ABLIVA

Interim Report January - June 2020

Delivering mitochondrial health

Second quarter summary

NeuroVive Pharmaceutical AB changes its name to Abliva AB.
Two share issues bring a total of MSEK 87 to Abliva. Hadean Ventures new strategic owner.

Important events, second quarter (April - June 2020)

- Abliva raises approximately MSEK 67 before deduction of issue costs in a preferential rights issue.
- Annual General Meeting in Abliva is held on 20 May 2020 in Lund, Sweden.
- NeuroVive Pharmaceutical AB changes its name to Abliva AB.
- Abliva arranges virtual Capital Markets Day on 23 June.
- Abliva completes the directed issue of MSEK 20 to Hadean Ventures.

Important events after the reporting period

- Abliva has received positive feedback from the US Food and Drug Administration ("FDA") on the KL1333 clinical development plan for the treatment of primary mitochondrial disease (PMD) at a pre-Investigational New Drug ("pre-IND") meeting. Feedback was received on the existing KL1333 documentation to date and the remaining development plan, including the design of the clinical efficacy program in primary mitochondrial disease patients.

Financial information

April-June 2020*
- Net revenues: KSEK 97 (85)
- Other operating income: KSEK 34 (1,000)
- Loss before tax: KSEK 20,312 (20,769)
- Loss per share: SEK 0.09 (0.14)
- Diluted loss per share: SEK 0.09 (0.14)

January-June 2020*
- Net revenues: KSEK 105 (85)
- Other operating income: KSEK 34 (1,000)
- Loss before tax: KSEK 36,849 (34,591)
- Loss per share: SEK 0.18 (0.23)
- Diluted loss per share: SEK 0.18 (0.23)

* APM Alternative perfomance measures, see definition on page 19.

Positive development of our key KL1333 project

The second quarter of the year was highly eventful for Abliva. During the quarter, we changed our name from NeuroVive to Abliva to highlight the enhanced focus on primary mitochondrial diseases. During the second quarter and the start of the third, our key KL1333 project advanced on several fronts and we now anticipate being able to initiate the Phase Ib trial in patients during the autumn this year.

Erik Kinnman
CEO Abliva

KL1333 advances
In July, we received positive feedback from the FDA at a pre-Investigational New Drug ("pre-IND") meeting. FDA stands positive of the existing KL1333 documentation to date and the remaining development plan. We also received positive results from our first two parts of the Phase I study, where KL1333 was dosed in healthy volunteers. We have now, exactly as intended, demonstrated that KL1333 has a good safety profile. We now plan to proceed with the concluding part of the study, where KL1333 for the first time will be dosed in patients. The original intention was to commence this part of the study during the spring of 2020, but it was postponed due to the COVID-19 pandemic. We are actively planning to start this patient part in autumn 2020.

Focus on primary mitochondrial diseases
Abliva's strategy entails that our financial resources and our research and development resources are concentrated on developing effective medical therapies for primary mitochondrial diseases. Specifically, this means that there are two projects in focus: KL1333 and NV354. Our ambition is to develop both of these drug candidates all the way to market, either completely by ourselves or together with a partner who can contribute to making the projects a success.

Severe symptoms and great suffering
Primary mitochondrial diseases are relatively rare, but have a severe effect on patients and their family members. The symptoms generally debut in early childhood, with severe symptoms such as stunted growth, heart failure, diabetes, reduced mobility and others. The diseases often lead to a far too early death. There are no effective drugs currently available for the treatment of primary mitochondrial diseases. We at Abliva would like to change this. Our explicit ambition is to develop a drug that can significantly improve the lives of patients and thus also the lives of their family members.

Orphan drug designation increases the chance of success
Drugs developed for rare disorders have good possibilities to obtain orphan drug designation. The authorities' goal with orphan drug designation is to make it commercially attractive to develop therapies specifically for rare disorders and entails that the development periods can be shorter and development costs lower than for traditional drugs. The outlook for reaching the market is also better than for traditional drugs. Our KL1333 project has obtained orphan drug designation in both Europe and the US and we deem the outlook favorable that NV354 can also obtain orphan drug designation in a later phase.

Abliva's other projects require some form of partnership
For our projects in traumatic brain injury and NASH, the route to market is longer and will require significant documentation. This means that they require more financial resources than KL1333 and NV354 to proceed all the way to market. Accordingly, Abliva will not continue to drive these projects independently. However, we are keen to identify various forms of partnership and out-licensing that will enable continued financing of the projects and their further development.

Two share issues
During the second quarter, we completed a rights issue that generated MSEK 67 for the company before issue costs and we conducted a private placement of MSEK 20 to the Norwegian company Hadean Ventures. At the end of the quarter, we also held a capital markets day.

Positive reception for our strategy
Our new strategy with an intensified focus on drug candidates for primary mitochondrial diseases has been received positively by analysts and specialist investors. Several of them have emphasized the opportunity of orphan drug designation as particularly important. A key indication that our strategy is genuinely attractive from an investor perspective is that the Norwegian company Hadean Ventures has invested MSEK 20 in Abliva through a private placement. I am very pleased about this investment and that Hadean will now be represented on Abliva's Board of Directors by Roger Franklin. Hadean is not only bringing a welcome injection of capital, but also a generous amount of expertise, experience and a long-term approach.

I look forward to the next few years with great confidence.

