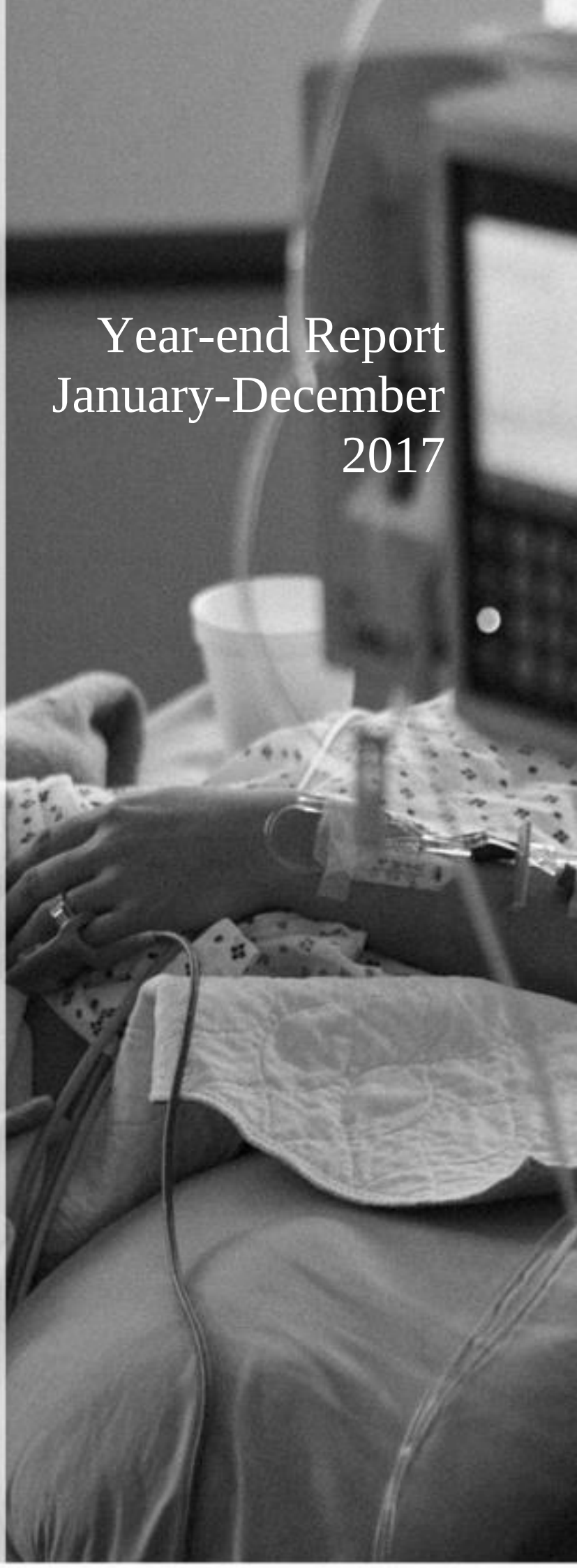
PledPharma

Year-end Report January-December 2017



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SUMMARY

Q4 IN BRIEF

- The design of the global pivotal programme for PledOx® was finalized after dialogue with EMA.
- A regional licensing agreement was entered with Solasia Pharma K.K. regarding development and commercialization of PledOx® in Japan, China, Hong Kong, Macau, South Korea and Taiwan.
- Data from PLIANT, a phase IIb trial, was published in Acta Oncologica. Study results indicate that PledOx® can prevent chemotherapy induced neuropathy during and post treatment of colorectal cancer with oxaliplatin.
- Yilmaz Mahshid was recruited as the new CFO.
- SUNCIST, a phase I study with Japanese and Caucasian healthy volunteers was initiated in December to evaluate PledOx® tolerability and pharmacokinetic.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Delayed delivery of study drug for the PledOx® phase III-program – top-line results still expected during 2020, in-line with previous communication.
- The US FDA, the central ethics committee in the US and the health authority in the UK, MHRA have accepted the study design for the PledOx® phase III programme.
- PledOx® shows favorable safety and tolerability profile in the SUNCIST Phase I study in Japanese subjects, which merits further clinical development in Asian patients.
- First two patients in the third and final cohort was dosed in the ongoing trial with Aladote®.

