of clinical development.

Phase I clinical trial initiated for our second clinical project

The start of the Phase I clinical trial for KL1333 represents an important milestone in the development of a new drug for genetic mitochondrial disorders. There is a major medical need in this area, and NeuroVive is doing its utmost to accelerate the development of new treatment options. In early June, we visited the head office of our collaboration partner Yungjin Pharms in Seoul, South Korea. We had productive meetings with management and the research team as well as representatives of our clinic at Seoul National University Hospital and look forward to a continued high-quality collaboration.

Private investor with a long-term horizon

During the summer, the Company exercised its authority from the Annual General Meeting and issued 1,080,255 units to Esousa Holdings LLC, a US private investor specializing in growth companies with a focus on the life science industry. Esousa is well acquainted with the drug development process and is a long-term investor, which is exactly the type of investor NeuroVive needs.

Contract discussions initiated for the NASH project

In April, we were pleased to report that the previously observed inhibitory effects of the NV556 compound on fibrosis had been confirmed in another experimental model of nonalcoholic steatohepatitis (NASH) and that the prophylactic effect of NV556 on the development of liver tumors had been demonstrated. As previously announced, the strategy for the project is to achieve out-licensing at the preclinical phase. Discussions with potential stakeholders will be initiated during the autumn, but we wish to emphasize that this type of process rarely takes less than 12 months from start to finish.

Vinnova financing for NVP015 project a mark of quality

Shortly before the summer, we were informed that NeuroVive would receive close to SEK 1 million in the form of a grant from Vinnova for the further development of our cutting-edge NVP015 preclinical project for genetic mitochondrial disorders. The aim of the project is to significantly improve the lives of patients, particularly children, suffering from mitochondrial disorders. This grant will help us to advance the project in an efficient manner and represents a mark of quality for the program.

As part of our efforts to increase awareness of genetic mitochondrial disorders, we will host a research day on September 19 focusing on this often-overlooked area of disease.

Erik Kinnman
CEO, NeuroVive Pharmaceutical AB
August 17, 2017

Operations

NeuroVive is focused on the research and development of targeted drug candidates that maintain mitochondrial integrity and function for indications with a high unmet medical need. NeuroVive creates value in projects by working in partnerships with leading research institutions in mitochondrial medicine as well as experts with resources in drug development and production. The drug development process is comprehensive and carefully regulated and, by collaborating with various partners, NeuroVive strives to make this process as cost-efficient and successful as possible.

Business model that creates value in therapies for rare and common diseases

NeuroVive is focused on research and development in mitochondrial medicine with the aim of helping patients for whom few, or no, treatment options are currently available.

The Company has a two-sided business model. The first component comprises proprietary drug development for rare diseases with a major unmet medical need, from preclinical and clinical development to marketing authorization. The other component comprises projects for common diseases with high commercial potential, where the Company develops drug candidates for out-licensing at the preclinical phase.

PROJECTS FOR CLINICAL DEVELOPMENT

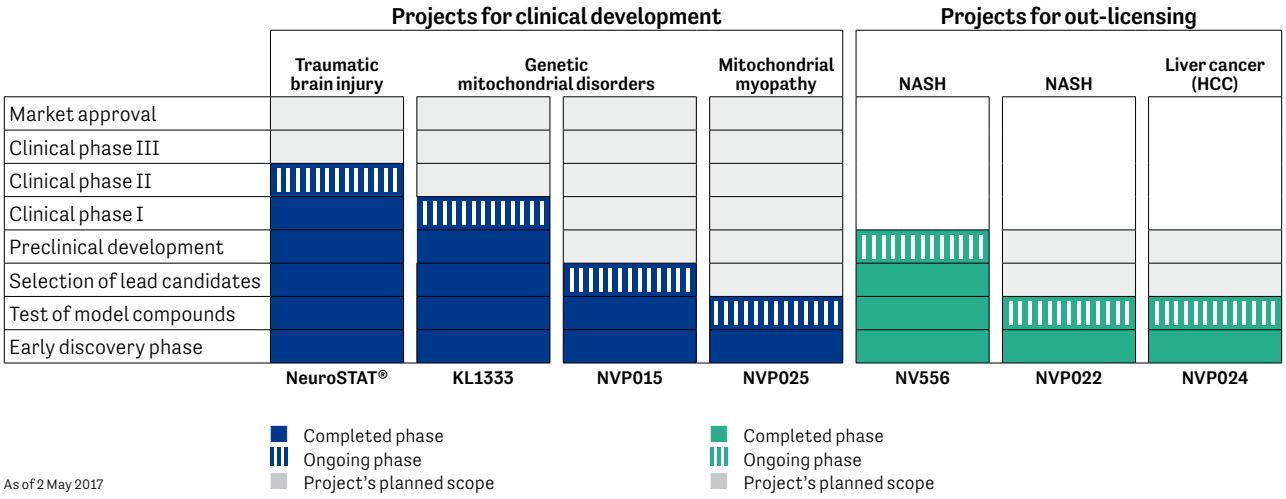
Traumatic brain injury (TBI)

Traumatic brain injury (TBI) is caused by external violence to the head resulting in immediate damage to nerve cells. The damage continues to worsen for several days after the trauma which, in many cases, has a significantly adverse effect on the overall injury. At present, there are no approved treatments for the prevention of these secondary injuries. In the US, some 2.2 million people are affected annually, causing more than 50,000 deaths and 280,000 hospitalizations. The direct and indirect costs associated with TBI are an estimated USD 60 billion, and many patients suffer moderate to severe functional disabilities requiring intensive care and various forms of support (www.nih.gov). The hope is that better preventive therapies for secondary brain damage, such as NeuroSTAT, will lead to higher survival rates, and significantly improve quality of life and neurological function of patients post-TBI.