Erik Kinnman
CEO

Strategic focus: primary mitochondrial diseases

Abliva's objective is to improve life for patients suffering from primary mitochondrial diseases, meaning diseases caused by a genetic defect in mitochondrial function. These diseases often cause great suffering for both patients and family members. The symptoms worsen over time and, in many cases, the diseases lead to a far too early death. Today, a very limited number of treatment options are available, which means there are major unmet medical needs.

Focus on KL1333 and NV354

Strategically, Abliva's focus on mitochondrial diseases means that the company is concentrating financial and personnel resources on the KL1333 and NV354 drug candidates. KL1333 is in Phase I and NV354 is being prepared for clinical trials. The aim is to take these projects all the way to market authorization, either on our own or together with a partner.

Significant advantages with orphan drug designation

KL1333 has obtained orphan drug designation and NV354 also has the potential to receive orphan drug designation. An orphan drug designation generally offers several positive benefits, including:

- regulatory assistance and scientific advice from pharmaceutical regulators
- efficient development
- lower development costs
- greater chance of regulatory approval compared with drug candidates that lack orphan drug designation
- attractive pricing compared with drug candidates that lack orphan drug designation[1)2)]

Abliva collaborates continuously with world-class consultants in the field of orphan drugs, who assist the company in its dialogue with regulators. Abliva has also established partnerships and a continuous dialogue with some of the world's leading clinical centers for the treatment of primary mitochondrial diseases.

Discovery-phase projects

Abliva works with a number of new molecules in the project portfolio for primary mitochondrial diseases. The projects focus on the regulation and stabilization of the mitochondrion's energy production and encompass the company's unique cyclophilin inhibitor, which has been demonstrated to improve muscle strength and survival in models of primary mitochondrial disease.

NeuroSTAT

Abliva intends to license the rights to develop and commercialize NeuroSTAT in a wholly owned subsidiary in the US after financing has been secured for the now ready to launch Phase IIb efficacy trial in the form of "soft" money and/or partners. NeuroSTAT was developed for the treatment of traumatic brain injury and the project has an approved IND application and FastTrack status from the FDA and is ready to enter a clinical Phase II efficacy trial.

Market

The main customers of Abliva's future products include specialist healthcare and institutions that pay for medicines. Primary prescribers of Abliva's future drugs include highly specialized physicians at national and regional centers of expertise for genetic metabolic disorders. In other words, the future customers are a relatively concentrated group of specialists, decision makers and patients.

Future revenue

Abliva works under two main scenarios for establishing future revenue: sales revenue for the drugs the company intends to bring all the way to market, and revenue from out-licensing, milestone payments and royalties from out-licensed drug candidates. Abliva has out-licensed parts of the NVP015 project to Fortify, which is developing a local treatment for the mitochondrial eye disease LHON.

Primary mitochondrial disorders are metabolic diseases that affect the ability of cells to convert energy. The diseases can manifest very differently depending on the organs in which the genetic defects are located and are described as clinical syndromes. It is estimated that 125 persons per million have a primary mitochondrial disease.

Primary mitochondrial diseases often present in early childhood and can lead to severe symptoms, such as stunted growth, muscle weakness, heart failure, pronounced exhaustion and rhythm disturbances, diabetes, movement disorders, stroke-like episodes, deafness, blindness, limited mobility of the eyes and seizures.

1) Jayasundra et al. Orphanet J of Rare Dis. Estimating the clinical cost of drug development for orphan versus non-orphan drugs. 2019.
2) EvaluatePharma, Orphan Drug Report 2019.

PROJECTS WITHIN PRIMARY MITOCHONDRIAL DISEASE

KL1333

First-in-class disease modifying treatment to improve the lives of patients with PMD

Ongoing Phase Ia/b study: dosing in healthy volunteers concluded
Orphan drug designation in both the United States and Europe

Events in the second quarter
KL1333 is currently being evaluated in a clinical Phase Ia/b study in the UK. The third and final part of the study, where KL1333 for the first time will be dosed in patients, will be initiated as soon as it is safe for patients with regards to the COVID-19 pandemic.

Events after the end of the period
The US Food and Drug Administration ("FDA") has issued positive feedback on the KL1333 clinical development plan. The FDA Formal Advice feedback supports the existing documentation and the main features of Abliva's plan to develop KL1333 towards approval for primary mitochondrial disease.

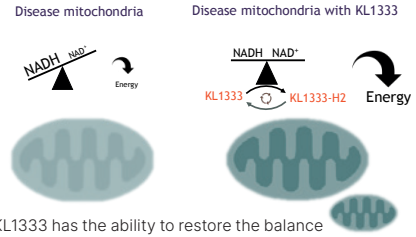
Objectives for 2020/2021
- In the ongoing clinical study start the Phase Ib part with patients (H2 2020)
- Conclude the Phase Ia/b study and report results (H1 2021)
- Initiate clinical Phase II efficacy study (H1 2021)

PATIENTS/INDICATIONS

KL1333 is developed for the treatment of adult patients within the spectra of MELAS-MIDD and CPEO-KSS. These diseases cause a wide range of severe symptoms and shortened life expectancy.

The drug candidate is intended for long-term oral treatment.

MODE OF ACTION



KL1333 has the ability to restore the balance of NAD+ and NADH, and thus leads to the formation of new mitochondria and improved energy levels.

