Interim report January - March 2018

Successful rights issue

Important events January-March 2018

- NeuroVive decided to conduct a rights issue for the continued development of the company's drug projects following shareholder approval at an Extraordinary General Meeting.
- The company reported positive efficacy data in an experimental model, entailing a breakthrough for the NVP025 mitochondrial myopathy project.
- NeuroVive presented the company at the Stockholm Corporate Finance Life Science Seminar.
- The company presented its NASH research at the 2nd Annual H.C. Wainwright NASH Investor Conference.

Important events after the end of the period

- NeuroVive conducted an oversubscribed rights issue.
- The company announced that the last patient had been recruited to the first KL1333 Phase I clinical study.
- KL1333 was granted orphan drug designation by the FDA in the US.
- NeuroVive announced a collaboration with TRACK-TBI, a network of world-class traumatic brain injury (TBI) researchers.
- NeuroVive held Annual General Meeting on 27 April in Lund, Sweden.
- NeuroVive and Yungjin reported positive KL1333 phase I clinical study results, paving the way for further clinical development.

First quarter (January-March 2018)

- Net revenues were SEK 0 (27,000) and other operating income was SEK 174,000 (63,000)
- Loss before tax was KSEK -13 053 (-21 390)
- Loss per share* was SEK -0,25 (-0,40)
- Diluted loss per share** was SEK -0,25 (-0,40)

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

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

Read more in Erik Kinnman's CEO comments on page 2.

Comments from CEO Erik Kinnman

NeuroVive has started 2018 purposefully and at high pace. In the first quarter, the Board decided to conduct a rights issue in order to continue the development of our promising drug projects. This applies particularly to our clinical development in the KL1333 and NeuroSTAT projects, which will be prepared for Phase I and Phase II clinical studies, respectively, in 2018. The issue was fully subscribed, giving us energy, support and the capital to continue our development towards new value-creating milestones.

Strong trend in mitochondrial genetic disease projects
In the first quarter of 2018, we saw a strong trend in our mitochondrial disorder projects. In January, we reported a breakthrough for our NVP025 mitochondrial myopathy project. In an experimental study conducted jointly with researchers at the Karolinska Institute, the project's model compound demonstrated beneficial effects in preventing the disease progression of mitochondrial myopathies. At the end of the treatment period, the survival rate was 94% in the treatment group, compared with 50% in the control group. Based on these results, NeuroVive has begun optimizing a drug candidate with the aim of offering a new treatment option for patients with mitochondrial myopathies and possibly other types of muscle diseases.

The KL1333 project has also showed a positive trend. NeuroVive and Yungjin reported positive KL1333 phase I clinical study results and NeuroVive has chosen a CRO for the company's forthcoming European Phase I clinical study. In April, KL1333 was granted orphan drug designation in the US by the FDA, and already has orphan drug designation in Europe.

Significant interest in NASH and TBI continues
In 2017 and during the first quarter of 2018, NeuroVive intensified the out-licensing activities for our NASH projects, especially NV556. The project's drug candidate has demonstrated both a direct antifibrotic effect and a good safety profile in preclinical studies and continues to attract interest from potential pharmaceutical company partners. NVP022, NeuroVive's second NASH project which has a different mechanism of action with the goal of affecting metabolic disorder, also raises interest. NeuroVive expects to be able to complete an outlicensing business in 2018.

We also see continued strong interest in traumatic brain injury (TBI) and in our NeuroSTAT project. In early May, we announced that NeuroVive has become an industrial partner to TRACK-TBI, a network of world-class TBI researchers.

Positive outcome for our rights issue
In view of these successes, it is particularly pleasing that the rights issue conducted in April was also highly successful. The subscription rate was about 104%, and generated proceeds of approximately SEK 78.5 million for the company before issue expenses. The results indicate confidence in our projects and in how we conduct our operations. The funds provided will guarantee the implementation of critical value-creating activities in the coming year and we are looking forward to our continued ability to deliver positive results in our mitochondrial genetic disorders project, our brain trauma project, other parts of the project portfolio, and our business activities.

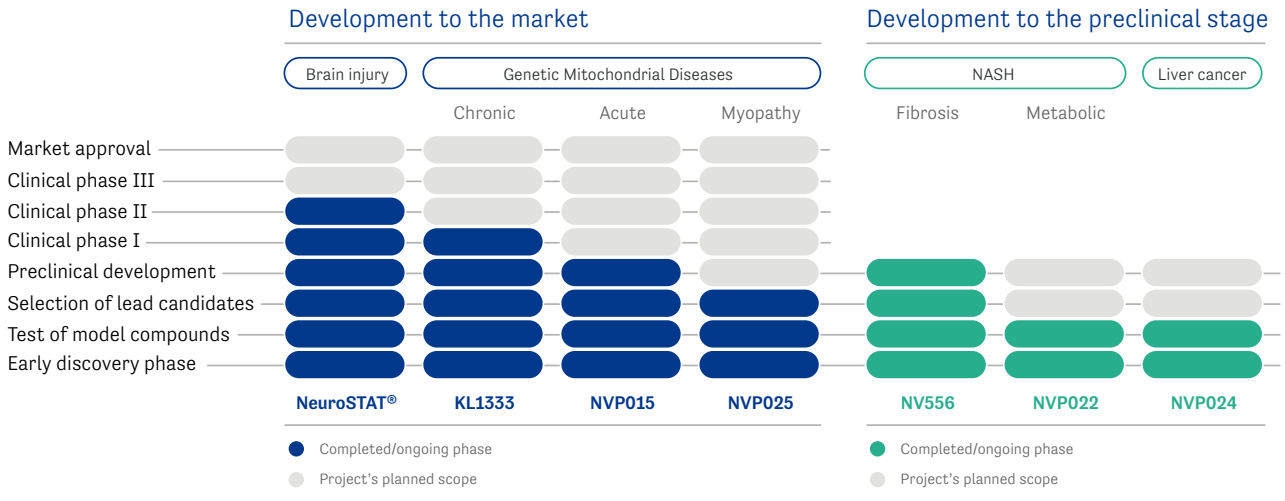
Erik Kinnman
CEO, NeuroVive Pharmaceutical AB
22 May 2018