NeuroSTAT®

The results of the Copenhagen Head Injury Ciclosporin (CHIC) Phase II clinical trial, in which NeuroSTAT was assessed after clinical stabilization, show that appropriate dose-dependent concentration levels can be measured in the blood, and that NeuroSTAT reaches the target organ, namely the central nervous system (CNS). No unexpected side effects were noted. Thus, the primary objective of CHIC, which was to demonstrate the safety

Project overview



As of 2 May 2017

and elucidate the pharmacokinetics of NeuroSTAT at two different dose levels (5 and 10 mg/kg/day) in patients with severe TBI, was reached.

A significantly reduced volume of brain injury (35% decrease) after NeuroSTAT treatment was observed in MRI scans in the experimental TBI studies performed in collaboration with the University of Pennsylvania (Penn). Furthermore, these studies displayed positive changes in brain energy metabolite levels and mitochondrial respiratory function as well as decreased generation of reactive oxygen species.

The combined results of the clinical and preclinical studies have enabled NeuroVive to proceed to the next stage of the clinical development program. Accordingly, the company has closed the CHIC trial ahead of schedule and is currently focusing all of its TBI project resources on preparing for the next clinical trial with NeuroSTAT for TBI.

Genetic mitochondrial disorders

Genetic mitochondrial disorders are congenital metabolic diseases that affect cellular energy conversion. The disorders can manifest differently depending on which organs are affected by the gene defects and are viewed as syndromes, depending on the organs affected and the signs and symptoms.

An estimated 12 in every 100,000 people suffer from a mitochondrial disease. Mitochondrial disorders usually present in early childhood. All projects (KL1333, NVP015, and NVP025) may qualify for orphan drug designation in the US and Europe prior to clinical development, enabling a faster and less costly route to market, and higher pricing. In 2016, the orphan drug market amounted to USD 114 billion and the average annual cost for the treatment of a single patient was an estimated USD 140,443 (just over SEK 1.3 million)[1].

1 Evaluate Pharma Orphan Drug Report 2017

KL1333

In May 2017, the KL1333 clinical development project was in-licensed from the Korean pharmaceutical company Yungjin Pharm Corporation Ltd. The KL1333 compound has been developed for the treatment of rare genetic mitochondrial disorders, such as MELAS (mitochondrial encephalomyopathy with lactic acidosis and stroke-like episodes) and Kearns-Sayre syndrome, for which there is currently no medication.

A Phase I clinical trial for KL1333 has been under way in Korea since and is expected to comprise a total of 60 healthy volunteers. The trial is a double-blind, placebo-controlled, single-dose Phase I dose-escalation trial intended to examine the pharmacokinetics, safety and tolerability of KL1333 in healthy volunteers. The Phase I trial in Korea is being conducted exclusively by Yungjin Pharm. NeuroVive is planning to initiate a supplementary European and/or US-based Phase I trial in early 2018.

Under the agreement, NeuroVive acquired exclusive rights to the global development and commercialization of KL1333, except in Korea and Japan for which Yungjin Pharm has retained all commercialization and marketing rights. NeuroVive paid an initial fee of USD 1 million to Yungjin Pharm upon signing the agreement and will pay an additional fee of USD 1 million one year after signing and another USD 1 million after a successful Phase I clinical trial. Further payments will be made in conjunction with the successful achievement of various clinical milestones and milestones linked to marketing authorization, pricing and reimbursement. Both companies will be developing KL1333 in their own territories, primarily for the treatment of genetic mitochondrial disorders.

About KL1333

KL1333 is a powerful regulator of cellular NAD levels+, a coenzyme central to cellular metabolism. In preclinical studies, KL1333 has been shown to increase mitochondrial energy production, reduce lactate accumulation, prevent the formation of free radicals and have long-lasting positive effects on energy metabolism. The drug candidate has been developed for chronic oral treatment of the symptoms and effects of genetic mitochondrial disorders such as MELAS, KSS, CPEO, PEO, Pearson, MERRF and Alpers syndrome. Its mechanism of action complements NVP015, which is intended to provide support during acute energy crises for genetic mitochondrial disorders with Complex I Dysfunction, and NVP025, which is intended to protect the mitochondria in skeletal muscles from improper calcium handling and subsequent muscular dystrophy.

NVP015 – Complex 1 Dysfunction

Results from experimental studies of the novel series of prodrugs developed by researchers at NeuroVive and Isomerase show that these compounds demonstrate good stability in the bloodstream and uptake by target organs such as muscle tissue. These prodrugs release the energy substrate succinate (succinic acid) and experiments with marked compounds have shown that delivered succinate bypasses energy metabolism in the mitochondrion, which is an important milestone for the project. The most promising compounds from this series are currently undergoing further testing in various experimental models and the selection of a drug candidate is expected by the second half of 2017.

In January 2017, a preclinical collaboration agreement was signed with the Children's Hospital of Philadelphia (CHOP) and Marni J. Falk, M.D, a highly reputed researcher in the field of genetic mitochondrial disorders. Dr. Falk's research team at CHOP is evaluating compounds from NVP015 in various advanced experimental models of disease, and studying energy metabolism and disease pro-

gression in models of mitochondrial Complex I Dysfunction. Marni J. Falk is an Attending Physician and Director of the Mitochondrial Disease Clinical Center at CHOP, a major center for children and adults with mitochondrial disorders, and a leader in this field of research. Dr. Falk's experience ranges from early-phase research to clinical development, with expertise across the entire drug development spectrum. CHOP is one of the largest children's hospitals in the world and one of the highest-ranked children's hospitals in the US.

About NVP015

One of the most common causes of mitochondrial diseases relates to Complex I Dysfunction, i.e. when energy conversion in the first of the five protein complexes in the mitochondrion that are essential for effective energy conversion does not function normally. This is apparent in disorders including Leigh Syndrome and MELAS, both of which are very serious diseases with symptoms such as muscle weakness, epileptic fits and other severe neurological manifestations. The NVP015 project is based on a concept developed by NeuroVive's CSO Associate Professor Eskil Elmér and his colleagues, whereby the body's own energy substrate, succinate, is made available inside the cell using a prodrug technology. A prodrug is an inactive drug that is activated first when it enters the body by the transformation of its chemical structure. Results from the NVP015 project were published in the prestigious Nature Communications[1] journal in August 2016.

