NeuroVive PHARMACEUTICAL

NeuroVive carries out intensive development work aimed at identifying active substances and developing them into drug candidates

The development work focuses on areas of mitochondrial medicine where there are currently no effective treatment options

Two of NeuroVive's development projects – in traumatic brain injury and acute kidney injury – include drug candidates in early phase II trials

ANNUAL REPORT

2015

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New CEO

In February 2016 Erik Kinnman was appointed the new CEO of NeuroVive. Erik Kinnman has extensive industry and research experience from senior positions at established companies such as Astra Zeneca and Sobi. Read the interview on page 45 for further information.

Key figures

Amounts in SEK 000 unless otherwise indicated	2015	2014	2013	2012	2011
Net sales	2,502	7,152	5,335	-	-
Operating income	-91,466	-45,254	-22,346	-16,499	-9,721
Profit/loss before tax	-90,801	-44,673	-22,126	-15,903	-9,280
Cash flow	47,741	9,537	2,821	24,382	-14,958
Liquidity ratio, %	494%	219%	286%	451%	802%
Equity ratio, %	88%	82%	84%	88%	95%
Adjusted equity	154,779	107,841	74,643	63,043	32,585
Dividend (SEK)	–	–	–	–	–
No. of employees	18	13	11	8	6

Trademarks

NeuroVive refocuses CicloMulsion development

Drug development for acute myocardial infarction indication discontinued. Strategic focus shifts to acute kidney injury.

The CIRCUS study, which examined the effects of administrating CicloMulsion in connection with PCI (percutaneous coronary intervention) in patients with a specific type of heart attack known as ST-segment elevation myocardial infarction (STEMI) did not produced the positive results indicated in other phase II trials. The results showed that CicloMulsion had no therapeutic effect on STEMI patients undergoing PCI. However, the CIRCUS study provided new and valuable information and also confirmed CicloMulsion's safety profile. Accordingly, NeuroVive has decided to discontinue the development of CicloMulsion for the acute myocardial infarction indication. The company remainsconfidentin its research and development platform, and the potential of cyclophilin D inhibitors. The company's strategic focus on CicloMulsion is beingredirected towards research and development programs in organ protection, such as acute kidney injury.

This Annual 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.

Image of coronary heart surgery in the CiPRICS study. The purpose of the study is to evaluate the effects of CicloMulsion as a pre-treatment for acute kidney injury in patients undergoing major surgery.

2015 in brief

- NeuroVive executed two issues in 2015, raising a total of SEK 135 m for the company before issue expenses.
- The phase III study with CicloMulsion (CIRCUS study) did not meet its primary endpoint and development of CicloMulsion for the myocardial infarction indication was terminated.
- Start of phase II study (CiPRICS study) with ciclosporin (CicloMulsion) as a pre-treatment for acute kidney injury in patients undergoing major surgery.
- The company's NVP014 project for the treatment of ischemic stroke entered a new phase with collaboration partner Isomerase Therapeutics.
- In September, Michael Brönnegård departured as CEO and the Board of Directors appointed Jan Nilsson to head up the company in the role of interim CEO until a new CEO is appointed by the Board of Directors.
- NeuroVive strengthened its clinical development team with the appointment of Dr. Magnus Hansson as Chief Medical Officer.

Milestones 1993 – 2011

1993-1994
Eskil Elmér and colleagues discover that cyclosporine A is a powerful neuroprotectant.

1995
Patent application filed and original discovery published.

1997
Marcus Keep and Eskil Elmér start up Maas Biolab, LLC in the USA.

1999
US Patent & Trademark Office grants the patent that forms the foundation of NeuroVive's first project portfolio.

2000
NeuroVive formed (then called NeuroPharma i Sverige AB).

2001-02
More patents granted on cyclosporine as a neuroprotective pharmaceutical compound.

2003
NeuroVive in-licenses patents and trademark rights for operations from Maas Biolab, LLC.

2004
NeuroVive in-licenses formulation patent for CicloMulsion/NeuroSTAT from CicloMulsion AG of Germany.

2006-07
NeuroVive executes two small-scale capital raisings to consolidate and develop its business.

2008
August Agreement with Fresenius Kabi on manufacturing and registration work for NeuroSTAT.

September/October SEK 9.5 m new issue and IPO on Aktietorget.

November Scientific validation of NeuroSTAT's mechanism of action in human brain tissue.

2009
June Ethical approval of a clinical trial on NeuroSTAT.

November/December Clinical trial on NeuroSTAT's safety and pharmacokinetics conducted.

2010
March NeuroVive exercises its option to purchase patent rights for CicloMulsion/NeuroSTAT.

March Results from the NeuroSTAT trial demonstrates bioequivalence and a superior safety profile to comparative preparation Sandimmune® Injection.

May SEK 39 m new issue oversubscribed by SEK 41 m.

June NeuroSTAT granted orphan drug designation in Europe, implying market exclusivity for ten years for moderate to severe traumatic brain injury from the date of marketing authorization.

December NeuroSTAT granted orphan drug designation in the US, implying market exclusivity for seven years for moderate to severe traumatic brain injury from the date of marketing authorization.

December Agreement with Lyon University Hospital for a phase III cardiac trial (CIRCUS trial).

2011
March Agreement on a phase II/III trial on traumatic brain injury (TBI) with the European Brain Injury Consortium (EBIC).

December Subsidiary incorporated in China to serve the Chinese market.

NeuroVive

NeuroVive Pharmaceutical AB (publ) is committed to the discovery and development of drug candidates that preserve mitochondrial integrity and function in areas of therapeutic need. NeuroVive's business approach is driven by value-adding partnerships with leading research institutions and commercial partners in mitochondrial medicine across the globe. NeuroVive's portfolio consists of two clinical projects in acute kidney injury (AKI) and traumatic brain injury (TBI) with candidates in clinical and preclinical development and two drug discovery platforms. The NeuroSTAT is currently being evaluated in an early phase II study for traumatic brain injury. CicloMulsion is being evaluated in an on-going investigator initiated phase II study, CiPRICS, in acute kidney injury during coronary heart surgery. NeuroVive's shares are listed on Nasdaq, Stockholm, Sweden.

Mitochondria can be described as the cells' engine and energy supply. Mitochondria also play a critical role in protecting cells in different types of injury, such as traumatic brain injury.

The mitochondrial medicine company

In recent years, mitochondrial medicine has moved from the research and development stage towards approved pharmaceuticals. Some of the first drug candidates to gain approval include Raxone® for the treatment of Leber's Hereditary Optic Neuropathy (LHON) from Santhera Pharmaceuticals. The approval illustrates the potential for mitochondrial pharmaceuticals and that there is a pressing therapeutic need.

NeuroVive's research in mitochondrial medicine has provided the company with strong positioning in the academic community and the pharmaceutical industry. Research findings relating to the company's products and operations are published continuously in highly regarded scientific journals such as The Journal of Neurotrauma and the New England Journal of Medicine.

Two of NeuroVive's candidate drugs—CicloMulsion (for the treatment of acute kidney injury in patients undergoing major surgery) and NeuroSTAT (for the treatment of traumatic brain injury)—are currently at the clinical trial stage.

Milestones 2012 – 2015

2012

April Agreement with Fresenius Kabi that enables expansion to full-scale production of NeuroSTAT and CicloMulsion.

April/May SEK 55 m new issue completed. CIRCUS trial passes 300 patients and continues as planned following safety checks.

October Alongside Selcia Holdings Ltd, NeuroVive develops three new substances for mitochondrial energy regulation that can potentially be used in conditions with impaired energy production.

November Collaboration agreement with Sihuan Pharmaceutical for the development and commercialization of CicloMulsion and NeuroSTAT for the Chinese market.

2013

March Acquisition of new potent cyclophilin inhibitors from Biotica Ltd.

April Listing on Nasdaq Stockholm.

June First patient enrolled to clinical phase II trial at the Copenhagen University Hospital intended to evaluate NeuroSTAT's pharmacokinetics and safety in traumatic brain injury.

June Collaboration agreement with Isomerase Therapeutics on the product development and commercialization of the molecules acquired from Biotica Ltd.

June First milestone payment from Sihuan of SEK 5.3 m to NeuroVive's Asian subsidiary for development in China.

December Private placement targeted at high-profile institutional investors and one of the founders of NeuroVive's partner in China, Sihuan Pharmaceutical.

2014

January Rights issue oversubscribed by 270%. NeuroVive raises some SEK 85.8 m before issue expenses.

February NeuroVive treats the final patient in the European phase III study on CicloMulsion.

June NeuroVive's research into energy regulators wins award at international research symposium.

September NeuroVive signs agreement with OnCore Biopharma on out-licensing of NVP018 for the treatment of chronic Hepatitis B infection.

December NeuroVive starts up a subsidiary in Taiwan (NeuroVive Pharmaceutical Asia, Inc.) to manage operating activities on-site in the region.

2015

NeuroVive completed two share issues in 2015, raising a total of SEK 135 m before issue expenses.

April Start of phase II study (CiPRICS study) with ciclosporin (CicloMulsion) as a pre-treatment for acute kidney injury in patients undergoing major surgery.

April The NVP014 development project for the treatment of ischemic stroke entered a new phase in collaboration with partner Isomerase Therapeutics.

August The phase III study on CicloMulsion (CIRCUS study) did not reach its primary endpoint and NeuroVive discontinued the development of CicloMulsion for the myocardial infarction indication.

October NeuroVive strengthens its clinical development team with the appointment of Dr. Magnus Hansson as Chief Medical Officer.

Introduction from NeuroVive's CEO, Jan Nilsson

Clear direction forward and strong R&D program

2015 was a year of both expansion and transformation for NeuroVive, when many key milestones were passed, marking expanded efforts and events that required us to refocus the organization's efforts. As a result, NeuroVive emerged more focused moving into 2016 with a clear direction forward and a strong R&D program as the backbone of the organization.

Important advances in our R&D portfolio

The R& D core focus areas in 2015 included the two programs with NeuroVive's lead candidates in acute kidney injury (AKI) and traumatic brain injury (TBI). We put an increased focus on the early phase II studies with both lead candidates: CicloMulsion for renal protection in connection with heart surgery (CiPRICS) and NeuroSTAT in traumatic brain injury (CHIC).

The CiPRICS study in Lund progressed very well in 2015with patients enrolled according to established timelines. A safety evaluation took place after the first 50 patients were enrolled and provided further evidence to support the safety profile of CicloMulsion, which is important as we advance the clinical program. Significant changes were made to the CHIC study protocol and the study team was reinforced to increase the study enrolment rates.

We were pleased to see real progress take place with respect to the two studies involving our two lead candidates throughout 2015 and this demonstrated the need to maintain continued focus to ensure completion of these trials in 2016.

Other projects outside the scope of our core business include OCB-030 (NVP018), which was out-licensed to Arbutus Biopharma (formerly OnCore Biopharm) last year.

Erik Kinnman new CEO for NeuroVive
In February 2016 Erik Kinnman was appointed the new CEO of NeuroVive. Read the interview on page 45 for further information.

In late-2015, Arbutus decided to discontinue development of OCB-030 as it believes the agent does not directly target HBV. HBV is a very different therapy area and requires a completely different mechanism of action, so although we were disappointed, this was not entirely unexpected.

Strategic partnerships

Our partnership with Isomerase Therapeutics continued to support the acceleration of our R&D program throughout 2015; this collaboration includes all NeuroVive's pre-clinical projects.

There was significant progress on advancing NVP019 as well as the new chemistry platforms for our stroke project (NVP014) and our Complex 1 Deficiency project (NVP015).

The next steps in both the stroke and Complex I projects involve the synthesis and upscaled manufacturing of the most promising candidates, pharmacokinetic studies, early formulation and in vivo proof of concept work. We expect NeuroVive to select a final drug candidate for further development in 2016.

The team at Isomerase brings additional and complementary expertise to NeuroVive's research team and we are very excited to be working even more closely together going forward after our acquisition of about 5 %.

Stronger presence in Asia

As part of the expansion efforts, NeuroVive started up a subsidiary in Taiwan end of 2014, NeuroVive Pharmaceutical Asia, Inc. The subsidiary secured initial funding totalling USD 3.3 m in February 2015. The funding was sourced from Taiwanese investors, collaboration partner Foundation Asia Pacific Ltd. and the parent company ahead of its future IPO in Taiwan. The subsidiary strengthened the group's presence in Asia where there are exciting opportunities for growth, and moving forward, it will be the driver of existing projects in the region, while conducting its own R&D operations under license from the parent company.

The subsidiary in Taiwan secured several important partnerships: one with Sihuan Pharmaceuticals and another with Sanofi Korea. Both partners have a strong presence in the Asian region and the know-how to ensure the optimal R&D for current projects, as well as the commercialization of future products.

Upgrade NeuroVive share

Another milestone, which is important for future expansion, occurred at the end of June when the company's share was upgraded from trading on the OTC Grey Market to OTC Pink in the US. The upgrade implies greater accessibility and transparency, and improves the potential to attract interest from US investors. This is consistent with the company's strategy of increasing its presence in the US, the world's largest pharmaceuticals market.

Share issues ensure strong R&D focus

NeuroVive executed several private placements in 2015 to strengthen its working capital and ensure strong continuation of its R&D program:

- 19 February 2015: 1.3 million new shares, which raised SEK 60.2 million for the company after transaction costs. This issue targeted a limited group of Swedish and international institutional investors.
- 8 May 2015: NeuroVive completed a share issue, including the issuance of 1,647,059 new shares, which raised SEK 59.4 million for the company after transaction costs.

Refocus of business priorities

NeuroVive underwent a key transition in September 2015 when the company shifted its core business priorities from a focus on the commercialization of CicloMulsion to a R&D focus.

This shift was triggered by the presentation of the CIRCUS study results (CicloMulsion for the treatment of reperfusion injury after myocardial infarction) at the European Society of Cardiology Conference (ESC 2015) in August, which showed no therapeutic effect in the acute myocardial patient group

This marked a key turning point for the company where several major changes took place and business priorities were refocused.

During this period, the Executive Board decided that a change in management was needed to support NeuroVive's refocused efforts. The search for a new CEO was initiated and in February 2016 the board announced Erik Kinnman as our new CEO. In the interim, I have ensured that NeuroVive continues to move forward and advances in all areas of business.

Overall 2015 brought new opportunities and challenges to NeuroVive. We know we need to keep advancing our R&D programs and increasing the value the company creates for shareholders. We believe strongly in the portfolio of products we have at NeuroVive and remain committed to finding unique solutions to advance our portfolio in the most efficient way possible. .

2016 is an important year for NeuroVive with key data readouts for CicloMulsion (AKI program) and NeuroSTAT (TBI program), as well as lead candidate selection for our discovery platforms (stroke and Complex 1 deficiency). We look forward to an exciting year ahead and will continue to pave the way forward for NeuroVive, with a clear direction, strengthened liquidity through the planned rights issue and a strong team led by our new CEO Erik Kinnman.

Jan Nilsson
CEO, NeuroVive Pharmaceutical AB (publ)

Strategy, business model and objectives

Focus on discovery of active substances and development of drug candidates

NeuroVive's targeted strategy is to identify medical needs caused by mitochondrial dysfunction, and then research mitochondrially active substances and develop them into drug candidates. By collaborating with other biotech and pharmaceutical companies, as well as academic institutions, NeuroVive can identify promising potential drug candidates.

Mitochondrial science to become clinical practice

Lack of mitochondrial therapies limits healthcare.

NeuroVive develops pharmaceuticals in mitochondrial medicine where there is currently a pressing unmet medical need.

Examples include traumatic brain injury, acute kidney injury in patients undergoing major surgery and several hereditary mitochondrial conditions.

NeuroVive's pharmaceuticals aim to protect exposed organs from the cell death that can arise in connection with various kinds of trauma, and to treat mitochondrial conditions where there are currently no effective treatments.

Solid platform for new innovations

Proprietary research, collaborations and acquisitions secure a strong position..

NeuroVive's strategy for developing new discovery platforms for future pharmaceuticals takes three routes:

1. Proprietary research
2. Collaborations
3. Acquisitions

By complementing its proprietary research collaborations with other pharmaceutical companies and academic institutions, NeuroVive can identify and evaluate potential candidate drugs and utilize the available competence.

Cost-effective development of new pharmaceuticals

Partnerships generate high flexibility and cut costs.

Drug development is an extensive and carefully regulated process intended to ensure that the drugs that reach the market are safe and effective.

To make this process as cost-efficient as possible, as well as self-financing its studies, NeuroVive also seeks external finance wherever possible. The company is also open to the possibility of financing studies alongside its collaboration partners.

NeuroVive's strong relationships with academic institutions and hospitals around the world is a major contributor to the company's successful pharmaceutical development.

Aiming for global commercialization

Innovative collaborations reduce risk and maximize potential.

NeuroVive seeks out different collaboration forms with commercial operators, such as out-licensing drug candidates and pharmaceuticals to major pharmaceutical companies for registration, marketing and sales.

NeuroVive is also open to collaborations with CCOs* and/or larger pharmaceutical companies to reduce risk and maximize potential in the commercialization of new drugs.

The route chosen, collaboration or outlicensing, is determined on the basis of the potential for maximizing NeuroVive's market success from case to case.

*Contract Commercial Organizations

Global need for mitochondrial pharmaceuticals

NeuroVive's mission is to utilize the company's extensive know-how in mitochondrial science to develop new pharmaceuticals and therapeutic methods for acute mitochondrial conditions. Numerous mitochondrial conditions and other diseases arise as a result of mitochondrial dysfunction and are a major healthcare problem, because basically, there are no effective treatments. This leads to substantial and sometimes lifelong suffering in patients, and means that there is a pressing need for new pharmaceuticals and treatments.

Revolutionary discovery

NeuroVive's vision is for the company to discover and develop therapeutic applications in mitochondrial medicine in areas of substantial unmet needs. NeuroVive originated with a discovery made by NeuroVive's CSO Eskil Elmér and his colleagues who discovered that the substance cyclosporine A has powerful neuroprotectant characteristics, a discovery that triggered a phase of intensive basic research. Since incorporation, NeuroVive's proprietary research has been complemented by acquisitions of patents and technologies in the company's operational field.

Intensive development work

NeuroVive's development portfolio currently consists of three cyclophilin D inhibitors in the clinical and preclinical development phase, and two discovery platforms. The aim of the cyclophilin D inhibitors is to develop highly specialized drug candidates that preserve and protect mitochondrial integrity in acute conditions that arise in connection with major surgery and traumatic brain injury. The two discovery platforms aim to develop substances that are mitochondrially active in connection with ischemic stroke (blood clot in the brain) and the treatment of mitochondrial disorders

that cause energy shortages such as in a Complex 1 dysfunction.

In order to further enhance the company's research and development, Dr. Magnus Hanson was recruited to the new position of Chief Medical Officer (CMO) in 2015. The CMO's mission is to advance NeuroVive's leadership in mitochondrial medicine in traumatic brain injury and acute kidney injury and to drive NeuroVive's projects from the preclinical phase into clinical development.

Partnerships

NeuroVive has established partnerships with other pharmaceutical companies and leading biomedical and mitochondrial academic institutions around the world. This partnership strategy allows NeuroVive to work alongside global experts in order to develop new drug candidates for prioritized indications.

Well positioned for the future

NeuroVive is well equipped for the commercialization and international launch of its drugs. The company has already signed several strategically important collaboration agreements, with strong international partners active in chemistry and drug development, preclinical and clinical development and preparations for commercialization.

NeuroVive's extensive expertise in mitochondrial medicine and broad-based technology know-how forms the foundation for an innovation platform with strong potential to generate additional drug candidates in the field of mitochondrial medicine.

NeuroVive also continuously works to maintain and enhance its already strong international patent protection.

Research and development

What is mitochondrial medicine?

Overview

The nervous system: Cramps, tremors, dementia etc

Nerve cells are particularly sensitive to impaired mitochondrial function. There are a number of signs that indicate that the nervous system has been affected, including learning impairment, dementia, epilepsy and coordination problems. The effect on the peripheral nervous system also leads to numbness and muscle weakness. An example of a mitochondrial disorder that affects the nervous system is NARP (neuropathy ataxia retinitis pigmentosa). Patients suffering from NARP also usually suffer from impaired coordination.

The heart: Heart muscle disorders

Like all muscles, the heart is extremely sensitive to energy shortages arising in connection with acute trauma such as myocardial infarction or in various mitochondrial disorders. The effect on the heart can appear in the form of conduction abnormalities, irregular pulse and weakened heart muscle.

Kearns-Sayres syndrome (KSS) is a mitochondrial disorder that has a clear impact on the heart. KSS is a progressive disease characterized by factors such as blockages to the heart's conduction system.

The liver: Fatty liver and liver failure

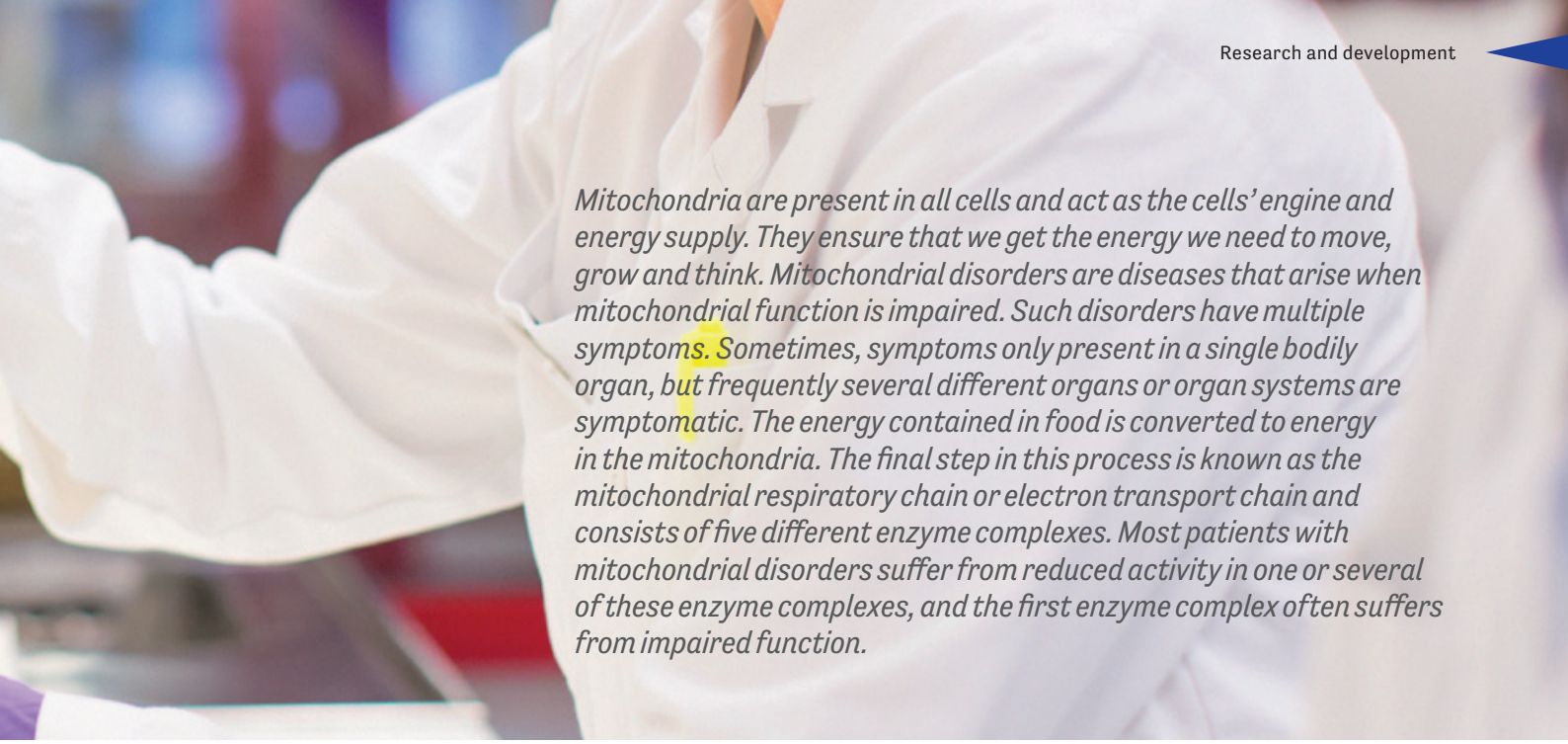
The liver is also an organ that is sensitive to energy shortage and risks incurring severe injury as a result of mitochondrial disorders. Impaired liver function can cause fatty liver or liver failure.

Alpers' disease is a mitochondrial disorder that has a significant impact on the liver, and which leads to liver failure at an early stage. Alpers' disease also affects the brain.

The kidney: Fanconi's syndrome and acute kidney injury

Fanconi's syndrome is a disease that affects the kidneys and implies that substances that are usually reabsorbed by the kidneys instead exit the body with the urine which can lead to a number of deficiency disorders.

Kidney mitochondria can also be injured as a result of acute trauma such as in connection with coronary heart surgery when a heart-lung machine temporarily takes over the functions of the heart and lungs.



Mitochondria are present in all cells and act as the cells' engine and energy supply. They ensure that we get the energy we need to move, grow and think. Mitochondrial disorders are diseases that arise when mitochondrial function is impaired. Such disorders have multiple symptoms. Sometimes, symptoms only present in a single bodily organ, but frequently several different organs or organ systems are symptomatic. The energy contained in food is converted to energy in the mitochondria. The final step in this process is known as the mitochondrial respiratory chain or electron transport chain and consists of five different enzyme complexes. Most patients with mitochondrial disorders suffer from reduced activity in one or several of these enzyme complexes, and the first enzyme complex often suffers from impaired function.