NeuroVive's research and development

NeuroVive is focused on research and development of targeted drug candidates that preserve the integrity and function of mitochondria for indications where there is a great medical need. NeuroVives's creates value in its projects in collaboration with leading research institutions in mitochondrial medicine, as well as experts in drug development and drug production. Drug development is a comprehensive and carefully regulated process. By working with different partners, NeuroVive strives to make this process as flexible, cost-effective and successful as possible.

Business model creates value in both rare and common diseases

NeuroVive has a research and development focus on mitochondrial medicine with the aim of helping patients who currently have few or no treatment options. The company's business model consists of two parts, one which involves the development of drugs for rare diseases with high medical needs through preclinical and clinical development to market. The second part of the business model includes projects for commonly occurring diseases with high commercial potential, where the company develops drug candidates for outlicensing in the pre-clinical phase. The business model enables a diversified portfolio that allows the company to build value by taking orphan drugs to the market comparatively quickly, and at a limited cost and risk. At the same time, innovation in common diseases can be industrialized and value created through partnerships with a capital and resource-intensive partner.



NeuroVive's program for traumatic brain injury

Traumatic brain injury (TBI) is caused by external violence to the head resulting in immediate damage to nerve cells. The damage continues to worsen for several days after the acute trauma, which in many cases has a significantly negative effect on the overall injury. At present, there are no approved treatments for the prevention of these secondary injuries. With more than 50 million new cases occurring each year, TBI is estimated to cost the global economy nearly 400 billion dollars annually in direct and indirect healthcare costs.[1)] A large number of patients suffer moderate to severe functional disabilities requiring intensive care and various forms of support. The aim is that better preventive therapies for secondary brain damage, such as NeuroSTAT, will lead to higher survival rates, and significantly improve quality of life and preserved neurological function of patients post-TBI.

NeuroSTAT – candidate drug in clinical phase II

NeuroVive's drug candidate for TBI treatment, NeuroSTAT, has been evaluated in a Phase II clinical study (Copenhagen Head Injury Ciclosporin-CHIC) at Copenhagen University Hospital in Denmark. The study, which ended in May 2017, studied safety, tolerability and pharmacokinetics, i.e. the effect of two different doses of the active ingredient cyclosporine A on circulation in the body and passage to the brain in patients with severe traumatic brain injury. NeuroSTAT's neuroprotective effects in traumatic brain injury and the relationship between efficacy and drug concentrations in the brain, were also assessed in an experimental study at the University of Pennsylvania (Penn). The NeuroSTAT drug candidate has orphan drug designation in both Europe and the US.

Objectives for 2018

- Publication of results from the CHIC clinical study and from the experimental study conducted jointly with Penn.
- Results from evaluation of biomarkers prior to the upcoming NeuroSTAT development program.
- Secure co-financing for initiation of phase II efficacy study.
- Scientific advice from the FDA prior to development programs in the US.

Progress after the end of the first quarter

- NeuroVive commenced a collaboration with TRACK-TBI, a network of world-class traumatic brain injury (TBI) researchers.

1) Maas A Et al. Traumatic brain injury: integrated approaches to improve prevention, clinical care, and research. The Lancet Neurology. 2017 Nov; 16(12):987.

NeuroVive's program for genetic mitochondrial disease

Genetic mitochondrial diseases are metabolic diseases that affect the ability of cells to convert energy. The disorders can manifest differently depending on the organs affected by the genetic defects and are viewed as syndromes. An estimated 12 in every 100,000 people suffer from a mitochondrial disease. Mitochondrial diseases often present in early childhood and lead to severe symptoms, such as stunted growth, heart failure and rhythm disturbances, dementia, movement disorders, stroke-like episodes, deafness, blindness, droopy eyelids, limited mobility of the eyes, vomiting and seizures. The candidate drug in the KL1333 project has already been granted orphan drug designation in Europe and the United States, and there is also potential for obtaining orphan drug designation for the future candidate drugs in the NVP015 and NVP025 projects. Orphan drug designation allows for a faster and less costly route to the market, as well as a higher market price for the drug.

Mitochondrial myopathies

Mitochondrial myopathies (muscle diseases) are among the most common manifestations of mitochondrial genetic disorders. The individual conditions that compose mitochondrial myopathies include MELAS (mitochondrial encephalopathy, lactic acidosis and stroke-like episodes), PEO (progressive external ophthalmoplegia), KSS (Kearns-Sayre syndrome) and MERRF syndrome (myoclonic epilepsy with ragged red fibers). The clinical hallmark of a mitochondrial myopathy includes muscle weakness, exercise intolerance and fatigue and often present with other symptoms of mitochondrial genetic disorders. The severity of the disease can range from generally progressive weakness to death. There is a major unmet medical need for new and effective treatment options for mitochondrial myopathies since there is no specific treatment for these serious diseases.