ORPHAN DRUG BENEFITS

- Support from pharmaceutical authorities
- Free scientific advice and regulatory flexibility
- More efficient development to market
- Lower development costs
- Attractive pricing

POTENTIAL MARKET

The global market for orphan drugs was in 2019 estimated to USD 128 billion with an estimated annual growth rate of 11.2% between 2019-2024 reaching USD 217 billion in 2024.[1)] KL1333 has been estimated to reach sales of USD 574 million per year.[2)]

1 EvaluatePharma, Orphan Drug Report 2020
2 By the Company paid analysis conducted by Edison Group, June 26, 2020

CLINICAL DEVELOPMENT PLAN

Indication	Discovery	Preclinical	Clinical Phase I	Clinical Phase II	Clinical Phase III	Market
Primary mitochondrial diseases			Phase Ia (healthy volunteers) ✓ Dose-dependent exposure ✓ Phase Ib expected to commence H2 2020 if it is safe for patients with regards to Covid-19	Efficacy study is being prepared. Is planned to be conducted in the US and Europe. Start 2021.		With or without partner

NV354

First-in-class energy replacement therapy for disease modifying treatment of Leigh disease

The project is in preparation for clinical phase
Ongoing safety studies

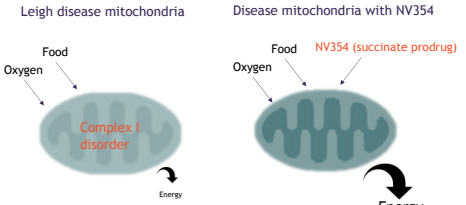
Events in the second quarter
NV354 preclinical safety studies have continued.

Objectives for 2020/2021
- Complete preclinical safety studies (H2 2020)
- Produce NV354 clinical trial material for clinical studies (H2 2020)
- Initiate Phase I study (H1 2021)
- Conclude the Phase I study and report results (H2 2021)

PATIENTS/INDICATIONS

NV354 is developed for the treatment of Leigh disease, a severe primary mitochondrial disease that usually debuts at one to two years of age. Patients usually die within two to three years. Symptoms include developmental delay, psychomotor regression and hypotonia. There are currently no approved medicines.

MODE OF ACTION



In Leigh syndrome, the first step in energy formation does not work. NV354 restores the energy needed in the diseased mitochondria.

ORPHAN DRUG BENEFITS

- Possibility of Rare pediatric designation that enables Priority review voucher
- Support from pharmaceutical authorities
- Free scientific advice and regulatory flexibility
- More efficient development to market
- Lower development costs
- Attractive pricing

POTENTIAL MARKET

The global market for orphan drugs was in 2019 estimated to USD 128 billion with an estimated annual growth rate of 11.2% between 2019-2024 reaching USD 217 billion in 2024.[1)] NV354 has been estimated to reach sales of USD 875 million per year.[2)]

1 EvaluatePharma, Orphan Drug Report 2020
2 By the Company paid analysis conducted by Edison Group, June 26, 2020

CLINICAL DEVELOPMENT PLAN

Indication	Discovery	Preclinical	Clinical Phase I	Clinical Phase II	Clinical Phase III	Market
Leigh disease		Ongoing safety studies	Initiate Phase I study (H1 2021)			With or without partner

Non-core assets

The company is actively seeking strategic partnerships for NeuroSTAT. With regards to NV556, the company will not invest additional resources in this project and will have an opportunistic licensing approach going forward.

NEUROSTAT – FOR TREATMENT OF TRAUMATIC BRAIN INJURY

Traumatic brain injury (TBI) is caused by external force to the head resulting in immediate damage to nerve cells. The damage continues to worsen for several days after the acute trauma.

Treatment objective

The aim for NeuroSTAT, targeting the mitochondria, is to counteract the emergence of neurological and functional secondary brain damage after a traumatic injury, and thereby establish a therapy that will lead to increased survival, improved quality of life and preserved neurological function.

Project status: candidate drug in clinical Phase II

NeuroSTAT has shown favorable properties in a Phase Ib/IIa clinical study and in advanced experimental TBI models at the University of Pennsylvania (Penn). NeuroSTAT has orphan drug designation in Europe and the US as well as an IND approval and Fast Track designation for clinical development in the US.

Abliva has initiated a process with the aim to transfer the rights to develop and commercialize the NeuroSTAT program into a new wholly-owned company based in the US provided funding of the planned phase II efficy study.

NV556 – FOR TREATMENT OF NASH

Non-alcoholic fatty liver disease (NAFLD) affects 20-25 percent of the global population, a condition that may lead to liver cirrhosis or hepatocellular carcinoma (liver cancer).

Treatment objective

NV556 is a candidate drug with a directly acting anti-fibrotic mechanism of action targeting patients with NASH (non-alcoholic steatohepatitis, a form of NAFLD) who have progressed from the initial metabolic stage. The anti-fibrotic effect can also be developed for other diseases involving liver fibrosis, such as Primary Biliary Cholangitis (PBC) and Primary Sclerosing Cholangitis (PSC).

Project status: no further investments

Abliva will not invest further in the NV556 project, and has adopted an opportunistic approach to continued licensing activities.

Out-licensed projects and commercial partnerships

Abliva has currently out-licensed compounds developed within NVP015 project to US company BridgeBio/Fortify. The compounds are being developed for the treatment of the eye disorder LHON. In addition, Abliva has a distribution agreement for research substances with the Austrian company Oroboros.

PROJECT FOR LOCAL TREATMENT OF LHON

In 2018, Abliva out-licensed molecules from the NVP015 project to Fortify Therapeutics. Fortify develops the in-licensed NVP015 chemistry further to a local therapy for the mitochondrial eye disorder Leber's Hereditary Optic Neuropathy (LHON).

