



INTERIM REPORT

01/01/2011 to 03/31/2011

Summary of the interim report

The first quarter (01/01/2011 – 03/31/2011)

- The result after financial items amounted to SEK -1,430,309 SEK (-837,642).
- Earnings per share* amounted to SEK -0.10 (-0.06)
- The equity/assets ratio per 03/31/2011 amounted to 98 %.

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

Significant events during the first quarter 2011

- NeuroVive is planning a clinical multicenter trial (combined phase II and III trial) in a number of European countries with regards to patients with acute traumatic brain injury. The company has signed an agreement with the European Brain Injury Consortium, EBIC, regarding the implementation of the trial. EBIC represents the highest medical expertise in Europe on acute brain injuries. NeuroVive is leading the work jointly with EBIC's experts and a selected CRO (Clinical Research Organization). The collaboration with EBIC includes, among other things, the final design of the clinical trial protocol for the study's different phases, selection of clinical centers, patient recruitment and statistical analysis.

Significant events after the end of the period

- On April 19, 2011, NeuroVive announced that the first patient 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. The CIRCUS trial is under the leadership of Professor Michel Ovize and is a multicenter study including around 40 hospitals and clinics.

Coming financial reports

- Semi-annual report 2011: 2011-08-23
- Interim report 3 2011: 2011-11-22
- Year-end report for 2011: 2012-02-21

CEO Mikael Brönnegård comments on the interim report

During 2010, NeuroVive took several important steps towards a position as a leading development company for nerve cell protectant pharmaceuticals in the area of acute neurodegenerative illnesses. Publication of the results from a successful clinical phase I trial, a successful rights issue that brought NeuroVive approximately MSEK 39 before issue costs, granting of Orphan Drug Designation in Europe as well as in the USA and agreements on participation in the French cardiac trial (CIRCUS) are just a few of the important events to be reported from 2010. We are now in a position where - with a good capital base - we can achieve significant progress during 2011.

NeuroVive's clinical product development during 2011 covers four main programs that together with marketing activities and preparatory commercialization work are intended during the next few years to release the company's first product in neuroprotection and to secure a pipeline of future products.

- (i) The regulatory program is entering the final phase for registration of NeuroVive's first product, CicloMulsion™ as an immunosuppressive pharmaceutical for organ transplantation.
- (ii) The clinical trial program covers planning and implementation of the phase II/III trials on patients with skull injuries as well as the start of a cardiac trial (phase III), where the company is supplying the trials with CicloMulsion™ and placebo.
- (iii) The R&D program has been strengthened by the collaboration with the Dutch company to-BBB and NeuroVive has entered into further research and development collaborations with external parties.
- (iv) During 2011, NeuroVive will attend a number of international scientific conferences and business meetings with the goal of positioning the company's business operations and program of clinical trials.

We are currently working intensively with the planning for a clinical multicenter trial regarding patients with acute traumatic brain injuries in a number of European countries. We have signed an agreement with EBIC regarding the implementation of the trial. EBIC represents the highest medical expertise in Europe on acute brain injuries. NeuroVive is leading the work jointly with EBIC's experts and a selected CRO. The collaboration with EBIC includes, among other things, the final design of the clinical trial protocol for the study's different phases, selection of clinical centers, patient recruitment and statistical analysis. The goal of the planned clinical trial is to determine the safety and effect of NeuroSTAT® with respect to patients with TBI.

In April 2011, the first patient was treated in the French cardiac trial (CIRCUS) at the Hospices Civils de Lyon and at the end of May, it is estimated that 25 centers will be recruiting patients actively. In the event that the trial demonstrates that CicloMulsion™ is an effective and safe nerve cell protectant pharmaceutical, the burden of illness in this group can reduce significantly at the individual as well as the societal level.

Brief update on NeuroVive's other operational activities

Traumatic brain damage, phase III study in the USA

The researchers at the University of Kentucky, who intend to carry out an extensive phase III trial with cyclosporine-A in a large number of patients with traumatic brain injury, are still working on obtaining financing from the National Institute of Health (NIH). In parallel with the American researchers' efforts to obtain this financing, NeuroVive has chosen to apply during the coming year for authorization (IND) for a clinical trial with NeuroSTAT® in the USA based on the protocol that will be developed for the planned European trial. The design of the trial will be discussed and agreed with the American Food and Drug Administration (FDA) as well as with specialists in acute neurodegenerative illnesses. NeuroVive's previously announced orphan drug designation (ODD) in the USA market will facilitate the regulatory work with the clinical trials in the USA.

Oral preparation form of CicloMulsion™

NeuroVive is currently evaluating the product strategy regarding immunosuppression, where in the company's opinion peroral treatment will in the future be an important component in an overall product offering together with intravenous therapy. The final product offering is to a large extent steered by market development in the peroral and intravenous segments respectively.

Development strategy for the treatment of stroke

The development plan in collaboration with to-BBB to produce a stroke medicine is undergoing a number of necessary steps before the clinical phases become current. Cyclosporine-A has been combined with to-BBB's G-Technology, with the aim of developing a molecule that penetrates the blood-brain barrier. When the new molecule demonstrates stability in various tests, it will be time for step two in the development process. In this step, the passage through the blood-brain barrier must be demonstrated in both *in vitro* (cell system) as well as *in vivo* (animal models) trials. The animal trials will also provide a picture of the pharmacokinetic, that is to say, how the new substance is distributed, converted and secreted. In this phase, a certain understanding is also obtained of the new formulation's safety characteristics. When the fundamental preclinical trials are completed, the substance goes into phase I on humans, where safety and pharmacokinetics are studied.