The eyes:
Drooping eyelids, blindness

There are a number of mitochondrial disorder that can affect eye function. Kearns-Sayres syndrome (KSS) is characterized by paralysis of the eye muscle and changes to the retina. LHON (Leber's Hereditary Optic Neuropathy) typically leads to vision loss as a result of damage to the optic nerves, while progressive external ophtalmoplegia (PEO) causes progressive paralysis of the external eye muscles.

The muscles:
Weakness, exercise intolerance, cramps

Mitochondrial disorders are often associated with muscle weakness, training intolerance and cramps. Symptoms can appear at various ages. In certain disorders, the symptoms appear at birth, while in others no noticeable symptoms appear until adulthood.

In Kearns-Sayres syndrome, eye muscle paralysis is often the first symptom, although general muscular weakness usually appears at later stages of the disease.

Digestive organs:
Reflux, vomiting, etc.

The digestive organs can also be affected by mitochondrial disorders. For example, the bowels can be affected by impaired peristalsis, which can lead to symptoms resembling bowel obstruction. MNGIE (mitochondrial neurogastrointestinal encephalomyopathy) is a disorder that leads to impaired stomach/bowel function, which can result in diarrhea and severe weight loss.

Endocrine organs:
Reduced reproductivity, diabetes, deafness

Several endocrine organs (glands that produce hormones) can be involved in mitochondrial disorders. Symptoms include reduced function of the ovaries or testicles (hypergonadism), impaired function of the pancreas and parathyroids (hyperparathyroidism) and diabetes. There is also an increased risk of miscarriage. MIDD is a maternal hereditary mitochondrial disorder that causes diabetes and deafness.

Research and development

NeuroVive's four focus areas

Acute kidney injury in major surgery

Condition
In heart surgery, the heart is generally disconnected during surgery in order to enable valve repairs or coronary artery bypass grafts (CABG). During the period when the heart is disconnected, a heart-lung machine oxygenates and pumps the blood around the body. Heart surgery does not only place the heart under stress, but the whole body is affected in the form of changed blood flow, and this means there is a pressing need to protect energy-intensive organs such as the kidneys from serious damage.

This particularly applies to patients with impaired kidney function prior to surgery, where the risk of complications is highest. The treatment could be applicable to all patients undergoing heart surgery using a heart-lung machine. Over 400,000[1)2)] surgical procedures are conducted for CABG alone each year. In other words, there is a substantial medical need and market potential for treatments using CicloMulsion.

1) http://hcup-us.ahrq.gov/reports/statbriefs/sb171-Operating-Room-Procedure-Trends.jsp
2) http://ec.europa.eu/eurostat/statistics-explained/index.php/Surgical_operations_and_procedures_statistics

Traumatic brain injury

Condition
Traumatic brain injury (TBI), is a major cause of death and disability in children and young adults worldwide.* Brain injury can lead to many years of suffering and a loss of productive life as a result of disability. In acute TBI, nerve cells are damaged instantaneously. The injury continues to worsen for several days after the initial trauma, which often has a significant effect on the extent of the injury.

By inhibiting cyclophilin and stabilizing the energy-producing mitochondria, treatment with NeuroSTAT is expected to limit the extent of brain injury.

*Source: WHO 2006 Neurological Disorders; Public Health Challenges

Acute ischemic stroke

Condition
Stroke is a major cause of death and long-term disability in adults. The most common form is acute ischemic stroke, which is caused by blockage of a blood vessel in the brain. Ischemic stroke restricts blood supply to brain cells, causing massive injury to affected cells as a result of energy crisis.

Researchers at Lund University, including NeuroVive's CSO, have demonstrated that cyclosporine A has potent neuroprotectant characteristics in stroke models and the evidence suggests that mitochondrial treatment could have a significant effect on limiting long-term injury.

Mitochondrial disorders

Including Complex 1 dysfunction

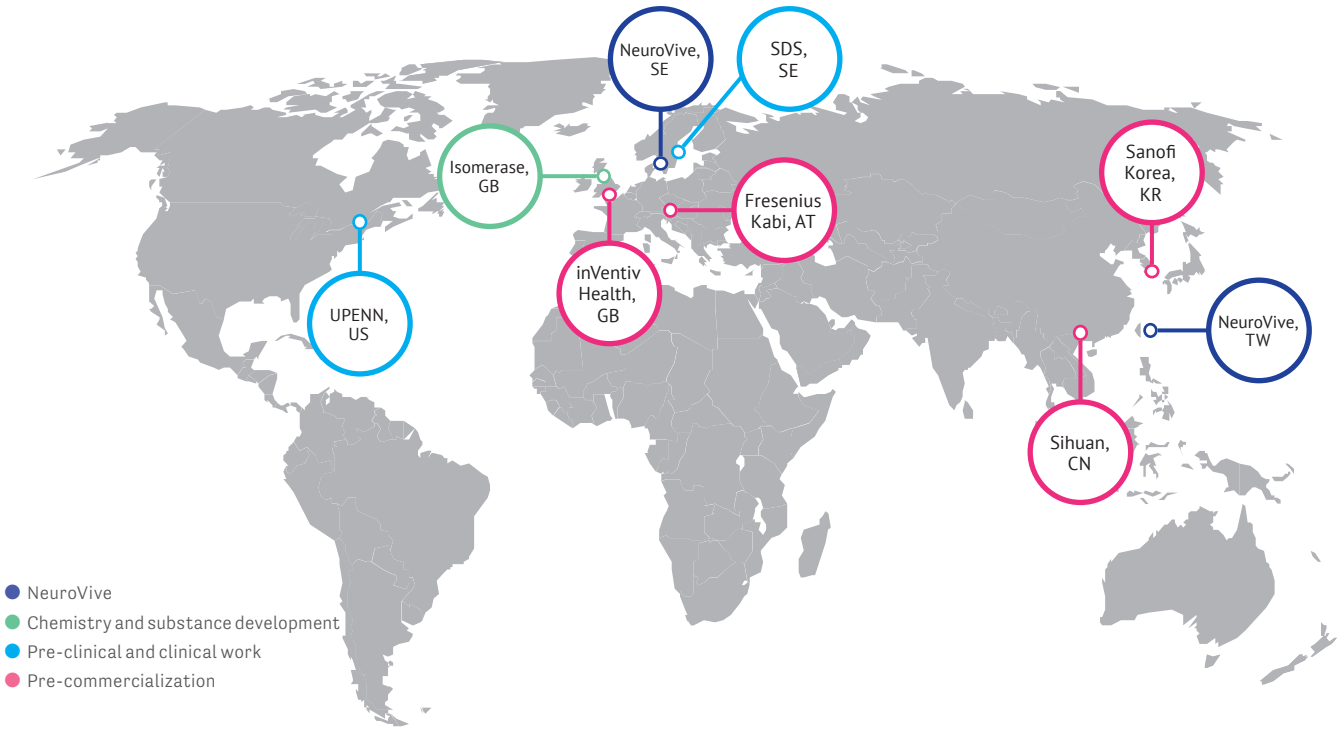
Condition
Mitochondrial disorders are a group of diseases attributable to mitochondrial dysfunction. Our cells contain mitochondria that act as the cells' engines. A number of symptoms can arise when they don't function optimally. Disorders are caused either by genetic changes to mitochondrial DNA or by mutations in cellular DNA. The exact prevalence of mitochondrial disorders is not known and many individuals with mitochondrial disorders remain undiagnosed. Mitochondrial diseases are one of the most common hereditary disorders and the international medical literature estimates that 10 in every 100,000 people suffer from a mitochondrial disorder. This corresponds to approximately 900 individuals in Sweden.

Complex 1 dysfunction, or pyruvate dehydrogenase deficiency, is a hereditary metabolic disorder that effects the cells' energy metabolism, and is one of the most common causes of mitochondrial disorders in children. The disorder causes energy shortages in the brain and other energy-intensive organs due to impaired combustion of glucose and fat in cellular mitochondria.

Research and development

Extensive mitochondrial expertise and strong international partners

NeuroVive conducts extensive development work, in-house and in collaboration with highly reputable partners. These partnerships are intended to drive R&D work forward, and to ensure future commercialization is successful.



NeuroVive conducts extensive development. The company's own resources consist of 18 full- and part-time employees. All have a university education and five of them are PhDs in medical science. Eight of the employees work in the preclinical part and three are active in the company's clinical activities. NeuroVive also cooperates with several external companies and institutions. In 2015 the company invested 12 million SEK in research in the preclinical phase and 32 million SEK in research in clinical phase.

Chemistry and substance development

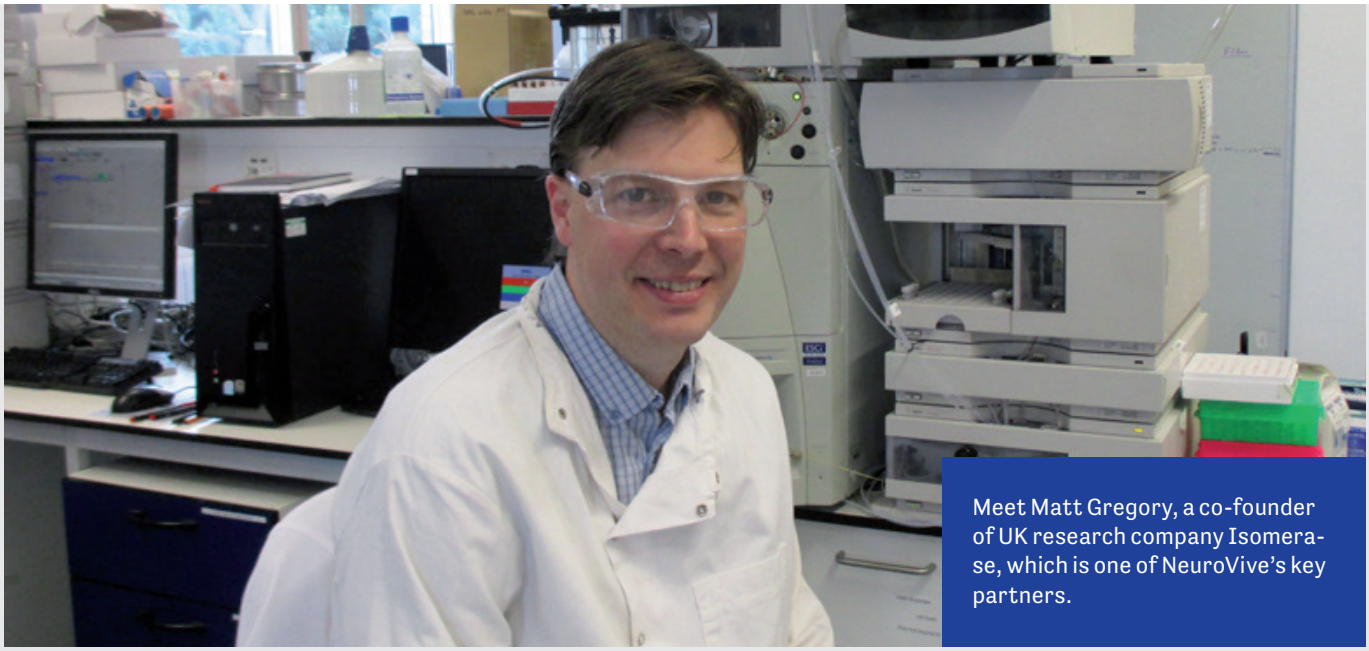
UK medtech company Isomerase is one of NeuroVive's key partners. The collaboration mainly focuses on chemistry development for all of NeuroVive's development projects, and incorporates the potential for scaling up production to medium-sized volumes.

Pre-clinical and clinical development

In pre-clinical and clinical development projects, NeuroVive collaborates with a number of different operators. UPENN (University of Pennsylvania), contributes academic research into traumatic brain injury. Furthermore, NeuroVive is party to collaborations with various CROs in pre-clinical evaluation of treatments under the various development projects, and SDS for regulatory issues and considerations in the pre-clinical and clinical work.

Pre-commercialization

To be well prepared ahead of future commercialization of its products, NeuroVive works alongside inVentiv Health (London,UK) on commercial and strategic development of the portfolio. Other commercial partnerships include Chinese pharmaceutical company Sihuan which has a strong presence in China, and Sanofi Korea, which is well established on the Korean pharmaceutical market. In order to ensure that NeuroVive has access to a manufacturer who can both provided commercial volumes of its products as well as clinical trial products, the company collaborates with Fresenius Kabi, a world-leading pharmaceuticals manufacturer.



Meet Matt Gregory, a co-founder of UK research company Isomerase, which is one of NeuroVive's key partners.

Matt Gregory, CEO of Isomerase:

"NeuroVive has unsurpassed expertise in mitochondrial medicine and clinical development"

Tell us about Isomerase Therapeutics, about your projects and visions.
Isomerase Therapeutics is a Cambridge, UK based company founded in 2012 by the research management team from Biotica Technology: Dr. Steven Moss, Dr. Barrie Wilkinson and myself. All three of us worked on drug discovery for a variety of indications and collaborated with large pharmaceutical companies such as GlaxoSmithKline, Wyeth and Pfizer. We founded Isomerase with two main aims: to support drug discovery programs at partner companies and to develop new cutting-edge technologies in synthetic biology. We currently have nearly 20 employees and the location in Cambridge is ideal for recruiting a dedicated, highly-trained team of scientists in microbiology, synthetic biology, analytical and synthetic chemistry and drug discovery.

What makes NeuroVive a preferred partner to you, as a company?
We see NeuroVive as an excellent complement to our drug discovery and development expertise. Whilst we have the capability to generate huge numbers of new compounds and molecular diversity, and optimize them to selected patent-protected drug candidates, the team at NeuroVive has unparalleled expertise in mitochondrial medicine and clinical development. When paired together our two sets of expertise match perfectly.

How would you describe the NVP019 project?
The NVP019 project was the flagship project at Biotica Technology and we were delighted when it was acquired by NeuroVive. It was selected from a series of novel cyclophilin inhibitors generated using biosynthetic engineering technologies. When profiled, it was the most potent cyclophilin inhibitor we (or the team at NeuroVive) had ever seen. In addition, further analysis suggested it could be used for several indications. The team at NeuroVive saw an exciting opportunity for the compound in treatment of mitochondrial diseases, and it's for these indications we've developed the compound. We felt from early on that this project was something special and really wanted to see the compound moved forward.

If you get successful data on NVP019, which areas do you hope to cover with it?
With intravenous dosing, we see excellent penetration into many tissues, including the heart and kidney. Following initial clinical development, I'm convinced we'll see further extensive clinical trials focusing on development in other indications, such as broader ischemic conditions.

Isomerase is also working on NVP014 (ischemic stroke). How is this proceeding?
We've been working alongside the team in Lund and have developed several theories about how to maintain therapeutic levels following penetration into the brain. This has given us a clear path on how to develop brain-penetrant cyclophilin inhibitors while also retaining many of the other beneficial properties from the NVP019 project. We're currently testing a series of targeted analogues which we hope will lead to treatments for some very important disease areas, such as stroke.

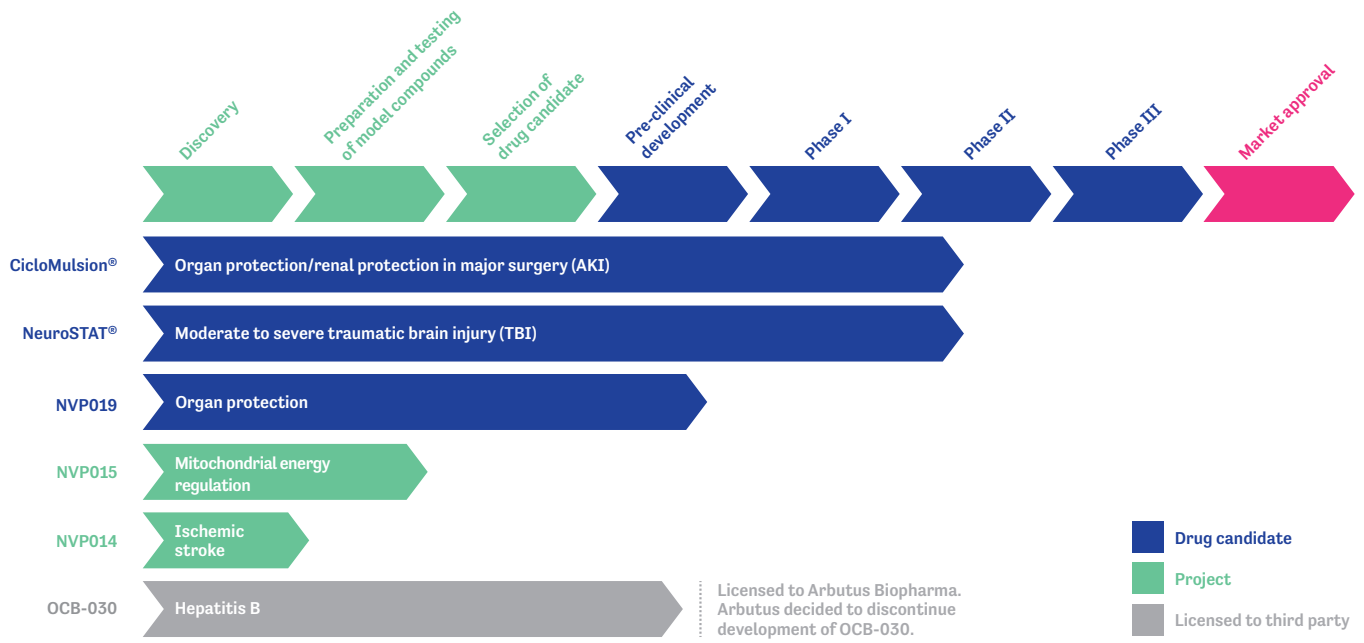
What is the next step in the collaboration with NeuroVive?
We're really looking forward to continuing with the NVP015 (mitochondrial energy regulation) and NVP014 (ischemic stroke) projects, which show us that we're on the right track and that our working hypotheses could potentially generate candidate drugs. We're also working with NeuroVive on some other projects within mitochondrial medicine that could be used in indications with significant potential.

NeuroVive's project portfolio

Three drug candidates and two development platforms

NeuroVive's project portfolio consists of three drug candidates. Two of these, CicloMulsion and NeuroSTAT, are in the clinical development phase and have considerable potential to meet the substantial medical need in kidney and brain injury. The figure below indicates the phases NeuroVive's various projects are in and the phases to be completed before a pharmaceutical can be launched on the market.

NeuroVive's Project portfolio



NeuroVive's program for traumatic brain injury (TBI) is intended to limit permanent damage

Medical problem

TBI (acute traumatic brain injury) is brain injury where nerve cells are damaged instantaneously. The injury continues to worsen several days after the accident, which often has a significant effect on the overall deleterious consequences. There are currently no pharmaceuticals that can limit the extent of the traumatic injury. TBI patients risk being affected by a number of functional impairments that affect cognitive ability, emotions, language and speech. Direct health care costs are estimated to exceed SEK 70 bn annually.

Treatment objective

Researchers at Lund University, including NeuroVive's CSO, have shown that NeuroSTAT's active ingredient cyclosporine A is a potent neuroprotectant. By inhibiting cyclophilin and stabilizing the energy-producing mitochondria, NeuroSTAT is expected to limit the extent of brain injury.

Market potential

Around three million people are affected by TBI each year. [1] The total health care cost for a patient with severe traumatic brain injury has been estimated at SEK 5-14 m.[2] This means that traumatic brain injury implies a significant care burden on society, and there is a substantial need for effective treatments. To NeuroVive's knowledge, there are no existing drugs that can improve neurological and functional outcome following TBI.

1) Datamonitor report 2011
2) National Institutes of Health, 1999, Thurman et al 1999.

NeuroSTAT

The drug candidate NeuroSTAT's protective effect in traumatic brain injury is currently being evaluated in an early Phase II study at Copenhagen University Hospital and in complementary studies at the University of Pennsylvania. There are currently no approved pharmaceuticals that can limit the effect of traumatic brain injury.

Project status

Clinical Phase II study (CHIC study). A clinical Phase IIa study where NeuroSTAT is being administered in TBI patients is currently underway at Copenhagen University Hospital. The trial is an open label study evaluating two different dosages of the same drug. The study's primary objective is to assess the safety and blood concentration of cyclosporine A, and the secondary objective is to gather information on NeuroSTAT's ability to affect energy metabolites associated with the brain injury.

Supporting program at UPENN. NeuroVive has signed a collaboration agreement with the University of Pennsylvania (UPENN) to complement the Phase II study currently underway at Copenhagen University Hospital. The collaboration with UPENN will focus on evaluating the effect of NeuroSTAT in an advanced animal model of TBI and will provide NeuroVive with additional supporting data for the regulatory process. The collaboration will also bring NeuroVive access to highly qualified experts with documented expertise in TBI research.

Milestones 2015

- **CHIC study.** The CHIC study's external safety evaluation committee recommended that the study continue as planned. The committee concluded that NeuroSTAT is safe to use at current doses. In November, older patients were also included in the study, as the age limit was raised from 65 to 75.

Objectives for 2016

- **CHIC study.** The study is expected to enroll planned patient numbers and thus be complete by year-end.
- **UPENN study.** Completion of pre-clinical animal trials and results presented in the second half of 2016.

NeuroVive's program for preventing acute kidney injury (AKI) is intended to reduce the risk of permanent kidney injury

Medical problem

Acute kidney injury implies that kidney function ceases altogether, or that it is significantly impaired. Acute kidney injury can arise as a result of major surgery such as coronary heart surgery. In Sweden, some 13% of patients undergoing coronary heart surgery are affected by an acute kidney injury.[1] Affected patients suffer a higher risk of fatalities and, in more severe cases, may require lifelong dialysis or kidney transplantation in order to survive. The cost of chronic kidney failure is estimated at USD 70,000 per annum and patient.

Treatment objective

NeuroVive's objective is to reduce the incidence of acute kidney injury in patients undergoing major surgery through pre-operative treatment with cyclophilin inhibitors. In animal trials, cyclophilin inhibitors have been shown to protect the kidneys against the oxygen deprivation and ensuing injury that can occur in connection with major surgery. At present, the focus is on developing drugs as pre-operative treatment in order to prevent kidney injury in patients undergoing coronary heart surgery.

Market potential

Just under 430,000 patients undergo coronary heart surgery each year globally. [1)2)] The majority of the procedures are performed in North America and Europe. NeuroVive estimates that cyclophilin inhibitors can be used as a pre-operative treatment in some 80% of these surgeries. This means that the market potential amounts to approximately 344,000 treatments annually.

1) http://hcup-us.ahrq.gov/reports/statbriefs/sb171-Operating-Room-Procedure-Trends.jsp
2) http://ec.europa.eu/eurostat/statistics-explained/index.php/Surgical_operations_and_procedures_statistics

More than 400,000 patients undergo coronary heart surgery each year around the world. During the procedure, heart and lung function is taken over by a heart-lung machine, which causes changes to blood circulation. For a significant proportion of patients, this leads to acute kidney injury. In a Swedish study, 13% of patients were affected.

The picture is from a surgical procedure under the CiPRICS study.

CicloMulsion

The protective effect of the drug candidate CicloMulsion in patients undergoing coronary heart surgery is currently being evaluated in the CiPRICS study (Ciclosporin to Protect Renal function In Cardiac Surgery). During coronary heart surgery, heart and lung function is taken over by a heart-lung machine, which can alter the body's blood flow. For energy-intensive organs such as the kidneys, this can be a cause of major stress and permanent injury is a significant risk.

Project status

A clinical study was initiated at Skåne University Hospital in 2015. The study is a double-blind, randomized and placebo-controlled clinical phase II study, intended to evaluate whether pre-operative treatment with the mitochondrial protectant drug candidate CicloMulsion protects the kidneys against injury and impaired function potentially arising from altered blood flow during coronary heart surgery.

Milestones 2015

- The external committee evaluating the safety of the phase II trial has recommended that the study continue as planned. The evaluation was completed after the first 50 patients in the study had been treated.

Objectives for 2016

- Following the external committee's evaluation of the study's safety profile, the project is proceeding according to plan and a new safety evaluation will be completed when 100 patients have been treated. The study will include a total of 150 patients, and is expected to be completed in the second half of 2016.

NVP019

NVP019 is a potent cyclophilin inhibitor intended for intravenous treatment of conditions where it is desirable to protect organs from injuries due to oxygen deprivation. Acute kidney injury in patients undergoing major surgery is an area where NVP019 may present clinical advantages. NVP019 is more potent and more targeted than cyclosporine, the active substance in CicloMulsion. NVP019 is also potentially even more well-tolerated than cyclosporine, and has significantly longer patent protection than CicloMulsion.

Project status

NVP019 is currently in the pre-clinical phase, with the focus on scaling up manufacturing and intravenous formulation work. The aim is to develop the next generation of cyclophilin inhibitors, focusing on acute kidney injury.

Milestones 2015

- Process development of large-scale drug synthesis

Objectives for 2016

- Proof-of-concept in animal trials
- Delivery of kg quantities of drug substance
- Initiation of toxicology studies

NeuroVive's program for mitochondrial disorders caused by Complex 1 deficiency aims to improve quality of life

Medical problem

Complex 1 deficiency and pyruvate dehydrogenase deficiency are hereditary metabolic disorders that affect the energy conversion of cells. Several mitochondrial disorders are caused by Complex 1 deficiency, including Leigh's syndrome and MELAS, which are both serious conditions with symptoms including muscle weakness, epileptic fits and other severe neurological disorders. The condition often emerges early in life and deteriorates progressively. Many organs and tissue types can be affected.

Treatment objective

The energy deficiency caused by mitochondrial disorders worsens when the body's energy requirement increases, such as during infections and fever. The energy efficiency can give rise to serious symptoms and necessitate intensive care, and there is currently no specific treatment to improve energy supply to the body's organs. NeuroVive's energy regulators are being developed to support the body's energy requirement during these episodes, and are designed to circumvent the impaired metabolization. By alleviating the episodes and the organ injury that can arise as a result of energy shortages, these substances can prevent complications from arising.