FINANCIALS FOR THE QUARTER

- Quarterly result MSEK -32.1 (-11.5)
- Cash position MSEK 309.5 (394.0)
- Cash flow from operating activities MSEK -45.4 (-9.3)
- Result per share SEK -0.7 (-0.3)

JAN-DEC IN BRIEF

- Nicklas Westerholm was recruited as the new CEO for PledPharma.
- Christian Sonesson, Stefan Carlsson and Yilmaz Mahshid were recruited as Vice President Product Strategy and Development, Chief Medical Officer and Chief Financial Officer, respectively.
- Marie Ekström Trägårdh, Gunilla Osswald, Elisabeth Svanberg and were elected to the Board of Directors.
- PledPharma started a clinical study with drug candidate Aladote®.
- A Scientific Advisory Board was established for the continued clinical development of PledOx® and had their first meeting.
- PledPharma received advice from the FDA for the continued development of PledOx®.
- PledPharma's key patent application for the active pharmaceutical ingredient of the drug candidates PledOx® and Aladote® was approved in Japan, Russia and China (earlier approved in the US).
- A warrants program was established.

FINANCIALS FOR THE YEAR

- Loss for the period MSEK -88.0 (-38.2)
- Cash position MSEK 309.5 (394.0)
- Cash flow from operating activities MSEK -86.6 (-36.1)
- Loss per share SEK -1.8 (-1.3)

FINANCIAL SUMMARY

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Result after tax, KSEK	-32,127	-11,462	-87,935	-38,223
Cash flow, KSEK	-44,812	370,408	-84,468	343,638
Cash, KSEK	309,531	393,998	309,531	393,998
Equity ratio %	96%	98%	96%	98%
Result per share, SEK	-0.7	-0.3	-1.8	-1.3
Result per share after dilution, SEK	-0.7	-0.3	-1.8	-1.3
Average number of employees	7	4	5	4

COMMENTS FROM THE CEO

Our highest priority in 2017 has been to ensure PledOx® is ready for the start of phase III trials. To achieve this important goal, since I became CEO in June, we have focused on strengthening the organization through the recruitment of new employees with complementary skills and experience from late stage drug development, optimizing our development programmes and the dialogues with regulatory agencies. A significant part of our time has also been devoted to securing our first licensing agreement for our most advanced candidate drug PledOx®.

PledPharma's first commercial Cooperation agreement
In November, we announced that the Japanese pharmaceutical company, Solasia Pharma K.K., is committed to paying up to 83 million dollars for the right to develop and commercialize PledOx® in certain parts of Asia. PledPharma is also entitled to royalties on future sales of the product. In addition, after regulatory interactions, Solasia undertakes to fully finance an expansion of the global phase III programme by inclusion of Asian patients. We see this agreement as an important milestone in PledPharma's development and an indication of the global commercial potential of the project.

Patient-inclusion in phase III studies with PledOx® during 2018
Following a constructive dialogue with the European Medicines Agency, we were, in November, able to finalise the design of the phase III programme for PledOx®. Preparations for the start of the studies are well advanced and the study design have been approved by the UK Medicines Agency MHRA and accepted by the US FDA and the Central Ethics Committee of the United States. However, due to a delay in delivery of the study drug, the first patient will be included later than we initially expected. Despite this, we still expect to be able to present top-line results in 2020 in accordance with previous communication.

In December, we initiated a clinical Phase I study (SUNCIST) with PledOx® in Asian patients. The positive results that we have recently communicated from this study are intended to allow for an expansion of the phase III programme in order to obtain market approvals of PledOx® also in the large and commercially attractive Asian markets. The phase I study is fully funded by our new partner, Solasia Pharma K.K.

An even stronger PledPharma
During the year we have recruited several new employees to strengthen our competence for the further development and commercialisation of our pharmaceutical projects. Dr. Stefan Carlsson, PledPharma's new Chief Medical Officer, is responsible for the continued clinical development of our two drug candidates. Dr. Christian Sonesson, new Vice President Product Strategy & Development, has the overall responsibility for PledOx® including responsibility for the design of pricing strategies, initial market positioning and potential indication expansions. Dr. Yilmaz Mahshid, who recently joined as the CFO, will lead Pledpharma's financial management and investor relations, as well as facilitate our corporate strategy development.