1 Ehinger JK et al. (2016) Nat. Commun.7:12317

NVP025 – Mitochondrial myopathies

In January 2017, a partnership agreement was also signed with Karolinska University Hospital in Stockholm regarding the development of a therapeutic option for mitochondrial myopathies. Under the partnership agreement, the research team at Karolinska University Hospital, headed by Professor Håkan Westerblad, will be using NeuroVive's cyclophilin inhibitor NV556 as a model compound and studying its effects in experimental models of mitochondrial myopathy. The research team at Karolinska University Hospital has previously published results1) showing that another cyclophilin inhibitor, cyclosporine, exhibits mitochondrial protective effects by inhibiting cyclophilin D and thus preventing muscle fiber weakness in an experimental model of mitochondrial myopathy. They have also demonstrated that patients with mitochondrial myopathy have elevated levels of cyclophilin D, the target molecule for NeuroVive's NV556 compound. NV556 is expected to have a higher specificity and tolerability profile than cyclosporine, which may facilitate dosing. The NV556 compound being studied in this partnership has cyclophilin D as its target molecule and therefore a different and complementary mechanism of action compared with NVP015 compounds, which target the respiratory chain of the cell's energy production.

About mitochondrial myopathies

Mitochondrial myopathies are a group of neuromuscular diseases caused by mitochondrial genetic disorders. Some of the more common mitochondrial myopathies include Kearns-Sayre syndrome, MERRF syndrome (myoclonus epilepsy with ragged-red fibers) and MELAS. The symptoms of mitochondrial myopathies include muscle weakness, exercise intolerance and fatigue, and are often accompanied by other symptoms of genetic mitochondrial disorders such as heart failure or rhythm disturbances, dementia, movement disorders, stroke-like episodes, deafness, blindness, droopy eyelids, limited mobility of the eyes, vomiting, and seizures. The prognosis for these disorders ranges in severity from progressive weakness to death.[2] There is a high unmet medical need of new and effective treatment options for mitochondrial myopathy.

1 Cyclophilin D, a target for counteracting skeletal muscle dysfunction in mitochondrial myopathy. Westerblad H. et al. Human Molecular Genetics, 2015, Vol.24, No 23; 6580-6587.
2 http://www.ninds.nih.gov/disorders/mitochondrial_myopathy/mitochondrial_myopathy.htm

PROJECTS FOR OUT-LICENSING

Non-alcoholic steatohepatitis (NASH)

NASH – non-alcoholic steatohepatitis – is a progressive disease that can develop into liver cirrhosis or hepatocellular cancer (HCC). Liver damage in NASH is caused by fat accumulation and inflammatory changes in the liver. NASH is a form of NAFLD (non-alcoholic fatty liver disease), which is one of the most common conditions worldwide. An estimated 20% of the global population suffers from NAFLD, and about one-third of the population in the US. There is a strong association between NASH and a variety of metabolic syndromes like diabetes and obesity. Approximately 3-5% of Americans (about 15 million people) suffer from NASH and there are currently no registered drugs for the treatment of this condition.[1]

1 Vernon G. et al. Aliment Pharmacol Ther. 2011;34(3): 274-85

NV556 and NVP022

After the end of the period, the Company announced that the previously observed anti-fibrotic effects of the NV556 compound had been confirmed in another preclinical model for NASH, the MCD model, which strengthens and confirms previous data.

New data was also presented from the STAM™ model, in which the first studies were conducted. The new results demonstrated that long-term treatment with NV556 is well-tolerated and significantly reduces liver weight gain, which is an indicator of reduced tumor burden. In addition, there was a noticeable trend that NV556 reduced the number and size of surface liver tumors. The results were presented at the International Liver Congress™ in Amsterdam on April 19-23, 2017.

Efforts are currently ongoing to confirm the collected data, and to compile a package for the commencement of out-licensing activities for NV556 in 2017.

In addition to NV556, NeuroVive is also developing a new class of compounds with a different mechanism of action, that may serve as complementary treatment for NASH, NVP022. The NVP022 project is based on NeuroVive's core expertise in mitochondrial energy regulation, combined with the expertise of its partner company, Isomerase, in innovative chemistry.

In February 2017, the Company appointed Professor Massimo Pinzani, MD, PhD, FRCP as its scientific adviser, and signed a collaboration agreement. Massimo Pinzani will primarily be evaluating the anti-fibrotic properties of NV556 in advanced human 3D liver models. These models will enable the evaluation and validation of effects under adequate pathophysiological conditions.

Hepatocellular carcinoma (HCC)

Liver cancer is often diagnosed at a late stage of the disease and mortality rates are high. There are two major types of liver cancer: hepatocellular carcinoma (HCC) and intrahepatic bile duct cancer. Various hepatitis virus infections can increase the risk of liver cancer. Patients with liver cirrhosis caused by alcoholism or fatty liver (non-alcoholic steatohepatitis, NASH) are at greater risk of developing hepatocellular cancer. Although liver cancer is less common in northern Europe and the US, HCC is the sixth most-common type of cancer and the third most-common cause of cancer-related deaths worldwide.[1,2] *While surgery, chemotherapy and radiotherapy are important starting points for the treatment of liver tumors, there is a major medical need for more, and more effective, complementary therapies.*[3]

1) Altekruse SF, McGlynn KA, Reichman ME: Hepatocellular Carcinoma Incidence, Mortality, and Survival Trends in the United States From 1975 to 2005. J Clin Oncol 27(9):1485-91, 2009.
2) Forner A, Llovet JM, Bruix J: Hepatocellular carcinoma, Lancet 379 (9822):1245-55,2012.
3) http://www.cancerresearchuk.org/helath-professional/cancer-statistics/statistics-by-cancer-type/liver-cancer/Incidence#heading-Nine