Project status

The project is in discovery phase and currently paused for evaluation as the molecules selected have not reached sustainable concentrations in the eye.

PARTNERSHIP WITH OROBOROS INSTRUMENTS

In 2019, Abliva announced that the company has entered into an exclusive agreement with Oroboros Instruments, a leading global supplier of mitochondrial research technologies. Abliva have agreed to provide, at scale, two research compounds, originating from its NVP015 program, on an exclusive basis to Oroboros. Oroboros has initiated commercialization and distributes the compounds under the product name MitoKit-CII.

Consolidated Statement of

Comprehensive Income

Revenues

The consolidated turnover during the second quarter of 2020 was KSEK 97 (85) and relates to sales to Oroboros. Other operating revenues for the second quarter were KSEK 34 (1,000) and pertains to compensation for sixk pay. During the first six months of 2020 the consolidated turnover was 105 (85) KSEK. Other operating revenues for the first six months amounted 34 (1,000) KSEK.

Results of operations

The operating loss for thesecond quarter was KSEK 20,304 (20 756) and for the first six months the operating loss amounted KSEK -36 832 (-34,565). The net loss before tax for thesecond quarter amounted to KSEK 20,312 (-20,769). For the fist six months the loss before tax was -36,849 (-34,591).

The operating loss was affected by other external expenses, which for the first six months were KSEK 27,846 (26,577). Expenses related to development projects, as a part of external expenses, have affected the result with KSEK 17,591 (19,541) whereof KSEK 13,048 (10,298) relates to project in clinical phase. Personnel expenses during the first six months amounts to KSEK 7,783 (7,811). Other operating expenses amount to, KSEK 78 (117) and pertains to exchange-rate losses.

(SEK 000)	Note	1 Apr, 2020 30 Jun, 2020	1 Apr, 2019 30 Jun, 2019	1 Jan, 2020 30 Jun, 2020	1 Jan, 2019 30 Jun, 2019	1 Jan, 2019 31 Dec, 2019
Net sales		97	85	105	85	134
Other operating income		34	1,000	34	1,000	3,500
		130	**1,085**	**138**	**1,085**	**3,634**
Operating expenses						
Other external expenses		-15,889	-16,946	-27,846	-26,577	-63,133
Personnel cost		-4,233	-4,331	-7,783	-7,811	-14,872
Depreciation and write-down of tangible and intangible assets		-636	-579	-1,263	-1,146	-2,379
Other operating expenses		324	16	-78	-117	-325
		-20,435	**-21,841**	**-36,971**	**-35,650**	**-80,709**
Operating income		**-20,304**	**-20,756**	**-36,832**	**-34,565**	**-77,075**
Profit/loss from financial items						
Result from other securities and receivables related to non current assets		-	-	-	-	121
Financial income		-	-	-	-	-
Financial costs		-8	-13	-17	-26	-46
		-8	**-13**	**-17**	**-26**	**75**
Profit/loss before tax		**-20,312**	**-20,769**	**-36,849**	**-34,591**	**-77,000**
Income tax	2	-	-	-	-	-
Profit/loss for the period		**-20,312**	**-20,769**	**-36,849**	**-34,591**	**-77,000**
Other comprehensive income						
Items that may be reclassified to profit or loss						
Translation differences on foreign subsidiaries		-3	1	-1	2	3
Total comprehensive income for the period		**-20,315**	**-20,768**	**-36,850**	**-34,589**	**-76,997**
Loss for the period attributable to:						
Parent company shareholders		-20,312	-20,768	-36,848	-34,590	-76,994
Non-controlling interests		-	-1	-1	-1	-6
		-20,312	**-20,769**	**-36,849**	**-34,591**	**-77,000**
Total comprehensive income for the period						
Parent company shareholders		-20,314	-20,768	-36,849	-34,589	-76,991
Non-controlling interests		-1	-1	-1	-	-6
		-20,315	**-20,769**	**-36,850**	**-34,589**	**-76,997**
Earnings per share before and after dilution(SEK) based on average number of shares		-0.09	-0.14	-0.18	-0.23	-0.45

Consolidated Statement of

Financial Position

Financial position

The equity/assets ratio was 90 (90) percent as of 30 June 2020, and equity was KSEK 145,044 (170,204). The equity includes funds from the in May completed rights issue, which provided the company with KSEK 54,098 after deduction of issue costs and compensation for guarantee commitments of KSEK 12,879. Cash and cash equivalents amounted to KSEK 69,109 (99,079) as of 30 June 2020, an increase of KSEK 10,790 from the beginning of the year. Total assets as of 30 June 2020 were KSEK 160,395 (189,763).

The directed issue of shares totaling approximately SEK 20 million decided by the Board of Directors on April 22, 2020 to Hadean Ventures, a leading Nordic life science investor, was completed on June 15, 2020. The directed rights issue was performed after the period and the company received MSEK 18.5 after transactions costs which amounts to MSEK 1.5.

Financial instruments

Abliva 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 Abliva's R&D partner companies, which conducts development activities. A prudent assessment is that book value corresponds to the market value.

Other financial assets and liabilities are valued at amortized cost. The carrying amount of these assets and liabilities is estimated to correspond to fair value.