PledPharma's Scientific Advisory Board (SAB), which was set up in the autumn, will provide us with valuable advice on the design of the clinical trial programme and the regulatory strategy for PledOx®, with the goal of maximizing the likelihood for regulatory approval and optimizing the drug candidate's commercial potential. The SAB consists of five renowned international experts in the fields of oncology, neurology and patient-reported evaluation. We see the commitment of these experts as a clear indication of the medical need to be able to prevent chemotherapy induced nerve damage, and at the innovation height of our project.

Clinical Study with Aladote®
The clinical proof of principle-study with Aladote® initiated in spring of 2017 in patients who had inadvertently or deliberately overdosed paracetamol progresses according to plan. In February 2018, two patients have been included in the third and final dose cohort of the study. Results from this study will provide us with valuable guidance on the decision for the continued development and commercial strategy. Today, there is no effective treatment for the significant proportion of patients who seek medical care post 8 hours after overdose.

Significant potential for value creation
We look forward to include the first patient in the phase III program with PledOx® during 2018, presenting clinical proof of principle data for Aladote® and continue our efforts to create the best possible conditions for future potential commercial agreements. The need for a treatment which can prevent nerve damage associated with chemotherapy, as well as an effective medicine that can prevent acute liver failure caused by paracetamol poisoning, is significant. PledPharma has two advanced clinical projects with the potential to revolutionize treatment for both of these patient categories, and thus have the opportunity to generate substantial values for shareholders.

Nicklas Westerholm, CEO
Pledpharma AB
Stockholm

PLEDPHARMA IN BRIEF

PledPharma develops new drugs that protect the body against oxidative stress – a potentially debilitating and sometimes life-threatening condition that can be caused by chemotherapy treatment and following acetaminophen (paracetamol) overdose.

The company's most advanced project **PledOx®** is being developed to reduce nerve damage associated with chemotherapy. A phase IIb study has been conducted and is serving the basis for the upcoming phase III program.

The drug candidate **Aladote®** is being developed to reduce the risk of acute liver failure associated with acetaminophen poisoning.

PledPharma (STO:PLED) is listed on Nasdaq First North.

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PROJECT UPDATES

PLEDOX®

PLEDOX® IN BRIEF

PledOx® is a "first in class" drug candidate developed to provide patients, that are treated adjuvantly or for metastatic colorectal cancer, prevention against the nerve damage that can occur in conjunction with chemotherapy treatment. The side-effects of chemotherapy can lead to a reduction of the planned dose or in worst case, treatment discontinuation. Unfortunately, it appears that the chemotherapy can induce permanent nerve damage. Patients may, for example, experience discomfort and numbness in the hands and feet, difficulty with balance with risk of falling and problems with sensation that can last for the rest of their lives.

The results from the Phase IIb study PLIANT, where patients with metastatic colorectal cancer were treated with the chemotherapy combination FOLFOX and PledOx® (calmangafodipir), indicates that the patients who received PledOx® had a lower risk than the placebo group to suffer from nerve damage during the chemotherapy.

The presence of the investigator reported sensory nerve damage, the primary endpoint, was after treatment 43 percent lower in the group of patients treated with PledOx® compared with the placebo group (p = 0.14). This was not statistically significant, but a difference of this magnitude is considered to be clinically relevant. No apparent negative effect on the efficacy of the cancer treatment was observed. Furthermore, there was a coherence between investigator reported sensory nerve damage and the different patient reported evaluations made, which is valuable for future studies.

Post hoc analyzes on patient-reported neuropathy show a statistically significant reduction in the incidence and intensity of the symptoms of nerve damage in comparison with placebo. Additionally, it was noted that the investigator-reported symptoms of neuropathy occur later and disappear faster after pretreatment with PledOx®.

During the follow-up after completion of chemotherapy, the patient-reported incidence and intensity of neuropathy was 77% lower in patients pretreated with PledOx® (exploratory analysis, p=0.014). A reduction that is judged to be valuable for the chances to realise positive results in the upcoming Phase III-studies, where a patient reported outcome after the end of treatment will be the primary endpoint. No apparent negative interaction with the anticancer activity was seen.