NVP024

In partnership with Isomerase, NeuroVive's research team has demonstrated that the Company's sanglifehrin-based compounds exhibit powerful anticancer activity in preclinical models of HCC. In February 2017, the project participated in the EASL (European Association for the Study of the Liver) HCC Summit in Geneva, Switzerland, with a poster presentation. The results presented show that a new model compound, in which the anticancer effect is optimized, demonstrates an up to 500-fold greater inhibitory effect on human hepatocellular cancer cells (in vitro) compared with the existing cancer drug sorafenib (registered for the treatment of advanced HCC). In addition, this class of compounds demonstrates anticancer activity in a preclinical experimental (in vivo) model of HCC, after both oral and intraperitoneal administration. The compounds exhibit no toxicity in healthy cells and are well-tolerated in vivo.

In February 2017, the Company appointed Professor Philippe Gallay, PhD as its scientific adviser and signed a partnership agreement. Philippe Gallay will primarily be studying the mechanism of the powerful anticancer action of NeuroVive's new sanglifehrin-based compounds. These studies will play an important role in NeuroVive's selection of a drug candidate for the HCC project.

NeuroVive Pharmaceutical Asia, Inc. subsidiary

In January 2017, it was announced that research resources and activities in the Taiwan-based subsidiary would be redirected to the Parent Company, NeuroVive Pharmaceutical AB. The operations in Taiwan have been sold to the Taiwanese shareholders. Under the agreement, NeuroVive Pharmaceutical AB is to receive about SEK 5 million before administrative expenses. In addition, NeuroVive and its partner Foundation Asia Pacific Ltd., have repurchased the Hong Kong-based subsidiary, NeuroVive Pharmaceutical Asia Ltd., which holds the Asian license rights for NeuroSTAT and agreements with the Chinese pharmaceutical company Sihuan Pharmaceutical and Sanofi Korea. The Hong Kong-based company is owned jointly by NeuroVive Pharmaceutical AB (about 82.5%) and Foundation Asia Pacific Ltd. (about 17.5%). Under the agreement, other assets, which were previously licensed to NeuroVive's Asian company, have been transferred to NeuroVive Pharmaceutical AB.

Financial information

Revenues
The consolidated turnover during the second quarter of 2017 was SEK 0 (0). Other operating revenues for the second quarter of 2017 were SEK 88,000 (28,000). The consolidated turnover for the first six months was SEK 27,000 (0) and the operating revenues amounted SEK 152,000 (74,000).

Results of operations
The operating loss for the second quarter was SEK 22,145,000 (12,119,000). The operating loss for the first six months was SEK 43,377,000 (23,057,000). The net loss before tax for the second quarter amounted to SEK 22,256,000 (12,059,000). The net loss before tax for the first six months was SEK 43,646,000 (22,975,000).

The operating loss was affected by external expenses, which for the first six months were SEK 43,555,000 (23,131,000). During the first six months, expenses related to development projects have affected the result with SEK 16,342,000 (4,727,000) whereof SEK 9,537,000 relates to project in clinical phase. Projects from clinical phase are from April 1st reported directly in the income statement.* Personnel expenses during the first six months amount to SEK 7,005,000 (7,282,000). Other operating expenses amount to, SEK 11,060,000 (183,000). whereof SEK 10,981,000 relates to disposal of subsidiary. The remaining portion of other operating expenses pertains to exchange-rate losses.

The company has sold its shares in the Asian subsidiary and, together with its collaboration partner Foundation Asia Pacific Ltd., reacquired the Hong Kong-based subsidiary, NeuroVive Pharmaceutical Asia Ltd., which holds the Asian territorial licensing rights for NeuroSTAT and the agreements with the Chinese pharmaceutical company Sihuan Pharmaceutical and Sanofi Korea. The Hong Kong company is owned by NeuroVive Pharmaceutical AB 82.47% and Foundation Asia Pacific Ltd. 17.5%. Other assets, previously licensed to NeuroVive's Asian company, were transferred to NeuroVive Pharmaceutical AB. In addition to license assets, the Company received approximately SEK 5 million before administrative expenses.

* For information on accounting principles for intangible assets, see page 50 of the Annual Report 2016 and changed assessment and positions, page 8 of this report.

Financial position
The equity/assets ratio was 92 (95) % as of 30 June 2017, and equity was SEK 124,799,000 (155,446,000) compared to beginning of the year. Cash and cash equivalents amounted to SEK 46,984,000 (132,280,000) as of 30 June 2017, a decrease of SEK 46,267,000 from the beginning of the year. Total assets as of 30 June 2017 were SEK 134,969,000 (226,209,000). The Board of Directors has tasked the management to initiate financing alternatives to secure long term financing of the Company.

Cash flow and investments
Operating cash flow for the second quarter was SEK -19,959,000 (-20,128,000). Operating cash flow from the first six months was SEK -33,263,000 (-35,455,000). The cash flow effect related to investments in intangibles equals SEK -2,028,000 (-6,789,000) for the first six months. The disposal of shares in the Asian subsidiary has affected cash flow by SEK -11,035,000 (0).Cash flow for the second quarter equals SEK -20,531,000 (52,740,000). Cash flow for the first six months equals SEK -46,214,000 (35,088,000).

Transactions with related parties
Transactions between the company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation, and accordingly, no disclosures are made regarding these transactions. Disclosures regarding transactions between the group and other related parties are stated below.

(SEK 000)	1 Jan. 2017 30 Jun. 2017	1 Jan. 2016 30 Jun. 2016
Stanbridge bvba (owned by Gregory Batcheller, Executive Chairman)	508	458
Ankor Consultants bvba (owned by Arne Ferstad, Board member)	-	94
Total transactions with related parties	**508**	**552**

Apart from remuneration to senior managers including remuneration for consulting services, no purchases or sales between the group and related parties occurred. Transactions with related parties affecting profit/loss for the period are stated below.