Patent strategies regarding the company's formulation patents

The strategy process, with the aim of extending existing patents due to the long development time or of creating new patents for different preparation forms and patents to strengthen and supplement existing products in the company's different business areas, is underway. In the company's main area; traumatic brain damage, existing patent protection is supplemented by the extensive market exclusivity covered by the orphan drug designation (see above and previous announcements)

Financing and partnership for the adaptive phase IIb/III trial with patients with traumatic brain damage

NeuroVive has previously announced that phase II in TBI will be financed with existing funds and that partner(s) will be linked to the major phase III trial. Since the planned trial will now be an adaptive phase IIb/III, where the aim is to demonstrate significant effects in a large patient group, the company has developed strategies for financing, implementation and partnership in connection with this very important trial for the business.

On good grounds, I am looking forward to a continued exciting 2011.

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 NeuroSTAT® product, 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. In addition, 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 the 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 NeuroSTAT® product, 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 March 31, 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.

Auditor's review

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

Principles for drawing up the interim report

The interim 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	01/01/2011 03/31/2010	01/01/2010 03/31/2010
<i>Operating income</i>			
Net turnover		-	-
Capitalized development costs	1	1,429,553	386,453
Other operating income		877	15,940
Total income		1,430,430	402,393
<i>Operating costs</i>			
Other external costs		-2,272,300	-800,464
Personnel costs		-617,320	-121,869
Depreciation of tangible and intangible fixed assets		-30,543	-14,851
Other operating costs		-39,817	-351
Operating costs		-2,959,980	-937,535
Operating profit/loss		-1,529,550	-535,142
<i>Profit/loss from financial items</i>			
Income from interest		99,241	-
Interest costs/exchange rate losses		-	-302,500
Profit/loss after financial items		-1,430,309	-837,642
Profit/loss before tax		-1,430,309	-837,642
Taxes on the year's profit/loss	2	-	-
Profit for the period		-1,430,309	-837,642

Balance sheet in brief

(SEK)	Note	03/31/2011	12/31/2010
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Development costs		10,223,633	8,794,100
Patents & other intangible assets		5,233,096	4,680,641
<i>Total intangible fixed assets</i>	3	15,456,729	13,474,741
<i>Tangible fixed assets</i>			
Equipment		44,384	39,212
<i>Total tangible fixed assets</i>	4	44,384	39,212
Total fixed assets		15,501,113	13,513,953
Current assets			
<i>Short-term receivables</i>			
Other receivables		262,241	190,732
Prepayments and deferred income		929,450	701,791
<i>Total short-term receivables</i>		1,191,691	892,523
<i>Cash and bank balances</i>		23,801,313	27,753,285
Total current assets		24,993,004	28,645,808
TOTAL ASSETS		40,494,117	42,159,761

Balance sheet in brief cont.

(SEK)

Note 03/31/2011 12/31/2010

EQUITY AND LIABILITIES

Equity

Capital and reserves

Share capital	747,143	747,143
Reserve fund	1,856,231	1,856,231
Total restricted equity	2,603,374	2,603,374

Non-restricted equity

Share premium reserve	35,694,364	35,694,364
Surplus brought forward	2,884,584	7,658,226
Profit for the period	-1,430,309	-4,773,642
Total non-restricted equity	37,148,639	38,578,948

Total equity

39,752,013	41,182,322
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Short term liabilities

Accounts receivable	224,222	430,500
Other liabilities	71,018	71,681
Deferred costs and advance income	446,864	475,258
Total short-term liabilities	742,104	977,439

Total liabilities

742,104	977,439
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TOTAL EQUITY AND LIABILITIES

40,494,117	42,159,761
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Commitments	None	None
Contingent liabilities	None	None

Cash flow analysis in brief

(SEK)	01/01/2011 03/31/2011	01/01/2010 03/31/2010
Current operations		
Operating profit/loss	-1,529,550	-535,142
Depreciation	30,543	14,851
Interest obtained	99,241	-
Interest paid	-	-302,500
Cash flow from current operations before changes in operating capital	-1,399,766	-822,791
Changes in operating capital		
Increase/decrease receivables	-299,170	-807,607
Increase/decrease in short-term liabilities	-235,334	5,324,700
Changes in operating capital	-534,504	4,517,093
Cash flow from current operations	-1,934,270	3,694,302
Investment operations		
Acquisition/disposal of fixed assets	-10,645	-13,479
Acquisition/disposal of subsidiaries	-	-
Acquisition/disposal of intangible assets	-2,007,057	-1,667,503
Cash flow from investments	-2,017,702	-1,680,982
Financial operations		
Rights issue	-	-
Unconditional shareholders' contribution	-	-
Increase/decrease long-term receivables	-	-
Increase/decrease long-term liabilities	-	-
Cash flow from financing operations	-	-
Change in cash resources	-3,951,972	2,013,320
Cash and cash equivalents at the start of the period	27,753,285	2,715,743
Cash and cash equivalents at the end of the period	23,801,313	4,729,063

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

	12/31/2010	12/31/2009
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	-	-	-	-	-	-
Profit for the period	-	-	-	-	1,430,309	-1,430,309
Equity on 03/31/2011	747,143	1,856,231	35,694,364	7,658,226	6,203,951	39,752,013

	03/31/2011	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 March 31, 2011, there was SEK 600,000 in unconditional shareholders' contributions and SEK 0 in conditional shareholder contribution.

Notes

Note 1 - Capitalized development costs

During the first quarter of 2011, development costs have been capitalized by SEK 1,429,553 (386,453). 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 March 31, 2011, amounts to SEK 17,680,664. 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 interim report

Lund, May 17, 2011
NeuroVive Pharmaceutical AB (publ.)
The Board of Directors

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

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