KL1333 – candidate drug in clinical phase I

KL1333 is a potent modulator of the cellular levels of NAD+, a central coenzyme in the cell's energy metabolism. KL1333 has in preclinical models been demonstrated to increase mitochondrial energy output, reduce lactate accumulation, diminish the formation of free radicals, and to have long-term beneficial effects on energy metabolism such as the formation of new mitochondria. It is in clinical development stage intended to document the use for chronic oral treatment in primary genetic mitochondrial disorders such as MELAS, KSS, PEO, Pearson and MERRF. KL1333 is currently being evaluated in clinical phase I-studies and has been granted orphan drug designation in both the United States and Europe.

Objectives for 2018

- Results from single-dose Phase Ia clinical study of KL1333, sponsored by Yungjin Pharm.
- Commencement of NeuroVive's European multiple-dose Phase Ia/b clinical study of KL1333.

Progress after the end of the period

- NeuroVive and Yungjin reported positive KL1333 phase I clinical study results, paving the way for further clinical development.
- The FDA granted orphan drug designation for KL1333 in the US for the treatment of mitochondrial diseases.

NVP015 – lead candidate in pre-clinical development

The NVP015 project is focused on enabling a systemic therapy to prevent acute energy crises in patients with mitochondrial genetic disorders. One of the leading causes of mitochondrial genetic disorders is loss of function in the first of the five protein complexes in the mitochondria, complex I, which is essential for efficient energy conversion. This has been observed in both Leigh syndrome and MELAS, two very serious diseases with symptoms including muscle weakness, epilepsy and other severe neurological effects. The NVP015 project is based on a concept developed by NeuroVive's CSO Eskil Elmér and his colleagues, whereby the body's own energy substrate, succinate, is made available inside the cell using a prodrug technology. When succinate enters the cell, energy production is immediately supported by the second mitochondrial protein complex, thus circumnavigating complex I dysfunction. A compound for continued preclinical development has been selected on the basis of tolerability, plasma stability and organ delivery, specifically to the brain, and is currently undergoing additional experimental in vivo efficacy studies.

Objectives for 2018

- Final results from the collaborative project with Dr. Marni Falk at CHOP for studies of NVP015 compounds in experimental disease models.
- Initial results from CHOP studies of NeuroVive's NVP015 compounds as a therapeutic option for chemical threats.
- Continued experimental in vivo efficacy studies of the selected NVP015 compound.

Progress in the first quarter

- The lead candidate compound selected at the end of last year underwent additional preparatory testing prior to in vivo efficacy studies scheduled to start in the second quarter of 2018.

NVP025 – selection of lead candidate

The NVP025 project is focused on chronic treatment of mitochondrial myopathies by utilizing a potent cyclophilin inhibitor from NeuroVive's Sangamide class of compounds. Mitochondrial myopathies manifest in the MELAS, PEO, KSS, and MERRF syndromes. The goal is to develop a treatment that protects the mitochondria in the muscles from disturbed calcium handling and subsequent muscular dystrophy, thus preventing the muscle weakness associated with these diseases. In collaboration with the Karolinska Institute in Stockholm, NeuroVive has demonstrated that cyclophilin inhibitors can slow the disease progression and increase survival rates in an experimental mitochondrial myopathy model. The company expects to select an optimized lead candidate compound in 2018.

Objectives for 2018

- Results from experimental studies of mitochondrial myopathies conducted at the Karolinska Institute.
- Selection of lead candidate compound.

Progress in the first quarter

- The company reported positive results from an experimental study with NVP025, conducted in collaboration with Karolinska Institutet.

NeuroVive's program for NASH

Non-alcoholic fatty liver disease (NAFLD) affects 20-25% of the global population. When fat deposits in the liver are combined with inflammation and scar tissue (fibrosis), the disease has progressed to non-alcoholic steatohepatitis (NASH) – a condition that may lead to liver cirrhosis or hepatocellular carcinoma (liver cancer). An estimated 20% of people with NAFLD have NASH and there is a strong link between NASH and other metabolic syndromes such as diabetes and obesity. There are no approved drugs for treating NASH at the present time, but with forthcoming treatments, the NASH market is expected to exceed USD 25 billion, globally, by 2026.[1)]

NV556 – candidate drug in pre-clinical development

NV556 is a drug candidate with a directly acting antifibrotic mechanism of action targeting NASH patients who have progressed from the initial metabolic stage characterized by fat storage and inflammation. NV556 is a potent cyclophilin inhibitor derived from NeuroVive's Sangamide class of compounds. NV556 has undergone extensive preclinical development, has favorable drug-like properties and confirmed antifibrotic effect in the experimental STAM and MCD NASH models. The company has accelerated its NV556 out-licensing activities with the aim of reaching a partnership agreement in 2018.

Objectives for 2018
- Out-licensing deal for NV556

Progress in the first quarter
- NeuroVive presented the company's NASH research and its NV556 project at the 2nd Annual H.C. Wainwright NASH Investor Conference.