EVENTS DURING THE QUARTER

The results of the phase IIb study PLIANT, which were recently published*, motivated PledPharma to plan for and initiate a Global Phase III programme, which was communicated in November. The phase III programme for PledOx® consists of two double-blind, randomised, placebo-controlled studies, POLAR-M and POLAR-A. POLAR-M includes 300 patients undergoing chemotherapy treatment for metastatic colorectal cancer and planned to be conducted in Europe and the United States. The study compares PledOx® at doses of 2 µmol/kg and 5 µmol/kg, respectively, with placebo. POLAR-A includes 200 patients undergoing adjuvant chemotherapy treatment for colorectal cancer and planned to be conducted in Europe. The study compares PledOx® at a dose of 5 µmol/kg with placebo.

These studies have been designed based on interactions with the European Medicines Agency EMA, the US FDA, and PledPharmas scientific advisory board. The aim is to show that PledOx® reduces sensation nerve damage that the chemotherapy treatment gives rise to by measuring patient reported symptoms of peripheral nerve damage. During the quarter, intensive work has been directed to complete the clinical study protocols. The main investigators for these studies are Professor Per Pfeiffer, Odense University Hospital, Denmark (POLAR-M), Professor Axel Grothey, Mayo Clinic Rochester, MN, USA (POLAR-M) and Dr. Camila Qvortrup, Rigshospitalet, Copenhagen, Denmark (POLAR-A). The Phase III clinical programme was initiated in December with the first applications made to the healthcare authorities and ethical committees.

In November, the Japanese pharmaceutical company, Solasia Pharma K.K., has entered an agreement to pay up to 83 million dollars for the right to develop and commercialize PledOx® in some parts of Asia. PledPharma is also entitled to royalties on future sales of the product. This is the first commercial license agreement for PledPharma and provides an indication on the global commercial potential of the project. In addition, Solasia undertakes to fully finance, subject to regulatory interactions, an expansion of the global phase III programme through the inclusion of Asian patients. To enable this, the phase I study SUNCIST, was initiated in December 2017, to evaluate the safety, tolerability and pharmacokinetics of PledOx® in 24 Japanese and 24 Caucasian healthy subjects who were randomised to receive single dose PledOx® (2-, 5-or

10 µmol/kg) or placebo.

*) Glimelius B, et al. Persistent prevention of oxaliplatin-induced peripheral neuropathy using calmangafodipir (PledOx®): a placebo-controlled randomised phase II study (PLIANT). Acta Oncol. 2018; 57(3): 393-402.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A delay in delivery of study drug from external manufacturer for the phase III program was announced at the beginning of February. Enrolment of patients are now expected to commence during the second half of 2018. Other start-up activities are proceeding according to plan and diligent efforts have been put in place to minimize the delay of first-patient-in. At the time of available study drug, patient recruitment will be initiated simultaneously in all countries instead of the previously planned sequential recruitment phase. Top-line results are expected in the second half of 2020, which is within previously communicated guidance. The US FDA, the central ethics committee in the US and the health authority in the UK, MHRA, have recently accepted the study design.

The phase 1, SUNCIST trial, was concluded with positive results, where PledOx® shows favorable safety and tolerability profile in Japanese subjects. Data from the study will support Pledpharma and Solasia in the discussion with Asian regulatory agencies for the expansion of the phase III program.

ALADOTE®

ALADOTE® IN BRIEF

Aladote® is a “first-in-class” drug candidate with the potential to prevent the development of acute liver failure caused by paracetamol (acetaminophen) overdose. Paracetamol overdose is one of the most common forms of drug poisoning. When excessive amounts of paracetamol are broken down into the liver, the harmful metabolite NAPQI is formed, which can cause acute liver failure. The current treatment for paracetamol poisoning (N-acetylcysteine) is effective if the patient seeks medical care within 8 hours of ingestion. However, there is currently no effective treatment for patients who arrive post 8 hours after overdose.

PledPharma's drug candidate Aladote® has shown good efficacy in relevant preclinical models, even in the time-window when N-acetylcysteine (NAC) treatment is no longer is effective.
A proof of principle study in patients with paracetamol poisoning is ongoing at the Royal Infirmary of Edinburgh.