Market potential

Approximately 10 in 100,000 people suffer from mitochondrial disorders.[1)] This means that pharmaceuticals for the treatment of primary mitochondrial conditions are assigned orphan drug designation, which improves the prospects of gaining market approval compared to traditional drugs because of the pressing medical need. The market for orphan drugs is worth several SEK bn and the annual cost of treatment of a single patient lies in the interval SEK 200,000 to SEK 1.5 m.

1) Brain (2003) 126 (8): 1905-1912.

Project NVP015

NVP015 is NeuroVive's project to develop an energy-regulating preparation for specific intravenous acute treatment of conditions where a cellular energy crisis occurs. The objective is to generate pharmaceuticals with orphan drug designation for a series of fairly uncommon childhood diseases, and also as acute treatment for drug-induced impairment of mitochondrial function. There are also potential uses for large patient groups where the body would benefit from additional energy production, such as in extended surgery and intensive care.

Project status

The NVP015 project is currently testing model substances to be used in patients with congenital mitochondrial defects (primary mitochondrial disease) and conditions where normal mitochondria are affected by acute energy deficits as a central component of the condition (secondary mitochondrial disease). Primary mitochondrial conditions with potential for orphan drug designation include Leigh syndrome and MELAS. NeuroVive has developed and validated an animal model. The project is currently in a phase where different model substances are being developed for testing in this model and other relevant models.

Milestones 2015

- In vitro tests indicate that a succinate prodrug can restore energy production in cells from patients with a hereditary Complex 1 disorder.
- Identifying several new active prodrug molecules with improved stability

Objectives for 2016

- Confirmed in vivo stability and delivery of succinate to cells in vivo
- Proof of concept in animal trials
- Selection ofdrug candidate for pre-clinical development.

NeuroVive's program for ischemic stroke aims to limit the extent of brain injury

Medical problem

Most patients affected by stroke suffer injury to brain tissue as a result of the oxygen and nutrient shortages that arise when a blood clot blocks a blood vessel in the brain. Further damage to brain tissue can arise even after the blood clot has been dissolved or removed. There are currently no treatments that limit brain injury following stroke.

Treatment objective

Animal trials have shown that brain injury after stroke can be prevented using cyclophilin inhibitors. The use of existing cyclophilin inhibitors is limited by their inability to penetrate the blood-brain barrier. The objective of NVP014 is to develop an intravenous formulation of a cyclophilin inhibitor with the capacity to cross the blood-brain barrier and prevent brain injury related to stroke.

Market potential

Some two million patients are affected by stroke each year in the EU and US, of which 25% are under 65. An estimated total of over 300,000 patients die following stroke. Around half require hospital care, of which 200,000 develop long-term or lifelong disabilities. The annual direct health care costs currently exceed SEK 350 bn, and indirect costs relating to lost income and tax revenue are estimated at SEK 200 bn. [1) 2) 3)]

1) Datamonitor Report 2011
2) Market Report Destum Partners, USA 2012
3) J Neurology 2012, 19:155-162

Project NVP014

The annual global AIS market (acute ischemic stroke) is currently valued at some SEK 20 billion and is expected to grow by 3-4% annually.[1,2] But there are few drug candidates in the clinical development phase. A growing older population and a dramatic increase in obesity are the biggest drivers. As for TBI, the global AIS market is substantial, and there is a pressing medical need.

Project status

The NVP014 project is currently testing different model substances to select a suitable drug candidate. The work includes animal studies to confirm assumptions regarding increased penetration across the blood-brain barrier and positive effects on mitochondrial damage after stroke. Given a positive outcome of these studies, the project will enter the next development phase to generate toxicology and dosage data as a basis for producing the first dosages for humans.

Milestones 2015

- Developing new molecules with improved characteristics.

Objectives for 2016

- Identifying new molecules with sufficient absorption into the brain
- Proof of concept in animal trials
- Selection of drug candidate for pre-clinical development

The NeuroVive share

The NeuroVive share was listed on Nasdaq Stockholm in April 2013. The share is included in the Small Cap segment and the Health Care index. Before its Nasdaq listing, NeuroVive was quoted on the Aktietorget marketplace. On 31 December 2015 NeuroVive had 6,406 shareholders. Shares are also traded on the US OTC Pink marketplace.

Share price performance and turnover

Since year-end, 40,181,338 shares were traded with a value of SEK 1,035,706,386. NeuroVive's share price was SEK 9,60 at the end of the year, representing a decrease of 81%. The highest price paid for the year was SEK 64 on 17 February 2015 and the lowest price paid was SEK 7.40 on 10 December 2015. Market capitalization was SEK 295,057,459 at year-end, compared to SEK 1,417,192,743 at the previous year-end.

Share capital

NeuroVive had 30,735,152 shares on 31 December 2015 and the share capital amounted to SEK 1,536,757,60 with a quotient value of SEK 0.05. All shares have equal entitlement to dividends and each share has equal voting rights. Each share has one vote at the AGM. The new issue completed in February 2015 increased the number of shares to 29,088,093 and the share capital to SEK 1,454,404,65. The new issue completed in May 2015 increased the number of shares to 30,735,152 and the share capital to SEK 1,536,757,60 The table on page 25 shows the share's history.

Ownership

NeuroVive had 6,406 shareholders registered on 31 December 2015.

Dividend

The Board of Directors proposes that no dividend be paid for 2015.

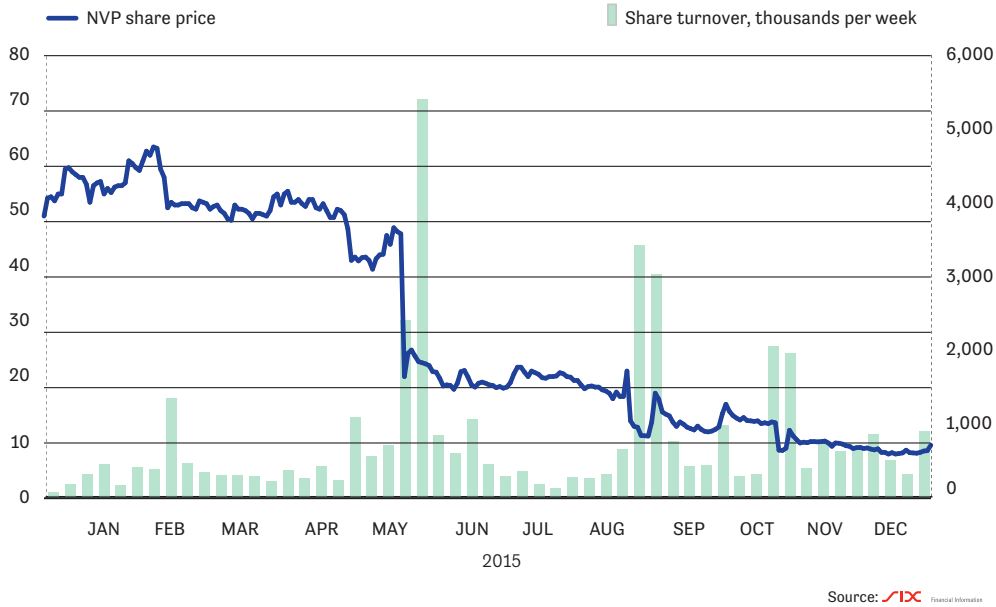
Shareholder value

NeuroVive continuously seeks to develop and improve the financial information provided about the company, with the aim of ensuring a sound basis for an accurate valuation by existing and future shareholders. This includes actively participating at meetings with investors, the media and analysts.

Shareholder information on NeuroVive's website

NeuroVive's website, www.neurovive.com, continuously publishes information on NeuroVive, progress of the NeuroVive share, financial reports and contact information. New issues were completed in February and May 2015. More information on the issue is on NeuroVive's website.

Share price and volume, 2015



Source: IDC Financial Information

NeuroVive's largest shareholders as of 31 December 2015

Name	No. of shares	Votes and capital (%)
EuroClear Bank S.A/N.V, W8-IMY (registered holding on behalf of Maas Biolab, LLC and Marcus Keep and others with US domicile)*	4,415,940	14.37
Baulos Capital Belgium SA (former Private Placement SPRL	4,000,000	13.01
Avanza Pension Försäkrings AB **	3,529,702	11.48
Nordnet Pensionförsäkring AB **	745,203	2.42
Handelsbanken Liv	535,704	1.74
Eskil Elmér ***	423,275	1.38
CBNY-National Financial Services LL	405,441	1.32
Greg Batcheller***	380,332	1.24
Robur Försäkring	247,333	0.80
Other shareholders (approximately 6,400)	16,052,222	52.23
Totalt	**30,735,152**	**100.00**

* Maas Biolab, LLC ("Maas") and a majority of shareholders domiciled in the US relocated their holdings to Euroclear Bank in summer 2012. This was due to regulatory changes governing foreign investments by US citizens. In NeuroVive's share register maintained by Euroclear, these holdings have been registered under Etrade's name. Maas owned 3,874,432 shares of NeuroVive as of 31 December 2014 and Maas had 45 shareholders at that time. NeuroVive Board member Marcus Keep owns 48.44% of Maas, CSO Eskil Elmér 17.09% and Board member Helmuth von Moltke 4.97%. On the same date, Chair Gregory Batcheller owned 1.74% of Maas.
** Fund manager, endowment insurance.
*** The information includes related parties (spouse and children).

Share capital history

Year	Event	Total No. of Shares	Total Share Capital
2000	Incorporation	1,000	100,000,00
2003	New issue	1,025	102,500,00
2004	New issue	1,100	110,000,00
2007	New issue	1,313	131,300,00
2007	New issue	1,433	143,300,00
2008	Offset issue	1,493	149,300,00
2008	New issue	1,576	157,600,00
2008	Bonus issue	1,576	591,000,00
2008	Share split	11,820,000	591,000,00
2008	New issue	13,075,000	653,750,00
2010	New issue	14,942,857	747,142,85
2012	New issue	19,159,046	957,952,30
2013	Private placement	21,659,046	1,082,952,30
2014	Företrädesemission	27,788,093	1,389,404,65
2015	Rights issue	29,088,093	1,454,404,65
2015	New issue	30,735,152	1,536,757,60

The share

The NeuroVive share	
Marketplace	Nasdaq Stockholm
Ticker symbol	NVP
Sector	Health Care
Marketplace, USA	OTC Pink
Ticker symbol, USA	NEVPF:US
ISIN-kod	SE0002575340
Highest price paid 2015	SEK 64.00
Lowest price paid 2015	SEK 7.40
Closing price 2015	SEK 9.60
Market capitalization 30 December 2015	SEK 295.1 m
Number of shares	30,735,152

Shareholdings, 31 December 2015

Shareholding	No. of Owners	No. of Shares	Holding, %	Votes, %
1 – 500,	2,982	595,561	1.94	1.94
501 – 1,000,	1,144	949,276	3.09	3.09
1,001 – 5,000,	1,573	3,856,516	12.55	12.55
5,001, – 10,000,	354	2,603,979	8.47	8.47
10,001, – 15,000,	134	1,664,644	5.42	5.42
15,001, – 20,000,	73	1,319,591	4.29	4.29
20,001, –	146	19,745,585	64.24	64.24

Five-year summary

INCOME STATEMENT	2015	2014	2013	2012	2011
Net sales	2,502	7,152	5,335	-	-
Other operating income	522	1,181	1,598	1,328	440
Operating expenses	-94,490	-53,587	-29,132	-17,699	-10,057
Depreciation and amortization	-1,200	-441	-147	-128	-104
Operating income	-91,466	-45,254	-22,346	-16,499	-9,721
Net financial income/expense	665	580	220	596	441
Profit/loss before tax	-90,801	-44,673	-22,126	-15,903	-9,280
Net profit for the year	-90,801	-44,673	-22,126	-15,903	-9,280

BALANCE SHEET	2015	2014	2013	2012	2011
Intangible assets	74,904	79,601	47,119	32,705	20,798
Tangible assets	316	344	457	665	148
Other current assets	2,896	1,625	1,609	959	501
Cash and cash equivalents	96,662	49,698	39,992	37,177	12,795
Assets	174,927	131,268	89,177	71,506	34,242
Equity	154,779	107,841	74,643	63,043	32,585
Short-term liabilities	20,148	23,427	14,534	8,463	1,657
Equity and liabilities	174,927	131,268	89,177	71,506	34,242

CASH FLOW STATEMENT	2015	2014	2013	2012	2011
Cash flow from operating activities before changes in working capital	-61,313	-44,552	-21,966	-15,789	-9,207
Changes in working capital	-5,907	920	2,876	3,567	596
Cash flow from investing activities	-23,445	-23,429	-11,684	-9,718	-6,757
Cash flow from financing activities	138,406	76,599	33,595	46,322	410
Cash flow for the period	47,741	9,537	2,821	24,382	-14,958
Change in cash and cash equivalents	46,964	9,706	2,815	24,382	-14,958
Cash and cash equivalents at beginning of year	49,698	39,992	37,177	12,795	27,753
Cash and cash equivalents at end of year	96,662	49,698	39,992	37,177	12,795

KEY RATIOS	2015	2014	2013	2012	2011
Liquidity ratio (%)	494%	219%	286%	451%	802%
Equity ratio (%)	88%	82%	84%	88%	95%
Adjusted equity (SEK)	154,779	107,841	74,643	63,043	32,585
Dividend (SEK)	-		-	-	-

Financial definitions:

Liquidity ratio: Current assets (excl. Inventories) divided by current liabilities Equity ratio: Shareholders' equity as a percentage of total assets

Equity ratio: Shareholders' equity as a percentage of total assets

Statutory Administration Report

The Board of Directors and Chief Executive Officer of NeuroVive Pharmaceutical AB (publ), corporate identity number 556595-6538, hereby present the Annual Accounts and Consolidated Accounts for the financial year 1 January 2015 - 31 December 2015. The Company is registered in Sweden and has its registered office in Lund.

Operations

NeuroVive's overarching objective is to discover and develop indications for acute conditions or acute phases of chronic conditions where pharmaceuticals protect the mitochondria, preserve mitochondrial function or increase energy production, and thus potentially, may limit the progression of injury in various organs of the body. Cyclosporine A and molecules with a different chemical structure that protect mitochondria by inhibiting enzymes of the cyclophilin class represent the primary technology platform for the drug development process. This class of drug is known as cyclophilin inhibitors. In addition, NeuroVive is working on a number of other projects in cell protection and energy regulation in mitochondrial diseases.

The group

The group's legal structure consists of the parent company, whose operations include drug development and group-wide functions. The other group company is Taiwan-based subsidiary NeuroVive Pharmaceutical Asia, Inc., which was two wholly-owned subsidiaries— NeuroVive Pharmaceutical Asia Ltd. with its registered office in Hong Kong and NeuroVive Pharmaceutical Taiwan, Inc., with its registered office in Taiwan. The primary duty of the subsidiary is to develop and commercialize NeuroVive's product portfolio in Asia and to carry out research and development operations. NeuroVive owns 71.37% of NeuroVive Pharmaceutical Asia Inc. In 2015, NeuroVive established a wholly-owned subsidiary in France ahead of the potential launch of the Company's product CicloMulsion. The company is currently dormant.

Significant events in 2015

April
The company's development project NVP014 for the treatment of ischemic stroke entered a new phase alongside collaboration partner Isomerase Therapeutics. The new chemistry platform NeuroVive acquired from Biotica in 2013 and new models the study of penetrating the blood-brain barrier, provide the foundation for identifying drug candidates for clinical development, mainly in stroke.

Start-up of phase II (CiPRICS study) and cyclosporine (CicloMulsion) as pre-treatment in acute kidney injury in patients undergoing major surgery. The study is a double-blind, randomized, placebo-controlled clinical phase II study, initiated and designed by the clinic for cardiothoracic surgery at Skåne University Hospital in Lund, Sweden. The study will include a total of 150 patients.

August
The results of the investigator-initiated phase III CIRCUS study with CicloMulsion in patients with a specific type of myocardial infarction (STEMI), indicated that CicloMulsion did not have a therapeutic effect on STEMI patients undergoing percutaneous coronary intervention (PCI), which led to the termination of development of CicloMulsion for the indication myocardial infarction. However, the CIRCUS study confirmed CicloMulsion's safety profile. This led the company to shift its focus towards research and development for CicloMulsion in acute kidney injury, development of the companies' other drug candidates, and speeding up development of NeuroVive's pre-clinical research program.

September
Mikael Brönnegård resigned in September. The Board of Directors appointed Jan Nilsson as interim CEO for the period until a replacement has been recruited.

Other
In 2015, NeuroVive completed two share issues that raised a total of SEK 135 million before issue expenses and approximately SEK 120 million after issue expenses.

NeuroVive's subsidiary NeuroVive Pharmaceutical Asia, Inc. completed funding round in February which raised USD 3.255 m for the subsidiary, of which USD 1 m was invested by the parent company.

NeuroVive strengthened its clinical development team by the appointment of Dr. Magnus Hansson as Chief Medical Officer on 1 January 2016.

NeuroVive's project activities

The science behind mitochondrial energy production
Mitochondria are present in every cell and serve as the cell's engine and energy supply. NeuroVive's focus is on organ protection in areas where there are no exiting treatments such as acute kidney injury and and acute neurological conditions, such as traumatic brain injury and stroke. There are also many primary genetic diseases that directly affect mitochondrial function that have no treatment available at present.

The mitochondria serve a completely critical function in terms of energy production, and accordingly contribute to cells' ability to resist and repair injury. In various types of organ injury caused by an oxygen shortage, such as in traumatic brain injury or disruption of blood flow to the brain or heart (which results in the loss of oxygen and nutrients) the number of calcium ions in cells increase. Calcium ions are buffered and stored by the mitochondria to protect the cells from excessive calcium levels, which are very harmful to the cell.

By protecting the body's energy producing mitochondria, NeuroVive's project portfolio enables damaged tissue to be treated (increasing the probability of cell survival) and limits the spread of the primary injury (protection of adjacent healthy cells). The objective is for NeuroVive's drug candidates to achieve reduced cell death, improve organ function and accelerate clinical recovery and prevent disability. In the longer term, the objective is for pharmaceuticals that protect nerve and heart cells to improve individual patient prognoses with fewer days of care and more effective rehabilitation.

Development projects
NeuroVive's product portfolio consists of two projects in the clinical and pre-clinical phase, acute kidey injury (AKI) and traumatic brain injury (TBI), as well as two chemistry platforms for ischemic stroke and hereditary mitochondrial disorders (complex I dysfunction). CicloMulsion is being evaluated in AKI and NeuroSTAT in TBI with the objective of protecting mitochondria and thus prevent acute organ injury in connection with major surgery and to reduce the extent of injury in traumatic brain injury.

NeuroVive's development projects

NeuroSTAT Read more on page 19

Medical problem	Development phase	Plans 2016
In acute TBI, nerve cells are damaged instantaneously. The injury continues to worsen for several days after the initial trauma, which often has a significant effect on the extent of the injury. There are currently no pharmaceuticals that can limit the extent of the traumatic injury. TBI patients risk being affected by functional impairments that affect cognitive ability, emotions, language and speech. Direct health care costs are estimated to exceed SEK 70 bn annually.	NeuroSTAT is currently in a clinical phase II study.	The phase II study is expected to be completed by the end of 2016.

CicloMulsion Read more on pages 20-21

Medical problem	Development phase	Plans 2016
Acute kidney injury implies that kidney function ceases altogether, or is significantly impaired. Acute kidney injury can arise as a result of major surgery such as coronary heart surgery. In Sweden, some 13% of patients undergoing coronary heart surgery are affected by an acute kidney injury. Affected patients suffer a higher risk of fatalities and, in more severe cases, may require lifelong dialysis or kidney transplantation in order to survive. The cost of chronic kidney failure is estimated at USD 70,000 per annum and patient.	CicloMulsion is currently in a clinical phase II study.	The study will encompass a total of 150 patients and is expected to be completed in the second half of 2016.

NVP019 Read more on pages 20-21

Medical problem	Development phase	Plans 2016
The aim of NVP019 is to find the optimum follow-up to existing candidates in clinical development. The active substance is a more potent and specific cyclophilin inhibitor than cyclosporine A, and is expected to have a favorable safety profile.	Pre-clinical phase with the focus on scaling up production and intravenous formulation work.	• Proof of concept in animal models • Production of active substance • Toxicology studies

NVP015 Read more on page 22

Medical problem	Development phase	Plans 2016
Complex 1 deficiency is a hereditary metabolic disorder that affect the energy conversion of cells. Several mitochondrial disorders are caused by Complex 1 deficiency. The condition often emerges early in life and deteriorates progressively. Many organs and tissue types can be affected.	Test of model substances.	• Proven to be stable in blood flow • Proof of concept in animal models • Selection of substance for preclinical development

NVP014 Read more on page 23

Medical problem	Development phase	Plans 2016
Most patients affected by stroke suffer injury to brain tissue as a result of the oxygen and nutrient shortages that arise when a blood clot blocks a blood vessel in the brain. Further damage to brain tissue can arise even after the blood clot has been dissolved or removed. There are currently no treatments that limit brain injury following stroke.	The NVP014 project is evaluating a range of model substances in order to select a suitable drug candidate	• Identifying new molecules • Proof of concept in animal models • Selection of drug candidate

Revenue and results of operations

Consolidated sales of SEK 2,502,000 (7,152,000) in 2015 relate to the upfront payment for NeuroVive Asia's agreement with Sanofi in May 2015. The majority of the group's other income of SEK 522,000 (1,181,000) mainly relates to exchange rate gains. Otherwise, the Company has not generated revenue. Operating expenses were SEK 94,490,000 (53,587,000). The SEK 40,903,000 increase in operating expenses is explained by the increases to other external expenses of SEK 48,514,000 (41,962,000) of which expensed research and development expenses were SEK 12,361,000 (13,20 3,000). Costs relating to the commercialization process and termination costs associated with the CIRCUS study also contributed to increased external costs. The increase of personnel expenses to SEK 15,556,000 (10,346,000) is due to a higher number of employees compared to the previous year, which is mainly because of recruitments in the subsidiary in Taiwan and a non-recurring cost relating to severance pay to the CEO in the third quarter. Other operating expenses were SEK 29,220,000 (838,000), of which SEK 28,135,000 relates to previously capitalized expenses for CicloMulsion linked to the CIRCUS study. As part of the process of termination of this study, capitalized expenses directly related to the study were impaired. Following negotiations in the fourth quarter relating to agreements under the CIRCUS study, profit/loss for the year was burdened by total termination costs of SEK 38,516,000 (0). The consolidated operating profit/loss was SEK -91,466,000 (-45,254,000). Net financial income/expense was SEK 665,000 (580,000). This amount mainly relates to unrealized value changes in current assets. The profit/loss for the period was SEK -90,801,000 (-44,673,000).

Financial position

Consolidated total assets were SEK 174,927,000 (131,268,000) of which intangible assets were SEK 74,904,000 (79,601,000). Cash and cash equivalents at year-end were SEK 96,662,000 (49,698,000. Equity at year-end was SEK 154,779,000 (107,841,000), and share capital was SEK 1,537,000 (1,389,000). The equity ratio was 88% (82) at the end of the period. Equity per share with no non-controlling interest was SEK 4.59 (3.72). The group has no interest-bearing liabilities. The Board of Directors continuously reviews the operations' need for financing.

Cash flow

Consolidated cash flow for the year was SEK 47,741,000 (9,537,000), with cash flow negatively affected by operating activities of SEK 67,220,000 (43,632,000) and from investments, of SEK 23,445,000 (23,429,000). Cash flow from financing activities was SEK 138,406,000 (76,599,000) and was wholly sourced from the new issues consummated in February and May 2015 plus contributions from non-controlling interests under the new issue.

Investments

Total fixed assets amounted to SEK 75,369,000 (79,945,000) as of 31 December 2015. The change, before impairment of capitalized expenses, of SEK 23,438,000 (32,369,000) is mainly due to capitalized development expenses from projects the Company is conducting, as well as patents. In 2015, impairment of capitalized expenses directly related to the CIRCUS study totaled SEK 28,135,000, which resulted in a negative net change in the company's fixed assets. Some 60% (36) of the increase in capitalized development expenses and patents relates to NeuroSTAT, some 22% (54) to CicloMulsion and some 15% (8) to NVP018/NVP019. For a review of the development phases in which the intangible fixed assets lie, see page 28. Investments of SEK 251,000 (179,000) were made in property, plant and equipment, the majority being equipment used in development projects.

Parent company

Most of the group's operations are conducted by parent company NeuroVive Pharmaceutical AB. During the year, the parent company had net sales of SEK 327,000 (7,546,000), comprising a management fee to the subsidiary. The previous year's net sales consisted of the upfront payment from the outlicensing agreement with Arbutus BioPharma (formerly OnCore BioPharma) and a management fee to a subsidiary. Other operating income of 509,000 (29,125,000) mainly relates to exchange rate gains. Previously year relates to remuneration for additional territorial licensing rights in Asia for CicloMulsion, NeuroStat and Toxphos. Interest income includes internally interest of SEK 53 (111,000). The receivable on the subsidiary of SEK 334,000 (2,195,000) relates to a management fee. Cash and cash equivalents at year end were SEK 75,936,000 (48,842,000).

The NeuroVive share

NeuroVive's share has been listed on Nasdaq Stockholm since 10 April 2013 with the ticker symbol NVP. As of 31 December 2015, share capital was SEK 1,537,000 (1,389,000), divided between 30,735,152 (27,788,093) shares.

NeuroVive is not aware of any agreement between shareholders that could imply limitations on rights to transfer shares in the Company.