NVP022 – evaluation of model compounds

NVP022 targets the metabolic components of NASH by using mild, liver-targeted protonophores to uncouple energy-linked functions and increase energy expenditure in the liver. This removes excess fat storage and thereby counteracts the pathophysiological processes in NASH. NeuroVive is currently evaluating compounds with the expectation to select a lead compound in 2018.

Objectives for 2018
- Proven effect of an NVP022 compound in a preclinical NASH model
- Selection of candidate compound for NVP022
- Initiation of out-licensing activities

Progress in the first quarter
- NeuroVive presented the company's NASH research and its NVP022 project at the 2nd Annual H.C. Wainwright NASH Investor Conference.

1) Global Data, OpportunityAnalyzer: NASH – Opportunity Analysis and Forecasts to 2026

NeuroVive's program for liver cancer

Hepatocellular Carcinoma (HCC) is the sixth most-common type of cancer, with about 780,000 new cases diagnosed globally in 2012, and the third most-common cause of death worldwide. In Europe, HCC is the 14th most-common type of cancer, with 63,500 new cases diagnosed in 2012. While surgery, chemotherapy and radiotherapy are important starting points for the treatment of liver tumors, there is a major medical need for more, and effective, complementary medical treatments to decrease side effects and increase the survival rate for people with liver cancer.[1) 2) 3) 4)]

NVP024 – evaluation of model substances

NeuroVive's NVP024 project is focused on the anticancer properties of a sub-set of the company's sanglifehrin-based compounds. Together with international partners, NeuroVive's research team has demonstrated that these compounds show powerful anticancer effects in preclinical models of HCC. Additional confirmatory tests are ongoing, for instance within the framework of a PhD project at Lund University, funded by the Foundation for Strategic Research.

Objectives for 2018

- Confirmatory tests in complementary preclinical experimental HCC models.
- Initial results from the industrial PhD student collaboration with Lund University.

Progress in the first quarter

- An industrial PhD student was recruited and began working in the collaborative project with Lund University.

1) Altekruse SF, McGlynn KA, Reichman ME: Hepatocellular carcinoma incidence, mortality, and survival trends in the United States from 1975 to 2005. J Clin Oncol 27 (9):1485-91, 2009.
2) Forner A, Llovet JM, Bruix J: Hepatocellular carcinoma. Lancet 379 (9822): 1245-55, 2012.
3) Sandhu DS1, Tharayil VS, Lai JP, Roberts LR. Treatment options for hepatocellular carcinoma. Expert Rev Gastroenterol Hepatol. 2008 Feb;2(1):81-92. doi:10.1586/17474124.2.1.81.
4) http://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/liver-cancer/incidence#heading-Nine

Financial information

Revenues

The consolidated turnover during the first quarter of 2018 was SEK 0 (27,000). Other operating revenues for the first quarter of 2018 were SEK 174,000 (63,000).

Results of operations

The operating loss for the first quarter was SEK 12,993,000 (21,232,000). The net loss before tax for the first quarter amounted to SEK 13,053,000 (21,390,000).

The operating loss was affected by other external expenses, which for the first quarter were SEK 9,222,000 (6,733,000). Expenses related to development projects have affected the result with SEK 3,987,000 (2,632,000) whereof SEK 1,745,000 relates to project in clinical phase. Projects from clinical phase are from April 1st 2017 reported directly in the Income Statement.* Personnel expenses for the first quarter amount to SEK 3,433,000 (3,377,000). Other operating expenses amount to, SEK 50,000 (11,009,000) and pertains to exchange-rate losses. Previous year SEK 10,981,000 relateded to disposal of subsidiary and the remaining portion of other operating expenses pertained to exchange-rate losses.

* For information on accounting principles for intangible assets, see page 56 of the Annual Report 2017.

Financial position

The equity/assets ratio was 86 (95) % as of 31 March 2018, and equity was SEK 92,797,000 (105,846,000) compared to beginning of the year. Cash and cash equivalents amounted to SEK 15,757,000 (67,289,000) as of 31 March 2018, a decrease of SEK 13,235,000 from the beginning of the year.

Total assets as of 31 March 2018 were SEK 108,242,000 (154,884,000). The Company has on April 27, 2018, announced that the Preferential Rights Issue of about SEK 78,500,000 before transaction costs, was fully subscribed. For more information please see Press release from April 27, 2018.

Cash flow and investments

Operating cash flow for the first quarter was SEK -12,596,000 (-13,304,000). The cash flow effect related to investments in intangibles equals SEK -624,000 (-1,455,000) for the first quarter. Cash flow for the first quarter equals SEK -13,240,000 (-25,834,000).

Transactions with related parties

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

Apart from remuneration to senior managers, in accordance with employment contract, including remuneration for consulting services, no purchases or sales between the group and related parties occurred. Disclosures regarding transactions between the group and other related parties are stated below.

(SEK 000)	1 Jan. 2018 31 Mar. 2018	1 Jan. 2017 31 Mar. 2017
Stanbridge bvba (owned by Gregory Batcheller, until Nov 6, 2017, Executive Chairman)	-	301
Total transactions with related parties	**-**	**301**

Segment information

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

Financial instruments

NeuroVive holds unlisted securities. These assets should be measured at fair value and are classified as "financial assets measured at fair value through other comprehensive income."

The holding corresponds to 10% in one of NeuroVive's R&D partner companies. No information is available for measuring the holding at present value, and NeuroVive makes the assessment that there are no circumstances to indicate that fair value should deviate materially from cost. For this reason, the holding continues to be recognized at cost.

