



SEMI-ANNUAL REPORT

01/01/2011 to 06/30/2011

Summary of the semi-annual report

First half-year (01/01/2011 – 06/30/2011)

- The result after financial items amounted to SEK -4,484,302 (-1,982,454).
- Earnings per share* amounted to SEK -0.30 (-0.13)
- The equity/assets ratio per 06/30/2011 amounted to 93%.

* The result for the period divided by 14,942,857 outstanding shares.

Second quarter (04/01/2011 – 06/30/2011)

- The result after financial items amounted to SEK -3,053,993 (-1,144,812).
- Earnings per share* amounted to SEK -0.20 (-0.08)

* The result for the period divided by 14,942,857 outstanding shares.

Significant events during the second quarter 2011

- On April 19, 2011, NeuroVive announced that the first patient from a total of approximately 1000 had been treated in the French cardiac trial (CIRCUS) at the Hospices Civils de Lyon, for which NeuroVive is supplying the clinical investigators with the cremophor-free product CicloMulsion® and placebo. This phase III trial is under the leadership of Professor Michel Ovize and is a multicenter study including around 40 hospitals and clinics.
- On June 10, 2011, the Annual General Meeting in NeuroVive was held. More information on the decisions taken at the Annual General Meeting is available in the press release dated June 13, 2011, with the headline "Statement and information from the Annual General Meeting". The press release is available on NeuroVive's (www.neurovive.se) and AktieTorget's (www.aktietorget.se) respective websites.

Significant events after the end of the period

- Maas Biolab, LLC, the largest shareholder in NeuroVive Pharmaceutical AB (publ.), decreased its ownership by 340,125 shares by a share trade directed to the Swedish and American shareowners in Maas Biolab. The share trade is in the framework of the lock-up agreement to which Maas Biolab (LLC) had previously agreed. By means of the share trade, the principal owner's ownership is reduced from 36.41% to 34.14% of NeuroVive and the number of shares in private hands increased correspondingly.

Coming financial reports

- Interim report 3 2011: 11/22/2011
- Year-end report for 2011: 02/21/2012

CEO Mikael Brönegård comments on the semi-annual report

Currently, NeuroVive's activity is intensive in a number of areas. During the quarter and the following period, in addition to what we have previously announced, the company has taken a number of steps along the road to positioning NeuroVive's efforts with pharmaceutical development in the growing subject area of mitochondrial medicine, where traumatic brain injury, stroke and reperfusion injury in myocardial infarction constitute large and medically important groups of illnesses.

During and in connection to the reporting period we have continued with the registration process with regards to CicloMulsion® for immunosuppression. New requirements from official bodies now mean that plans are also required for how pharmaceuticals are to be tested on children, and the company is currently supplementing the registration application accordingly. The GMP production for the registration is completed as is the validation of the manufacturing processes.

Regarding NeuroVive's program for clinical trials in acute neurological conditions, a very successful meeting was held with the European Brain Injury Consortium (EBIC) at the beginning of June. At this meeting, the clinical trials with NeuroSTAT® and TBI patients were discussed. Together with the EBIC, NeuroVive has now drawn up a draft for a clinical trial protocol, which will be discussed and agreement established with the European Medicines Agency, EMA, in the fall.

As part of the collaboration with to-BBB, where we are developing pharmaceuticals to combat brain injuries after stroke, we have carried out a pharmacokinetic animal trial of the candidate pharmaceuticals produced. The development of a pharmaceutical against stroke is NeuroVive's second generation of nerve cell protectant pharmaceuticals that could be given to patients when the blood-brain barrier is intact.

Furthermore, in NeuroVive's program of clinical trials, the French cardiac trial with CicloMulsion® has entered an intensive patient recruitment phase. At the end of June, our partners at the University Hospital in Lyon reported that 31 patients at 12 active centers had received treatment and that a total of 30 centers had opened to receive patients in the trial.

In the R&D area, in collaboration with a company in the USA, NeuroVive has tested a number of very potent cyclosporine analogs for future development of pharmaceuticals in the areas where the need for a more specific mitochondrial effect is judged to be pressing. The R&D program aims to produce what we call the third generation of cyclosporine pharmaceuticals for existing, but also new, markets and indications.

Under the auspices of the Swedish Trade Council, NeuroVive participated in the major conference BIO2011 in Washington, June 27 to 30. During the conference, the company gave presentations for a number of investors and meetings concerning a variety of commercial collaborations were held with some 30 companies.