There is only one share class. Each share confers entitlement to one vote at the AGM and all shares have equal entitlement to participation in the Company's assets and profits. For more information on shareholders, see page 24-25.

Risk factors

A research company like NeuroVive features high operational and financial risk, because the projects the Company is conducting are in preclinical and clinical phases. A number of parameters affect the likelihood of commercial success. The likelihood of a drug candidate reaching the market increases as the project passes the various development phases. Expenses also rise markedly in later development phases. Before commercialization can begin, up-scaling and production need to be finalized. Accordingly, drug development is generally associated with very high risk, and this also applies to NeuroVive's drug development process. NeuroVive is focused on developing new pharmaceuticals, but has yet to achieve any approved products for sale. Operations have been loss making to date, and NeuroVive judges that at present, commercialization of products on selected markets could occur no earlier than in 2022. A review of the risks identified by the company and the measures taken to limit risk follows.

Clinical trials
Before a pharmaceutical can be launched on the market, its safety and efficacy on treating humans must be ensured for each individual indication, through preclinical studies on animals and clinical trials on humans. The pharmaceutical sector generally and clinical studies in particular are associated with great uncertainty and risks in terms of delays and the outcome of studies. The outcome of preclinical studies is not always consistent with those achieved in clinical studies. Nor are the results of early clinical studies always consistent with the results of more extensive studies. There can be no guarantee that NeuroVive's planned clinical studies will reveal sufficient safety and efficacy for the Company to be able to attain the necessary regulatory permits later to enable pharmaceutical sales. If NeuroVive or its collaboration partners are not able to demonstrate that a pharmaceutical is safe and effective enough via clinical studies, NeuroVive may be negatively affected, which may mean regulatory approval is not forthcoming, and thus there is no commercialization, as well as reduced, or lost, cash flow.

Regulatory standards and political risk
NeuroVive holds all the requisite permits for conducting its operations. Operations are conducted in accordance with applicable laws, but also considering environmental and ethical standards. However, there can be no guarantee that new standards levied by the authorities may not hinder operations being conducted, or that permits in place at present will be renewed on the same terms as previously, or the insurance coverage the group currently considers adequate will prove sufficient.

Marketing and selling pharmaceuticals requires permits and registration with the relevant regulatory authority on each market. NeuroVive cannot guarantee that such approval is secured to the extent necessary to be able to achieve profitability or satisfy objectives for the future.

In its research and development work, NeuroVive is active in, and through, a large number of different countries and intends to conduct global sales of pharmaceuticals to protect the mitochondria jointly with, or via, collaboration partners. Risks may arise through changes to laws, taxation, customs duties, exchange rates and other terms affecting foreign companies. NeuroVive is also affected by political and economic uncertainty factors in such countries. The above may have negative consequences for NeuroVive's operations and results of operations.

Pharmaceuticals pricing
NeuroVive's business model includes out-licensing pharmaceuticals. The general progress of pricing of pharmaceuticals lies outside NeuroVive's control. If pharmaceuticals prices generally fall, there is a risk that this may affect NeuroVive's revenue potential adversely. In some countries, the pricing of certain types of pharmaceutical is regulated. In such cases, pricing lies outside NeuroVive's control. The lower the pricing of a pharmaceutical, the worse the revenue prospects for NeuroVive. Accordingly, there is a risk that pricing of mitochondrial medicines may be lower than what NeuroVive's Board of Directors estimates.

Product liability
Given the nature of operations, it is relevant to consider NeuroVive's product liability arising as the Company develops and commercializes products. The Board judges that NeuroVive's current insurance coverage is satisfactory considering the nature and scope of its operations. However, for each planned clinical study, NeuroVive will need to review its insurance coverage, and in each future planned study, there are likely to be limitations in the scope and maximum claims of insurance coverage. Accordingly, there can be no guarantee that NeuroVive's insurance coverage would fully meet potential future legal claims, which could affect NeuroVive's operations and results of operations negatively.

Commercialization and collaboration
None of NeuroVive's projects have been commercialized to date, and may never be so. Nor can there be any guarantee that products will be well received or become commercial successes. NeuroVive is now, and will remain in future, dependent on collaborations relating to the out-licensing of drug candidates for large-scale clinical studies and/or the marketing and sale of pharmaceuticals. In addition to prospects for traditional out-licensing, NeuroVive's management is evaluating various types of innovative collaboration with larger pharmaceutical companies and/or CRO partners. There can be no guarantee that agreements or collaborations are secured, nor that collaboration partners will fulfill their commitments successfully. If no collaboration agreements are secured, or collaboration partners are unsuccessful in their efforts to launch pharmaceuticals on the market, this may result in reduced or lost revenues for NeuroVive.

Competitors
There is intense competition in the pharmaceutical sector. There are many companies, universities and research institutions conducting drug research and development. If a competitor successfully develops and launches an effective and safe pharmaceutical to protect the mitochondria, this may imply risks in the form of deteriorated sales prospects for the Company. Additionally, a company with global operations that is currently working in an adjacent segment may decide to start up in NeuroVive's business segment. Increased competition may have negative impact on NeuroVive's sales and profits in the future.

Patents and other intellectual property
Patents, which are an important component of NeuroVive's assets, have finite lives. The Company cannot guarantee that existing and/or future patent portfolios and other intellectual property the Company holds may constitute fully satisfactory commercial protection. If NeuroVive is compelled to defend its patent rights against a competitor, this may cause substantial costs, which may affect the Company's operations, results of operations and financial position negatively. Additionally, there is always a risk in this type of operation that NeuroVive may, or may be alleged to, have infringed on patents held by third parties. Other parties' patents may also limit opportunities for one or more of the Company's future collaboration partners to use pharmaceuticals or production methods freely. The uncertainty associated with patent protection means that the outcome of such disputes is hard to predict.

Negative outcomes to disputes over intellectual property may result in lost protection, and prevention of continuing usage of the relevant rights or an obligation to pay damages claims. Moreover, the costs of the dispute, even given a positive outcome for the Company, may be significant, which could affect NeuroVive's results of operations and financial position negatively. The above could imply difficulties or delays in commercializing future pharmaceuticals, and accordingly, difficulties in generating revenues. The corresponding also applies for other intellectual property, such as trademarks and brands.

To some extent, NeuroVive is also dependent on know-how and commercial secrets, which are not protected by legislation in the same way as intellectual property. The Company utilizes non-disclosure agreements, and thus endeavors to secure far-reaching protection of sensitive information. However, complete protection against the unauthorized disclosure of information is not possible, which implies a risk that competitors may obtain, and benefit from, the know-how developed by the Company, to the detriment of NeuroVive.

Key individuals
NeuroVive is heavily dependent on the Company's senior executives and key individuals. If the Company were to lose any of its key employees, this could delay or cause discontinuation of development projects, or commercialization of the Company's drug candidates. The Company's ability to attract and retain qualified staff is critical to its future success. Even if NeuroVive intends to be able to attract and retain qualified staff, there can be no guarantee that this will be possible on satisfactory terms against the competition that exist from other pharmaceutical and biotech enterprises, universities and other institutions.

Financial risks
Through its operations, the group is exposed to various types of financial risk, such as market, liquidity and credit risks. Primarily, market risks consist of interest rate risk and currency risk. The Company's Board of Directors bears ultimate responsibility for the exposure, management and monitoring of the group's financial risks. The Board sets the guidelines that apply to the exposure, management and monitoring of financial risks, and these frameworks are evaluated and reviewed yearly. The Board of Directors can decide on temporary departures from these predetermined frameworks. For other information, see note 4.

Future capital requirements
Drug development in the life science sector is normally capital intensive and NeuroVive's planned clinical studies and development work imply significant costs. Accordingly, the Company is dependent on the ability to raise capital in future. Potential delays to clinical trials may involve cash flow being generated later than planned. Future capital requirements are also affected by whether the Company can secure partnership/co-financing. NeuroVive will need to raise further capital going forward depending on the scale of revenues it succeeds in generating in relation to its cost base. There can be no guarantee that the Company can raise further capital, secure partnerships or other co-financing. This may mean that development is temporarily discontinued or NeuroVive is compelled to conduct operations at a slower rate than desired, which may lead to delayed or lost commercialization and revenue.

Organization

There was an average of 15 (8) employees of the group during the year, of which 9 (4) are women. The number of employees at year-end was 5 (6) part-time employees and 13 (7) full-time employees. Of the total of 18 (13) employees, 9 (6) were women and a total of 8 (6) were active in the Company's research and development operations. Staff have a high level of educational qualification, 5 holding PhDs in medical sciences and the other 13 employees being university graduates. In addition to its employees, NeuroVive has a number of consultants continuously associated to its operations.

Remuneration

The AGM resolves on remuneration to the Chair of the Board and other Board members. The AGM also resolves on guidelines for remunerating the CEO and other senior executives. For more information on remuneration in the year, see note 11 and the Corporate Governance Report on page 40. The Board of Directors is proposing that remuneration for 2016 is resolved according to the same principles as for 2015 adding that in addition to the notice period, severance pay can amount to a maximum of six months' salary and benefits for the CEO.

Post balance sheet events

Development projects
NeuroVive entered a research collaboration with the University of Pennsylvania in order to strengthen NeuroVive's research and development program in traumatic brain injury (TBI).

An independent safety committee has conducted a second safety since the 100th patient enrolled in the study Ciprics. The results of the safety study were satisfactory, and the study will continue as planned with the goal to include 150 patients and complete the study in the second half in 2016.

New CEO
The Board of Directors of NeuroVive Pharmaceutical AB (publ) appointed Erik Kinnman as new CEO on 23 February 2016. Erik Kinnman took up his position on 14 March 2016. He simultaneously resigned from his positions as CMO and COO in proprietary consulting operations.

Erik Kinnman is a seasoned life science executive with broad experience and understanding from the industry across a variety of businesses and functions. He has held a number of senior leadership positions in biopharmaceutical companies such as AstraZeneca and Sobi. His expertise and experience includes clinical development, business strategy, business development, and investor relations. Erik Kinnman also has experience from the financial sector. In addition, he holds an Executive MBA from the Stockholm School of Economics and has comprehensive scientific qualifications from the Karolinska Institutet, which has rendered him a Ph.D. and an Associate Professor. Moreover, Erik Kinnman is an M.D., board certified in Neurology and Pain Management.

Other
NeuroVive acquired approximately 5% of the shares in UK firm Isomerase Therapeutics with the aim of strengthening the collaboration and accelerating NeuroVive's research and development program.

On 29 February 2016, the Board of Directors announced its resolution to effect a rights issue to ensure the continued development of NeuroVive's project portfolio.

Disputes

Royalties to CicloMulsion AG
The arbitration proceeding with CicloMulsion AG is ongoing. In March 2013, CicloMulsion AG invoked an arbitration by which it seeks to determine the contractual right of CicloMulsion AG to receive royalty under a License Agreement with the Company of 2004. If the arbitration is settled in favor of CicloMulsion AG, NeuroVive may be liable to pay future royalties for 15 years after product launch. If the arbitration is settled in favor of the Company, it may be possible for NeuroVive to make no royalty payments. CicloMulsion AG has also claimed payment of 10% royalty from the Company on the RMB 5 m (SEK 6.4 m) payment already received by NVP Asia from Sihuan Pharma and made further claims, inter alia, for compensation. In the event of a negative decision, the company may be required to pay the other party's costs. NeuroVive's position is that there is no legal basis for such claims. The Tribunal has now closed the procedure and an award is expected in the beginning of May 2016.

Otherwise, NeuroVive is not party to any dispute.

Prospects for 2016

In the coming year, NeuroVive will be prioritizing four focus areas:

- **Acute kidney injury** in patients undergoing major surgery: Evaluation of the protective effect of drug candidate CicloMulsion in patients undergoing coronary heart surgery, CiPRICS study. New safety evaluation when 100 patients have been treated. The study encompasses a total of 150 patients, and the results are expected to be presented in the second half of 2016. Continue development of NVP019, a cyclophilin inhibitor intended for intravenous treatment in conditions where it is desirable to protect organs from oxygen shortages. In 2016, proof of concept in animal models with the objective of starting manufacture of the drug. Start-up of toxicology studies.
- **Traumatic brain injury:** The CHIC study which evaluates drug candidate NeuroSTAT's protective effect in connection with traumatic brain injury is expected to be completed in 2016. Pre-clinical animal testing in collaboration with the University of Pennsylvania aimed at strengthening NeuroVive's research and development program in TBI. The research collaboration will focus on cell protection in connection with modest to severe brain injury, an area where there are currently no effective treatments.
- **Acute ischemic stroke:** identifying new molecules with satisfactory absorption in the brain. Animal models to demonstrate efficacy. Selection of drug candidate for pre-clinical development.
- **Complex I dysfunction:** illustrate stability in blood flow and deliver succinic acid to energy-intensive organs. Proof of concept of in animal models. Selection of substance for pre-clinical development.

Proposed appropriation of funds

The following amounts in Swedish kronor (SEK) are at the disposal of the Annual General Meeting:

Share premium reserve	119,426,515
Accumulated profit	141,070,318
Profit/loss for the year	-88,138,719
Total	**172,358,114**

The Board of Directors is proposing that the funds at its disposal of SEK 172,358,114 are carried forward. Accordingly, no dividend is proposed.

Corporate Governance Report

NeuroVive's corporate governance model

ANNUAL GENERAL MEETING
The Annual General Meeting (AGM) is the chief decision-making body. The AGM is planned and held to enable shareholders to exercise their influence over the Company optimally. Resolutions reached at the AGM shall adhere to the Swedish Companies Act's regulations on majority requirement.

Entitlement to participate at the Annual General Meeting. All shareholders directly registered in the share register maintained by Euroclear Sweden AB five business days prior to the AGM, and who have informed NeuroVive of their intention to attend by no later than the date indicated in the invitation to the AGM, are entitled to participate in the AGM and to vote according to the number of shares held.

Initiatives from shareholders. Shareholders wishing to raise a matter at the AGM must submit a written request to the Board of Directors by no later than seven weeks prior to the AGM.

Nomination Committee. The Company shall have a Nomination Committee comprising one member of each the three largest shareholders in terms of voting rights based on ownership statistics maintained by Euroclear Sweden AB.

THE BOARD OF DIRECTORS
The Board of Directors shall have a minimum of three and a maximum of eight members. Board members are appointed annually by the AGM and are elected for a period until the end of the next AGM.

Chair. The AGM appoints the Chair. The Chair leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Swedish Code of Corporate Governance and the Board of Director's rules of procedure. The Chair shall monitor the Company's progress through contact with the CEO, consult with the CEO on strategic matters and ensure that strategic considerations are recorded and addressed by the Board of Directors.

The Board of Directors' duties and responsibilities. The Board of Directors is the highest administrative body at the AGM. The Board of Directors' primary duty is to manage overall and long-term issues and matters of major significance to the Company. The Board of Directors assumes overall responsibility for the Company's operations and management and for ensuring that the accounting and fund management are controlled satisfactorily. The Board of Directors is responsible for ensuring that the Company follows applicable legislation, stipulations and the Swedish Code of Corporate Governance and that the Company is subject to satisfactory internal control procedures and formalized routines that safeguard adherence to set principles for financial reporting and internal control.

Remuneration Committee. The Board of Directors has established a Remuneration Committee consisting of a minimum of three Board members to assist the Board on issues relating to remuneration principles, remuneration and other terms of employment of management. After consultation within the Remuneration Committee, the Board of Directors takes decisions on remuneration.

Audit Committee. The members of the Audit Committee are appointed by the Company's Board of Directors at the Board meeting following election and shall consist of a minimum of three Board members. The Audit Committee shall contribute to sound financial reporting that maintains market confidence in the Company by specifically monitoring and controlling the Company's accounting principles, financial administration, risk management and the structure of internal control, resources, ongoing work and annual reporting. The Audit Committee also reviews the Auditor's non-affiliation to the Company.

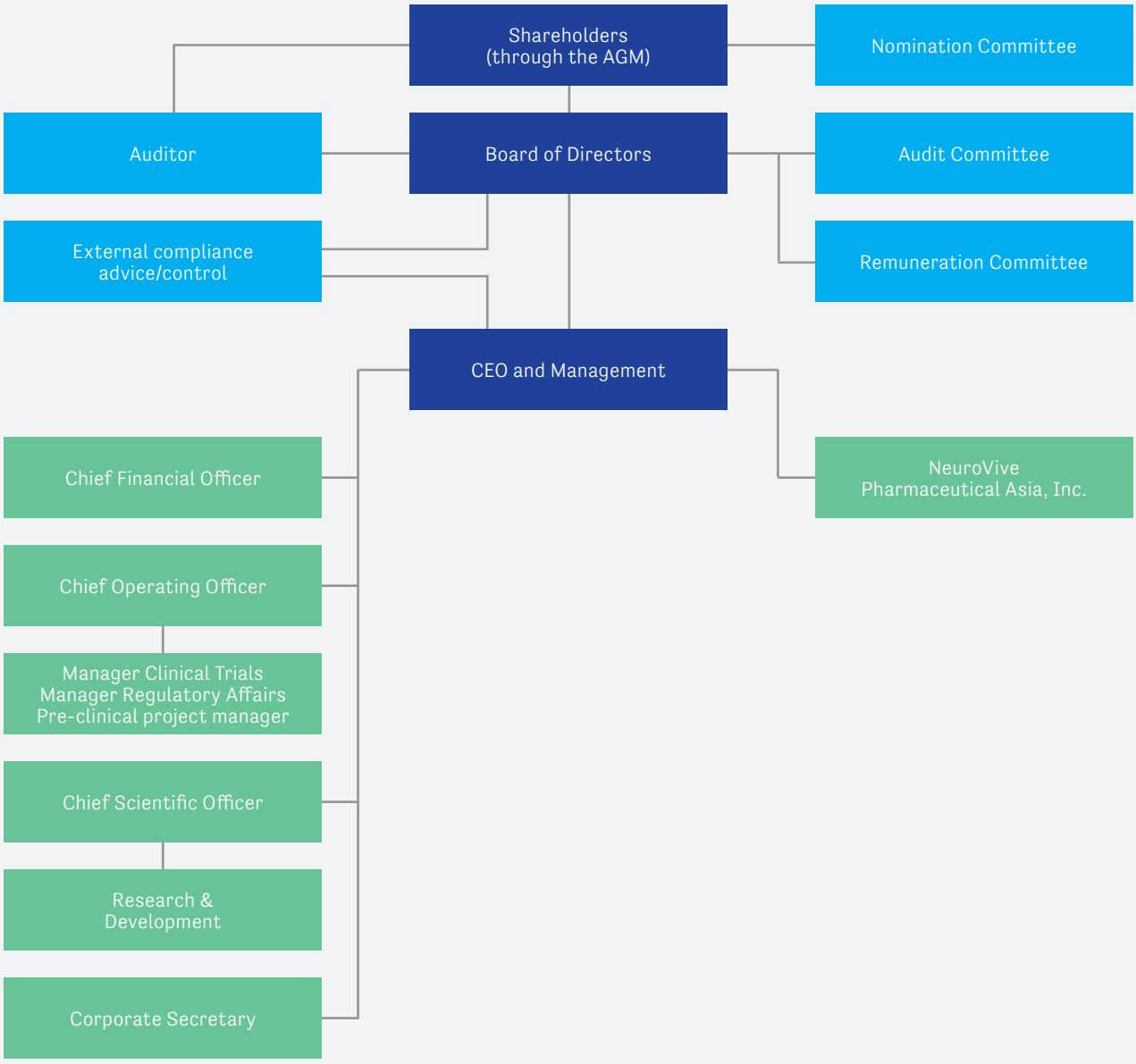
CEO
The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the Board meeting following election.

The instructions for the CEO regulates customary areas such as the CEO's undertaking in relation to the Company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the Company.

The CEO shall ensure that ongoing planning, including business plans and budgets, is completed and presented to the Board of Directors for resolution.

When departure from these plans and special events of a significant nature are feared, the CEO must inform the Board of Directors through the Chair immediately.

NeuroVive Pharmaceutical AB (publ) (NeuroVive or the Company) is a Swedish public limited company with corporate identity number 556595-6538. NeuroVive's registered office is in the Municipality of Lund and the Company is listed on Nasdaq Stockholm. This Corporate Governance Report has been prepared by NeuroVive's Board of Directors in compliance with the Annual Accounts Act and the Swedish Code of Corporate Governance (the Code). The Corporate Governance Report is part of the Statutory Administration Report and the Company's Auditors have conducted their statutory review of the Report.



Application of and departure from the Swedish Code of Corporate Governance

The Code applies to all Swedish companies whose shares are listed on a regulated marketplace in Sweden and shall be applied fully at the first Annual General Meeting held following initial public offering. The Company is not obliged to adhere to all the regulations of the Code, and is free to adopt alternative solutions deemed more suitable to its circumstances, provided that potential departures are reported, the alternative solution described and the reasons explained (Comply or Explain principle) in the Corporate Governance Report.

NeuroVive has applied the Swedish Code of Corporate Governance since 8 June 2012, and this Corporate Governance Report has been prepared in accordance with the Code. NeuroVive has departed from the Code only with regard to the evaluation of the work of the Chief Executive Officer according to regulation 8.2 of the Code, as the company did not carry out such an evaluation because of the recruitment of the new CEO.

Organization of Corporate Governance

NeuroVive's internal controls and corporate governance are based on applicable legislation/regulations and on sector-specific parameters considered significant to the Company. The control system encompasses all applicable regulatory frameworks as well as the specific demands NeuroVive places on its operations.

The internal control and corporate governance tool provides overall control of all critical stages relating to the Company. This provides NeuroVive's Board of Directors and management with the conditions required to control and govern operations in order to satisfy the stringent demands of the Company, the market, the stock market, the shareholders and the authorities.

The following legislation/regulations as well as the Company's own constitutional documents form the basis of NeuroVive's corporate governance:

External Regulations
- The Swedish Companies Act,
- Applicable accounting legislation,
- IFRS,
- The Swedish Code of Corporate Governance,
- Nasdaq Stockholm's regulatory framework for issuers.

Internal constitutional documents
- The Articles of Association,
- Instructions and rules of procedure for the Board of Directors, Committees and CEO,
- Guidelines for remuneration to senior executives,
- Information and communication policy,
- Ethical guidelines,
- Financial administration guidelines.

Ownership structure

NeuroVive had some 6,406 registered shareholders as of 31 December 2015. Euroclear Bank S.A/N.V, W8-IMY (registers holdings for Maas Biolab, LCC and Marcus Kemp and others domiciled in the US) was the largest owner with a holding of 4,415,940 shares, corresponding to some 14.4% of the shares and votes. Baulos Capital Belgium SA was the second biggest shareholder with 4,000,000 shares, corresponding to some 13.0% of the shares and votes. Avanza Pension Försäkring AB was the third biggest shareholder with 3,529,702 shares, corresponding to some 11.5% of the shares and votes. There were no other shareholders with a holding of more than one-tenth of the total number of shares and votes in the Company at year-end.

Share capital and voting rights

NeuroVive's share capital totaled SEK 1,536,757.60 divided between 30,735,152 shares as of 31 December 2015. There is only a single share class. All shares have a quotient value of SEK 0.05 and one vote, and confer equal entitlement to the Company's assets and profits. NeuroVive's Articles of Association have no limitations regarding the number of votes each shareholder may cast at the AGM.

Annual General Meeting

The Annual General Meeting (AGM) is the chief decision-making body in a limited company and the shareholders exercise their decision-making rights at the AGM. The AGM is planned and held to enable shareholders to exercise their influence over the Company optimally. The invitation to the AGM and other information provided is designed to allow shareholders to reach well-founded decisions on the issues addressed at the AGM. Resolutions reached at the AGM shall adhere to the Swedish Companies Act's regulations on majority requirement. In accordance with the Articles of Association, the invitation to the AGM and Extraordinary General Meetings are published in the Swedish Official Gazette and on the Company's website. An announcement that a Meeting has been convened is published in Swedish daily newspaper Svenska Dagbladet.

Entitlement to participate at the Annual General Meeting
All shareholders directly registered in the share register maintained by Euroclear Sweden AB five business days prior to the AGM, and who have informed NeuroVive of their intention to attend by no later than the date indicated in the invitation to the AGM, are entitled to participate in the AGM and to vote according to the number of shares held.

Initiatives from shareholders
Shareholders wishing to raise a matter at the AGM must submit a written request to the Board of Directors by no later than seven weeks prior to the AGM.

Given the Company's ownership structure and financial circumstances, NeuroVive does not consider simultaneous interpretation into other languages and translation of all of or part of the documentation relating to the AGM as justified.

NeuroVive's website contains information on the Company's previous AGMs as well as information on shareholders' rights to raise matters at the AGM and the cut-off date for NeuroVive receiving such requests.

Shareholders' meetings

The AGM was held on 30 March 2015, at Scheelevägen 2 in Lund, Sweden. 58 shareholders attended the AGM, in person or through representatives. These shareholders represented 34.36% of the shares and votes of NeuroVive. The CEO, all Board members, the company's Auditor in Charge and the Chairman of the Nomination Committee attended the AGM.

The AGM 2015 adopted the following resolutions:

- Adopted the Balance Sheet and Income Statement and Consolidated Balance Sheet and Income Statement,
- Resolution regarding discharging the Board of Directors and CEO from liability,
- Resolution regarding remuneration to the Board of Directors, Auditors and Committee members,
- Elected the Board of Directors,
- Adopted guidelines for remuneration to senior executives,
- Adopted guidelines for the Nomination Committee.
- Adopted a resolution to sanction the Board of Directors to authorize further new issues

Documentation relating to the AGM, such as invitations to meetings, minutes and the basis of decisions, is at NeuroVive's website, www.neurovive.com.