Human resources

The average number of employees of the group for the period January to March was 9 (12), of which 4 (6) are women.

Parental company

Company earnings after tax for the first quarter amounts to SEK -13,045,000 (-2,330,000). Most of the Group's operations are conducted within the parent company. Accordingly, no further specific information regarding the parent company is presented.

Risks and uncertainty factors

A research company such as NeuroVive Pharmaceutical AB (publ) is subject to high operational and financial risks because the projects the company conducts are in different developmental phases, where a number of parameters influence the likelihood of commercial success. Briefly, operations are associated with risks relating to factors including drug development, competition, technological progress, patents, regulatory requirements, capital requirements, currencies and interest rates. The Board of Directors works continuously to secure the business operation's need for financing. A way to spread risks is to out-license projects directed towards larger indications already in the pre-clinical phase, while orphan indication projects are developed by the company up until market registration. During the current period, the Board has been actively working to ensure the business needs for financing. On February 13, 2018, the Company made public the announcement of a preferential rights issue subject to the approval of the Extraordinary Meeting. On April 27, 2018, the company announced that the preferential rights issue was fully subscribed and provides the company with approximately SEK 65,000,000 after transactional costs and compensation for warranty commitments amounting to totally approximately SEK 13,500,000. No other significant changes in relation to risk or uncertainties occurred during the current period.

In 2004, NeuroVive entered into a License Agreement with Ciclo- Mulsion AG under which NeuroVive secured the rights to use and develop products based on a certain pharmaceutical technology. The technology is used in, for example, NeuroStat®.

In March 2013, CicloMulsion AG commenced arbitration seeking declaratory relief aimed at establishing the company's rights to royalties, which CicloMulsion AG claims that NeuroVive is obliged to pay under the terms of the License Agreement. CicloMulsion AG also made other claims in relation to NeuroVive's obligations under the License Agreement.

On May 25, 2016, the Court of Arbitration rendered a partial award stating, among other things, that NeuroVive has a payment obligation under the terms of the License Agreement, and that future royalty payments are to be based on sales in the countries where patents previously existed that were covered by the License Agreement (the US, the UK, Germany, France, Italy and, with certain restrictions, Japan).

The obligation to pay applies for a period of 15 years following the initial launch in the respective country of such products encompassed by the License Agreement. The Court of Arbitration reserved decision on CicloMulsion's request to establish the obligation to pay royalties based on sales in countries where patents never existed but where it is alleged that know-how had been transferred, with the intention to consider the issue in final arbitration. Other claims by CicloMulsion AG were rejected. The arbitration award was contested by both parties to the Court of Appeal for Skåne and Blekinge, which announced its judgement on January 12, 2018. CicloMulsion AG's action against the arbitration award related to an assertion regarding a procedural error, which it claims led to CicloMulsion AG not been given the possibility to pursue its claim in a reasonable manner. NeuroVive's action against the arbitration award comprised firstly an assertion regarding a procedural error, secondly a claim that the Court of Arbitration had exceeded its mandate and thirdly a claim that the arbitration award is in breach of mandatory competition law. As regards the basis for the arbitration award being in breach of mandatory competition law, NeuroVive relies, inter alia, on a recent decision by the European Court of Justice regarding the impact of EU competition law on licensing agreements, including the obligation to pay royalties. The decision in this case was handed down after the arbitration award was issued, although the Advocate General's statement was available prior to this. In its ruling, the Court of Appeal ordered all parts of the arbitration award to be set aside, with the exception of the item on which the Court of Arbitration had reserved decision. Among other items, the parts of the award relating to future royalties for countries where patent protection previously existed were thus set aside. However, the Court of Appeal dismissed NeuroVive's action to set aside the part of the arbitration award that concerned countries where no patent protection ever existed, since the Court of Appeal had concluded that the Court of Arbitration had not yet issued its final award in relation to this part of the arbitration.

In its ruling, the Court of Appeal stated that because the case encompassed issues that are of such importance to the correct application of law, it would allow an appeal to be made to the Supreme Court. This means that it is not necessary to seek leave to appeal to have the case heard by the Supreme Court. NeuroVive has appealed parts of the ruling to the Supreme Court.

After CicloMulsion submitted a request for the dismissal of the Court of Arbitration, and in response to this the Court of Arbitration requested its own dismissal, the Court of Arbitration was dissolved by a decision taken by the Arbitration Institute of the Stockholm Chamber of Commerce (SCC). The constitution of a new court of arbitration has commenced. The scope of the review that will be undertaken by the new court of arbitration is as yet unclear. The ongoing dispute with CicloMulsion AG may result in future payment obligations, which could have a negative impact on the company's earnings and financial position. The Company has not reserved for any future payment obligations regarding the legal costs incurred by the other party.

NeuroVive is not involved in any other disputes.

Incentive programs/share warrants

Currently there is no incentive program.

Audit review

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

Upcoming financial statements

Interim Report January-June	21 August 2018
Interim Report January-September	22 November 2018
Year-End Report 2018	21 February 2019

The Interim Reports and the Annual Year Report are available at www.neurovive.com.

Principles of preparation of the Interim Report

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

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

The group and parent company have applied the same accounting principles as described in the Annual Report for 2017 on pages 54-67. s

IFRS 9 Financial instruments specifies how an entity should classify, measure and recognize financial assets and financial liabilities.