EVENTS DURING THE QUARTER

During the quarter, the proof of principle study in patients with paracetamol poisoning has continued at the Royal Infirmary of Edinburgh. An abstract with preclinical data for calmangafodipir has been presented by the study's principal investigator Dr James Dear at the British Pharmacological Society's (BPS) annual pharmacology conference in London, December 12, 2017.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In total 16 out of 24 patients have been treated in the trial. The trial evaluates safety and tolerability of Aladote®. At the end of January the DSMB (Data and Safety Monitoring Board) allowed the final dose cohort to be initiated. Two patients have so far been treated in the final and last cohort, in February.

FINANCIAL INFORMATION
FOURTH QUARTER AND THE PERIOD
JANUARY – DECEMBER 2017

REVENUE, AND RESULTS

Revenues
Revenue amounted to KSEK 13 608 (41) during the quarter and to KSEK 13 886 (1 026) for the period and was primarily attributed to the first milestone payment from Solasia Pharma K.K. of MSEK 7.4 and reimbursements for the phase I study (SUNCIST) cost. Interest income amounted to KSEK 41 (33) for the quarter and to KSEK 163 (140) for the period.

Expenses
Operating expenses amounted to KSEK 45 777 (11 537) for the quarter and to KSEK 101 984 (39 389) for the period. Of these project costs amounted to KSEK 36 100 (6 371) for the quarter and to KSEK 74 197 (19 513) for the period. The increase compared to the previous year is largely due to start-up costs for the contract research organization for the forthcoming clinical studies with PledOx®, which amounted to KSEK 32 103.

Employee costs amounted to KSEK 3 643 (1 727) for the quarter and to KSEK 10 895 (6 357) for the period. The increase is due to recruitment of new employees. Other operating costs amounted to KSEK 4 906 (3 370) for the quarter and to KSEK 15 626 (13 162) for the period and included costs of license patents and consulting costs. Depreciation amounted to KSEK 0 (0) for the periods.

Results
Operating result amounted to KSEK -32 169 (-11 495) for the quarter and to KSEK -88 097 (-38 363) for the period. Result after financial items amounted to KSEK -32 127 (-11 462) for the quarter and to KSEK -87 935 (-38 223) for the period. No income tax was reported for the periods. Result per share before and after dilution amounted to SEK -0.7 (-0.3) for the quarter and to SEK -1.8 (-1.3) for the period.

FINANCIAL POSITION

Cash
Cash at December 31, 2017 amounted to KSEK 309 531 (393 998).

Cash flow
Cash flow from operating activities amounted to KSEK -45 377 (-9 345) for the quarter and to -86 551 (-36 115) for the period. The cash flow from investment activities amounted to KSEK 0 (0). Cash flow from financial activities amounted to KSEK 566 (379 753) and relates to the sale of warrants to the employees. Cash flow amounted to KSEK -44 812 (370 408) for the quarter and to KSEK -84 468 (343 638) for the period.

Equity and equity ratio
At December 31, 2017 equity amounted to KSEK 303 711 (389 562). Shareholders' equity per share amounted to SEK 6.2 (8.0), at the end of the period. The company's equity ratio was 96 (98) %.

Debts
No long-term debts were outstanding. Current liabilities amounted to KSEK 11 657 (7 131) and consisted mainly of accounts payables relating to CRO costs for the forthcoming clinical studies with PledOx®.

INVESTMENTS, TANGIBLE AND INTANGIBLE ASSETS
During the period, investments in tangible fixed assets corresponded to KSEK 0 (0).

SHARE
The number of shares at December 31, 2017 were 48 666 656. PledPharma´s shares are listed on Nasdaq First North since April 7, 2011.

WARRANT PROGRAM
The 2017 Annual General Meeting resolved on a warrants program for employees and board members of PledPharma of 2 306 000 warrants, each warrant entitles the holder to subscribe for one (1) new share in the company at a subscription price of SEK 26 per share. At full utilization of all warrants, the company's shares will be increased by 2 306 000 to 50 972 656. As of December 31, 2017, 1 526 500 warrants had been subscribed for by employees and board members of PledPharma. Nicklas Westerholm has subscribed for 500 000 warrants. The new employees Christian Sonesson, Stefan Carlsson and Yilmaz Mahshid have subscribed for maximum allowed amount of warrants, 150 000 each.

EMPLOYEES
Number of employees as of December 31, 2017 was 7 (4) persons, 2 women and 5 men.