Annual General Meeting 2016
NeuroVive's AGM 2016 will be held on 28 April 2016, at 4 p.m. at Medicon Village, Scheelevägen 2, in Lund, Sweden. Shareholders wishing to attend the AGM must notify the Company in advance. Information on how to apply and how to raise a matter at the AGM is on the Company's website. Information about the date and place of the AGM was uploaded to the company's website on 16 October 2015.

Nomination Committee
The Company shall have a Nomination Committee comprising one member of each of the three largest shareholders in terms of voting rights based on ownership statistics maintained by Euroclear Sweden AB. If a shareholder does not exercise its right to appoint a member, entitlement to appoint a member of the Nomination Committee shall transfer to that member who is the second largest shareholder in terms of voting rights. The Chair of the Board convenes the meetings and can be co-opted to the Nomination Committee when required. Neither the CEO nor any other member of management is permitted to be members of the Nomination Committee, nor shall Board members be a majority of the Nomination Committee members. A majority of the Nomination Committee's members shall be non-affiliated to the Company and management, if more than one Board member is included in the Nomination Committee, a maximum of one can be affiliated to the Company's major shareholders. A minimum of one of the Nomination Committee's members shall be non-affiliated to the Company's largest shareholder or group of shareholders collaborating on the Company's administration. No remuneration is payable to any of the members of the Nomination Committee.

The Nomination Committee initiates the appraisal of the incumbent Board of Directors once it has been completed. The Committee's work shall feature openness and discussion, in order to ensure a well-balanced Board of Directors. The Nomination Committee then nominates members to NeuroVive's Board of Directors for the coming period of office, who are subsequently proposed to the AGM. The Nomination Committee's duty is to propose the Chair of the AGM, the Chair of the Board and Board members, the number of Board members, remuneration to Board members and Committee members as well as the election of, and remuneration to, the Auditors. The Nomination Committee also has the duty of proposing guidelines for appointing members of the Nomination Committee and the assignments of the Nomination Committee.

The composition of the Nomination Committee for the AGM 2016 was announced in a press release on 16 October 2015 and is as follows:

- *Michael Vickers* (Chair of the Nomination Committee), Board member representing Maas Biolab LLC
- *Anders Ermén*, Board member representing Baulos Capital Belgium SA, and
- *Tomas Hagström*, Board member representing Eskil Elmér.

The Board of Directors

Composition of the Board of Directors
The Board of Directors shall have a minimum of three and a maximum of eight members. Board members are appointed annually by the AGM and are elected for a period until the end of the next AGM. NeuroVive's AGM on 30 March 2015 re-elected Greg Batcheller, Arne Ferstad, Boel Flodgren, Marcus Keep, Helena Levander, Anna Malm Bernsten and Helmuth von Moltke as Board members. Fredrik Olsson was elected new Board member. Greg Batcheller was re-elected Chair of the Board. None of the Board members are members of the Company's management, although Greg Batcheller, through Stanbridge Corporation BVBA, and Arne Ferstad, through Ankor Consultants Ltd., work on the Company's management on a consulting basis. The Board members' non-affiliation to the Company, the Company's management and the Company's major shareholders are indicated in the table below.

Chair
The AGM appoints the Chair. The Chair represents the Board of Directors externally and internally. The Chair leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Swedish Code of Corporate Governance and the Board of Director's rules of procedure.

The Chair shall monitor the Company's progress through contact with the CEO, consult with the CEO on strategic matters and ensure that strategic considerations are recorded and addressed by the Board of Directors. The Chair shall also ensure that the Board of Directors, through the CEO's agency, receives information on the Company on an ongoing basis in order to enable analysis of the Company's position.

As Greg Batcheller undertakes permanent assignments on behalf of the Company in addition to his role as Chair, the division of responsibilities between the Chair and CEO has been clarified in the Board of Directors' rules of procedure and the CEO's instructions.

The Board of Directors' duties and responsibilities
The Board of Directors is the highest administrative body under the AGM. The work of NeuroVive's Board of Directors is regulated by applicable legislation and recommendations, and by the Board of Directors' rules of procedure, which are adopted annually. The rules of procedure contain stipulations regulating the division of responsibilities between the Board of Directors and the CEO, financial reporting and audit matters. At the Board meeting following election, the Board of Directors adopts other requisite rules of procedure, policies and guidelines that form the basis for the Company's internal regulatory framework.

The Board of Directors' primary duty is to manage overall and long-term issues and matters of major significance to the Company. The Board of Directors assumes overall responsibility for the Company's operations and management and for ensuring that the accounting and fund management are controlled satisfactorily. The Board of Directors is responsible for ensuring that the Company follows applicable legislation, stipulations and the Swedish Code of Corporate Governance and that the Company is subject to satisfactory internal control procedures and formalized routines that safeguard adherence to set principles for financial reporting and internal control, and that the Company's financial reporting is prepared in accordance with statutory requirements, applicable accounting standards and other demands placed on listed companies.

According to the Board of Directors' rules of procedure, the Board of Directors normally meets on seven occasions annually, including the Board meeting following election. The Board of Directors held 10 meetings during the year. Regular Board meetings covered matters such as reviewing and adopting financial reports, the business plan, budget and funding as well as strategic issues. The Board of Directors also monitors the progress of the Company's current pharmaceutical projects and financial situation continuously. The final Board meeting of the year included an appraisal of the Board of Directors and the work of the Board. The CEO's work was not evaluated as a result of the recruitment of a new CEO. Additional meetings during the year dealt with matters such as the change of date of the AGM 2015 and allocation of shares under the new issues. Matters relating to the termination of the CIRCUS study were also addressed.

The Board members' non-affiliation and attendance are indicated in the table below. For a presentation of Board members, see pages 42-43 of the Annual Report.

Evaluation of the Board of Directors' work.
Board members have completed an evaluation document produced specifically to perform a structured evaluation of the Board's work in accordance with the guidelines in the Swedish Code of Corporate Governance. The Board secretary has subsequently compiled the evaluation into a report presented by the Chairman to the Board of Directors at a regular Board meeting.

Evaluation of the CEO
The Board of Directors resolved to diverge from the guidelines in the Swedish Code of Corporate Governance regarding evaluating the CEO's work in 2015, as the CEO resigned from his assignment in the year. The new CEO takes up his position in March 2016, and the COO has been serving as Interim CEO since 1 September. According, an evaluation of the CEO's work in 2015 is of no relevance, and the period in which the Interim CEO has served is deemed to be too short for evaluation.

Board work in 2015

January
- Resolution to bring the AGM forward

February
- Resolution to allocate shares in a new issue. Year-end report, Audit matters, determining salary and remuneration matters including variable remuneration, proposed resolutions for the EGM, the Board of Directors' discussions with the company's Auditor without the CEO or other members of Management being present. Audit matters, Annual Accounts, AGM, Corporate Governance Report, evaluation of variable remuneration.

March
- Resolution regarding establishing a subsidiary in France.
- Statutory meeting. Determining authorized signatories, Corporate Governance Policy, Rules of Procedure for the Board of Directors, Rules of Procedure for the Audit and Remuneration Committees and instructions for the CEO. Appointing members of Board Committees. Determining other policies and guidelines.

May
- Resolution relating to new issue of shares.
- Review and authorization of Q1 Interim Report.

August
- Review and authorization of Q2 Interim Report.

September
- Matters relating to the consequences of the negative result of the CIRCUS study.
- Board resolution that the company requires new leadership under a new CEO.

October
- Review of Corporate Governance, determining operational objectives and strategy on the basis of the new circumstances following the decision to terminate drug development for myocardial infarction.

November
- Review of Q3 Interim Report, financing matters, matters relating to the Year-end Report, budget, Audit matters, Evaluating the Board of Directors' and senior executives' work in the year, no evaluation of CEO as a result of recruitment of new CEO. The company's Auditor was present because of the Review of the Interim Report.

Board member	Elected in	Audit Committee	Remuneration Committee	Non-affiliated[1]	Attendance, Board of Directors	Attendance, Audit Committee	Attendance, Remuneration Committee
Greg Batcheller, Chair	2000			▲	14/14		
Arne Ferstad	2010	Member		▲	13/14	6/6	
Boel Flodgren	2013		Member	Yes	14/14		3/3
Marcus Keep	2000			●	14/14		
Helena Levander	2012	Chair	Member	Yes	14/14	6/6	3/3
Anna Malm Bernsten	2013	Member	Chair	Yes	13/14	6/6	3/3
Fredrik Olsson*	2015			●	8/8		
Helmuth von Moltke	2005			Yes	14/14		

1. According to the definition in the Swedish Code of Corporate Governance
▲ = Affiliated to the company or Management
● = Affiliated to major shareholders

* Fredrik Olsson was elected to the Board of Directors on 30 March 2015.

Remuneration Committee

The Board of Directors has established a Remuneration Committee to assist the Board on issues relating to salary and remuneration. The Remuneration Committee's duties include:

- Consulting on the Board of Director's decisions on matters relating to remuneration principles, remuneration and other terms of employment of management,
- monitoring and evaluating ongoing and concluded (during the year) programs for variable remuneration for the corporate management, and
- monitoring and evaluating the application of guidelines for remuneration to senior executives that the AGM is legally obliged to resolve on, and applicable remuneration structures and remuneration levels in the Company.

After consultation within the Remuneration Committee, the Board of Directors takes decisions on remuneration.

AS a sub-committee of the Board of Directors, the Remuneration Committee has limited decision-making powers. The Committee's Rules of Procedure are determined annually by the Board of Directors at the statutory Board meeting, and indicate the tasks and decision-making powers delegated by the Board to the Committee, and the methods for reporting back to the Board of Directors.

The Remuneration Committee presents ongoing reports on its work to the Board of Directors at regular Board meetings, and presents an annual report on the members' attendance at Committee meetings to the Board of Directors.

NeuroVive's Remuneration Committee is appointed at the Board meeting following election and comprises Helena Levander, Anna Malm Bernsten (Chair) and Boel Flodgren.

Audit Committee

The members of the Audit Committee are appointed by the Company's Board of Directors at the Board meeting following election and shall consist of a minimum of three Board members. The Board of Directors appoints the Chair of the Audit Committee, who may not be the Chair of the Board. A majority of the Committee's members shall be non-affiliated to the Company and management. At least one member who is non-affiliated to the Company and management shall also be non-affiliated to the Company's major shareholders.

The Audit Committee has been established to facilitate the Board of Directors' supervisory responsibility. As a subcommittee of the Board of Directors, the Audit Committee has limited decision-making powers. The Committee's rules of procedure are adopted annually at the Board meeting following election and indicate the decision-making powers the Board of Directors has delegated t the Committee and the manner in which the Committee shall report to the Board of Directors. The Audit Committee reports its work to the Board of Directors on an ongoing basis at regular meetings and also reports its work and members' attendance at Audit Committee meetings to the Board of Directors once annually.

The Audit Committee shall contribute to sound financial reporting that maintains market confidence in the Company by specifically monitoring and controlling the Company's accounting principles, financial administration, risk management and the structure of internal control, resources, ongoing work and annual reporting. The Audit Committee also reviews the Auditor's non-affiliation to the Company.

The Committee shall consult on matters relating to the choice of Auditor and remuneration to external Auditors, and maintain close contact with the Nomination Committee for its proposals to the AGM relating to election of Auditors and determining the Audit fee. The Audit Committee's contact with the Nomination Committee is handled and maintained by the Chair of the Audit Committee.

NeuroVive's Audit Committee is appointed at the Board meeting following election and comprises Arne Ferstad, Helena Levander (Chair) and Anna Malm Bernsten for the current period.

CEO and other senior executives

The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the Board meeting following election.

The instructions for the CEO regulates customary areas such as the CEO's undertaking in relation to the Company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the Company. The CEO shall ensure that ongoing planning, including business plans and budgets, is completed and presented to the Board of Directors for resolution. The CEO shall exercise good leadership in the management of operations to ensure that the Company progresses according to plan and follows the strategies and policies adopted. When departure from these plans and special events of a significant nature are feared, the CEO must inform the Board of Directors through the Chair immediately. The CEO shall ensure that the Company's operations, including its administration, are organized so that they satisfy market requirements, and shall ensure efficient and secure organizational control of operations.

Within the framework of the directives provided by the Board of Directors for the Company's operations, management deals with consultation regarding, and monitoring of, strategies and budgets, the distribution of resources, the monitoring of operations and preparation for Board meetings.

In the period January - August, the members of management were NeuroVive's former CEO Mikael Brönnegård, Eskil Elmér, Jan Nilsson and Catharina Jz Johansson. Mikael Brönnegård left the company on 1 September 2015. In the period September - December, management consisted of the company's Interim CEO Jan Nilsson, Eskil Elmér and Catharina Jz Johansson. Management meets every two weeks and minutes are taken at all meetings.

Remuneration to the Board of Directors and senior executives

Remuneration to Board members
The AGM 2015 resolved that fees of SEK 300,000 should be paid to the Chair and SEK 150,000 to each of the remaining Board members. Chair of the Board Greg Batcheller and Board member Fredrik Olsson waived their Director's fee for the current term of office.

The AGM 2015 resolved on remuneration of SEK 100,000 to the Chair of the Audit Committee and SEK 50,000 to each of the remaining members of the Audit Committee. Furthermore, a resolution was made regarding remuneration of SEK 40,000 to the Chair of the Remuneration Committee and SEK 20,000 to each of the remaining members of the Remuneration Committee.

Remuneration to senior executives
Following a proposal from the Board of Directors, the AGM 2015 reached a resolution regarding guidelines for remuneration to senior executives.

The guidelines for remuneration and other terms of employment applying to management mainly imply that the Company shall offer its senior executives remuneration on market terms, that this remuneration shall be determined by a dedicated Remuneration Committee governed by the Board of Directors, and that the criteria for remuneration shall be based on the responsibilities, role, competence and position of the relevant senior executive. Remuneration to senior executives is decided by the Board of Directors, excluding any Board members affiliated to the Company and management. The guidelines shall apply to new agreements, or revisions to existing agreements reached with senior executives after the guidelines were determined, and until new or revised guidelines have become effective.

Senior executives shall be offered fixed compensation on market terms and based on the managers' responsibilities, role, competencies and position. Fixed compensation shall be reviewed annually.

From time to time, senior executives may be offered variable remuneration. Such variable remuneration shall be on market terms and be based on the outcome of predetermined financial and individual targets. The conditions and basis for calculating variable remuneration shall be determined for each operational year. Variable remuneration is paid out during the year after earning, and can be paid as salary or as a lump-sum pension premium. In the event of payment as a lump-sum pension premium, there is some indexation so the overall cost to NeuroVive is neutral. The basic principle is that the annual variable portion of pay may be a maximum of 30% of basic annual salary. Total variable remuneration to senior executives may not exceed SEK 1,500,000.

When determining variable remuneration to management payable in cash, the Board of Directors shall consider introducing restrictions that:

- make payment of a portion of such remuneration conditional on the sustainability of the results on which the earnings are based, and
- allow for the Company to reclaim compensation that has been paid on the basis of information that is later shown to be manifestly inaccurate.

Senior executives are entitled to pension solutions on market terms in accordance with collective agreements and/or with NeuroVive. All pension commitments shall be premium-based. Salary differentials can be utilized to increase pension provisions through lump-sum pension premiums, provided that the total cost to NeuroVive remains neutral.

The CEO has a maximum notice period of six months from NeuroVive's side and the maximum notice period for other senior executives is six months. The notice period is a minimum of six months from the CEO's side and the minimum notice period is three months for other senior executives.

The Board of Directors is entitled to depart from the above guidelines if the Board considers there are special reasons to justify such departure in individual cases. In connection with the former CEO Mikael Brönnegård's resignation, the board agreed on an extended nine month notice to the earlier agreed notice of six months. This is considered to fall within the Board's mandate as described above. Variable remuneration of SEK 1,076,620 was paid to senior executives in 2015, within the framework of the guidelines. Authorized remuneration totaling SEK 817,000 to the former CEO have not become due for payment.

The Auditor has presented a statement to the AGM 2016 relating to whether the Board of Directors followed the adopted guidelines for remuneration to senior executives in 2015. The Auditor's statement concludes that NeuroVive followed the guidelines. The Board of Director proposes the that the same principles apply in 2016 as in 2015 adding that in addition to the notice period, severance pay can amount to a maximum of six months' salary and benefits for the CEO.

Share-based incentive program
There are currently no active incentive programs.

Auditors

The Auditors shall examine the Company's annual accounts and accounting records, and the Board of Directors' and CEO's administration. The Auditors shall present an Audit Report and a Consolidated Audit Report to the AGM at the end of each financial year. The Company's Auditors shall be appointed for a period of four years by the shareholders at the AGM. The AGM 2012 appointed Mazars SET Revisionsbyrå AB as the Company's Auditors. Bengt Ekenberg is Auditor in Charge. In order to ensure that the standards applying to the Board of Directors relating to information and control are satisfied, the Auditors regularly report to the Audit Committee on accounting matters and potential misstatements or suspected improprieties. In addition, the Auditors attend most of the Audit Committee's meetings and Board meetings as required. At least once a year, the Auditors present a report to the Board of Directors without the CEO or other members of the Company's operational management attending.

Remuneration to the Auditors
The AGM 2015 resolved on remuneration to the Auditors on the basis of approved account and customary debiting practice. Audit assignments are defined as reviewing the annual accounts an accounting records, as well as the Board of Directors' and CEO's administration, any other duties incumbent on the Company's Auditor and consultancy or other assistance arising from observations made in connection with such review or performance of other such duties. During control activities in the year, the Audit Committee concluded that the Auditors are non-affiliated to the Company. Information on Audit fees is in Note 9 on page 61. The Interim Report for the period January—September 2015 has been subject to a summary review by the Auditor.

Insider information and silent periods

Insiders are defined as members of the Board of Directors, management, Authorized Public Accountant Bengt Ekenberg, a number of employees/subcontractors of NeuroVive. In addition, a number of persons with specific functions in the group's subsidiaries also form part of this group. All these persons hold positions that can normally be considered to confer access to unpublished share price-sensitive information have been registered with the Swedish Financial Supervisory Authority as possessing insider information about NeuroVive.

Such individuals are obliged to notify any changes in their holdings of financial instruments in NeuroVive in accordance with The Act concerning Reporting Obligations for certain Holdings of Financial Instruments.

Listed companies are required to keep a record, logbook, of individuals employed or subcontracted by the Company or who otherwise have access to insider information relating to the Company. This can include insiders, but also other individuals with access to insider information without being registered as insiders in relation to the Company.

NeuroVive keeps a logbook for each financial report or press release where the information could affect the share price.

Silent periods
NeuroVive applies a silent period of a minimum of 30 days before publication of Interim Reports. During this period, group representatives refrain from contacts with the financial media, analysts or investors.

Internal controls over financial reporting

The overall aim of internal controls is to ensure, to a reasonable extent, that the Company's operational strategies and targets are monitored and that the owners' investments are protected. Internal controls should also secure reasonable assurance that external financial reporting is accurate and has been prepared in accordance with generally accepted accounting practice, that applicable legislation and stipulations are followed and that requirements made on listed companies are satisfied. The internal control environment mainly comprises the following five components: control environment, risk assessment, control activities, information and communication and follow-up.

Control environment
NeuroVive's control environment includes its organizational structure, decision-paths, responsibilities and authorizations, which are clearly defined in a number of constitutional documents. The constitutional documents have been adopted by the Board of Directors to ensure an effective control environment.

The Company's control environment consist of collaborative initiatives between the Board of Directors, the Remuneration and Audit Committees, the CEO, the CFO, internally appointed staff and the Company's Auditor. Control is also exercised through the reporting procedures adopted in the Company's finance manual, including financial reporting to the Board of Directors, and a yearly report to the Board of Directors on completed internal control procedures.

The Audit Committee has overall responsibility for ensuring that the internal control regarding financial reporting and reporting to the Board of Directors is effective. The Audit Committee performs quarterly reconciliation with the company's CEO and Auditor. In addition, the documentation produced for Management's evaluation of the company's internal control is reviewed and evaluated annually.

Risk assessment
Risks assessment includes identifying risks that may arise if the fundamental standards of financial reporting in the group are not satisfied. A review takes place to ensure that the Company has an infrastructure that enables effective and expedient control, and an assessment of the Company's financial position and significant financial, legal and operational risks.

Pharmaceuticals development is associated with risks and is a capital-intensive process. The risk factors judged to be of particular significance to NeuroVive's future progress are the outcome of clinical studies, measures taken by regulatory authorities, competition and pricing, collaboration partners, liability risk, patents, key staff and future capital requirement.

Control activities
Control activities limit identified risks and ensure accurate and reliable financial reporting. The Audit Committee and the Board of Directors are responsible for the internal control and monitoring of management. This is achieved through internal and external control activities and by reviewing the Company's constitutional documents governing risk management. The results of internal controls are compiled and a report presented to the Board of Directors and the Audit Committee annually.

Information and communication
The Company has information and communication paths intended to promote the accuracy of financial reporting and ensure reporting and feedback from operations to the Board of Directors and management, through means including constitutional documents such as internal policies, guidelines and instructions relating to financial reporting being made available and presented to the relevant staff.

Monitoring
NeuroVive monitors the observance of the Company's constitutional documents and routines relating to internal controls. Management reports to the Audit Committee on internal controls at each meeting.

The Board of Directors is regularly updated on the Company's financial position and profit/loss against budget as well as on development projects in relation to the relevant project budgets. The CEO presents a written report at each regular Board meeting, or when the need arises, directly to the Board of Directors on the monitoring and status of the Company's ongoing projects and drug candidates.

Special evaluation of the requirement for internal audit
NeuroVive does not conduct an internal audit. The Board of Directors evaluates the need for this function annually and judges that, given the Company's size with relatively few employees and limited transactions, there is no need to institute a formal internal audit function.

Compliance with Swedish stock market regulations and accepted stock market practice
NeuroVive has not been subject to any ruling by Nasdaq Stockholm's disciplinary commission or statements by the Swedish Securities Council relating to breaches of Nasdaq's regulatory framework for issuers or good accounting practice on the stock market in the financial year 2015.

NeuroVive's Board of Directors

Gregory Batcheller
Chair since 2008 and board member since 2000.
Born: 1957
Education: Juris Doctor, University of Toronto, LL.M., Lunds Universitet and BSc. in Political Economy, London School of Economics.
Other assignments: Chair of A1M Pharma AB, Monocl AB and Xintela AB, owner, CEO and chair of Stanbridge Corporation BVBA (Belgium) and board member of Business Research Life Sciences Ltd (United Kingdom).
No. of shares in NeuroVive: 380 332 shares (including family) and shares in Maas Biolab LLC (owner of 3 874 432 shares in NeuroVive) where Gregory Batcheller controls 1,74 percent of the votes.
Other: Affiliated to the Company and the management. Non-affiliated to major owners.

Arne Ferstad
Board member since 2010.
Born: 1950
Education: Finance/Marketing, Markedsforingskolen, Oslo, Norway and Management at INSEAD/Cedep, France.
Other assignments: CEO and chair of Ankor Consultants Ltd (United Kingdom), chair in Aggancio Research AB and CombiGene AB and board member of Clinical Laserthermia Systems AB.
Shares in NeuroVive: 32 623 aktier (including family).
Other: Affiliated to the Company and the management. Non-affiliated to major owners.

Boel Flodgren
Board member since 2013.
Born: 1942
Education: Juris Doctor, Lunds universitet.
Other assignments: -
Shares in NeuroVive: 14 000 aktier (including family).
Other: Non-affiliated to the Company, the management and to major owners.

Marcus Keep
Board member since 2000.
Born: 1959
Education: Läkarexamen och BSc. i Kemi, Medical University of South Carolina och BA. i religion, Dartmouth College.
Other assignments: CEO and chair of Maas Biolab LLC (USA) and CEO of Keep Enterprises, LLC (USA) and Restorative Neurosurgery Foundation (USA).
Shares in NeuroVive: 425 929 shares (including family) and shares in Maas Biolab LLC (owner of 3 874 432 shares in NeuroVive) where Marcus Keep controls 48,44 percent of the shares.
Other: Affiliated to major owners. Non-affiliated to the Company and management.

Helena Levander
Board member since 2012.
Born: 1957
Education: B.Sc. (Econ.), Stockholm School of Economics, Stockholm.
Other assignments: Chair of Nordic Investor Services Aktiebolag and board member of Collector AB, Concordia Maritime Aktiebolag, Hans Andersson Recycling Group Aktiebolag, Medivir Aktiebolag, Pensare Grande AB and Stampen AB.
Shares in NeuroVive: 20 000 aktier.
Other: Non-affiliated to the Company, the management and to major owners.

Anna Malm Bernsten
Board member since 2013.
Born: 1961
Education: M.Sc. Eng., KTH Royal Institute of Technology, Stockholm.
Other assignments: Chair of Ceral Base CEBA AB and Oatly AB, boardmember and CEO of Bernsten Konsult AB and board member of Arcam AB, Björn Axén Institut AB, CellaVision AB, Medivir AB and Pågengruppen AB.
Shares in NeuroVive: -
Other: Non-affiliated to the Company, the management and to major owners.

Helmuth von Moltke
Board member since 2005.
Born: 1937
Education: Law degree, Oxford University.
Other assignments: Chair of Freya von Moltke Stiftung (Germany), CEO of Krzyzowa Kreisau Foundation (US) and Board member of Rosenstock Huessy Fund (US).
Shares in NeuroVive: 324 118 shares (including family).
Other: Non-affiliated to the Company, the management and to major owners

Carl Fredrik Olsson
Board Member since 2015.
Born: 1962
Education: Econ., Frans Shartau Gymnasium.
Other assignments: CEO of Baulos Capital Belgium SA and Baulos International SA.
Shares in NeuroVive: 15 000 shares and 4 020 000 shares through affiliated company.
Other: Affiliated to major owners. Non-affiliated to the Company and management.