Segment information
Financial information reported to the chief operating decision maker (CEO) as the basis for allocating resources and judging the group's profit or loss is not divided into different operating segments. Accordingly, the group consists of a single operating segment.

Financial instruments
NeuroVive holds unlisted securities, classified as "financial assets available for sale." These assets are measured at fair value through other comprehensive income on

an ongoing basis. However, when the fair value of these securities cannot be reliably measured, they are recognized at cost. Other financial assets are classified as "loans and receivables," which are measured at amortized cost. The carrying amount of this category is estimated to correspond to fair value.

Human resources
The average number of employees of the group for the period January to June was 10 (15), of which 5 (7) are women.

Parental company
In connection with the sale of the Asian subsidiary and the reacquisition of the Hong Kong company, a positive result from shares in Group companies amounted to SEK 7,652,000. Company earnings after tax for the first six months amounts to SEK -24,620,000 (-20,128,000). Most of the Group's operations are conducted within the parent company. Accordingly, no further specific information regarding the parent company is presented.

Changed assessments and position
During the period, the Board of Directors has chosen to change the assessment and position regarding the timing of capitalization of development costs. The updated assessment is in line with the company's new strategy and the history of earlier completed development projects. The new assessment means that all development work is considered as research until the product has received market approval, which entails that the cost for this is expensed continuously.

The development for the NeuroSTAT / TBI project is proceeding according to plan, and is under preparation for transition to FAS IIb. It has therefore not been estimated that there is an impairment need for historically capitalized costs for this project. Book value amounts to SEK 51,941,000 thousand.

Risks and uncertainty factors
A research company such as NeuroVive Pharmaceutical AB (publ) is subject to high operational and financial risks because the projects the company conducts are in different developmental phases, where a number of parameters influence the likelihood of commercial success. Briefly, operations are associated with risks relating to factors including drug development, competition, technological progress, patents, regulatory requirements, capital requirements, currencies and interest rates. The Board of Directors works continuously to secure the business operation's need for financing. A way to spread risks is to out-license projects directed towards larger indications already in the pre-clinical phase, while orphan indication projects are developed by the company up until market registration. No significant changes in relation to risk or uncertainties occurred during the current period.

In March 2013, CicloMulsion AG commenced arbitration seeking declaratory relief with regard to royalties allegedly to be paid by the Company under a 2004 License Agreement as well as certain other claims relating to the Company's obligations under the License Agreement. As previously reported, on May 25, 2016, the Tribunal rendered a partial award which has been appealed by each party to the competent Swedish court in Skåne. The Swedish court recently scheduled a court hearing for end November 2017 and a decision is to be expected in the first half of 2018. So far there are no indications as to the prospects of these appeals. The arbitration proceeding remains suspended due to the appeals.

For more detail of risks and uncertainty factors, refer to the Statutory Administration Report in the Annual Report 2015 and the prospectus published 14 April 2016 for the share issue in April/May 2016.

Incentive programs/share warrants
Currently there is no incentive program.

Audit review
This Interim Report has not been subject to review by the company's auditors.

Upcoming financial statements

Interim Report Jan - Sept 2017	21 November 2017
Year-End Report 2017	20 February 2018

The interim reports and the Annual Year Report are available at www.neurovive.com

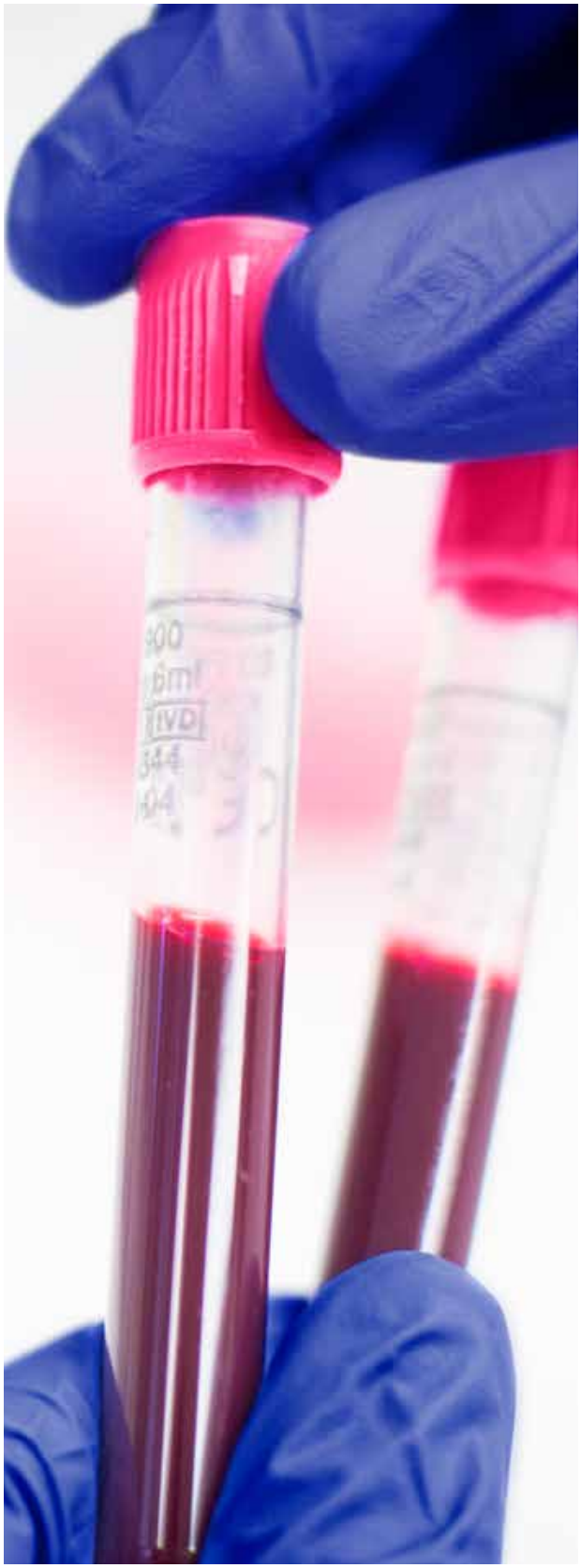
Principles of preparation of the Interim Report
NeuroVive prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the IFRS Interpretations Committee, as endorsed by the EU for application within the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The parent company applies the Swedish Annual Accounts Act and RFR's (the Swedish Financial Reporting Board) recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 implies that, as far as possible, the parent company applies all IFRS endorsed by the EU within the limits of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and considering the relationship between accounting and taxation.