(SEK 000)	Note	30 Jun, 2020	30 Jun, 2019	31 Dec, 2019
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,706	51,706	51,706
Patents		21,465	21,164	21,501
Other Intangible assets		1,411	1,546	1,479
		74,583	**74,416**	**74,686**
Tangible assets				
Equipment		68	154	99
Rigth of use asset leases		515	859	687
		583	**1,013**	**786**
Financial assets				
Other long-term securities		13,101	13,101	13,101
		13,101	**13,101**	**13,101**
Total non-current assets		**88,267**	**88,530**	**88,573**
Current assets				
Other receivables		1,366	1,537	1,141
Prepaid expenses and accrued income		1,653	617	459
Cash and cash equivalents		69,109	99,079	58,319
		72,128	**101,233**	**59,919**
TOTAL ASSETS		**160,395**	**189,763**	**148,492**

Consolidated Statement of

Financial Position

(SEK 000)	Note	30 Jun, 2020	30 Jun, 2019	31 Dec, 2019
EQUITY AND LIABILITIES				
Equity attributable to the shareholders of the parent company				
Share capital		13,484	9,298	9,298
Additional paid in capital		642,893	592,980	592,980
Translation reserve		621	618	619
Retained earnings		-511,958	-432,703	-475,107
Total equity attributable to the shareholders of the parent		**145,039**	**170,193**	**127,790**
Non-controlling interests		5	11	5
Total equity		**145,044**	**170,204**	**127,795**
Long-term liabilities				
Other longtrem liabilities		361	534	361
		361	**534**	**361**
Short-term liabilities				
Accounts payable		9,258	6,250	14,234
Other liabilities		535	823	811
Accrued expenses and deferred income		5,197	11,952	5,291
		14,991	**19,025**	**20,336**
Total liabilities		**15,351**	**20,093**	**21,058**
TOTAL EQUITY AND LIABILITIES		**160,395**	**189,763**	**148,492**

Consolidated Statement of

Changes in Equity

	Equity attributable to the shareholders of the parent company						
(SEK 000)	Share-capital	Additional paid in capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2020	**9,298**	**592,980**	**619**	**-475,107**	**127,791**	**5**	**127,795**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-36,848	-36,848	-1	-36,849
Other comprehensive income							
Translation differences	-	-	2	-3	-1	-	-1
Other comprehensive profit/loss for the period, net after tax	**-**	**-**	**2**	**-3**	**-1**	**-**	**-1**
Total comprehensive profit/loss	**-**	**-**	**2**	**-36,851**	**-36,849**	**-1**	**-36,850**
Transactions with shareholders							
Rights Issue*	4,186	49,912	-	-	54,098	-	54,098
Total transactions with shareholders	**4,186**	**49,912**	**-**	**-**	**54,098**	**-**	**54,098**
Closing balance, 30 June 2020	**13,484**	**642,892**	**621**	**-511,958**	**145,039**	**5**	**145,044**
Opening balance, 1 January 2019	**4,585**	**489,913**	**616**	**-398,113**	**97,002**	**11**	**97,012**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-34,590	-34,590	-1	-34,591
Other comprehensive income							
Translation differences	-	-	2	-	2	-	2
Other comprehensive profit/loss for the period, net after tax	**-**	**-**	**2**	**-**	**2**	**-**	**2**
Total comprehensive profit/loss	**-**	**-**	**2**	**-34,590**	**-34,589**	**-1**	**-34,589**
Transactions with shareholders							
Rights Issue*	4,713	103,067	-	-	107,780	-	107,780
Total transactions with shareholders	**4,713**	**103,067**	**-**	**-**	**107,780**	**-**	**107,780**
Closing balance, 30 June 2019	**9,298**	**592,980**	**618**	**-432,703**	**170,193**	**11**	**170,204**
Opening balance, 1 January 2019	**4,585**	**489,913**	**616**	**-398,113**	**97,002**	**11**	**97,012**
Comprehensive profit/loss for the period							
Profit/loss for the period	-	-	-	-76,994	-76,994	-6	-77,000
Other comprehensive income							
Translation differences	-	-	3	-	3	-	3
Other comprehensive profit/loss for the period, net after tax	**-**	**-**	**3**	**-**	**3**	**-**	**3**
Total comprehensive profit/loss	**-**	**-**	**3**	**-76,994**	**-76,991**	**-6**	**-76,997**
Transactions with shareholders							
Rights Issue	4,713	103,067	-	-	107,780	-	107,780
Total transactions with shareholders	**4,713**	**103,067**	**-**	**-**	**107,780**	**-**	**107,780**
Closing balance, 31 December 2019	**9,298**	**592,980**	**619**	**-475,107**	**127,791**	**5**	**127,795**

*Total equity includes funds from the May 5, 2020 completed rights issue with KSEK 54,098 less expenses and guarantees KSEK 12,879.

Consolidated Statement of

Cash Flows

Cash flow and investments

Operating cash flow for the second quarter was KSEK -14,174 (-12,822). For the first six months the operating cash flow amounted -42,329 (-33,184). The cash flow effect related to investments in intangibles equals KSEK -805 (-1,230) for the first six months. Cash flow for the second quarter equals KSEK 39,546 (-14,260). Cashflow for the first six months equals KSEK 10,790 (73,125).