NeuroVive's management 2015

Jan Nilsson
Acting CEO since 2015. Earlier COO and member of the board.
Born: 1949
Education: M.Sc. of Biology and Chemistry, University of Gothenburg and MBA, University of Uppsala.
Other assignments: Board member of CanlmGuide Therapeutics AB.
Shares in NeuroVive: 6 908 shares.

Eskil Elmér
CSO since 2000 and earlier CEO and member of the board.
Born: 1970
Education: Medical degree PhD, Lund University.
Other assignments: Board member of Maas Biolab LLC (US) and Restorative Neurosurgery Foundation (US).
Shares in NeuroVive: 423 275 shares (including family) and shares in Maas Biolab LLC (owner of 3 874 432 shares in NeuroVive) where Eskil Elmér controls 17,09 of the shares.

Magnus Hansson
CMO since 2016.
Born: 1976
Education: Medical Degree PhD, Lund University. Board certified Clinical Physiology.
Other assignments: -
Shares in NeuroVive: 68 478 shares.

Catharina Jz Johansson
CFO since 2013.
Born: 1967
Education: B.Sc. Econ, Sundsvall/Härnösand's University.
Other assignments: -
Shares in NeuroVive: 5 000 shares.

Erik Kinnman appointed new CEO

In February 2016, NeuroVive's board of directors appointed Erik Kinnman as the new CEO of the company. He will assume the role on March 14, 2016. Erik Kinnman has extensive industry and research experience and has held a number of senior leadership positions in companies such as AstraZeneca and Sobi. Erik Kinnman succeeded Jan Nilsson, who resumed his former position as COO.

We asked Erik Kinnman some questions on his view on the future direction of the company as well as his strengths he brings to his new leadership role.

What is your general view on NeuroVive and the company's project portfolio?
"NeuroVive has a strong position based on a unique research platform that has been underway for a several years with a number of projects that have great potential to treat diseases with an extensive unmet medical need. In addition to the innovative research, the company also has a competitive business strategy with efficient partnerships and projects with leading companies within both the academic world and the pharmaceutical industry. This is impressive for a company of NeuroVive's size."

"I would also like to highlight the work of the company's employees who can be characterized by a positive attitude and innovation. They are also very nice people and I am looking forward to a rewarding cooperation on the board, management and company employees at all levels."

What is your view on the company's research focused strategy and the way forward for the projects?
"The clinical projects within traumatic brain injury (TBI) and acute kidney injury (AKI) are very exciting with great potential. We expect that they will retain most of the market focus since these are the projects where we have made the most progress so far."

"At the same time, I find it important to highlight our earlier projects such as energy regulation at the cellular level with potential to develop treatments for rare diseases affecting children as well as adults. It is also easier and less costly to gain market approval for an orphan drug which is positive from an investment perspective."

What strengths do you bring to your position as CEO for NeuroVive?
"My background fits very well with NeuroVive's needs now that the company will focus more on innovative research even more than before. My background within research (physician, Ph.D., and Associate Professor at Karolinska Institutet) and clinical development as well as business development and financing in senior positions within other pharmaceutical companies enables me to understand the company and our projects from several important perspectives."

"I also bring a broad leadership experience that makes it possible to combine these approaches into a comprehensive strategy with clear communication messages to shareholders and other key stakeholders."

Consolidated Statement of Comprehensive Income, Group

(SEK 000)	Note	2015	2014
Net sales	6	2,502	7,152
Other operating income	7	522	1,181
Operating expenses	9,10	-48,514	-41,962
Personnel cost	11	-15,556	-10,346
Depreciation and write-down of tangible and intangible assets		-1,200	-441
Other operating expenses	8	-29,220	-838
		-94,490	**-53,587**
Operating income	5	**-91,466**	**-45,254**
Profit/loss from financial items			
Financial income	12	1,100	1,124
Financial costs	13	-435	-544
		665	580
Profit/loss before tax		**-90,801**	**-44,673**
Income tax	14	-	-
Profit/loss for the period		**-90,801**	**-44,673**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation differences on foreign subsidiaries		-667	-269
Total other comprehensive income, net after tax		*-667*	*-269*
Total comprehensive income for the period		**-91,468**	**-44,942**
Loss for the period attributable to:			
Parent company shareholders		-90,119	-42,549
Non-controlling interests		-682	-2,124
		-90,801	**-44,673**
Total comprehensive income for the period			
Parent company shareholders		-90,207	-42,770
Non-controlling interests		-1,261	-2,173
		-91,468	**-44,942**
Earnings per share before and after dilution (SEK) based on average number of shares	15	-3.01	-1.53

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Consolidated Statement of Financial Position, Group

(SEK 000)	Note	15-12-31	14-12-31
ASSETS			
Non-current assets			
Intangible assets			
Development costs	16	59,803	68,368
Patents	17	13,023	11,146
Other intangible assets	18	2,078	87
		74,904	**79,601**
Tangible assets			
Equipment	19	316	344
		316	**344**
Financial Asset			
Other long-term securities		1	–
Other non-current receivables		148	–
		149	**–**
Total non-current assets		**75,369**	**79,945**
Current assets			
Other receivables		2,368	1,123
Prepaid expenses and accrued income	21	528	502
Cash and cash equivalents	22	96,662	49,698
		99,558	**51,323**
TOTAL ASSETS		**174,927**	**131,268**
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company			
Share capital	23	1,537	1,389
Additional paid in capital	24	335,687	207,812
Translation reserve	25	-190	-102
Retained earnings	26	-195,906	-105,787
Total equity attributable to the shareholders of the parent		**141,128**	**103,312**
Non-controlling interests		**13,651**	**4,529**
Total equity		**154,779**	**107,841**
Short-term liabilities			
Accounts payable		5,207	14,216
Other liabilities		601	1,801
Accrued expenses and deferred income	27	14,340	7,410
		20,148	**23,427**
Total liabilities		**20,148**	**23,427**
TOTAL EQUITY AND LIABILITIES		**174,927**	**131,268**

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Consolidated Statement of Changes in Equity, Group

	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 2014	**1,083**	**131,519**	**118**	**-57,264**	**75,456**	**-813**	**74,643**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-42,549	-42,549	-2,124	-44,673
Other comprehensive income							
Translation differences	-	-	-220	-	-220	-49	-269
Other comprehensive profit/loss for the period, net after tax	-	-	-220	-	-220	-49	-269
Total comprehensive profit/loss	**-**	**-**	**-220**	**-42,549**	**-42,769**	**-2,173**	**-44,942**
Transactions with shareholders:							
New share issue	306	76,293	-	-	76,599	-	76,599
Change of ownership in new issue				-5,974	-5,974	7,515	1,541
Total transactions with shareholders	**306**	**76,293**	**-**	**-5,974**	**70,625**	**7,515**	**78,140**
Closing balance, 31 December 2014	**1,389**	**207,812**	**-102**	**-105,787**	**103,312**	**4,529**	**107,841**
Opening balance, 1 January 2015	**1,389**	**207,812**	**-102**	**-105,787**	**103,312**	**4,529**	**107,841**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-90,119	-90,119	-682	-90,801
Other comprehensive income:							
Translation differences	-	-	-88	-	-88	-579	-667
Other comprehensive profit/loss for the period, net after tax	-	-	-88	-	-88	-579	-667
Comprehensive profit/loss for the period	**-**	**-**	**-88**	**-90,119**	**-90,207**	**-1,261**	**-91,468**
Transactions with shareholders							
New share issue **	148	119,427	-	-	119,575	-	119,575
New share issue with non-controlling interests		8,448			8,448	10,383	18,831
Total transactions with shareholders	**148**	**127,875**	**-**	**-**	**128,023**	**10,383**	**138,406**
Closing balance, 31 December 2015	**1,537**	**335,687**	**-190**	**-195,906**	**141,128**	**13,651**	**154,779**

* Relates to translation reserve, i.e. translation difference on conversion from foreign subsidiaries.

** Total equity includes funds from the in January completed private placement with 65,000,000 SEK less expenses 4,787,000 SEK and the in May completed private placement with 70,000,000 less expenses 10,639,000.

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Consolidated Statement of Cash Flows, Group

(SEK 000)	Note	2015	2014
Cash flow from operating activities			
Operating income		-91,466	-45,254
Adjustments for non-cash items:			
Depreciation		1,200	441
Currency differences on intercompany items		153	-278
Impaired value		28,135	–
Interest received		1,100	758
Interest paid		-435	-219
Net cash from operating activities before changes in working capital		**-61,313**	**-44,552**
Changes in working capital			
Increase/decrease of other current assets		-1,255	-16
Increase/decrease of other short-term liabilities		-4,652	936
		-5,907	920
Cash flow from operating activities		**-67,220**	**-43,632**
Investing activities			
Acquisition of intangible assets		-23,200	-23,251
Acquisition of tangible assets		-245	-178
Cash flow from investing activities		**-23,445**	**-23,429**
Financing activities			
New share issue		119,575	76,599
Share issue from non-controlling interests		18,831	–
Cash flow from financing activities		**138,406**	**76,599**
Cash flow for the period		**47,741**	**9,537**
Cash and cash equivalents at the beginning of the period		**49,698**	**39,992**
Effect of exchange rate changes on cash		**-777**	**169**
Cash and cash equivalents at end of period	22	**96,662**	**49,698**

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Income Statement, Parent Company

(SEK 000)	Note	2015	2014
Net sales	5	327	7,546
Other operating income	7	509	29,125
		836	**36,671**
Operating expenses			
Other external expenses	9,10	-45,774	-35,383
Personnel cost	11	-13,376	-10,346
Depreciation and write-down of tangible and intangible assets		-1,106	-441
Other operating expenses	8	-29,221	-816
		-89,477	**-46,986**
Operating income	5	**-88,641**	**-10,315**
Profit/loss from financial items			
Interest income and other similar profit items	12	601	936
Group interest income		53	111
Interest expenses and other similar loss items	13	-152	-376
		502	**671**
Profit/loss before tax		**-88,139**	**-9,644**
Income tax	14	–	–
Profit/loss for the period		**-88,139**	-9,644

Statement of Comprehensive Income, Parent Company

(SEK 000)	Note	2015	2014
Profit/loss for the period		-88,139	-9,644
Other comprehensive income		–	–
Total comprehensive profit/loss for the period		**-88,139**	**-9,644**

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Company Balance Sheet, Parent Company

(SEK 000)	Note	2015	2014
ASSETS			
Development costs	16	59,568	68,133
Patents	17	13,023	11,146
Other intangible assets	18	2,023	87
		74,614	**79,366**
Tangible assets			
Equipment	19	232	212
		232	**212**
Financial assets			
Other non-current receivables		1	–
Shares in subsidiaries	20	41,750	33,618
		41,751	**33,618**
Total non-current assets		**116,597**	**113,196**
Current assets			
Short term receivables			
Receivables from group companies		334	2,195
Other receivables		1,323	1,067
Prepaid expenses and accrued income	21	492	498
		2,149	**3,760**
Cash and bank balances	22	**75,936**	**48,842**
Total current assets		**78,085**	**52,602**
TOTAL ASSETS		**194,682**	**165,798**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	23	1,537	1,389
Statutory reserve		1,856	1,856
		3,393	**3,245**
Unrestricted equity			
Share premium reserve		119,427	76,293
Retained earnings		141,070	74,422
Profit/loss for the period		-88,139	-9,644
		172,358	**141,071**
Total equity		**175,751**	**144,316**
Short-term liabilities			
Accounts payable		4,192	13,823
Liabilities to group companies		–	6
Other liabilities		399	243
Accrued expenses and deferred income	27	14,340	7,410
		18,931	**21,482**
TOTAL EQUITY AND LIABILITIES		**194,682**	**165,798**
MEMORANDUM ITEMS	28		
Pledged assets		None	None
Contingent liabilities		None	None

Statement of Changes in Equity, Parent Company

	Restricted Equity		Unrestricted Equity		
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total Equity
Opening balance 1 January 2014	**1,083**	**1,856**	**33,470**	**40,952**	**77,361**
Comprehensive profit/loss for the period					
Disposition according to AGM	-	-	-33,470	33,470	-
Profit/loss for the period	-	-	-	-9,644	-9,644
Total comprehensive profit/loss	**-**	**-**	**-**	**23,826**	**23,826**
Transactions with shareholders					
New share issue	306	-	76,293	-	76,599
Total transactions with shareholders	**306**	**-**	**76,293**	**-**	**76,599**
Closing balance, 31 December 2014	**1,389**	**1,856**	**76,293**	**64,778**	**144,316**
Opening balance 1 January 2015	**1,389**	**1,856**	**76,293**	**64,778**	**144,316**
Comprehensive profit/loss for the period					
Disposition according to AGM	-	-	-76,293	76,293	-
Profit/loss for the period	-	-	-	-88,139	-88,139
Total comprehensive profit/loss	**-**	**-**	**-76,293**	**-11,846**	**-88,139**
Transactions with shareholders					
New share issue	148	-	119,427	-	119,575
Total transactions with shareholders	**148**	**-**	**119,427**	**-**	**119,575**
Closing balance, 31 December 2015	**1,537**	**1,856**	**119,427**	**52,932**	**175,752**

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Statement of Cash Flows, Parent company

(SEK 000)	Note	2015	2014
Cash flow from operating activities			
Operating income		-88,641	-10,315
Adjustments for non-cash items:			
Depreciation		1,106	441
Profit from license sales		–	-27,948
Impaired value		28, 135	–
		-59,400	**-37,822**
Interest received		654	680
Interest paid		-152	-51
Net cash from operating activities before changes in working capital		**-58,898**	**-37,193**
Changes in working capital			
Increase/decrease of other current assets		1,609	-2,958
Increase/decrease of other short-term liabilities		-3,710	-1,167
		-2,101	**-4,125**
Cash flow from operating activities		**-60,999**	**-41,318**
Investing activities			
Acquisition of intangible assets		-23,120	-23,161
Acquisition of tangible assets		-230	-47
Cash flow from investing activities		**-23,350**	**-23,208**
Financing activities			
New share issue		119,575	76,599
Change of ownership in subsidiary		-8,132	-
Cash flow from financing activities		**111,443**	**76,599**
Cash flow for the period		27,094	12,073
Cash and cash equivalents at the beginning of the period		48,842	36,769
Cash and cash equivalents at end of period	22	**75,936**	**48,842**

Notes in page 54-67 are assumed to be fully integrated section of the annual report.

Notes on the consolidated and parent company financial statements

1 General information

NeuroVive Pharmaceutical AB (publ), with corporate identity number 556595-6538, is a limited company registered in Sweden, with its registered office in Lund. The address of the head office is Medicon Village, Scheelevägen 2, 223 81 Lund, Sweden. The company and its subsidiary (the "group") conduct research and development into pharmaceuticals that protect the mitochondria and pharmaceuticals to promote more effective mitochondrial function.

The drug development technology platform is cyclosporine A, versions of cyclosporine, and molecules with a similar structure, which together, constitute a new class of pharmaceutical called cyclophilin inhibitors. The project portfolio also includes drug candidates for cellular energy regulation.

2 Väsentliga redovisningsprinciper

Basis of preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR's (Rådet för finansiell rapportering, the Swedish Financial Reporting Board) recommendation RFR 1, Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU.

Basis of preparation of the financial statements

The group's functional currency is the Swedish krona (SEK), which is also the company's presentation currency. Unless otherwise stated, financial reports are in SEK. Unless otherwise stated, all amounts are rounded to the nearest thousand.

Assets and liabilities are recognized at historical cost.

The preparation of the financial statements in compliance with IFRS requires the Board of Directors and management to make judgments and estimates in the appropriate application in applying the accounting policies and reported amounts of assets, liabilities, income and expenses. These judgments and estimates are based on historical experience and know-how of the sector in which NeuroVive is active and that are believed to be reasonable under the circumstances. The results of the judgments and estimates are used to determine the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates. The judgments and estimates are reviewed on an on-going basis and revisions are recognized in the Income Statement. Judgments made by the Board of Directors and management when applying the accounting principles in accordance with IFRS that could have a significant impact on the financial statements, and judgments that could imply significant adjustments to financial statements for ensuing years are presented in more detail under Note 3.

The group's accounting policies described below are unchanged from the previous year unless otherwise stated.

New and amended standards applied by the Group

None of the Standards to be applied by the Group for the first time for fiscal year beginning 1 January 2015 has had or expected to have any impact on the Group´s accounting policies or disclosures.

New standards and interpretations not yet adopted by the Group

A number of new standards and interpretations are effective for fiscal year´s beginning after 1 January, 2015 and has not been applied in preparing these financial statements. These new standards and interpretations are expected to have impact on The Group´s financial statement.

IFRS 15, "Revenue from contracts with customers". IFRS 15 treats how the accounting of revenues shall be made. Revenue shall according to IFRS 15 be accounted when the customer receives the control over the sold goods or service and the customer has opportunity to use the goods or service. The Group estimate that the new standard have no major impact on the financial statements, but will lead to increased disclosure requirements. IFRS 15 is applicable for financial years beginning 1 January, 2018 and has not yet been adopted by EU.

IFRS 16 Leases. In January 2016 the IASB published a new leasing standard that will replace IAS 17 Leases and related interpretations IFRIC 4, SIC-15 and SIC-27. The new standard requires lessees to recognize nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability to pay rentals. The lessor's accounting' model largely remains unchanged. The new leases standard comes into effect on 1 January 2019. Early application is permitted provided that also IFRS 15 Revenue from Contracts with Customers is applied. The EU has not yet adopted the standard. The Group has not yet assessed the impact of IFRS 16.

No other IFRS or IFRIC-interpretations, which not yet has entered into force is estimated to have any major impact on the Group.

Consolidated accounts

The consolidated accounts include the parent company NeuroVive Pharmaceutical AB and those companies over which the parent company exerts a controlling influence directly or indirectly (subsidiaries). Subsidiaries are defined as all companies (including structured entities) where the company has a controlling influence. The group is judged to control a company when it is exposed to or becomes entitled to variable returns on its holding in the company and is able to influence such returns as a result of its influence in the company. Subsidiaries are included in the consolidated financial statements from the date the controlling influence is transferred to the group. They are deconsolidated from the date when the controlling influence ceases.

When the controlling influence over the group company ceases, but the group retains shares in the company, remaining shares are initially recognized at fair value. Profit or loss is recognized in the Income Statement.

For information about which subsidiaries are included in the group and financial information about the most significant non-controlling interests in subsidiaries, see Note 20 of the Parent Company financial statements.

The acquisition method is applied for recognizing the group's business combinations. The purchase price for acquiring a subsidiary consists of the fair val-

ue of transferred assets, liabilities that the group takes over from the previous owner of the acquired company, and those shares issued by the group. The purchase price also includes the fair value of all assets or liabilities that are a result of an agreement on conditional purchase price. Identifiable acquired assets and liabilities taken over in a business combination are initially recognized at fair value on the acquisition date. For each acquisition—i.e. acquisition by acquisition—the group decides whether non-controlling interests in the acquired companies should be recognized at fair value or at the holding's proportional share of the carrying amount of the acquired company's identifiable net assets. Acquisition-related costs are expensed immediately

The group's profit or loss and components of other comprehensive income are attributable to the parent company's equity holders and to non-controlling interests, even if this results in a negative value of non-controlling interests.

The accounting policies of the subsidiary are adjusted as required for consistency with the group's accounting policies. All intragroup transactions, balances and unrealized gains and losses attributable to intra-group transactions are eliminated in the preparation of the consolidated accounts.

Transactions with non-controlling interests. Changes to parent company holdings in a subsidiary that do not cause a loss of controlling influence are recognized as equity transactions (i.e. transactions with the group's equity holders). Any difference between the amounts by which non-controlling interests are restated and the fair value of the compensation received or paid are recognized directly in equity and allocated to the parent company's equity holders.

Operating segments

An operating segment is a part of a Company that conducts business operations from which it can receive revenues or incur expenses, whose operating earnings are regularly reviewed by the Company's chief operating decision-maker, and for which there is independent financial information available. NeuroVive's reporting of operating segments is consistent with its internal reporting to the chief operating decision-maker. The chief operating decision-maker is that function that judges the profit or loss of operating segments and decides on the allocation of resources. NeuroVive's judgment is that the CEO is the chief operating decision-maker. Profit or loss for the group as a whole is stated in the regular internal reporting to the CEO. The CEO does not regularly review profit or loss at a lower level to take decisions on the allocation of resources or for judging the profit or loss of different parts of the group. Accordingly, the group is considered to consist of a single operating segment.

Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be mainly recovered through sale and not through continuous usage. To satisfy this criterion it has to be very likely that the sale will occur and the asset (or disposal group) should be available for immediate sale in its current condition. Non-current assets (or disposal groups) classified as held for sale are recognized at the lower of carrying amount and fair value with a deduction for selling expenses. At present, the group does not have any non-current assets held for sale.

Revenue recognition

The Company's revenue principle is that revenues are the fair value of what will be received for goods and services sold in NeuroVive's operations. Revenues are recognized excluding value-added tax and with the elimination of intragroup sales. NeuroVive recognizes revenue when its amount can be measured reliably, it is likely that future economic benefits will flow to NeuroVive and when the essential risks and rewards have transferred to the buyer.

Up-front payments. Up-front payments can be received on entering collaboration agreements and are not repayable. An up-front payment where there is a remaining obligation to render services on the Company's part are considered as advance payments. In such cases, the Company has not finished accruing revenues before the estimated or predetermined collaboration period expires. The amount is allocated on entering the agreement in accordance with the estimated or predetermined collaboration period.

If there is no reservation or other obstacle to receiving compensation and this does not relate to future performance on NeuroVive's part, the up-front payment from the counterparty will be recognized as revenue on entering the agreement.

Milestone payments. Any agreed milestone payments are recognized as revenues if and when the contract counterparty satisfies the agreed criteria and the agreement with the counterparty is secured. Such criteria may consist of study endpoints, registration of pharmaceuticals or sales achieved.

Royalties. Any future royalty revenues are recognized as revenue in accordance with the economic substance of agreements.

Revenue from sales of goods. Future sales of developed pharmaceuticals may also consist of sales of goods. These revenues will be recognized when the essential risks and rewards associated with ownership of goods as transferred to the buyer and when the revenue amount can be measured reliably.

Dividend and interest income. Dividend income is recognized when the shareholder's right to receive payment has been determined.

Interest income is recognized and allocated over its term by applying the effective interest method. Effective interest is the interest that makes the present value of all future payments made and received during the fixed-interest period equal to the carrying amount of the receivable.

Lease arrangements

A finance lease is an agreement by which the economic risks and rewards associated with ownership of an item are essentially transferred from the lessor to the lessee. Other lease arrangements are classified as operating leases. The group only has operating leases.

Lease payments in operating leases are expensed on a straight-line basis over the lease term, providing there is no systematic way to better reflect the user's economic benefit over time.

Foreign currency

Items recognized in the financial statements of the various units of the group are recognized in the currency used in the primary economic environment where each unit mainly conducts operations (functional currency). In the consolidated accounts, all amounts are translated to Swedish kronor (SEK) which is the parent company's functional currency and the group's reporting currency.

Transactions in foreign currency are translated in each unit to the functional currency of that unit at the rate of exchange ruling on the transaction date. Monetary items in foreign currency are translated at closing day rates. Non-monetary items, measured at fair value in a foreign currency, are translated at the rate of exchange ruling on the date when fair value is determined. Non-monetary items measured at historical cost in a foreign currency are not translated.

Exchange rate differences are recognized in profit or loss for the period when they occur.

When preparing the consolidated accounts, foreign subsidiaries' assets and liabilities are translated to Swedish kronor at the closing day rate. Revenue and expense items are translated at average rates of exchange for the period, unless the rate of exchange fluctuated significantly in this period, when instead, the rate of exchange ruling on the transaction date is utilized. Potential translation differences arising are recognized in other comprehensive income and transferred to the group's translation reserve. When disposing of a foreign subsidiary, such translation differences are recognized in profit or loss as a part of the capital gain.

Borrowing costs

Borrowing costs Directly attributable to the purchase, construction or production of an asset that requires significant time for completion for intended use or sale are included in the cost of an asset until the time when the asset is completed for its intended usage or sale. Interest income from the temporary in-

vestment of borrowed funds for the aforementioned assets are deducted from the borrowing costs that may be included in the cost of the asset. Other borrowing costs are recognized in profit or loss in the period they arise.

Government grants

Government grants are recognized at fair value when it is reasonably certain that the Company will satisfy the conditions associated with the grant and the grant will be received. Government grants are recognized systematically in profit or loss over the same period as the grants are intended to compensate for. Grants that relate to purchases of assets are recognized as a reduction of the fair value of the assets, which means that the grant is recognized in profit or loss during the depreciable asset's useful life in the form of lower depreciation. Grants relating to profit or loss are recognized in other operating income in the Statement of Comprehensive Income.

Employee benefits

Employee benefits in the form of salaries, bonuses, vacation pay, paid sickness absence, etc. as well as pensions should be recognized as they are accrued. Pensions and other benefits after terminated employment are classified as defined contribution or defined benefit pension plans. The group has defined contribution pension plans only.

Defined contribution plans. For defined contribution plans, the Company pays predetermined fees to a separate independent legal entity and has no obligation to pay any further contributions. The group's profits or loss is charged for expenses as benefits accrue, which is normally coincident with the timing of when premiums are paid.

Taxes

The tax expense is the total of current tax and deferred tax.

Current tax. Current tax is computed on taxable profit or loss for the period. Taxable profit differs from reported profit or loss in the Statement of Comprehensive Income because it has been restated for non-taxable income and non-deductible expenses and for revenue and expenses that are taxable or tax deductible in other periods. The group's current tax liability is computed using the tax rates that are enacted or substantively enacted on the reporting date.