The group and parent company have applied the same accounting principles as described in the Annual Report for 2016 on pages 48-61. However, a changed assessment has been made regarding the capitalization of

development costs as described above under the heading Changed assessments and positions.

New and revised standards and interpretation statements applicable from 1 January 2017 onwards did not have any effect on the group or parent company's results of operations or financial position.



Consolidated Statement of Comprehensive Income

(SEK 000)	Note	1 Apr, 2017 30 Jun, 2017	1 Apr, 2016 30 Jun, 2016	1 Jan, 2017 30 Jun, 2017	1 Jan, 2016 30 Jun, 2016	1 Jan, 2016 31 Dec, 2016
Net sales		-	-	27	-	14
Other operating income		88	28	152	74	104
		88	**28**	**179**	**74**	**118**
Operating expenses						
Other external expenses		-18,015	-7,757	-24,748	-15,136	-34,168
Personnel cost		-3,629	-4,013	-7,005	-7,282	-15,276
Depreciation and write-down of tangible and intangible assets		-538	-271	-742	-530	-1,121
Other operating expenses		-51	-106	-11,060	-183	-21,663
		-22,233	**-12,147**	**-43,555**	**-23,131**	**-72,228**
Operating income		**-22,145**	**-12,119**	**-43,376**	**-23,057**	**-72,110**
Profit/loss from financial items						
Result from shares in associated company		-	-	-	-	28
Financial income		75	85	110	155	432
Financial costs		-186	-25	-379	-73	-195
		-111	**60**	**-269**	**82**	**265**
Profit/loss before tax		**-22,256**	**-12,059**	**-43,646**	**-22,975**	**-71,845**
Income tax	2	-	-	-	-	-
Profit/loss for the period		**-22,256**	**-12,059**	**-43,646**	**-22,975**	**-71,845**
Other comprehensive income						
Items that may be reclassified to profit or loss						
Translation differences on foreign subsidiaries		-29	801	-11	537	1,782
Total comprehensive income for the period		**-22,285**	**-11,258**	**-43,657**	**-22,438**	**-70,063**
Loss for the period attributable to:						
Parent company shareholders		-22,262	-11,585	-38,853	-22,171	-70,240
Non-controlling interests		6	-474	-4,793	-804	-1,605
		-22,256	**-12,059**	**-43,646**	**-22,975**	**-71,845**
Total comprehensive income for the period						
Parent company shareholders		-22,357	-11,211	-38,940	-22,020	-69,271
Non-controlling interests		72	-47	-4,717	-418	-792
		-22,285	**-11,258**	**-43,657**	**-22,438**	**-70,063**
Earnings per share before and after dilution(SEK) based on average number of shares		-0.45	-0.34	-0.79	-0.64	-1.67

Consolidated Statement of Financial Position

(SEK 000)	Note	30 Jun, 2017	30 Jun, 2016	31 Dec, 2016
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,941	66,914	51,255
Patents		19,253	13,445	17,979
Other Intangible assets		1,815	1,994	1,917
		73,009	**82,353**	**71,151**
Tangible assets				
Equipment		172	326	274
		172	**326**	**274**
Financial assets				
Other long-term securities		13,102	6,810	13,102
Other long-term receivables		-	124	118
		13,102	**6,934**	**13,220**
Total non-current assets		**86,283**	**89,613**	**84,645**
Current assets				
Other receivables		1,037	3,474	1,650
Prepaid expenses and accrued income		666	842	1,171
Cash and cash equivalents		46,984	132,280	93,251
		48,687	**136,596**	**96,072**
TOTAL ASSETS		**134,969**	**226,209**	**180,717**
EQUITY AND LIABILITIES				
Equity attributable to the shareholders of the parent company				
Share capital		2,474	2,473	2,473
Additional paid in capital		418,489	418,339	418,339
Translation reserve		693	-39	780
Retained earnings		-301,865	-218,077	-266,146
Total equity attributable to the shareholders of the parent		**119,792**	**202,696**	**155,446**
Non-controlling interests		5,007	13,233	12,858
Total equity		**124,799**	**215,929**	**168,304**
Short-term liabilities				
Accounts payable		3,657	3,934	6,000
Other liabilities		1,911	930	483
Accrued expenses and deferred income		4,602	5,416	5,930
		10,171	**10,280**	**12,413**
Total liabilities		**10,171**	**10,280**	**12,413**
TOTAL EQUITY AND LIABILITIES		**134,969**	**226,209**	**180,717**