(SEK 000)	1 Apr, 2020 30 Jun, 2020	1 Apr, 2019 30 Jun, 2019	1 Jan, 2020 30 Jun, 2020	1 Jan, 2019 30 Jun, 2019	1 Jan, 2019 31 Dec, 2019
Cash flow from operating activities					
Operating income	-20,304	-20,756	-36,832	-34,565	-77,074
Adjustments for non-cash items:					
Depreciation	636	579	1,263	1,146	2,379
Result from other securities and receivables related to non current assets	-1	-	-	-	121
Interest received	-	-	-	-	-
Interest paid	-8	-13	-17	-26	-46
Net cash from operating activities before changes in working capital	**-19,676**	**-20,190**	**-35,586**	**-33,445**	**-74,620**
Changes in working capital					
Increase/decrease of other current assets	-1,188	1,652	-1,418	523	1,077
Increase/decrease of other short-term liabilities	6,681	5,716	-5,325	-261	1,131
Changes in working capital	**5,494**	**7,368**	**-6,743**	**261**	**2,208**
Cash flow from operating activities	**-14,182**	**-12,822**	**-42,329**	**-33,184**	**-72,412**
Investing activities					
Acquisition of intangible assets	-280	-970	-805	-1,230	-2,626
Acquisition of tangible assets	-1	-241	-	-241	-69
Increase in other financial assets	-	-	-	-	-
Cash flow from investing activities	**-280**	**-1,211**	**-805**	**-1,471**	**-2,695**
Financing activities					
New share issue	54,098	-227	54,098	107,780	107,780
Amoritization lease			-174	-	-309
Cash flow from financing activities	**54,008**	**-227**	**53,924**	**107,780**	**107,471**
Cash flow for the period	39,546	-14,260	10,790	73,125	32,364
Cash and cash equivalents at the beginning of the period	29,568	113,339	58,319	25,951	25,951
Effect of exchange rate changes on cash	-5	-0	0	3	4
Cash and cash equivalents at end of period	**69,109**	**99,079**	**69,109**	**99,079**	**58,319**

Parent Company

Income Statement

Parental company

Company earnings after tax for the first quarter amounts to KSEK -20,343 (-16,533). Earnings after tax for the first six months amount to KSEK -36,876 (-34,576). Most of the Group's operations are conducted within the parent company. Accordingly, no further specific information regarding the parent company is presented.

(SEK 000)	Note	1 Apr, 2020 30 Jun, 2020	1 Apr, 2019 30 Jun, 2019	1 Jan, 2020 30 Jun, 2020	1 Jan, 2019 30 Jun, 2019	1 Jan, 2019 31 Dec, 2019
Net sales		97	85	105	85	134
Other operating income		-	1,000	-	1,000	3,500
		97	**1,085**	**105**	**1,085**	**3,634**
Operating expenses						
Other external expenses		-15,980	-17,038	-28,028	-26,759	-63,469
Personnel cost		-4,233	-4,331	-7,783	-7,811	-14,872
Depreciation and write-down of tangible and intangible assets		-550	-493	-1,091	-974	-2,036
Other operating expenses		324	16	-78	-117	-325
		-20,439	**-21,847**	**-36,980**	**-35,661**	**-80,702**
Operating income		**-20,343**	**-20,761**	**-36,876**	**-34,576**	**-77,068**
Profit/loss from financial items						
Result from other securities and receivables related to non current assets		-	-	-	-	122
Interest expenses and other similar loss items		-	-1	-	-1	-1
		-	**-1**	**-**	-1	121
Profit/loss before tax		**-20,343**	**-20,762**	**-36,876**	**-34,576**	**-76,947**
Income tax	2	-	-	-	-	-
Profit/loss for the period		**-20,343**	**-20,762**	**-36,876**	**-34,576**	**-76,947**

Parent Company

Statement of Comprehensive Income

(SEK 000)	Note	1 Apr, 2020 30 Jun, 2020	1 Apr, 2019 30 Jun, 2019	1 Jan, 2020 30 Jun, 2020	1 Jan, 2019 30 Jun, 2019	1 Jan, 2019 31 Dec, 2019
Profit/loss for the period		-20,343	-20,762	-36,876	-34,576	-76,947
Other comprehensive income		-	-	-	-	-
Total comprehensive profit/loss for the period		**-20,343**	**-20,762**	**-36,876**	**-34,576**	**-76,947**

Parent Company

Balance Sheet

(SEK 000)	Note	30 Jun, 2020	30 Jun, 2019	31 Dec, 2019
ASSETS				
Non-current assets				
Intangible assets	1			
Development costs		51,706	51,706	51,706
Patents		21,465	21,164	21,501
Other intangible assets		1,411	1,546	1,479
		74,584	**74,416**	**74,686**
Tangible assets				
Equipment		68	154	99
		68	**154**	**99**
Financial assets				
Shares in subsidiaries	3	23,625	23,625	23,625
Andra långfristiga värdepappersinnehav		13,101	13,100	13,101
		36,726	**36,726**	**36,726**
Total non-current assets		**111,377**	**111,296**	**111,511**
Current assets				
Short term receivables				
Other receivables		1,363	1,534	1,138
Prepaid expenses and accrued income		1,653	617	459
		3,015	**2,151**	**1,597**
Cash and bank balances		69,083	99,017	58,272
Total current assets		**72,098**	**101,168**	**59,869**
TOTAL ASSETS		**183,475**	**212,464**	**171,380**

Parent Company

Balance Sheet

(SEK 000)	Note	30 Jun, 2020	30 Jun, 2019	31 Dec, 2019
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		13,484	9,298	9,298
Statutory reserve		1,856	1,856	1,856
Development expenditure reserve		14,070	10,610	14,106
		29,411	**21,763**	**25,260**
Unrestricted equity				
Share premium reserve		152,978	103,067	103,067
Retained earnings		23,115	103,523	100,026
Profit/loss for the period		-36,842	-34,576	-76,947
		139,251	**172,013**	**126,146**
Total equity		**168,662**	**193,777**	**151,406**
Short-term liabilities				
Accounts payable		9,258	6,250	14,234
Other liabilities		362	488	467
Accrued expenses and deferred income		5,194	11,949	5,273
		14,814	**18,687**	**19,974**
TOTAL EQUITY AND LIABILITIES		**183,475**	**212,464**	**171,380**