In addition to the above business-related points, it is worthwhile to emphasize that NeuroVive has started the preparations that are required in advance of a future quotation on the NASDAQ OMX Small Cap. One example is that the company will go over to the IFRS international accounting principles. Listing on NASDAQ OMX Small Cap requires a number of changes affecting the company's internal work processes; a change process that has now started.

In conclusion, I can state that NeuroVive continues to develop as a high quality and value-creating pharmaceutical company and that in the near future the company is facing a number of significant steps in its development. The recent turbulence in the financial markets, which not least has made an impression on the company's share price, has no connection with NeuroVive's business. The market's need for functioning pharmaceuticals in our research field is not affected, in my judgment, by the enormous swings of the finance crisis. We are continuing to deliver our goals in accordance with our business plan and will announce continuing developments in press releases during the fall.

Mikael Brönnegård
CEO, NeuroVive Pharmaceutical AB (publ.)

NeuroVive

NeuroVive carries out research and development of cyclosporine based pharmaceuticals, so-called cyclophilin-D inhibitors. The business has its origins in fundamental research that was started back in 1993. The company owns the patent rights for a family of pharmaceuticals called cyclosporines.

NeuroVive has demonstrated that cyclosporine-A, which is a well-known active substance for other registered purposes, is a substance with powerful nerve cell protectant properties. NeuroVive has completed the development of a patented lipid emulsion in the shape of the product NeuroSTAT[®], which consists of the active substance cyclosporine-A and a carrier medium that is free from cremophor and ethanol. NeuroSTAT[®] has successfully passed a clinical phase I trial and the next step is an adaptive phase II/III trial concerning patients with traumatic brain injuries.

The company's primary focus is directed, through clinical trials, at being able to supply health care providers with mitochondria protectant pharmaceuticals that reduce nerve cell death in connection with traumatic brain injuries. In addition, NeuroVive is pursuing advanced research for clinical and preclinical development and assessment of new carrier media, administration paths and screening of new candidate pharmaceuticals with nerve cell protectant properties, which could potentially be used to treat prolonged epileptic seizures (status epilepticus), stroke and spinal cord injuries. Moreover, there is a possibility in the future to use the company's products for immunosuppressive purposes during organ transplantations and other already registered indications.

In October 2010, the European Commission granted Orphan Drug Designation status for NeuroSTAT[®] for treatment of patients with moderate to severe traumatic brain injuries. The designation gives NeuroVive market exclusivity in the EU for ten (10) years after the marketing authorization is granted and access to regulatory help as well as reduced application fees from the European Medicines Agency (EMA) during the development phase.

In December 2010, the American Food and Drug Administration (FDA) granted Orphan Drug Designation for the treatment of patients with moderate to severe traumatic brain injury with the company's product NeuroSTAT[®] (cyclosporine-A). Receiving Orphan Drug Designation means market exclusivity for seven (7) years for the USA and access to regulatory support from the FDA during the development process. The designation does not mean that the product has demonstrated the effectiveness, safety and quality that is required for pharmaceutical registration in the USA or Europe. These criteria must be fulfilled in the pharmaceutical and clinical phase, which the Medicines Agency must then approve before a marketing authorization is given for the product.

Business model

NeuroVive pursues research and development of pharmaceuticals that protect nerve cells. The company is on the point of conducting clinical trials on patients with the product NeuroSTAT[®], but the business also includes advanced research and development of other variants of cyclophilin-D inhibiting cyclosporines as well as examining new ways to administer and transport these drugs to the central nervous system. NeuroVive intends to license its products to major pharmaceutical companies for registration, marketing and sales. The company's income will consist of fixed payments for licenses and at milestones on the way to launch as well as ongoing royalty income, based on sales of licensed products.

With the additional capital from the rights issue carried out during 2010, a further dimension has been made possible in the business model. Through the acquisition of technologies and products in the nerve cell and mitochondria protection research areas as well as through building partnerships for technology and product development, NeuroVive can build a critical mass in the company's current research area. In the long term, the acquisition and partnership strategy promotes the company's opportunities to take new products for traumatic brain injuries, and other indications prioritized by the company, to the market quickly. Thus, the risk of long development cycles during the development of new products is reduced.

Shares

On October 3, 2008, shares in NeuroVive Pharmaceutical AB (publ.) were listed on AktieTorget, which is a brokerage firm under the Swedish Financial Supervisory Authority's supervision and which operates a trading platform called MTF (Multilateral Trading Facility). On 30 June, 2011, the number of shares in the company amounted to 14,942,857. There is one share type. Each share gives the same right to a share in the company's assets and profit and the right to one vote at the general meeting.