Consolidated Statement of Changes in Equity

(SEK 000)	Equity attributable to the shareholders of the parent company						
	Share-capital	Additional paid in capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2017	**2,473**	**418,339**	**780**	**-266,146**	**155,446**	**12,858**	**168,304**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-38,853	-38,853	-4,793	-43,646
Other comprehensive income							
Translation differences	-	-	-87	-	-87	76	-11
Other comprehensive profit/loss for the period, net after tax	-	-	-87	-	-87	76	-11
Total comprehensive profit/loss	-	-	-87	-38,853	-38,940	-4,717	-43,657
Transactions with shareholders							
Share issue (warrant-program)							
Change of ownership in share issue	-	-	-	3,134	3,134	-3,134	-
Total transactions with shareholders	1	150	-	3,134	3,286	-3,134	152
Closing balance, 30 June 2017	**2,474**	**418,489**	**693**	**-301,865**	**119,792**	**5,007**	**124,799**
Opening balance, 1 January 2016	**1,537**	**335,687**	**-190**	**-195,906**	**141,128**	**13,651**	**154,779**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-22,171	-22,171	-804	-22,975
Other comprehensive income							
Translation differences	-	-	151	-	151	386	537
Other comprehensive profit/loss for the period, net after tax	**-**	**-**	**151**	**-**	**151**	**386**	**537**
Total comprehensive profit/loss	**-**	**-**	**151**	**-22,171**	**-22,020**	**-418**	**-22,438**
Transactions with shareholders							
New share issue	936	82,652	-	-	83,588	-	83,588
Issue through non-controlling interest	-	-	-	-	-	-	-
Total transactions with shareholders	**936**	**82,652**	**-**	**-**	**83,588**	**-**	**83,588**
Closing balance, 30 June 2016	**2,473**	**418,339**	**-39**	**-218,077**	**202,696**	**13,233**	**215,929**
Opening balance, 1 January 2016	**1,537**	**335,687**	**-190**	**-195,906**	**141,128**	**13,651**	**154,779**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-70,240	-70,240	-1,605	-71,845
Other comprehensive income							
Translation differences	-	-	970	-	970	812	1,782
Other comprehensive profit/loss for the period, net after tax	**-**	**-**	**970**	**-**	**970**	**812**	**1,782**
Total comprehensive profit/loss	**-**	**-**	**970**	**-70,240**	**-69,270**	**-793**	**-70,063**
Transactions with shareholders							
New share issue	936	82,652	-	-	83,588	-	83,588
Change of ownership in new share issue	936	82,652	-	-	83,588	-	83,588
Total transactions with shareholders	**936**	**82,652**	**-**	**-**	**83,588**	**-**	**83,588**
Closing balance, 31 December 2016	**2,473**	**418,339**	**780**	**-266,146**	**155,446**	**12,858**	**168,304**

Consolidated Statement of Cash Flows

(SEK 000)	1 Apr, 2017 30 Jun, 2017	1 Apr, 2016 30 Jun, 2016	1 Jan, 2017 30 Jun. 2017	1 Jan, 2016 30 Jun, 2016	1 Jan, 2016 31 Dec, 2016
Cash flow from operating activities					
Operating income	-22,145	-12,119	-43,377	-23,057	-72,110
Adjustments for non-cash items:					
Depreciation	538	271	742	530	1,121
Currency differences on intercompany items	-111	16	10	13	48
Impaired Value	-	-	-	-	21,135
Disposal of Business	-	-	10,981	-	7
Result from shares in associated company	-	-	-	-	28
Interest received	75	85	110	155	363
Interest paid	-186	-25	-379	-73	-126
Net cash from operating activities before changes in working capital	**-21,829**	**-11,771**	**-31,913**	**-22,432**	**-49,534**
Changes in working capital					
Increase/decrease of other current assets	-176	1,133	515	-1,577	-19
Increase/decrease of other short-term liabilities	2,046	-9,490	-1,865	-11,446	-7,824
Changes in working capital	**1,870**	**-8,357**	**-1,350**	**-13,023**	**-7,843**
Cash flow from operating activities	**-19,959**	**-20,128**	**-33,263**	**-35,455**	**-57,377**
Investing activities					
Acquisition of intangible assets	-573	-4,378	-2,028	-6,138	-18,152
Acquisition of tangible assets	-	-85	-40	-98	-139
Disposal business	-	-	-11,035	-	-
Increase in other financial assets	-	-	-	-553	-6,844
Cash flow from investing activities	**-573**	**-4,463**	**-13,103**	**-6,789**	**-25,135**
Financing activities					
New share issue	-	77,332	-	-	-
Cash flow from financing activities	**-**	**77,332**	**-**	**77,332**	**77,332**
Cash flow for the period	-20,531	52,740	-46,214	35,088	-5,180
Cash and cash equivalents at the beginning of the period	67,289	78,749	93,251	96,662	96,662
Effect of exchange rate changes on cash	73	791	-53	530	1,769
Cash and cash equivalents at end of period	**46,831**	**132,280**	**46,984**	**132,280**	**93,251**

Parent Company Income Statement

(SEK 000)	Note	1 Apr, 2017 30 Jun, 2017	1 Apr, 2016 30 Jun, 2016	1 Jan, 2017 30 Jun, 2017	1 Jan, 2016 30 Jun, 2016	1 Jan, 2016 31 Dec, 2016
Net sales		-	9	27	9	30
Other operating income		89	28	152	74	104
		89	**37**	**179**	**83**	**134**
Operating expenses						
Other external expenses		-18,013	-6,823	-24,680	-13,719	-31,521
Personnel cost		-3,628	-3,271	-6,778	-5,910	-12,495
Depreciation and write-down of tangible and intangible assets		-539	-243	-732	-474	-1,006
Other operating expenses		-78	-107	-106	-184	-21,660
		-22,258	**-10,443**	**-32,297**	**-20,286**	**-66,683**
Operating income		**-22,169**	**-10,406**	**-32,118**	**-20,203**	**-66,548**
Profit/loss from financial items						
Result from shares in group company		-	-	7,652	-	-20,880
Result from shares in associated company		-	-	-	-	29
Interest income and other similar profit items		65	34	80	83	288
Interest expenses and other similar loss items		-185	8	-232	-8	-7
		-120	**42**	**7,498**	**75**	**-20,570**
Profit/loss before tax		**-22,289**	**-10,364**	**-24,620**	**-20,128**	**-87,118**
Income tax	2					
Profit/loss for the period		**-22,289**	**-10,364**	**-24,620**	**-20,128**	**-87,118**