IFRS 9 introduces a new approach for recognizing credit losses based on expected credit losses, which may entail earlier recognition of credit losses. Considering that NeuroVive's revenue generation has been limited to date, the need for impairment is also limited and no quantitative impact has thus arisen. IFRS 9 also introduces new rules for hedge accounting. Since NeuroVive does not apply hedge accounting, the company is not affected by these changes.

Financial instruments are classified in accordance with IFRS 9, based on the company's business model. NeuroVive classifies and measures its financial instruments based on the business model for managing the asset and the asset's contractual cash flow characteristics. On this basis, NeuroVive will continue to apply the previous method of classification, whereby all financial assets, with the exception of holdings in unlisted securities, are measured at amortized cost, in the category now known as "Financial assets measured at amortized cost." As in preceding years, the unlisted securities will be measured at fair value through other comprehensive income, and the new name of the category will be "Financial assets measured at fair value through other comprehensive income." As in preceding periods, all financial liabilities will be measured at amortized cost. IFRS 9 came into effect on January 1, 2018 and has not therefore had any quantitative impact on NeuroVive.

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 services. The Group estimate that the new standard has no major impact on the financial statements, but will lead to increased disclosure requirements. IFRS 15 came into effect on January 1, 2018. Since the Group's inflows are still limited, the introduction has not resulted in any quantitative impact or need for additional disclosures on historical inflows.

Consolidated Statement of Comprehensive Income

(SEK 000)	Note	1 Jan, 2018 31 Mar, 2018	1 Jan, 2017 31 Mar, 2017	1 Jan, 2017 31 Dec, 2017
Net sales		-	27	27
Other operating income		174	63	248
		174	**90**	**275**
Operating expenses				
Other external expenses		-9,222	-6,733	-46,415
Personnel cost		-3,433	-3,377	-12,417
Depreciation and write-down of tangible and intangible assets		-462	-204	-1,595
Other operating expenses		-50	-11,009	-10,936
		-13,167	**-21,322**	**-71,363**
Operating income		**-12,993**	**-21,232**	**-71,088**
Profit/loss from financial items				
Result from shares in associated company		-	-	56
Financial income		9	35	65
Financial costs		-70	-193	-636
		-61	**-158**	**-515**
Profit/loss before tax		**-13,053**	**-21,390**	**-71,603**
Income tax	2	-	-	-
Profit/loss for the period		**-13,053**	**-21,390**	**-71,603**
Other comprehensive income				
Items that may be reclassified to profit or loss				
Translation differences on foreign subsidiaries		4	18	1
Total comprehensive income for the period		**-13,049**	**-21,372**	**-71,602**
Loss for the period attributable to:				
Parent company shareholders		-13,052	-16,591	-66,728
Non-controlling interests		-1	-4,799	-4,875
		-13,053	**-21,390**	**-71,603**
Total comprehensive income for the period				
Parent company shareholders		-13,278	-16,583	-66,895
Non-controlling interests		229	-4,789	-4,707
		-13,049	**-21,372**	**-71,602**
Earnings per share before and after dilution(SEK) based on average number of shares		-0.25	-0.40	-1.33

Consolidated Statement of Financial Position

(SEK 000)	Note	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,941	52,110	51,941
Patents		21,459	18,812	20,627
Other Intangible assets		1,714	1,848	1,747
		75,114	**72,770**	**74,315**
Tangible assets				
Equipment		157	196	162
		157	**196**	**162**
Financial assets				
Other long-term securities		13,102	13,102	13,102
Other long-term receivables		-	-	-
		13,102	**13,102**	**13,102**
Total non-current assets		**88,373**	**86,068**	**87,579**
Current assets				
Other receivables		1,312	957	1,568
Prepaid expenses and accrued income		2,800	569	1,967
Cash and cash equivalents		15,757	67,289	28,992
		19,869	**68,816**	**32,527**
TOTAL ASSETS		**108,242**	**154,884**	**120,106**
EQUITY AND LIABILITIES				
Equity attributable to the shareholders of the parent company				
Share capital		2,616	2,473	2,616
Additional paid in capital		427,226	418,339	427,226
Translation reserve		386	788	613
Retained earnings		-342,791	-279,603	-329,740
Total equity attributable to the shareholders of the parent		**87,437**	**141,997**	**100,716**
Non-controlling interests		5,360	4,935	5,131
Total equity		**92,797**	**146,932**	**105,846**
Short-term liabilities				
Accounts payable		5,350	1,653	7,525
Other liabilities		5,041	2,750	863
Accrued expenses and deferred income		5,054	3,549	5,871
		15,445	**7,952**	**14,260**
Total liabilities		**15,445**	**7,952**	**14,260**
TOTAL EQUITY AND LIABILITIES		**108,242**	**154,884**	**120,106**