PARENT COMPANY
The parent company’s revenues for the quarter amounted to KSEK 13 608 (41) and to 13 886 (1 026) for the period. Expenses for the quarter amounted to KSEK 45 777 (11 537) and to KSEK 101 984 (39 389) for the period.
The parent company's result amounted to KSEK -30 044 (-11 462) for the quarter and to KSEK -85 851 (-38 223) for the period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKk	2017 Oct -Dec	2016 Oct -Dec	2017 Jan-Dec	2016 Jan-Dec
Revenue				
Sales	13,563	-	13,585	-
Other operating income	46	41	302	1,026
	13,608	**41**	**13,886**	**1,026**
Operating expenses				
Project costs	-36,100	-6,371	-74,197	-19,513
Other external costs	-4,906	-3,370	-15,626	-13,162
Employee benefit costs	-3,643	-1,727	-10,895	-6,357
Depreciation and impairment	-	-	-	0
Other operating expenses	-1,128	-69	-1,266	-356
Operating result	**-32,169**	**-11,495**	**-88,097**	**-38,363**
Net financial items				
Interest income	41	33	163	140
Interest expense and similar items	0	-	0	0
Result after financial net	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Result before tax	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Tax	-	-	-	-
Result after tax	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Statement of comprehensive income				
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Net earnings and comprehensive income is entirely attributable to parent company shareholders				
Share Data				
Number of shares at the end of period	48,666,656	48,666,656	48,666,656	48,666,656
Average number of shares during period	48,666,656	33,678,737	48,666,656	29,722,216
Result per share before dilution (SEK)	-0.7	-0.3	-1.8	-1.3
Result per share after dilution (SEK)	-0.7	-0.3	-1.8	-1.3
Equity per share (SEK)	6.2	8.0	6.2	8.0
Equity per share after dilution (SEK)	6.2	8.0	6.2	8.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKk	2017/12/31	2016/12/31
ASSETS		
Non-current assets		
Tangible non-current assets	-	-
Total non-current assets	**-**	**-**
Current assets		
Accounts receivables	2,566	-
Other receivables	1,436	1,602
Prepaid expenses and accrued income	1,836	1,093
	5,838	2,695
Cash and bank balance	309,531	393,998
Total current assets	**315,368**	**396,693**
Total assets	**315,368**	**396,693**

SEKk	12/31/2017	12/31/2016
Equity		
Share capital	2,561	2,561
Other capital contributions	389,084	425,224
Accumulated loss including net loss	-87,935	-38,223
Total equity	**303,711**	**389,562**
Current liabilities		
Accounts payable	5,972	4,678
Current tax liabilities	-	-
Other liabilities	733	470
Accrued expenses and deferred income	4,953	1,983
Total current liabilities	**11,657**	**7,131**
Total equity and liabilities	**315,368**	**396,693**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEKk	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
OPERATING ACTIVITIES				
Result after financial net	-32,127	-11,462	-87,935	-38,223
Adjustments for non-cash items	-	-	-	-
Tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Changes in short term receivables	-2,949	13	-3,143	-436
Changes in accounts payable	-13,051	2,407	1,294	2,912
Changes in other liabilities	2,751	-302	3,232	-367
Cash flow from operating activities	**-45,377**	**-9,345**	**-86,551**	**-36,115**
INVESTING ACTIVITIES				
Cash flow from investing activities	**-**	**-**	**-**	**-**
FINANCING ACTIVITIES				
New share/Warrants issue	566	405,555	2,083	405,555
Cost new share issue	-	-25,803	-	-25,803
Cash flow from financing activities	**566**	**379,753**	**2,083**	**379,753**
Cash flow for the period				
Balance at beginning of period	354,342	23,590	393,998	50,360
Change in cash	-44,812	370,408	-84,468	343,638
CASH BALANCE AT THE END OF THE PERIOD	309,531	393,998	309,531	393,998

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKk	Share capital	Other capital contributions	Accumulated loss incl. net result for the period	Total equity
Opening balance 20160101	**1,494**	**90,374**	**-43,836**	**48,033**
Loss allocation according to AGM	-	-43,836	43,836	-
New share issue	1,067	404,488	-	405,555
Costs new share issue	-	-25,803	-	-25,803
Net loss for the period	-	-	-38,223	-38,223
Closing balance 20161231	**2,561**	**425,224**	**-38,223**	**389,562**
Loss allocation according to AGM	-	-38,223	38,223	-
Incentive program	-	2,083	-	2,083
Net loss for the period	-	-	-87,935	-87,935
Closing balance 20171231	**2,561**	**389,084**	**-87,935**	**303,711**

CONSOLIDATED KEY RATIOS

The key ratios below are useful to those who read the financial statements and a complement to other performance targets in evaluating strategic investment implementation and the Group's ability to achieve financial goals and commitments.