Notes

Note 1 — Intangible assets

(SEK 000)	Development costs	Patents	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2020	**51,706**	**32,279**	**2,864**	**86,849**
Additions	-	957	-	957
Closing balance 31 June 2020	**51,706**	**33,236**	**2,864**	**87,806**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2020	**-**	**-10,778**	**-1,385**	**-12,163**
Depreciation for the period	-	-993	-67	-1,060
Closing balance 31 June 2020	**-**	**-11,771**	**-1,452**	**-13,223**
Residual value 31 June 2020	**51,706**	**21,465**	**1,412**	**74,583**

(SEK 000)	Development costs	Patents	Other	Total
ACCUMULATED COST				
Opening balance 1 Jan. 2019	**51,706**	**29,107**	**2,864**	**83,677**
Additions	-	3,172	-	3,172
Closing balance 31 Dec. 2019	**51,706**	**32,279**	**2,864**	**86,849**
ACCUMULATED DEPRECIATION				
Opening balance 1 Jan. 2019	**-**	**-8,986**	**-1,251**	**-10,237**
Depreciation for the period	-	-1,792	-134	-1,926
Closing balance 31 Dec. 2019	**-**	**-10,778**	**-1,385**	**-12,163**
Residual value 31 Dec. 2019	**51,706**	**21,501**	**1,479**	**74,686**

Note 2 – Tax

The group's total loss carry-forwards amounts to KSEK 581,413 as of 30 June 2020 (502,286). The parent company's total loss carry-forwards amounts to SEK 555,581 as of 30 June 2020 (502,286). 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.

Other disclosures

Transactions with related parties

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

(SEK 000)	1 Jan. 2020 30 Jun. 2020	1 Jan. 2019 31 Dec. 2019
Eskil Elmér, CSO	3	6
Magnus Hansson, CMO	2	3
Total	**5**	**9**

Compensation based on sales has been paid during the period under the agreement, in relation to mitochondrial energy regulation projects, with the Research Group at Lund University, which includes CSO Eskil Elmér and CMO Magnus Hansson. Apart from remuneration to senior executives no transactions with related parties have occured.

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.

Human resources

The average number of employees of the group for the period January to June 2020 was 9 (8), of which 5 (4) are women.

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-September 2020	November, 2020
Year-End Report 2020	February 19, 2021

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

Risks and uncertainty factors

A research company such as Abliva 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 through continious development activities, to out-license projects or enter strategic partnerships.

Impact of COVID-19 on the Company's clinical trials
The Company estimates that COVID-19 will delay Abliva's ongoing Phase Ia/b study with KL1333, since healthcare authorities and healthcare providers will prioritize available resources, care locations and healthcare professionals to better meet the possible influx of COVID-19 patients. At present, the planned final part of the Phase I a/b study with KL1333 against PMD is ready to start recruiting patients. Trial centers in Newcastle and London, where the study is to be conducted, have announced that, due to the situation with the COVID-19 pandemic, there will be delays in recruitment to all clinical trials for some time to come. This has caused the timing of inclusion of the first patient in the final phase of the Phase I a/b study with KL1333 to be delayed and that there is a risk that final results from this part of the study will be announced later than planned. Currently, Abliva assesses that it will be possible to initiate the Phase Ib study in the autumn of 2020. Abliva expects that the delay in the Ib study will not affect the start of the upcoming clinical efficacy study, which is still scheduled to start during the the first half of 2021. Abliva's preparations in the form of preclinical safety studies to be able to take the drug candidate, NV354 for Leigh syndrome, into clinical phase in 2021 are currently not considered to be affected by the COVID-19 pandemic. In Abliva's assessment, it is currently difficult to assess the actual effects of COVID-19 over the longer term and the degree to which they will affect the Company's operations and clinical studies.

Abliva is not involved in any disputes.

For more detail of risks and uncertainty factors, refer to the Statutory Administration Report in the Annual Report 2019 and the prospectus published April 3, 2020 for the preferential rights issue carried out in April 2020.

Principles of preparation of the Interim Report

Abliva 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 accounting principles described in the Annual Report for 2019 on pages 52-68.

Definitions alternative performance measures

Alternative Performance Measures (APM) are key figures not defined in financial reports prepared according to IFRS.
Of the below key figures, only the key figure Earnings per share before and after dilution is mandatory and defined according to IFRS.
Of the other key figures, net sales, earnings per share before and after dilution, cash flow from operating activities and cash flow for the period are defined according to IFRS.