Incentive scheme/subscription warrants

At the Annual General Meeting, June 10, 2011, the decision was taken on an incentive scheme for senior executives and/or other employees in the shape of an issue of no more than 164,000 subscription warrants. The following people chose to take up subscription warrants referable to the incentive scheme.

Name	Number of subscription warrants
Mikael Brönnegård	40 000
Gregory Batcheller	40 000
Eskil Elmér	40 000
Andreas Inghammar	16 000
Christian Svensson	16 000
Fredrik Sjövall	4 000
Eleonor Åsander Frostner	4 000
Magnus Hansson	4 000
Total	164 000

During the period April 10, 2014 to June 10, 2014, the holders of the subscription warrant have the right to subscribe, for each subscription warrant, for one new share in the company at an offer price of SEK 96.00 per share. In the event that all the subscription warrants are utilized, the company's share capital will increase by SEK 8200.

Auditor's review

This semi-annual report has not been reviewed by the company's auditor.

Principles for drawing up the semi-annual report

The semi-annual report has been drawn up in accordance with the Annual Accounts Act and the Swedish Accounting Standards general advice. In the cases where there is no general principle, guidance has been obtained, where relevant, from the Swedish Financial Accounting Standards Council's recommendations.

Income statement in brief

(SEK)	Note	04/01/2011 06/30/2011	04/012010 06/30/2010	01/01/2011 06/30/2011	01/01/2010 06/30/2010
<i>Operating income</i>					
Net turnover		-	-	-	-
Capitalized development costs	1	2,700,174	435,626	4,129,727	822,079
Other operating income		481	823	1,358	16,763
Total income		2,700,655	436,449	4,131,085	838,842
<i>Operating costs</i>					
Other external costs		-5,293,520	-914,788	-7,565,820	-1,715,252
Personnel costs		-529,863	-345,586	-1,147,183	-467,455
Depreciation of tangible and intangible fixed assets		-38,612	-16,111	-69,155	-30,962
Other operating costs		-23,382	-2,276	-63,199	-2,627
Operating costs		-5,885,377	-1,278,761	-8,845,357	-2,216,296
Operating profit/loss		-3,184,722	-842,312	-4,714,272	-1,377,454
<i>Profit/loss from financial items</i>					
Income from interest		131,497	-	230,738	-
Interest costs/exchange rate losses		-768	-302,500	-768	-605,000
Profit/loss after financial items		-3,053,993	-1,144,812	-4,484,302	-1,982,454
Profit/loss before tax		-3,053,993	-1,144,812	-4,484,302	-1,982,454
Taxes on the year's profit/loss	2	-	-	-	-
Profit for the period		-3,053,993	-1,144,812	-4,484,302	-1,982,454

Balance sheet in brief

(SEK)	Note	06/30/2011	31/12/2010
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Development costs		12,923,827	8,794,100
Patents & other intangible assets		5,278,003	4,680,641
<i>Total intangible fixed assets</i>		18,201,830	13,474,741
<i>Tangible fixed assets</i>			
Equipment		37,559	39,212
<i>Total tangible fixed assets</i>		37,559	39,212
Total fixed assets		18,239,389	13,513,953
Current assets			
<i>Short-term receivables</i>			
Other receivables		398,152	190,732
Prepayments and deferred income		859,514	701,791
<i>Total short-term receivables</i>		1,257,666	892,523
<i>Cash and bank balances</i>		19,897,146	27,753,285
Total current assets		21,154,812	28,645,808
TOTAL ASSETS		39,394,201	42,159,761

Balance sheet in brief cont.

(SEK)	Note	06/30/2011	12/31/2010
EQUITY AND LIABILITIES			
Equity			
<i>Capital and reserves</i>			
Share capital		747,143	747,143
Reserve fund		1,856,231	1,856,231
<i>Total restricted equity</i>		2,603,374	2,603,374
<i>Non-restricted equity</i>			
Share premium reserve		35,694,364	35,694,364
Surplus brought forward		2,884,584	7,658,226
Profit for the period		-4,484,302	-4,773,642
<i>Total non-restricted equity</i>		34,094,646	38,578,948
Total equity		36,698,020	41,182,322
<i>Short term liabilities</i>			
Accounts receivable		1,713,486	430,500
Other liabilities		74,626	71,681
Deferred costs and advance income		908,069	475,258
<i>Total short-term liabilities</i>		2,696,181	977,439
Total liabilities		2,696,181	977,439
TOTAL EQUITY AND LIABILITIES		39,394,201	42,159,761
Commitments		None	None
Contingent liabilities		None	None