Statement of Comprehensive Income, Parent Company

(SEK 000)	Note	1 Apr, 2017 30 Jun, 2017	1 Apr, 2016 30 Jun, 2016	1 Jan, 2017 30 Jun, 2017	1 Jan, 2016 30 Jun, 2016	1 Jan, 2016 31 Dec, 2016
Profit/loss for the period		-22,289	-10,364	-24,620	-20,128	-87,118
Other comprehensive income						-
Total comprehensive profit/loss for the period		**-22,289**	**-10,364**	**-24,620**	**-20,128**	**-87,118**

Parent Company Balance Sheet

(SEK 000)	Note	30 Jun, 2017	30 Jun, 2016	31 Dec, 2016
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,706	66,679	51,020
Patents		19,253	13,445	17,979
Other intangible assets		1,815	1,949	1,881
		72,774	**82,073**	**70,881**
Tangible assets				
Equipment		172	258	221
		172	**258**	**221**
Financial assets				
Other long-term placement		13,102	6,810	13,102
Shares in subsidiaries	3	23,099	41,750	20,870
		36,201	**48,560**	**33,972**
Total non-current assets		**109,147**	**130,891**	**105,074**
Current assets				
Short term receivables				
Receivables from group companies		5,187	58	7
Other receivables		1,015	3,468	1,643
Prepaid expenses and accrued income		666	381	515
		6,868	**3,907**	**2,165**
Cash and bank balances		40,808	113,952	75,954
Total current assets		**47,676**	**117,859**	**78,119**
TOTAL ASSETS		**156,823**	**248,750**	**183,193**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		2,474	2,473	2,473
Statutory reserve		1,856	1,856	1,856
Development expenditure reserve		10,779	7,111	9,924
		15,109	**11,440**	**14,253**
Unrestricted equity				
Share premium reserve		-	393,648	82,653
Retained earnings		157,264	-145,749	162,434
Profit/loss for the period		-24,620	-20,128	-87,118
		132,644	**227,771**	**157,969**
Total equity		**147,753**	**239,211**	**172,222**
Short-term liabilities				
Accounts payable		3,657	3,201	5,582
Other liabilities		813	923	473
Accrued expenses and deferred income		4,600	5,415	4,916
		9,070	**9,539**	**10,971**
TOTAL EQUITY AND LIABILITIES		**156,823**	**248,750**	**183,193**

Notes

Note 1 — Intangible assets

(SEK 000)	Development costs	Patents*	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2017	**51,255**	**24,349**	**2,899**	**78,503**
Additions	686	1,889	-35	2,540
Impaired value	-	-	-	-
Closing balance 30 Jun 2017	**51,941**	**26,238**	**2,864**	**81,043**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2017	**-**	**-6,370**	**-982**	**-7,352**
Depreciation for the period	-	-615	-67	-682
Closing balance 30 Jun. 2017	**-**	**-6,985**	**-1,049**	**-8,034**
Residual value 30 Jun. 2017	**51,941**	**19,253**	**1,815**	**73,009**

(SEK 000)	Development costs	Patents*	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2016	**59,803**	**18,193**	**2,899**	**80,895**
Additions	12,487	6,156	-	18,643
Impaired value	-21,035	-	-	-21,035
Closing balance 31 Dec. 2016	**51,255**	**24,349**	**2,899**	**78,503**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2016	**-**	**-5,170**	**-821**	**-5,991**
Depreciation for the period	-	-1,200	-161	-1,361
Closing balance 31 Dec. 2016	**-**	**-6,370**	**-982**	**-7,352**
Residual value 31 Dec. 2016	**51,255**	**17,979**	**1,917**	**71,151**

Note 2 – Tax

The group's total loss carry-forwards amount to SEK 332,390,000 as of 30 June 2017 (271,640,000). The parent company's total loss carry-forwards amount to SEK 306,679,000 as of 30 June 2017 (228,202,000). Because the company is loss making, management cannot judge when deductible loss carry-forwards will be utilized.

Note 3 – Shares and participations in group companies

These shares are the holding of 82.47% in the subsidiary NeuroVive Pharmaceutical Asia Ltd., domiciled in Hong Kong.

Affirmation

This Interim Report gives a true and fair view of the parent company and group's operations, financial position and results of operations, and states the significant risks and uncertainty factors facing the parent company and group companies.

Lund, Sweden, 17 August 2017

This Interim Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

Greg Batcheller
Chairman of the Board

David Bejker
Board member

Marcus Keep
Board member

David Laskow-Pooley
Board member

Jan Törnell
Board member

Erik Kinnman
Chief Executive Officer

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This information is information that NeuroVive Pharmaceuticals (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 a.m. CET on 17 August 2017.

About NeuroVive

NeuroVive Pharmaceutical AB is a leader in mitochondrial medicine. The company is committed to the discovery and development of medicines that preserve mitochondrial integrity and function in areas of unmet medical need. The company's strategy is to advance drugs for rare diseases through clinical development and into the market. The strategy for projects within larger indications outside the core focus area is out-licensing in the preclinical phase. NeuroVive enhances the value of its projects in an organization that includes strong international partnerships and a network of mitochondrial research institutions, as well as expertise with capacities within drug development and production.

NeuroVive has a project in early clinical phase II development for the prevention of moderate to severe traumatic brain injury (NeuroSTAT®) and one project entering clinical Phase I (KL1333). NeuroSTAT has orphan drug designation in Europe and in the US. The R&D portfolio consists of several late stage research programs in areas ranging from genetic mitochondrial disorders to cancer and metabolic diseases such as NASH.

NeuroVive is listed on Nasdaq Stockholm, Sweden (ticker: NVP). The share is also traded on the OTCQX Best Market in the US (OTC: NEVPF).

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