SEKk	2017 Oct -Dec	2016 Oct -Dec	2017 Jan-Dec	2016 Jan - Dec
Equity	303,711	389,562	303,711	389,562
Equity ratio %	96%	98%	96%	98%
Return on equity %	neg.	neg.	neg.	neg.
Number of shares at the end of the period	48,666,656	48,666,656	48,666,656	48,666,656
Number of shares at the end of the period after dilution	48,666,656	48,666,656	48,666,656	48,666,656
Average number of shares under the period	48,666,656	33,678,737	48,666,656	29,722,216
Average number of shares under the period after dilution	48,666,656	33,678,737	48,666,656	29,722,216
Share Data				
Result per share	-0.7	-0.3	-1.8	-1.3
Result per share after dilution*	-0.7	-0.3	-1.8	-1.3
Cash flow from operating activities	-0.9	-0.3	-1.8	-1.2
Equity per share	6.2	8.0	6.2	8.0
Equity per share after dilution	6.2	8.0	6.2	8.0
Dividend	-	-	-	-
Average number of employees	7	4	5	4

*Effect from dilution is not considered when result is negative.

KEY RATIOS DEFINITIONS

Ratios that have been calculated according to IFRS

Earnings per share
Net income divided by average number of shares before dilution

Number of shares at end of period
The number of outstanding shares before dilution at the end of the period

Number of shares after dilution
The number of issued shares after dilution effect of potential shares at end of period

Average number of shares during the period
Average number of outstanding shares before dilution for the period

Average number of shares during the period after dilution
Average number of issued shares after dilution effect of potential shares

Number of employees (average)
The average number of employees at the end of each period

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Ratios that have not been calculated in accordance with IFRS

Equity ratio, %
The company defines the ratio as follows; The period's closing equity divided by the period's closing balance sheet. The company uses the alternate ratio Equity as it shows the proportion of total assets represented by shareholders' equity and has been included to allow investors to assess the company's capital structure.

Return on equity, %
The company defines the ratio as follows; Net income divided by shareholders' equity. The company uses the alternate key figure Return on equity, % because the company believes that the key ratio gives investors a better understanding of the return generated on the total capital that the shareholders have invested in the Company.

Cash flow from operations per share
The company defines the ratio as follows; Cash flow from operating activities divided by the number of shares outstanding at the end of the period. The company uses the alternate key figure Cash flow from operations per share because the Company believes that the key ratio gives investors a better understanding of the company's cash flow in relation to its number of shares adjusted for changes in the number of shares outstanding during the period.

Equity per share
The company defines the ratio as follows; Equity divided by number of shares outstanding at the end of the period. The company uses the alternate key ratio equity per share because the Company believes that the key ratio gives investors a better understanding of the historical return per share adjusted for changes in the number of shares outstanding during the period.

PARENT COMPANY - INCOME STATEMENT

SEKk	2017 Oct -Dec	2016 Oct -Dec	2017 Jan-Dec	2016 Jan - Dec
Revenue				
Sales	13,563	-	13,585	-
Other operating income	46	41	302	1,026
	13,608	**41**	**13,886**	**1,026**
Operating expenses				
Project costs	-36,100	-6,371	-74,197	-19,513
Other external costs	-4,906	-3,370	-15,626	-13,162
Employee benefit costs	-3,643	-1,727	-10,895	-6,357
Depreciation and impairment	-	-	-	0
Other operating expenses	-1,128	-69	-1,266	-356
Operating result	**-32,169**	**-11,495**	**-88,097**	**-38,363**
Net financial items				
Interest income	41	33	163	140
Interest expense and similar items	0	-	0	0
Result after financial net	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Result before tax	**-32,127**	**-11,462**	**-87,935**	**-38,223**
Group contribution received	2,083	-	2,083	-
Tax	-	-	-	-
Result after tax	**-30,044**	**-11,462**	**-85,851**	**-38,223**
Statement of comprehensive income				
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**-30,044**	**-11,462**	**-85,851**	**-38,223**