Cash flow analysis in brief

(SEK)	04/01/2011 06/30/2011	04/01/2010 06/30/2010	01/01/2011 06/30/2011	01/01/2010 06/30/2010
Current operations				
Operating profit/loss	-3,185,132	-842,312	-4,714,682	-1,377,454
Depreciation	38,612	16,111	69,155	30,962
Interest obtained	131,497	-	230,738	-
Interest paid	-358	-302,500	-358	-605,000
Cash flow from current operations before changes in operating capital	-3,015,381	-1,128,701	-4,415,147	-1,951,492
Changes in operating capital				
Increase/decrease receivables	-65,973	-1,026,537	-365,143	-1,834,144
Increase/decrease in short-term liabilities	1,954,077	-4,529,403	1,718,742	795,297
Changes in operating capital	1,888,104	-5,555,940	1,353,599	-1,038,847
Cash flow from current operations	-1,127,277	-6,684,641	-3,061,548	-2,990,339
Investment operations				
Acquisition/disposal of fixed assets	-	-24,913	-10,645	-38,392
Acquisition/disposal of subsidiaries	-	-	-	-
Acquisition/disposal of intangible assets	-2,776,889	-709,735	-4 783 946	-2,377,238
Cash flow from investments	-2,776,889	-734,648	-4,794,591	-2,415,630
Financial operations				
Rights issue	-	35,787,757	-	35,787,757
Unconditional shareholders' contribution	-	-	-	-
Increase/decrease long-term receivables	-	-	-	-
Increase/decrease long-term liabilities	-	-	-	-
Cash flow from financing operations	-	35,787,757	-	35,787,757
Change in cash resources	-3,904,166	28,368,468	-7,856,139	30,381,788
Cash and cash equivalents at the start of the period	23,801,312	4,729,063	27,753,285	2,715,743
Cash and cash equivalents at the end of the period	19,897,146	33,097,531	19,897,146	33,097,531

Change in equity in brief

(SEK)	Share capital	Reserve fund	Share premium reserve	Surplus brought forward	Profit/loss for the year	Total
Opening equity 01/01/2010	653,750	1,856,231	-	9,186,726	-1,528,500	10,168,207
Rights issue	93,393	-	35,694,364	-	-	35,787,757
Share premium reserve	-	-	-	-	-	-
Carrying over of the previous year's profit	-	-	-	-1,528,500	1,528,500	-
Profit for the period	-	-	-	-	-4,773,642	-4,773,642
Equity on 12/31/2010	747,143	1,856,231	35,694,364	7,658,226	-4 773 642	41,182,322

	31/12/2010	31/12/2009
Conditional shareholders' contribution	-	-
Unconditional shareholders' contribution	600,000	600,000

(SEK)	Share capital	Reserve fund	Share premium reserve	Surplus brought forward	Profit/loss for the year	Total
Opening equity 01/01/2011	747,143	1,856,231	35,694,364	7,658,226	-4,773,642	41,182,322
Rights issue	-	-	-	-	-	-
Share premium reserve	-	-	-	-	-	-
Carrying over of the previous year's profit	-	-	-	-4,773,642	4,773,642	-
Profit for the period	-	-	-	-	-4,484,302	-4,484,302
Equity on 06/30/2011	747,143	1,856,231	35,694,364	2,884,584	-4,484,302	36,698,020

	06/30/2011	12/31/2010
Conditional shareholders' contribution	-	-
Unconditional shareholders' contribution	600,000	600,000

During 2008, pursuant to the license agreement between NeuroVive Pharmaceutical AB and Maas Biolab, LLC a remaining conditional shareholder contribution was transformed into an unconditional shareholder contribution in connection with an offset issue (as of January 2, 2008). In total, as of 30 June, 2011, there was SEK 600,000 in unconditional shareholders' contributions and SEK 0 in conditional shareholder contribution.

Note 1 - Capitalized development costs

During the first half of 2011, development costs have been capitalized by SEK 4,129,727 (822,079). The capitalized costs concern development of the NeuroSTAT® product and costs for clinical trials as well as registrations of the NeuroSTAT® product.

Note 2 - Taxes

The company's total deficit deduction as of 30 June, 2011, amounts to SEK 20,771,657. Deferred tax claims have been valued at zero, since in the current situation it cannot be assessed when the fiscal deficit deduction can be utilized.

Submission of the semi-annual report

Lund, August 23, 2011

NeuroVive Pharmaceutical AB (publ.)
The Board of Directors

Gregory Batcheller	Chairman of the Board
Eskil Elmér	Director
Arne Ferstad	Director
Marcus Keep	Director
Helmuth von Moltke	Director
Jan Nilsson	Director
Andreas Inghammar	Deputy Director
Michael Vickers	Deputy Director

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