Consolidated Statement of Changes in Equity

(SEK 000)	Equity attributable to the shareholders of the parent company					Non-controlling interests	Total equity
	Share-capital	Additional paid in capital	Trans-lation reserve	Retained earnings	Total		
Opening balance, 1 January 2018	**2,616**	**427,226**	**613**	**-329,740**	**100,716**	**5,131**	**105,846**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-		-13,052	-13,052	-1	-13,053
Other comprehensive income	-	-	-	-	-	-	-
Translation differences	-	-	-227	-	-227	230	4
Other comprehensive profit/loss for the period, net after tax	-	-	-	-	-	-	-
Total comprehensive profit/loss	**-**	**-**	**-227**	**-13,052**	**-13,278**	**229**	**-13,049**
Transactions with shareholders							
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing balance, 31 Mar 2018	**2,616**	**427,226**	**386**	**-342,792**	**87,437**	**5,360**	**92,797**
Opening balance, 1 January 2017	**2,473**	**418,339**	**780**	**-266,146**	**155,446**	**12,858**	**168,304**
Comprehensive profit/loss for the period	-	-	-	-	-	-	-
Profit/loss for the period	-	-		-16,591	-16,591	-4,799	-21,390
Other comprehensive income	-	-	-	-		-	
Translation differences	-	-	8	-	8	10	18
Other comprehensive profit/loss for the period, net after tax	-	-	8	-	8	10	18
Total comprehensive profit/loss	**-**	**-**	**8**	**-16,591**	**-16,583**	**-4,789**	**-21,372**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share issue	-	-	-	-	-	-	-
Shareholder contribution	-	-	-	-	-	-	-
Change of ownership in share issue	-	-	-	3,134	3,134	-3,134	-
Total transactions with shareholders	**-**	**-**	**-**	**3,134**	**3,134**	**-3,134**	**-**
Closing balance, 31 Mars 2017	**2,473**	**418,339**	**788**	**-279,603**	**141,997**	**4,935**	**146,932**
Opening balance, 1 January 2017	**2,473**	**418,339**	**780**	**-266,146**	**155,446**	**12,858**	**168,304**
Comprehensive profit/loss for the period	-	-	-	-	-	-	-
Profit/loss for the period	-	-		-66,728	-66,728	-4,875	-71,603
Other comprehensive income	-	-	-	-		-	
Translation differences	-	-	-167	-	-167	168	1
Other comprehensive profit/loss for the period, net after tax	-	-	-167	-	-167	168	1
Total comprehensive profit/loss	**-**	**-**	**-167**	**-66,728**	**-66,895**	**-4,707**	**-71,602**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share issue	143	8,887	-	-	9,030	-	9,030
Shareholder contribution	-	-	-	-	-	114	114
Change of ownership in share issue	-	-	-	3,134	3,134	-3,134	-
Total transactions with shareholders	**143**	**8,887**	**-**	**3,134**	**12,164**	**-3,020**	**9,144**
Closing balance, 31 December 2017	**2,616**	**427,226**	**613**	**-329,740**	**100,716**	**5,131**	**105,846**

Consolidated Statement of Cash Flows

(SEK 000)	1 Jan, 2018 31 Mar, 2018	1 Jan, 2017 31 Mar, 2017	1 Jan, 2017 31 Dec, 2017
Cash flow from operating activities			
Operating income	-12,993	-21,232	-71,088
Adjustments for non-cash items:			
Depreciation	462	204	1,595
Currency differences on intercompany items	-	121	-35
Impaired Value	-	-	-
Disposal of Business	-	10,981	10,936
Result from shares in associated company	-	-	56
Interest received	9	35	65
Interest paid	-70	-193	-149
Net cash from operating activities before changes in working capital	**-12,592**	**-10,084**	**-58,620**
Changes in working capital			
Increase/decrease of other current assets	-577	691	-1,273
Increase/decrease of other short-term liabilities	572	-3,911	1,769
Changes in working capital	**-5**	**-3,220**	**496**
Cash flow from operating activities	**-12,596**	**-13,304**	**-58,124**
Investing activities			
Acquisition of intangible assets	-624	-1,455	-4,204
Acquisition of tangible assets	-19	-40	-40
Disposal business	-	-11,035	-11,035
Increase in other financial assets		-	
Cash flow from investing activities	**-643**	**-12,530**	**-15,279**
Financing activities			
New share issue	-	-	9,031
Shareholder contribution subsidary	-	-	114
Cash flow from financing activities	**-**	**-**	**9,145**
Cash flow for the period	-13,240	-25,834	-64,258
Cash and cash equivalents at the beginning of the period	28,992	93,251	93,251
Effect of exchange rate changes on cash	5	-128	-
Cash and cash equivalents at end of period	**15,757**	**67,289**	**28,992**

Parent Company Income Statement

(SEK 000)	Note	1 Jan, 2018 31 Mar, 2018	1 Jan, 2017 31 Mar, 2017	1 Jan, 2017 31 Dec, 2017
Net sales		-	27	27
Other operating income		174	63	248
		174	**90**	**275**
Operating expenses				
Other external expenses		-9,217	-6,667	-45,857
Personnel cost		-3,433	-3,150	-12,190
Depreciation and write-down of tangible and intangible assets		-462	-194	-1,584
Other operating expenses		-50	-28	-
		-13,162	**-10,039**	**-59,631**
Operating income		**-12,987**	**-9,949**	**-59,357**
Profit/loss from financial items				
Result from shares in group company		-	7,652	7,652
Result from shares in associated company		-	-	56
Interest income and other similar profit items		9	15	29
Interest expenses and other similar loss items		-66	-48	-490
		-57	**7,619**	**7,247**
Profit/loss before tax		**-13,045**	**-2,330**	**-52,109**
Income tax	2	-	-	-
Profit/loss for the period		**-13,045**	**-2,330**	**-52,109**