Deferred tax. Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable values used for computing taxable profit. Deferred tax is recognized in accordance with the balance sheet method. Deferred tax liabilities are recognized for basically all taxable temporary differences, and deferred tax receivables are recognized for basically all deductible temporary differences to the extent it is likely that these amounts can be utilized against future taxable surpluses. Deferred tax liabilities and tax receivables are not recognized if the temporary difference relates to goodwill or if it arises as a result of a transaction that is the first-time recognition of an asset or a liability (that is not a business combination), and which at the time of the transaction, neither affects reported nor taxable profit.

A deferred tax liability is recognized for the taxable temporary differences relating to investments in subsidiaries, apart from those cases the group can control the timing of reversal of the temporary differences and it is likely that such reversal would not occur within the foreseeable future. The deferred tax receivables that relate to deductible temporary differences regarding such investments should only be recognized to the extent it is likely that amounts can be used against future taxable surpluses, and it is likely that such usage will occur within the sustainable future.

The carrying amount of deferred tax receivables is tested at each reporting date and reduced to the extent it is no longer likely that sufficient taxable surpluses will be available to be used wholly or partly against the deferred tax receivable.

Deferred tax is computed using the tax rates expected to apply for the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) enacted or substantively enacted on the reporting date.

Deferred tax assets and tax liabilities are offset when they relate to income taxes charged by the same authority, and when the group intends to settle the tax with a net amount.

Current and deferred tax for the period. Current and deferred tax is recognized as an expense or revenue in profit or loss, apart from when tax relates to transactions recognized in other comprehensive income or directly against equity. In such cases, tax should also be recognized in other comprehensive income, or directly against equity. In current and deferred tax arising on recognition of business combinations, the tax effect should be recognized in the acquisition analysis.

Tangible fixed assets

Tangible fixed assets are recognized at historical cost after deducting for accumulated depreciation and potential impairment.

Historical cost consists of the purchase price, expenditure directly related to the asset to bring it to the place and condition for use and estimated expenditure for disassembly and removal of the asset and restoration of the site of its location. Additional expenditure is only included in the asset or recognized as a separate asset if it is likely that future economic benefits that relate to the item will flow to the group and the historical cost for the item can be measured reliably. All other expenses for repairs and maintenance and additional expenditure is recognized in profit or loss in the period when it arises.

Depreciation of tangible fixed assets is expensed so that asset value less estimated residual value at the end of the useful life is depreciated on a straight-line basis over its estimated useful life, which is estimated at:

Equipment 3-5 yrs.

Estimated useful lives, residual values and depreciation methods are reconsidered at least at the end of each accounting period, with the effect of potential changed assessments recognized prospectively.

The carrying amount of a tangible fixed asset is de-recognized from the Statement of Financial Position on disposal or sale, or where there are no future economic benefits expected from usage or disposal/sale of the asset. The gain or loss arising on the disposal or sale of the asset consists of the difference between potential net revenues on sale and its carrying amount, recognized in profit or loss in the period when the asset is de-recognized from the Statement of Financial Position.

Intangible assets

Separately acquired intangible assets. Intangible assets with definite useful lives that are acquired separately are recognized at historical cost less deductions for accumulated amortization and potential accumulated impairment. Amortization is on a straight-line basis over the asset's estimated useful life. Estimated useful lives and amortization methods are reconsidered at least at the end of each financial year, with the effect of potential changed assessments recognized prospectively. Estimated useful lives of intangible assets are estimated at:

Patents 3-20 yrs.
Other intangible assets 5-20 yrs.

Accounting policies for research and development. Development expenses are normally not capitalized until a development project enters phase I. For information on which phase the development projects lie in, refer to page 28.

Expenditure for research designed to obtain new scientific or technological knowledge is recognized as an expense when it arises.

Expenditure for development, where research results or other knowledge are applied to achieve new or improved products or processes, is recognized as an asset in the Statement of Financial Position only if the following conditions are satisfied:

- It is technically possible to complete the intangible asset and use or sell it,
- The Company intends to complete the intangible asset and use or sell it,
- The conditions to use or sell the intangible asset are in place,
- The Company demonstrates how the intangible asset will generate likely future economic benefits,
- There are adequate technological, economic and other resources to complete development and to use or sell the intangible asset, and
- The expenditure relating to the intangible asset during its development can be measured reliably

Because the period when the Company's research and development projects are expected to be registered as pharmaceuticals lies a long way in the future, it is highly uncertain when the probable future economic benefits will flow to the Company. The initial assumption for when all of the above criteria can be considered satisfied for NeuroVive's projects relating to pharmaceuticals is normally when development projects enter phase I.

Other development expenditure that does not satisfy these criteria is expensed when it arises. Development expenditure previously expensed is not recognized as an asset in subsequent periods. Directly related expenditure that is capitalized mainly consists of expenditure from subcontractors and expenses for employees.

After first-time reporting, capitalized development expenditure is recognized at cost after deducting for accumulated amortization and potential accumulated impairment. Amortization of capitalized expenditure for product development has not yet commenced.

Disposal and sale. An intangible asset is de-recognized from the Statement of Financial Position on disposal or sale, or when no future economic benefits are expected from the use or disposal/sale of the asset. The gain or loss arising when an intangible asset is de-recognized from the Statement of Financial Position consists of the difference between the amount received on sale and the asset's carrying amount, and is recognized in profit or loss when the asset is de-recognized from the Statement of Financial Position.

Impairment of tangible fixed assets and intangible assets

The group analyses the carrying amounts of tangible and intangible assets at each reporting date to determine whether there is any indication that the value of these assets has decreased. If so, the asset's recoverable amount is computed to be able to determine the value of potential impairment. When it is not possible to compute the recoverable amount of an individual asset, the group computes the recoverable amount of the cash-generating unit that the asset belongs to.

Intangible assets with indefinite useful lives and intangible assets that are not yet ready for use should be tested for impairment yearly, or when there is an indication of impairment. Accordingly, capitalized expenditure for product development is subject to impairment tests at least yearly.

The recoverable amount is the greater of the fair value less selling expenses and value in use. When computing value in use, estimated future cash flow is discounted to present value using a discount rate before tax that reflects the current market estimate of the time value of money and the risks associated with the asset.

If the recoverable amount of an asset (or cash generating unit) is set at a lower value than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is impaired to the recoverable amount. Impairment should be immediately expensed in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is revalued to the recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined if no impairment had been made on the asset (the cash-generating unit) in previous years. A reversal of an impairment is recognized immediately in profit or loss.

Financial instruments

A financial asset or financial liability is recognized in the Balance Sheet when the Company becomes party to the instrument's contracted terms. A financial asset or part of a financial asset is de-recognized from the Balance Sheet when the rights in the agreement are realized, expire or the Company relinquishes control over it. All of a financial liability is de-recognized from the Balance Sheet when the obligations in the agreement are satisfied or extinguished in another way.

The Company evaluates whether there are objective indications that a financial asset or group of financial assets are impaired due to events that have occurred on each reporting date. Examples of such events are a significantly deteriorated financial position of the counterparty or payment defaults on due amounts.

Financial assets and financial liabilities that are not measured at fair value through profit or loss in subsequent reporting are reported at fair value on first-time recognition with supplements or deductions for transaction expenses. Financial assets and financial liabilities that are measured at fair value via profit or loss in subsequent reporting, are reported at fair value on first-time recognition. In subsequent reporting, financial instruments are measured at amortized cost or fair value depending on initial categorization pursuant to IAS 39.

On first-time recognition, a financial asset or financial liability is categorized as one of the following:

Financial assets
- Fair value through profit or loss
- Loans receivable and accounts receivable
- Investments held to maturity
- Financial assets held for sale

Financial liabilities
- Fair value through profit or loss
- Other financial liabilities measured at amortized cost

NeuroVive's financial assets and financial liabilities are categorized as loans receivable and accounts receivable and other financial liabilities are measured at amortized cost.

The fair value of financial instruments. The fair values of financial assets and financial liabilities are measured as follows:

Fair values of financial assets and liabilities with standard terms traded on active marketplaces are measured based on quoted market prices.

The fair value of other financial assets and liabilities are measured using generally accepted valuation models and based on information obtained from observable relevant market transactions.

For all financial assets and liabilities, carrying amounts are judged as a close approximation of their fair value, unless otherwise specifically stated in the following notes.

Amortized cost. Amortized costs means the amount at which the asset or liability was initially reported less amortization, additions or deductions for accumulated accruals according to the effective interest method of the initial difference between the amount received/paid and the amount to be paid/received on maturity, and with deductions for impairment.

Effective interest is the interest that results in the initial carrying amount of the financial asset or financial liability after discounting all future expected cash flows over the expected term.

Offsetting financial assets and liabilities. Financial assets and liabilities are offset and recognized at a net amount in the Balance Sheet when there is a legal right to offset and when there is an intention to settle the items with a net amount or simultaneously realize the asset and settle the liability.

Cash and cash equivalents. Cash and cash equivalents include cash funds and bank balances and other short-term, liquid investments that can be readily converted to cash and are subject to an insignificant risk of value fluctuations. For

classification as cash and cash equivalents, maturities may not exceed three months from the time of acquisition. Cash funds and bank balances are categorized as "loan receivables and accounts receivable," which means measurement at amortized cost. Because bank balances are payable on demand, amortized cost corresponds to nominal amount.

Other receivables. Other short-term receivables that are financial are characterized as "loan receivables and accounts receivable," which means measurement at amortized cost. However, the expected maturity of these receivables is short, and accordingly, they are recognized at nominal amount without discounting. There is a deduction for debt considered doubtful. Impairment of receivables is recognized in operating expenses.

Accounts payable. Accounts payable are categorized as "other financial liabilities," which means measurement at amortized cost. However, the expected maturity of accounts payable is short, so these liabilities are recognized at nominal amount without discounting.

Liabilities to credit institutions and other loan liabilities. Interest-bearing bank borrowings, overdraft facilities and other loans are categorized as "other financial liabilities" and measured at amortized cost according to the effective interest method. Any differences between the loan amount received (net of transaction expenses) and repayment or amortization of loans is recognized over the loan term in accordance with the group's accounting policy on borrowing costs (see above).

Provisions

Provisions are recognized when the group has an existing obligation (legal or informal) as a result of an event that has occurred, it is likely that an outflow of resources will be required to satisfy the obligation and the amount can be measured reliably.

The amount provisioned is the best estimate of the amount necessary to satisfied the existing obligation on the reporting date, considering the risks and uncertainties associated with the obligation. When a provision is computed by estimating the payments expected to be required to satisfy the obligation, the carrying amount should correspond to the present value of these payments.

When part or all of the amount necessary to settle a provision is expected to be replaced by a third party, this reimbursement should be recognized separately as an asset in the Statement of Financial Position when it is essentially certain that it will be received if the company satisfies the obligation and the amount can be measured reliably. NeuroVive is not reporting any provisions as of 31 December 2015 or 31 December 2014.

Equity

Transaction expenses directly attributable to the issue of new ordinary shares or options are reported in equity as a deduction from the issue proceeds, net of tax.

Accounting policies for the parent company

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The application of RFR 2 means that as far as possible, the parent company applies all IFRS as endorsed by the EU within the auspices of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and considering the relationship between accounting and taxation. The differences between the parent company's and the group's accounting policies are reviewed below:

Classification and presentation. The parent company's Income Statement and Balance Sheet are presented in accordance with the Swedish Annual Account Act's format. The difference against IAS 1, Presentation of Financial Statements, applied on the presentation of the Consolidated Financial Statements, primarily relates to the recognition of financial revenues and expenses, non-current assets, equity and the incidence of provisions as a separate heading. The parent company also presents a separate Statement of Comprehensive Income, separately from the Income Statement.

Subsidiaries. Participations in subsidiaries are recognized at cost in the parent company's financial statements. Acquisition-related expenses for subsidiaries, which are expensed in the consolidated accounts, are part of the cost of participations in subsidiaries.

Financial instruments. The parent company does not apply IAS 39, Financial Instruments: Recognition and Measurement. The parent company applies a cost-based method, pursuant to the Swedish Annual Accounts Act.

3 Critical estimates and judgments

Important sources of uncertainty and estimates

The most important assumptions regarding the future and other important sources of uncertainty estimates as of the reporting date that involve a significant risk of material restatements to carrying amounts of assets and liabilities in following financial years are reviewed below.

Impairment testing of intangible assets. Because amortization of the Company's capitalized expenditure on product development has not yet commenced, impairment testing of them is conducted at least yearly. Other intangible and tangible non-current assets are subject to impairment tests if there is any indication that they are impaired. Impairment tests are based on a review of recoverable amounts, which are estimated based on assets' value in use. Management computes future cash flows in accordance with internal business plans and forecasts. This review also uses estimates of items including the discount rate and future growth rates beyond predetermined budgets and forecasts. The carrying amounts of intangible assets amount to SEK 74,904,000 (79,601,000), of which capitalized expenditure for product development represents SEK 59,803,000 (68,368,000). Changes to the assumptions made by management for impairment tests would have a significant impact on the Company's results of operations and financial position. The Circus study termination has been recognized as an imparied value of SEK 28,135,000 during the third quarter of 2015. Management does not consider that there was any impairment of the group's intangible assets as of 31 December 2015.

Critical judgments when applying the group's accounting policies

The following section reviews critical judgments, apart from those involving estimates (see above), made by management when applying the group's accounting policies, and that have the most significant effect on carrying amounts in the financial statements.

Timing of capitalization of expenditure for product development. Internally developed intangible assets such as capitalized expenditure for product development must satisfy a number of criteria for recognition in the Balance Sheet. These criteria are reviewed in accounting policies above. One of these criteria requires management to conduct an assessment of whether it is likely that the intangible asset will generate economic benefits. It is not until management can make this estimate that development expenditure on the project can start to be capitalized as an asset in the Balance Sheet.

NeuroVive conducts research into pharmaceuticals that protect cells. The company holds broad patents for its development platforms that include cyclosporins and sanglifehrins and focus on mitochondrial medicine. The company's drug candidates CicloMulsion and NeuroStat are based on a well-known active compound that is already registered as an approved pharmaceutical in a different therapeutic area. This significantly reduces the risks associated with the clinical phase and potential future market approval. The company is evaluating various types of innovative forms of collaboration with the intention of establishing a reduced-risk and cost-efficient business model. This enables NeuroVive to utilize selected partners' existing commercial channels to build future business areas such as the marketing and sales of future pharmaceuticals. NeuroVive also intends to evaluate a business model that includes outlicensing of drugs to major pharmaceutical companies for registration, marketing and sales. The company expects to derive income from a combination of fixed fees on outlicensing and milestones en route to launch, as well as ongoing royalty revenues and/or sales revenue.

Based on the above conditions, management judges that it is likely that the product development projects where expenditure has been capitalized will generate economic benefits for the Company.

4 Financial risk management and financial instruments

Through its operations, the group is exposed to various types of financial risks such as market, liquidity and credit risks. Market risks primarily consist of interest risk and currency risk. The Company's Board of Directors is ultimately responsible for the exposure, management and monitoring of the group's financial risks. The Board of Directors sets the framework that applies to the exposure, management and monitoring of the financial risks and this framework is evaluated and revised yearly. The Board can decide on temporary departures from its predetermined framework.

Market risks

Currency risks. Currency risks means the risk that the fair value of future cash flows fluctuate because of changed exchange rates. Exposure to currency risk is primarily sourced from payment flows in foreign currency, termed transaction exposure, and from the translation of balance sheet items in foreign currency, as well as upon the translation of foreign subsidiaries' income statements and balance sheets to the group's reporting currency, which is Swedish kronor, called balance exposure.

The group's outflows mainly consist of Swedish kronor and EUR, and some in USD, DKK, GBP, CAD and NTD. Currently, the group does not generate any inflows in foreign currency. Accordingly, the group's exposure to currency risk is limited. The group does not hedge its transaction exposure.

Foreign entities represent an insignificant share of the group's total assets, and accordingly, translation exposure resulting from the translation of foreign entities is limited.

A 5% change in the exchange rate of the euro against the Swedish krona could affect profit or loss and equity by SEK 398,000 (722,000).

Interest risks. Interest risk means the risk that fair value or future cash flows fluctuates as a result of changed market interest rates. The group has no loans, and accordingly, any exposure to interest risk is limited.

A 1% change in the group's interest on bank balances would mean that profit or loss and equity would change by SEK 108,000 (69,000).

Liquidity and financing risk

Liquidity risk means the risk that the group encounters difficulties in satisfying commitments related to the group's financial liabilities. Financing risk means the risk that the group is unable to arrange sufficient finance for a reasonable cost. The group is financed through equity and has no financial borrowings. Current liabilities amount to SEK 20,148,000 (23,427,000) and mature within one year. The group's current receivables that become due within one year amount to SEK 2,896,000 (1,625,000). The group has cash and cash equivalents of SEK 96,662,000 (49,698,000).

Credit and counterparty risk

Credit risk means the risk that a counterparty in a transaction generates a loss for the group by being unable to satisfy its contracted obligations. The group's exposure to credit risk mainly relates to other current receivables, which are insignificant amounts, and accordingly any credit risk in other current receivables is limited.

Credit risk also arises when the Company's surplus liquidity is invested in various types of financial instrument. The Board of Directors' predetermined framework stipulates that surplus liquidity may be invested in interest-bearing bank accounts or fixed-income securities. The credit risk in investing surplus liquidity should be reduced by investing only with counterparties with very high credit ratings.

The group's and parent company's maximum exposure to credit risk is judged to be covered by the carrying amounts of all financial assets. The credit risk is judged to be limited.

Measurements of financial instruments

Carrying amounts of financial assets and financial liabilities divided by measurement category in accordance with IAS 39 are indicated in the following table.

	Group		Parent company	
	31 Dec. 15	31 Dec. 14	31 Dec. 15	31 Dec. 14
Financial assets				
Loans receivable and accounts receivable				
Other long-term securities	1	–	1	–
Other non-current receivables	148	–	–	–
Receivables from group companies	–	–	334	2,195
Other receivables	2,896	1,625	1,815	1,565
Cash and cash equivalents	96,662	49,698	75,936	48,842
Total financial assets	**99,707**	**51,323**	**78,086**	**52,602**
Financial liabilities				
Other financial liabilities				
Accounts payable	5,207	14,216	4,192	13,823
Liabilities to group companies	–	–	–	6
Other current liabilities	14,941	1,801	14,739	243
Total financial liabilities	**20,148**	**16,017**	**18,931**	**14,072**

There were no reclassifications between the above measurement categories in the period.

Interest income on cash and cash equivalents is stated in note 12. Net gains/losses from other financial assets and liabilities are insignificant.

Measurements of financial instruments at fair value

Carrying amounts are considered a close approximation of the fair values of financial assets and financial liabilities due to their maturities and/or fixed-interest periods being short, which means discounting based on applicable current market conditions is not considered to have any significant effect.

Capital

The group's aim for managing its capital is to ensure the group's capacity to continue its operations to generate a reasonable return to shareholders and benefit other stakeholders. The group is funded through equity, which amounts to SEK 154,779,000 (107,841,000). The group's current policy is not to pay any dividend. A proposal on dividend to shareholders will not be possible until the Company achieves long-term profitability.

5 Intragroup transactions

Purchases within the same group amount to SEK 0 (0) and sales within the same group amount to SEK 327,000 (394,000), which are a management fee and remuneration for additional territorial licensing rights in Asia for CicloMulsion, NeuroStat and Toxphos totaling SEK (0) (27,948,000). The parent company reports interest income of SEK 53,000 (111,000) relating to loans to the subsidiary. The parent company's receivables and liabilities are reported in the Balance Sheet and are on an arm's length basis.

6 Segment information

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

Revenues from major products and services and information on major customers
The group's net sales consist of an up-front payment from a customer.

Revenues and non-current assets divided by geographical region
The group's sales relate to the subsidiary in 2015, the parent company in 2014.

The group conducts its operations in two main geographical regions—Sweden (the Company's domicile), and Taiwan. Property, plant and equipment in the parent company in Sweden totals SEK 116,597,000 (113,196,000), and SEK 27,429,000 (28,315,000) in the subsidiary in Taiwan.

7 Other operating income

	Group		Parent company	
	2015	2014	2015	2014
Subsidies from the Swedish Governmental Agency for Innovation Systems	–	1,121	–	1,122
Exchange rate gains relating to operations	522	60	509	55
Remuneration, transferred licensing rights	–	–	–	27,948
Total	**522**	**1,181**	**509**	**29,125**

NeuroVive has been granted a subsidy from the Swedish Governmental Agency for Innovation Systems for a development project within stroke. The subsidy from the Swedish Governmental Agency for Innovation Systems consists of 50% of expenses incurred on the project in the period 1 June 2011 - 31 December 2014. NeuroVive is eligible to receive a maximum of SEK 4,489,000 during this project term. Over and above the SEK 0 (1,121,000) recognized in other operating income, SEK 0 (0) was recognized as a reduction of capitalized development expenses, see note 16 capitalized development expenses. No grants have been collected during 2015.

8 Other operating expenses

	Group		Parent company	
	2015	2014	2015	2014
Exchange rate losses relating to operations	1,085	838	1,086	816
Impaired value	28,135	–	28,135	–
Total	**29,220**	**838**	**29,221**	**816**

9 Disclosure on audit fees and reimbursement

	Group		Parent company	
	2015	2014	2015	2014
Mazars SET Revisionsbyrå AB				
auditing	435	397	435	397
audit work in addition to statutory audit	100	70	100	70
tax consulting	15	15	15	15
other	30	10	30	10
Deloitte AB				
auditing	372	136	–	–
audit work in addition to statutory audit	–	–	–	–
tax consulting	–	–	–	–
other	–	–		
Total	**952**	**628**	**580**	**492**

Auditing means fees for the statutory audit, i.e. work necessary to present an Audit Report, and audit advisory services rendered coincident with auditing.

10 Leasing

Operating leases. The expense for the year for operating leases amounts to SEK 613,000 (415,000) for the group and parent company. On the reporting date, the parent company and group had outstanding commitments in the form of minimum lease payments in irrevocable operating leases with the following maturities:

	Group		Parent company	
	2015	2014	2015	2014
Within one year	321	494	195	161
Between one and five years	–	–	–	–
After more than five years	–	–	–	–
Total	**321**	**494**	**195**	**161**

Operating leases are for premises rent.

11 Number of employees, salaries, other benefits and social security contributions

	2015		2014	
Average number of employees	No. of employees	Of which no. of men	No. of employees	Of which no. of men
Parent company, Sweden	10	4	8	4
Subsidiary, Taiwan	5	2	-	-
Total, group	**15**	**6**	**8**	**4**

	Group		Parent company	
Division of senior executives on reporting date	31 Dec. '15	31 Dec. '14	31 Dec. '15	31 Dec. '14
Board members	13	7	8	7
of which men:	10	4	5	4
Other employees in management, incl. CEO	7	4	3	4
of which men:	4	3	2	3
Total	**20**	**11**	**11**	**11**

Pensions

The group's and parent company's expense for defined contribution pension plans is SEK 1,136,000 (796,000).

Remuneration to senior executives and employees

Guidelines for remuneration for senior executives

Fees for board and committee work are payable to the Chair of the Board and Board members in accordance with AGM resolution. The Chair of the Board and Board member Fredrik Olsson waived their fees for 2015.

The AGM resolved on the following guidelines for remuneration for senior executives:

Salary and other employment terms and potential share-related incentive programs should be on market terms. Senior executives should be offered basic salary on market terms based on responsibilities, roles, competence and position. Senior executives can be offered variable salary. Such variable salary should be on market terms and based on achievement of predetermined financial and individualized targets and constitute a maximum of 30% of basic annual salary, and a total maximum of SEK 1,500,000 to senior executives. The notice periods of senior executives shall be a minimum of three months, and for the CEO, six months. The Board of Directors' Remuneration Committee evaluates the need for a share-related incentive program yearly, and where necessary, proposes that the Board submits a proposal for resolutions by the AGM for a well-judged share-related incentive program for senior executives and/or other employees.

Pension benefits and compensation in the form of financial instruments, etc. to the CEO and other senior executives are payable as part of total compensation.

	2015		2014	
Salaries and benefits for the year – group and parent company	Board & CEO	Other	Board & CEO	Other
Parent company	6,400	6,536	5,344	5,762
Subsidiary	779	1,212	-	-
Totalt	**7,179**	**7,748**	**5,344**	**5,762**

	2015		2014	
Social security costs and pension costs	Board & CEO	Other	Board & CEO	Other
Parent company				
Pension cost	544	592	359	437
Other socieal security costs	1,308	1,800	933	1,805
Subsidiary				
Pension cost	–	58	–	–
Other socieal security costs	28	64	–	–
Total	**1,880**	**2,514**	**1,292**	**2,242**

Salaries and benefits for the year Group and parent company 2015	Directors' fee	Basic salary	Variable remunera-tion	Pension expense	Other benefits	Social Secu-rity contri-butions	Total
Gregory Batcheller, Chair	–	–		–	1,488	–	1,488
Arne Ferstad, Board member	200	–	–	–	427	63	690
Marcus Keep, Board member	150	–	–	–	–	47	197
Helena Levander, Board member	270	–	–	–	–	85	355
Helmuth von Moltke, Board member	150	–	–	–	–	5	155
Anna Malm Bernsten , Board member	240	–	–	–	–	75	315
Boel Flodgren, Board member	170	–	–	–	–	23	193
Fredrik Olsson, Board member	–						
Total, Board	**1,180**	**0**	**0**	**0**	**1,915**	**298**	**3,393**
Mikael Brönnegård, former CEO (8 months + severance pay)	–	2,208	302	544	1	921	3,976
Jan Nilsson, acting CEO (4 months)	–	637	155	–	2	90	884
Other senior executives (CFO 100 %, CSO 20 %, COO 8/12 months)	–	2,242	392	190	7	628	3,459
Total CEO and other senior executives	**0**	**5,087**	**849**	**734**	**10**	**1,639**	**8,319**
Total	**1,180**	**5,087**	**849**	**734**	**1,925**	**1,937**	**11,712**

Wage and salary pertaining to the former CEO Mikael Brönnegård includes salary dismissal t.o.m 2016-06-01, all of which is charged to 2015.