PARENT COMPANY - BALANCE SHEET

SEKk	2017/12/31	2016/12/31
ASSETS		
Non-current assets		
Tangible non-current assets	-	-
Financial non-current assets	50	50
Total non-current assets	**50**	**50**
Current assets		
Receivables from group companies	2,083	-
Accounts receivables	2,566	-
Other receivables	1,436	1,602
Prepaid expenses and accrued income	1,836	1,093
	7,921	2,695
Cash and bank balance	307,447	393,998
Total current assets	**315,368**	**396,693**
Total assets	**315,418**	**396,743**

SEKk	12/31/2017	12/31/2016
Equity		
Restricted Equity		
Share capital	2,561	2,561
Non-restricted equity		
Share premium reserve	387,000	425,224
Results for the period	-85,851	-38,223
Total equity	**303,710**	**389,562**
Current liabilities		
Liabilities to group company	50	50
Accounts payable	5,972	4,678
Current tax liabilities	-	-
Other liabilities	733	470
Accrued expenses and deferred income	4,953	1,983
Total current liabilities	**11,708**	**7,181**
Total equity and liabilities	**315,418**	**396,743**

NOTES

NOTE 1 - Accounting principles

PledPharma applies International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company's interim report is prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Applied accounting principles and calculation methods are the same as in the latest annual report for 2016.

NOTE 2 – Additional information

Other information in accordance with IAS 34.16A are found on pages before the income statement and statement of comprehensive income. Information on earnings, cash flow and financial position, see page 8. For events after the period, see page 1.

NOTE 3 – Financial assets and liabilities

Group 31 December 2017

The fair value and carrying value are shown in the table below:

SEKk	Account and loan receivables	Financial debts	Total carrying amount	Fair value
Accounts receivable	-	-	-	-
Accrued but not invoiced income	-	-	-	-
Cash	309,531	-	309,531	309,531
Total assets	**309,531**	**-**	**309,531**	**309,531**
Accounts payable	-	5,972	5,972	5,972
Other liabilities	-	-	-	-
Total liabilities	**-**	**5,972**	**5,972**	**5,972**

Group 31 December 2016

The fair value and carrying value are shown in the table below:

SEKk	Account and loan receivables	Financial debts	Total carrying amount	Fair value
Accounts receivable	-	-	-	-
Accrued but not invoiced income	-	-	-	-
Cash	393,998	-	393,998	393,998
Total assets	**393,998**	**-**	**393,998**	**393,998**
Accounts payable	-	4,678	4,678	4,678
Other liabilities	-	-	-	-
Total liabilities	**-**	**4,678**	**4,678**	**4,678**

Not 4 – Related parties transactions

Transactions with related parties during 2017 have been made with Håkan Åström and Sten Nilsson. As consultants, Håkan Åström and Sten Nilsson have invoiced the company SEKk 200 and SEKk 170, respectively.

OTHER INFORMATION

Next reports

Interim report Jan – Mar 2018, Apr 24, 2018
Interim report Jan – Jun 2018, Aug 22, 2018
Interim report Jan – Sep 2018, Oct 23, 2018

The Board will call the Annual General Meeting April 24, 2018 at 16:00 CET. The Annual Report will be published on the company website latest by April 3, 2018.

This report, and further information is available on the website, www.pledpharma.se

This report has not been reviewed by the company's auditor. This is a translation of the Swedish interim report.

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This information is such information as PledPharma AB (publ) is obliged to disclose in accordance with EU market abuse regulation and the Securities Markets Act. The information was submitted, through the above contact persons, for publication on 22 February 2018 at 8.00 am (CET).

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Certified Adviser

The company´s Certified Advisor is Erik Penser Bank (phone +46 8 463 80 00).

Analysts who follow PledPharma

Redeye, Klas Palin.

CERTIFICATION

This report provides a true and fair overview of the company's business activities, financial position, and results of operations, and describes significant risks and uncertainties to which the company is exposed.

Stockholm, February 22, 2018

Håkan Åström
Chairman of the board

Marie Ekström Trägårdh
Board member

Sten Nilsson
Board member

Gunilla Osswald
Board member

Elisabeth Svanberg
Board member

Nicklas Westerholm
President and CEO