The following key figures are used:	Definition	Reason for use
Net revenues	Revenue from goods and services sold that are part of the company's normal operations	
Other operating income	Income from secondary activities in ordinary activities such as grants received	
Operating income	Net sales and other revenues minus expenses for other external costs, personnel costs, depreciation and impairment and other expenses	Measures the result in the operations
Profi/loss before tax	Operating income after profit/loss from finacial items and allocations	Measures the result in the business after profit/loss from financial items and allocations
Earnings per share before dilution(SEK) based on average number of shares	Profit/loss for the period divided by avarage number of shares before dilution at the end of the period	
Earnings per share after dilution(SEK) based on average number of shares	Profit/loss for the period divided by avarage number of shares after dilution at the end of the period	
Cash flow from operating activities	Cash flow from operating activities, including cash flow from working capital, ie changes in current liabilities and current receivables	Measures total cash flow generated in the business
Cash flow for the period	The company's total cash flow from operating activities, investment activities and financing activities	Measures total cash flow generated in the business including investment activities and financing activities
Average number of shares before and after dilution	Average number of shares before and after dilution	Measures the average number of shares during the period before and after dilution. As the Group's earnings are negative, there is no dilution
Equity Ratio %	Equity as a percentage of total assets	Shows how much of the company's assets are financed with equity and shows the company's ability to pay
Liquidity Ratio (%)	Current assets divided by current liabilities	Shows on the company's short-term ability to pay

The declaration of the Board of Directors and the CEO

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, August 21, 2020

David Laskow-Pooley
Chairman of the Board

David Bejker
Board member

Roger Franklin
Board member

Denise Goode
Board member

Magnus Persson
Board member

Jan Törnell
Board member

Erik Kinnman
Chief Executive Officer


David Laskow-Pooley


David Bejker


Roger Franklin


Denise Goode

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

This information is information that Abliva AB is obliged to make public pursuant to the Securities Markets Act.

The information was submitted for publication, through the agency of the contact person set out above, at 08:30 a.m. CEST on August 21, 2020.


Magnus Persson


Jan Törnell


Erik Kinnman

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.

Glossary

Active compound. A pharmaceutical active ingredient in a pharmaceutical product.
Candidate drug. A particular compound which is selected during the preclinical phase. The candidate drug is subsequently tested in humans in clinical studies.
Clinical study. 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)".
FDA. The United States Federal Food and Drug Administration.
HCC. Hepatocellular carcinoma, liver cancer.
Hypotonia. An abnormally low level of tension, important for posture, in the resting muscle.
Indication. A disease condition requiring treatment, such as traumatic brain injury or fatty liver, NASH.
In vivo/in vitro. In vivo are scientific studies in animal models. In vitro are scientific studies carried out outside of the living body, for example in cells in test tubes.
KSS. Mitochondrial disease, Kearns-Sayre's syndrome. The disease debuts before the age of 20 and is characterized by eye related symptoms with pigment retention in the retina and paralysis of the outer eye muscles, as well as the effects on the cardiac retinal system and the cerebellum with disorders in the coordination of muscle movements (ataxia).
Leigh syndrome. Leigh 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 muscles).
LHON. Mitochondrial disease, Leber Hereditary Optic Neuropathy. Affects the retina and the optic nerve, but in rare cases symptoms can be found in other parts of the central nervous system. There is no cure, but treatments are focused primarily on compensating for the visual impairment.
Liver fibrosis/cirrhosis. Liver fibrosis is the formation of fibrous tissue (scar tissue) in the liver as a result of, for example, infection. May lead to liver cirrhosis.
MELAS. MELAS is an acronym of mitochondrial encephalomyopathy (brain and muscle disease) with lactic acidosis (increased lactic acid levels in the blood) and strokelike episodes.
MIDD. Maternally Inherited Diabetes and Deafness
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.
Mitochondrial myopathy. Primary mitochondrial disease which affects the muscles.
NAFLD. Non-Alcoholic Fatty Liver Disease.
NASH. Non-alcoholic steatohepatitis, inflammatory fatty liver disease.
ODD. Orphan Drug Designation. Facilitates development and commercialization, and may, upon receiving marketing authorization, provide orphan drug status with seven or ten years of market exclusivity (in the US and Europe, respectively).
PEO/CPEO. Mitochondrial disease. Progressive External Ophthalmoplegia/Chronic Progressive External Ophthalmoplegia.
Pharmacokinetics. Describes how the body affects a specific drug after administration.
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.
Preclinical. That stage of drug development that occurs before a candidate drug is trialed on humans.
Primary mitochondrial diseases. Metabolic diseases that affect the ability of cells to convert energy. An estimated 12 in every 100,000 people affected. Often present in early childhood and lead to severe symptoms, such as mental retardation, heart failure and rhythm disturbances, dementia, movement disorders, severe diabetes, stroke-like episodes, deafness, blindness, limited mobility of the eyes, vomiting and seizures.
Psychomotor regression. When the development of the ability to perform will-driven movements is initially normal but deteriorates during infancy or early childhood.
TBI. Traumatic Brain Injury. An injury to the brain where some nerve cells are subjected to immediate damage. The injury then continues to exacerbate several days after the incident, which significantly impacts the final extent of damage.

About Abliva

Abliva develops medicines for the treatment of primary mitochondrial diseases. These rare and often very severe diseases occur when the cell's energy provider, the mitochondria, do not function properly. The company is focused on two projects. KL1333, a powerful NAD+ regulator, is in clinical development and has been granted orphan drug designation in Europe and the US. NV354, an energy replacement (succinate) therapy, is in preclinical development. Abliva is based in Lund, Sweden.

What is primary mitochondrial disease?
Primary 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 clinical syndromes. An estimated 125 in every 1,000,000 people suffer from a primary mitochondrial disease.

Abliva's discovery projects focus on deeper understanding of the mechanisms for our unique chemistry platforms, and the development of next-generation compounds for primary mitochondrial diseases.

Stock exchange
Abliva is listed on Nasdaq Stockholm, Sweden (ticker: ABLI).

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