11 Number of employees, salaries, other benefits and social security contributions, cont'd

Salaries and benefits for the year Group and parent company 2014	Directors' fee	Basic salary	Variable remunera-tion	Pension expense	Other benefits	Social Secu-rity contri-butions	Total
Gregory Batcheller, Board member	–	–		–	1,812	–	1,812
Arne Ferstad, Board member	200	–	–	–	399	63	662
Marcus Keep, Board member	150	–	–	–	–	47	197
Helena Levander, Board member	270	–	–	–	–	85	355
Helmuth von Moltke, Board member	160	–	–	–	–	–	160
Anna Malm Bernsten, Board member	240	–	–	–	–	75	315
Boel Flodgren, Board member	160	–	–	–	–	50	210
Total, Board	**1,180**	**0**	**0**	**0**	**2,211**	**320**	**3,711**
Mikael Brönnegård, CEO	–	1,500	450	359	3	613	2,925
Other senior executives (CFO 100 %, CSO 20 %, COO 8/12 months)	–	2,451	446	189	15	910	4,011
Total CEO and other senior executives	**0**	**3,951**	**896**	**548**	**18**	**1,523**	**6,936**
Total	**1,180**	**3,951**	**896**	**548**	**2,229**	**1,843**	**10,647**

Apart from the Chair of the board and Board member Fredrik Olsson , all Directors' fees resolved by the AGM on 30 March were charged to profit or loss for 2015. The Chair and Board member Fredrik Olsson waived their fees for 2015.

In 2015 Gregory Batcheller served as Executive Chair. He waved his Directors' fee as approved by the AGM, but through his own company, Stanbridge bvba, invoiced NeuroVive for services rendered in his capacity as Executive Chair. The invoiced amount including reimbursement for expenses is stated in the other benefits column above.

In addition to his duties as a Board member, Arne Ferstad rendered executive consulting services to the Company, invoiced to NeuroVive through his company Ankor Consultants Ltd. These amounts are stated in the other benefits column above, and also relate to reimbursement for expenses.

Other senior executives:
There are three other senior executives during the period of January to August 2015, and two other senior executives during the period of September to December 2015, with the amount stated in the basic salary column corresponding to 1.9 full-time equivalents for 2015 and 2.1 fulltime equivalents for 2014.

Jan Nilsson, COO, has acted as Interim CEO since September 2015. Jan Nilsson's remuneration is reported under Other senior executives for the period January-August 2015 and under Board of Directors and CEO for the period September-December 2015. Jan Nilsson, COO and Interim CEO has not received remuneration in addition to basic salary, variable remuneration and other remuneration.

Eskil Elmer, CSO, did not receive any other compensation apart from basic salary and variable compensation.

Catharina Jz Johansson, CFO, did not receive any other compensation apart from basic salary, variable compensation and other benefits stated in the amount for other senior executives.

Other benefits include consulting fees and mileage allowance. Fees invoiced by closely related parties are recognized as other external expenses in the Income Statement.

Pensions
There is no contracted retirement age for the CEO or other senior executives. The pension premium for the CEO and other senior executives is equivalent to ITP1 and calculated on the basis of ITP1's premium plan for occupational pension as applicable from time to time. The pension plan is defined-contribution, which means that the company's only commitment is to pay the premium according to the premium plan. Pensionable salary means monthly salary multiplied by 12.2.

Severance pay
There is a mutual notice period of six months between the Company and the CEO. There is no contracted severance pay for the CEO. However, agreed on an extended nine months notice to the previously agreed six months with the company's previous CEO resigned. A mutual notice period of 3 to 6 months applies between the Company and other senior executives.

Remuneration to other related parties
Remuneration for loan commitment of SEK 0 (48,000) to Baulos Capital. (Owned by Fredrik Olsson, shareholder).

12 Financial income

	Group		Parent company	
	2015	2014	2015	2014
Interest income	66	724	35	536
Exchange rate gains	1,034	400	566	400
Total financial income	**1,100**	**1,124**	**601**	**936**

All interest income relates to financial assets measured at amortized cost.

13 Financial costs

	Group		Parent company	
	2015	2014	2015	2014
Interest costs	60	50	–	50
Exchange rate loss	375	494	152	326
Total financial costs	**435**	**544**	**152**	**376**

All interest costs relate to financial liabilities measured at amortized cost.

14 Tax

Tax for the year	Group		Parent company	
	2015	2014	2015	2014
Current tax on profit/loss for the year	–	–	–	–
Deferred tax relating to temporary differences	–	–	–	–
Total reported tax expense	–	–	–	–

Income tax in Sweden is computed at 22% (22%) on taxable profits for the year. Tax in other jurisdictions is computed at the tax rates applying in each jurisdiction. A reconciliation between reported profit or loss and the year's tax expense follows:

Tax for the year	Group		Parent company	
	2015	2014	2015	2014
Profit/loss before tax	**-90,801**	**-44,673**	**-88,139**	**-9,644**
Tax revenue for the year				
Tax computed at Swedish tax rate	19,976	9,828	19,391	2,122
Tax effect of non-deductible expenses	-128	-145	-128	-145
Tax effect of non-taxable revenues	–	–	–	–
Tax effect of deductible expenses and taxable revenues reported directly against equity	3,394	2,026	3,394	2,026
Difference in tax rates between Sweden and foreign subsidiary	–	–	–	–
Tax effect of deficits for which no deferred tax receivable is reported	-23,241	-11,709	-22,656	-4,002
Total	**–**	**–**	**–**	**–**
Adjustments recognized in the current year for previous year's current tax	–	–	–	–
Reported tax expense for the year	**–**	**–**	**–**	**–**

Deductible deficit. Because the Company is loss making, management cannot specify when tax loss carry-forwards may be utilized. Accordingly, deferred income taxes recoverable relating to loss carry-forwards have been reported to the extent they can be offset against deferred tax liabilities. Loss carry-forwards can be utilized without time limitation. Loss carry-forwards attributable to the subsidiary in Taiwan are subject to a ten-year time limit for utilization.

Both companies have accumulated loss carry-forwards that have no time limitation, and accordingly, may reduce future profits.

Loss carry-forwards	Group		Parent company	
	15-12-31	14-12-31	15-12-31	14-12-31
Loss carry-forwards for which no deferred tax receivable has been recognized	231,327	116,679	190,736	87,763
Total loss carry-forwards	**231,327**	**116,679**	**190,736**	**87,763**

15 Earnings per share

Basic and diluted earnings per share. The following profit or loss and weighted average number of ordinary shares have been used to compute basic and diluted earnings per share

	Group	
	2015	2014
Profit/loss for the year attributable to equity holders of the parent (SEK)	-90,119,000	-42,549,150
Weighted average number of ordinary shares before dilution	30,051,328	27,277,339
Basic earnings per share, SEK	**-3.00**	**-1.56**

Diluted earnings per share
There were no equity-based remuneration programs that could give rise to dilution effects at the end of the financial year.

16 Capitalized product development expenditure

	Group		Parent company	
	2015	2014	2015	2014
Opening cost	68,368	39,182	68,133	39,182
Capitalized expenditure for the year	19,570	29,186	19,570	29,186
Sales	–	–	–	–235
Impaired value	-28,135	–	-28,135	–
Closing accumulated cost	**59,803**	**68,368**	**59,568**	**68,133**
Closing carrying amount	**59,803**	**68,368**	**59,568**	**68,133**

Of total capitalized expenditure for product development, 68% (48) relates to NeuroSTAT, 30% (50) to CicloMulsion, 1% (1) to NVP014 and 1% (1) to Other projects.

Amortization of capitalized expenditure on product development has not yet begun because usage of this intangible asset has not yet commenced in the manner management intends, i.e. it cannot yet start generating revenues. The Company will start amortizing capitalized expenditure for product development when development projects or finished products can start generating revenues.

Capitalized expenditure for product development is subject to impairment tests at least yearly. These tests compute the recoverable amount based on the value in use of the intangible asset, which is then compared to carrying amount. If carrying amount exceeds value in use, the impairment is taken in profit or loss. The CIRCUS-study termination has been recognised as an impaired value of SEK 28,135,000 during the third quarter. The impairment test as of 31 December 2014 indicated that there was no impairment. The discount rate before tax applied was 24,5% (24).

The total amount of expenditure for research and development expensed during the year was SEK 12,361,000 (13,203,000). Illustration on p. 18.

17 Patents

	Group		Parent company	
	2015	2014	2015	2014
Opening cost	15,111	11,086	15,111	11,086
Purchases during the year	5,502	4,025	5,502	4,025
Reclassification	-2,420	–	-2,420	–
Closing accumulated cost	**18,193**	**15,111**	**18,193**	**15,111**
Opening amortization	-3,965	-3,316	-3,965	-3,316
Amortization for the year*	-1,205	-649	-1,205	-649
Closing accumulated amortization	**-5,170**	**-3,965**	**-5,170**	**-3,965**
Closing carrying amount	**13,023**	**11,146**	**13,023**	**11,146**

* Amortization on patents is recognized as part of the cost of capitalized expenditure for product development because patents are used in development work.

18 Other intagible assets

	Group		Parent company	
	2015	2014	2015	2014
Opening cost	400	400	400	400
Purchases during the year	79	–	–	–
Reclassification	2,420	–	2,420	–
Closing accumulated cost	**2,899**	**400**	**2,820**	**400**
Opening amortization	-313	-233	-313	-233
Amortization for the year	-508	-80	-484	-80
Closing accumulated amortization	**-821**	**-313**	**-797**	**-313**
Closing carrying amount	**2,078**	**87**	**2,023**	**87**

The software, acquired in 2011, is for compiling documentation for use in a future application for drug registration. The reclassification relates to part of the Biotica acquisition completed in 2013.

19 Equipment

	Group		Parent company	
	2015	2014	2015	2014
Opening cost	1,193	1,014	1,061	1,014
Purchases during the year	251	179	230	47
Closing accumulated cost	**1,444**	**1,193**	**1,291**	**1,061**
Opening depreciation	-849	-557	-849	-557
Depreciation for the year	-279	-292	-210	-292
Closing accumulated depreciation	**-1,128**	**-849**	**-1,059**	**-849**
Closing carrying amount	**316**	**344**	**232**	**212**

20 Participations in subsidiaries

	Parent company	
	2015	2014
Opening cost	33,618	6
Transfer of NeuroVive Pharmaceutical Asia Ltd.	–	–6
Formation of NeuroVive Pharmaceutical Asia, Inc.	8,123	33,618
Shares NeuroVive France SARL	9	–
Closing cost	**41,750**	**33,618**

Dubsidiaries

	NeuroVive Pharmaceutical Asia, Inc.	NeuroVive France SARL	Total
Incorporation	Cayman Island	France	
Domicile	Taiwan	Lyon	
Share of equity, %	71.37%	100.00%	
Share of votes, %	71.37%	100.00%	
Book value	41,741	9	**41,750**

NeuroVive Pharmaceutical AB's subsidiary NeuroVive Pharmaceutical Asia, Inc. has non-controlling holdings of 28.63%. The share of the votes is identical to the share of ownership. Non-controlling holdings total SEK 13,651,000 (4,529,000). As part of the company's preparations for a potential listing of a subsidiary in Taiwan, the company has established a Taiwan-based subsidiary, NeuroVive Pharmaceutical Asia, Inc. alongside collaboration partner Foundation Pacific Asia Ltd. A subsidiary wholly owned by NeuroVive Asia, NeuroVive Pharmaceutical Taiwan, Inc., has been established in Taiwan to manage ongoing operations locally in the region in order to increase the group's presence in Asia and to manage existing projects in the region and carry out research and development projects under license from the parent company. NeuroVive already owns a company for the group's intellectual property in Asia, NeuroVive Pharmaceutical Asia Ltd. with its registered office in Hong Kong, alongside collaboration partner Foundation Asia Pacific Ltd. The holding in NeuroVive Hong Kong has been converted to the corresponding shares in NeuroVive Asia. The wholly owned subsidiary NeuroVive France SARL was founded in 2015, with the aim to prepare for a possible launch of the company's product CicloMulsion. The company is dormant since inception.

Financial information in summary for subsidiaries with non-controlling holdings. The following information relates to the group NeuroVive Pharmaceutical Asia, Inc. and relates to amounts before intra-group eliminations. The intangible assets below have been eliminated in the consolidated financial statements prepared by NVP AB as the value of the asset has arisen as a result of intra-group transactions.

Summary, Balance Sheet	2015	2014
Intangible assets	27,429	28,315
Current assets	21,599	916
Total assets	**49,028**	**29,231**
Long-term liabilities	–	2,959
Current liabilities	1,346	1,181
Total liabilities	**1,346**	**4,140**
Net assets	**47,682**	**25,091**

Summary, earnings and comprehensive income	2015	2014
Revenue	2,514	3,877
Net profit for the year	-2,655	-7,081
Comprehensive income for the year	-3,322	-7,350
Total comprehensive income attributable to non-controlling holdings	-1,260	-2,173

20 Participations in subsidiaries, cont'd

Summary Cash Flow Statement	2015	2014
Cash flow from operating activities		
Cash flow from operating activities	-3,163	-1,504
Interest received	36	1
Interest paid	-82	–
Income tax paid	–	–
Cash flow from operating activities	**-3,209**	**-1,503**
Cash flow from investing activities	**-1,019**	**-211**
Cash flow from financing activities	**24,109**	**2,356**
Change in cash and cash equivalents	19,881	642
Cash and cash equivalents at beginning of year	884	376
Exchange rate difference in cash and cash equivalents	-44	-134
Cash and cash equivalents at end of year	**20,721**	**884**

21 Prepaid expenses and accrued income

	Group		Parent company	
	31 Dec. 15	31 Dec. 14	31 Dec. 15	31 Dec. 14
Other prepaid expenses	528	502	492	498
Total	**528**	**502**	**492**	**498**

22 Cash and cash equivalents/cash and bank balances

	Group		Parent company	
	31 Dec. 15	31 Dec. 14	31 Dec. 15	31 Dec. 14
Cash and bank balances	96 662	49 698	75 936	48 842
Total	**96 662**	**49 698**	**75 936**	**48 842**

23 Share capital

	Parent company and group		
	No. of shares	Quotient value, SEK	Share capital, SEK
Opening share capital, 1 Jan. 2014	21,659,046	0,05	1,082,952
New share issue	6,129,047	0,05	306,452
Closing share capital, 31 Dec. 2014	**27,788,093**	**0,05**	**1,389,405**
Opening share capital, 1 Jan. 2015	27,788,093	0,05	1,389,405
New share issue	2,947,059	0,05	147,353
Closing share capital, 31 Dec. 2015	**30,735,152**	**0,05**	**1,536,758**

All shares of the same class, are fully paid-up and are entitled to one vote. No shares are reserved to the transfer pursuant to option or other agreements.

A new issues of 1,300,000 shares raising a total of SEK 60,212,964 (after issue expenses of SEK 4,787,036) was completed in February 2015. The new issue increased share capital by SEK 65,000, with the remaining amount of SEK 60,147,964 recognized against other paid-up capital/share premium reserve. In addition a new issues of 1,647,059 shares raising a total of SEK 59,360,904.10 (after issue expenses of SEK 10,639,103.40) was completed in May 2015. The new issue increased share capital by SEK 82,352.95, with the remaining amount of SEK 59,278,551.15 recognized against other paid-up capital/share premium reserve.

24 Other paid-up capital – group

Other paid-up capital consists of the share premium reserve, amounts originally reported in the share premium reserve that were subsequently transferred to accumulated profit or loss, as well as the statutory reserve and shareholders' contributions.

The share issues completed in February 2015 and May 2015 increased other paid-up capital by SEK 119,426,515 (76,293,408) after deducting issue expenses of SEK 15,426,139 (9,206,798).

25 Reserves – group

Reserves means the translation reserve, i.e. currency translation differences on translating foreign operations to SEK, which are recognized in other comprehensive income.

26 Retained earnings – group

Retained earnings consist of accumulated profit or loss and comprehensive income for the year.

27 Accrued expenses and deferred income

	Group		Parent company	
	31 Dec. 15	31 Dec. 14	31 Dec. 15	31 Dec. 14
Accrued salary including social security contributions	2,314	1,421	2,314	1,421
Accrued vacation pay liability including social security contributions	800	343	800	343
Accrued Directors' fees incl. social security contributions	744	770	744	770
Accrued pension expenses	204	133	204	133
Other accrued expenses	10,278	4,743	10,278	4,743
Total	**14,340**	**7,410**	**14,340**	**7,410**

28 Pledged assets and contingent liabilities

There is an ongoing dispute with CicloMulsion AG that could result in future payment liabilities to CicloMulsion AG. The court has yet to set a date for its decision. For more information see page 32.

29 Transactions with related parties

Transactions between the Parent Company and its subsidiary, which is closely related to the Company, have been eliminated on consolidation and accordingly, disclosures on these transactions are presented in note 5. Disclosures on transactions between the group and other related parties are presented below.

Apart from the purchase of consulting services from senior executives and raising bridge finance, there has been no purchases or sales between the group and related parties. Disclosures on remuneration of senior executives and other related parties are presented in note 11.

	Group		Parent company	
Outstanding receivables from, and liabilities to, related parties	31 Dec. 15	31 Dec. 14	31 Dec. 15	31 Dec. 14
Liabilities				
Stanbridge bvba (owned by Gregory Batcheller, Executive Chair)	223	155	223	155
Total liabilities	**223**	**155**	**223**	**155**

Purchases of goods and services from related parties are on an arm's length basis.

30 Dividend

No dividend was paid in 2015 or 2014. No dividend will be proposed to the AGM on 28 April 2016.

31 Adoption of financial statements

These consolidated accounts and annual accounts were adopted by the Board of Directors for issuance on 31 March 2016.

32 Post-balance sheet events

Discovery Project. NeuroVive entered a research collaboration with the University of Pennsylvania. The Ciprics study enroles 100 patients and reports favourable safety evaluation.

Acquisition. NeuroVive acquired approximately 5% of the shares in UK firm Isomerase Therapeutics. The shareholding is reported as financial assets held for sale, i.e. subject to continuous remeasurement at fair value via other comprehensive income.

Rights issue. On 29 February 2016, the Board of Directors announced its resolution to effect a rights issue to ensure the continued development of NeuroVive's project portfolio.

For further information, please see Statutory Administration Report, page 32.

Board of Directors' declaration

The Board of Directors and Chief Executive Officer declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and give a true and fair view of the group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting principles, and give a true and fair view of the parent company's financial position and results of operations.

The Statutory Administration Report of the group and parent company gives a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and states significant risks and uncertainty factors facing the parent company and the companies included in the group.

The Income Statements and Balance Sheets will be submitted to the Annual General Meeting on 28 April 2016 for adoption.

Lund, Sweden, 31 March, 2016

Greg Batcheller
Chair of the Board

Boel Flodgren
Board member

Arne Ferstad
Board member

Marcus Keep
Board member

Helmuth von Moltke
Board member

Anna Malm Bernsten
Board member

Helena Levander
Board member

Carl Fredrik Olsson
Board member

Our Audit Report was presented on 31 March, 2016

Mazars SET Revisionsbyrå AB

Bengt Ekenberg
Authorized Public Accountant

Audit Report

To the Annual General Meeting of the Shareholders of NeuroVive Pharmaceutical AB (publ) Corporate identity number 556595-6538

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of NeuroVive Pharmaceutical AB (publ) for 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 26-67.

Responsibilities of the Board of Directors and the Chief Executive Officer for the Annual Accounts and Consolidated Accounts

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with IFRS, International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and of the financial performance and cash flows for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. A Corporate Governance Report has been prepared. The Statutory Administration Report and Corporate Governance Report are consistent with the remainder of the Annual Accounts.

We therefore recommend that the annual meeting of shareholders adopt the Income Statement and Balance Sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Chief Executive Officer of NeuroVive Pharmaceutical AB (publ) for 2015.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Chief Executive Officer are responsible for administration under the Companies Act.

Auditors' responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the Chief Executive Officer. We also examined whether any board member or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Helsingborg, Sweden, 31 March 2016

Mazars SET Revisionsbyrå AB

Bengt Ekenberg
Authorized Public Accountant

Glossary

Active compound
A pharmaceutical active ingredient in a pharmaceutical product.

Animal model
A disease or other injury is brought about in animals to resemble a similar condition or disease in humans.

Bioequivalent
Equal efficacy in the body of two comparative pharmaceuticals with the same active compound.

Blood-brain barrier
The blood-brain barrier consists of very closely joined capillary walls in the blood vessels of the brain that reduce the availability of certain bloodborne substances to access brain tissue (nerve cells).

Clinical trial
The examination of healthy or unhealthy humans to study the safety and efficacy of a pharmaceutical or treatment method. Clinical trials are divided into different phases, termed phase I, phase II, phase III. Phase II is usually divided into an early phase (phase IIa) and a later phase (phase IIb). See also "phase (I, II and III)".

CRO
Clinical research organization.

Cyclophilin D
The recipient mitochondria that cyclosporine A and other cyclosporines bind to in all cells of the body.

Cyclosporine A
A natural active compound (cyclical molecule) produced by the fungus Tolypocladium inflatum. Cyclosporine A is now produced by artificial or chemical methods. Cyclosporine A is a well-known clinically applied cyclosporine that has been demonstrated as potently protective of the brain in animal models of brain injury, where cyclosporine A has transited the blood-brain barrier and entered the brain.

Drug candidate
A specific compound designated during the preclinical phase. The drug candidate is the compound that is then studied on humans in clinical trials.

EMA
The European Medicines Agency.

Phase (I, II and III)
The various stages of trials on the efficacy of a pharmaceutical in humans. See also "clinical trial." Phase I examines the safety on healthy human subjects, phase II examines efficacy in patients with the relevant disease and phase III is a large-scale trial that verifies previously achieved results. In the development of new pharmaceuticals, different doses are trialed and safety is evaluated in patients with relevant disease, phase II is often divided between phase IIa and phase IIb. In phase IIa, which is open, different doses of the pharmaceutical are tested without comparison against placebo and focusing on the pharmaceutical's metabolism in the body, as well as safety. Then in phase IIb, studies of efficacy of a selected dose(es) against placebo is studied, which is then termed "blind."

FDA
The US Food and Drug Administration.

Indication
A disease condition that requires treatment, such as traumatic brain injury, reperfusion injury after myocardial infarction and stroke.

In vivo
Scientific experiments or clinical trials on living humans or animals. This, in contrast to analysis and experiments conducted outside the living body, in test tubes, for example

Leigh's syndrome
Leigh's syndrome is a serious condition with characteristic changes to the brain that usually affects small children. This disease is caused by faults in energy-producing mitochondria and is also known as subacute (fast onset) necrotizing (tissue destroying) encephalomyopathy (a disease of the brain and spinal cord).

Lipid emulsion
The carrier medium of drug candidate NeuroSTAT® is a lipid emulsion that consists of small fat globules. It is a version of the well-known lipid emulsion Intralipid® that is administered intravenously in patients that require nutrition and is used as a carrier medium for common pharmaceuticals such as the anesthetic Propofol.

Melas
MELAS is an acronym of mitochondrial encephalomyopathy (brain disease) with lactic acidosis (increased lactic acid levels in the blood) and strokelike episodes.

Mitochondria
That part of each cell that provides effective energy production in the form of conversion of oxygen and nutrients in the body into chemical energy.

Mitochondrial medicine
Field of research and development of pharmaceuticals that protect the mitochondria.

NCCIM
Non Cyclosporine Cyclophilin Inhibiting Molecules. Non-cyclosporine-based compounds (third-generation cyclophilin inhibitor).

NIH
The National Institutes of Health, the American equivalent of the Swedish Research Council.

Pharmaceuticals that protect the mitochondria
Pharmaceuticals that protect mitochondrial function and thus promote cell survival.

Pharmacokinetics
Describes how the body affects a specific drug after administration.

Percutaneous coronary intervention (PCI)
PCI is the collective term for procedures in the coronary arteries conducted using a catheter, which is introduced into a major blood vessel, usually via the groin. Angioplasty is often conducted during PCI, a treatment method used when coronary arteries have become obstructed by hardening of the arteries. Coincident with angioplasty, a stent is then introduced to restore the diameter of the vessel after angioplasty. The stent is a pipe-shaped metallic mesh made of various alloys.

Preclinical
That stage of drug development that occurs before a drug candidate is trialed on humans.

R&D
Research & development.

Reperfusion injury
The removal of blood clots in heart vessels is one type of treatment for myocardial infarction. This involves the restoration of blood flow in the vessel, but coincident with this procedure, there is a risk of further tissue damage and a larger myocardial infarction, known as reperfusion injury.

Spinal cord injury
The cells of the spinal cord are damaged in a spinal cord injury in a manner similar to cells of the brain in traumatic brain injury.

Stroke
There are two types of stroke; ischemic and hemorrhagic (bleeding). In this document, “stroke” means ischemic stroke. Ischemic stroke is caused by an obstruction to one of the blood vessels of the brain with the resulting oxygen deprivation in the surrounding tissue.

Traumatic brain injury
(TBI) TBI is an injury to the brain where the nerve cells are subjected to immediate damage. The injury then continues to exacerbate several days after the incident, which often significantly impacts on the overall damage.

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