Statement of Comprehensive Income, Parent Company

(SEK 000)	Note	1 Jan, 2018 31 Mar, 2018	1 Jan, 2017 31 Mar, 2017	1 Jan, 2017 31 Dec, 2017
Profit/loss for the period		-13,045	-2,330	-52,109
Other comprehensive income		-	-	-
Total comprehensive profit/loss for the period		**-13,045**	**-2,330**	**-52,109**

Parent Company Balance Sheet

(SEK 000)	Note	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,706	51,875	51,706
Patents		21,459	18,812	20,627
Other intangible assets		1,714	1,848	1,747
		74,879	**72,535**	**74,080**
Tangible assets				
Equipment		157	196	162
		157	**196**	**162**
Financial assets				
Other long-term placement		13,102	13,102	13,102
Shares in subsidiaries	3	23,625	23,099	23,625
		36,727	**36,201**	**36,727**
Total non-current assets		**111,763**	**108,933**	**110,969**
Current assets				
Short term receivables				
Receivables from group companies		-	5,423	-
Other receivables		1,309	980	1,566
Prepaid expenses and accrued income		2,800	569	1,967
		4,109	**6,972**	**3,533**
Cash and bank balances		15,651	60,782	28,883
Total current assets		**19,760**	**67,753**	**32,416**
TOTAL ASSETS		**131,522**	**176,686**	**143,385**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		2,616	2,473	2,616
Statutory reserve		1,856	1,856	1,856
Development expenditure reserve		10,610	10,778	10,610
		15,082	**15,108**	**15,082**
Unrestricted equity				
Share premium reserve		8,887	-	8,887
Retained earnings		105,173	157,114	157,283
Profit/loss for the period		-13,045	-2,330	-52,109
		101,016	**154,784**	**114,061**
Total equity		**116,098**	**169,892**	**129,143**
Short-term liabilities				
Accounts payable		5,350	1,653	7,525
Other liabilities		5,041	1,591	863
Accrued expenses and deferred income		5,033	3,549	5,854
		15,424	**6,794**	**14,242**
TOTAL EQUITY AND LIABILITIES		**131,522**	**176,686**	**143,385**

Notes

Note 1 — Intangible assets

(SEK 000)	Development costs	Patents	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2018	**51,941**	**28,405**	**2,864**	**83,210**
Additions	-	1,236	-	1,236
Closing balance 31 Mar 2018	**51,941**	**29,641**	**2,864**	**84,446**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2018	-	-7,778	-1,117	-8,895
Depreciation for the period	-	-404	-33	-437
Closing balance 31 Mar. 2018	-	-8,182	-1,150	-9,332
Residual value 31 Mar. 2018	**51,941**	**21,459**	**1,714**	**75,114**

(SEK 000)	Development costs	Patents	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2017	**51,255**	**24,349**	**2,899**	**78,503**
Additions	686	4,056	-	4,742
Impaired value	-	-	-35	-35
Closing balance 31 Dec. 2017	**51,941**	**28,405**	**2,864**	**83,210**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2017	**-**	**-6,370**	**-982**	**-7,352**
Depreciation for the period	-	-1,408	-135	-1,543
Closing balance 31 Dec. 2017	**-**	**-7,778**	**-1,117**	**-8,895**
Residual value 31 Dec. 2017	**51,941**	**20,627**	**1,747**	**74,315**

Note 2 – Tax

The group's total loss carry-forwards amount to SEK 374,195,000 as of 31 March 2018 (310,107,000). The parent company's total loss carry-forwards amount to SEK 348,008,000 as of 31 March 2018 (284,435,000). Because the company is loss making, management cannot judge when deductible loss carry-forwards will be utilized.

Note 3 – Shares and participations in group companies

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


David Laskow-Pooley


David Bejker


Denise Goode


Jan Törnell


Erik Kinnman

NeuroVive's Board of Directors

Affirmation

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

Lund, Sweden, 22 May 2018

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

David Laskow-Pooley
Chairman of the Board

David Bejker
Board member

Denise Goode
Board member

Jan Törnell
Board member

Erik Kinnman
Chief Executive Officer

For more information concerning this report, please contact CEO Erik Kinnman. Telephone: +46 (0)46-275 62 20

The information was submitted for publication, through the agency of the contact person set out above, at 08:30 a.m. CET on 22 May 2018.

About NeuroVive

NeuroVive Pharmaceutical AB has two orphan drug projects in clinical development, and several research projects in the pipeline. The company is a leader in mitochondrial medicine and focused on the research and development of drug candidates that maintain mitochondrial integrity and function for indications with a major unmet medical need.

The company's strategy is to take drugs for rare diseases through clinical development and to the market. For the company's projects focused on common indications with high commercial potential, the strategy is to out-license at preclinical stage.

What is mitochondrial medicine?
Mitochondrial medicine is an area spanning from cell protection in acute and chronic medical conditions to the regulation of energy production and cell proliferation. Mitochondria are found inside the cells and can be considered as the cells' power plants. They give us the amount of energy we need to move, grow and think.

NeuroVive's project portfolio includes a large number of cyclophilin inhibitors that serve as organ protection by increasing the mitochondrial resistance to various types of stress and by reducing the development of fibrosis. NeuroVive is also working with several molecules in the project portfolio, focused on the regulation of mitochondrial energy production, in both genetic mitochondrial disorders and prevalent metabolic diseases such as NASH. NeuroVive also has a liver cancer project in which the company is working with a completely new treatment strategy for these types of diseases.

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

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