MEDIVIR AB – YEAR END REPORT
JANUARY – DECEMBER 2017

STRONG DEVELOPMENT ACROSS THE PORTFOLIO

October - December

Significant events during the quarter

- Medivir received FDA Fast Track Designation for MIV-711 for the treatment of osteoarthritis (OA).
- Remetinostat phase II data demonstrated efficacy on skin lesions, reduction of itching and high tolerability in patients with early-stage cutaneous T-cell lymphoma (CTCL).
- A new cancer project entered lead optimization. The new project Leukotide, is aimed at an improved treatment for acute myeloid leukemia (AML) and other hematological malignancies, and is derived from Medivir's in-house nucleotide platform.
- Janssen decided to terminate its simeprevir license effective June 2018.
- Erik Björk appointed as Chief Financial Officer and Christina Herder appointed as Executive Vice President Strategic Business Development.

Financial summary

- Net turnover for the continuing operations totaled SEK 4.2 million (9.9 m), SEK 4.2 million (7.1 m) of which comprised the fourth quarter's royalties. Other operating income totaled SEK 2.4 million (2.4 m).
- The loss before interest, tax, depreciation and amortization (EBITDA) totaled SEK -92.6 million (-125.8 m). Basic and diluted earnings per share were SEK -5.08 (-4.50) and -5.08 (-4.50) respectively.
- The cash flow from operating activities amounted to SEK -88.9 million (-71.8).
- Non-recurring costs of SEK -9.4 million (-49.1 m) affected the result during the quarter.
- Liquid assets and short-term investments totaled SEK 467.8 million (1 698.5 m) at the period end.

January - December

Financial summary

- Net turnover for the continuing operations totaled SEK 36.6 million (93.0 m), where of SEK 32.7 million (64.0 m) comprised royalties for the year. Other operating income totaled SEK 9.9 million (12.7 m).
- The loss before interest, tax, depreciation and amortization (EBITDA) totaled SEK -342.6 million (-300.6 m). Basic and diluted earnings per share were SEK -16.40 (-10.94) and -16.40 (-10.94) respectively.
- The cash flow from operating activities amounted to SEK -358.5 million (-182.3).
- Non-recurring costs of SEK -20.6 million (-52.6 m) affected the result during the year.
- Liquid assets and short-term investments totaled SEK 467.8 million (1 698.5 m) at the year end.

Significant events after the year end

- The Board was seeking issue authorizations to increase the company's funding flexibility and called for an EGM.
- The EGM resolved to authorize the board to resolve to issue new shares with deviation from the shareholders' pre-emptive rights of a total not more than 20 percent and to resolve to issue new shares with pre-emptive rights for the company's shareholders.
- Medivir has completed a directed share issue of approximately SEK 155 million before transaction related expenses.
- Successful completion of pre-clinical safety studies with MIV-818, enabling start of phase I clinical studies in 2018.
- The holders of series A shares have notified the Company that they will convert all their series A shares to series B shares.

CEO's message

In 2016, we carried out a comprehensive transformation of Medivir to create a new, focused and efficient pharma company with a strong pipeline.

In 2017, we continued this development, with a clear focus on our prioritized projects and the aim to improve life for patients through transformative drugs. With our balanced pipeline – including both potential blockbusters and orphan drugs - and strong discovery engine, I passionately believe that we are moving in the right direction. Since I took on the role as the CEO of the company, on April 1, we have made a number of important advances, both scientifically and as a company.

Proprietary projects

The ground-breaking top-line results from our initial phase IIa study in the MIV-711 osteoarthritis project were released in September, and full data were presented as a late breaking presentation at the Annual Meeting of the American College for Rheumatology in November. This was the first time ever that a therapeutic agent has demonstrated clinical benefits on both joint bone and cartilage in osteoarthritis patients in only six months. The fact that the US Food and Drug Administration (FDA) also granted MIV-711 fast track designation in October confirms its importance. MIV-711 has the potential to be the first disease-modifying drug for the treatment of osteoarthritis.

Within our key focus area – oncology – we also made good progress during the year. For remetinostat, the phase II data we presented in October strongly support advancement of this drug into pivotal clinical trials and discussions with regulatory authorities on the design of the phase III study are underway.

In August, we launched a phase I/II study of birinapant in combination with Merck´s Keytruda®, to investigate clinical efficacy of the combination of birinapant with the leading immune checkpoint inhibitor in patients with advanced solid tumors.

MIV-818, Medivir's proprietary nucleotide prodrug aimed at liver cancers, entered preclinical development in late 2016 and the program was extensively presented at major international conferences in 2017. In early January 2018, we announced the completion of preclinical studies that we plan to make the necessary regulatory submissions in order to start the first clinical trials of MIV-818 during the second half of 2018.

In November, we announced a new discovery project within oncology, demonstrating our confirmed ability to bring new projects for cancer from our research efforts. The Leukotide project is intended to deliver a new drug for the treatment of acute myeloid leukemia (AML) and other hematological malignancies The project is based on our expertise in nucleoside and nucleotide science.

Partnered projects

Medivir has established itself as a partner of choice in the pharma industry; over the years, we have signed more than 20 successful partnerships, including two in 2017. We continue to be effective in out-licensing programs from our scientific areas of expertise even in early stages. In August, we signed an agreement granting Ascletis exclusive rights to develop, manufacture and commercialize MIV-802, for the treatment of hepatitis C, in Greater China.

In October, we announced an agreement with the AMR Centre in the UK which will see them take over the development of molecules to counter bacterial resistance to β–lactam antibiotics. This project arose from our research work on metallo-β-lactamases, which are proteases. I believe that our partners in both these cases are well positioned to lead the continued successful development of these projects.

Important company milestones

We made some important recruitments to further strengthen the company, and in the autumn, we recruited Erik Björk as Chief Financial Officer, and Christina Herder as Executive Vice President, Strategic Business Development. They will make outstanding additions to our management team.

In February 2018, Medivir has completed a directed share issue of approximately SEK 155 million before transaction related expenses to life sciences specialist investors.

The many achievements we made during 2017 make me very confident in Medivir's future. We are well-positioned to continue our journey towards becoming a research pharmaceutical company that brings important, transformative products to the market. We can do it from a stronger financial position and with an excellent, experienced and well-motivated organization.

Christine Lind
President & CEO

Significant events, October – December 2017

October

The U.S. Food and Drug Administration (FDA) granted Fast Track designation for the company´s product candidate MIV-711, for the disease-modifying treatment of osteoarthritis (OA).

Remetinostat phase II efficacy and safety data in patients with Mycosis Fungoides (MF) type early-stage Cutaneous T-cell Lymphoma (CTCL) demonstrated that remetinostat gel 1%, when applied topically twice daily, reduced the severity of CTCL skin lesions. The same remetinostat regimen also caused a clinically significant reduction in the severity of pruritus (itching) in 80% of the patients with clinically significant pruritus at the start of the study, and was highly tolerable with no systemic adverse effects.

Medivir signed an agreement providing AMRC the exclusive worldwide rights to Medivir's research stage metallo-β-lactamase inhibitor (MBLI) program. This key research program is aimed at tackling the threat posed by NDM-1 and other metallo-β-lactamases, enzymes that make bacteria resistant to beta-lactam antibiotics used to treat patients with life-threatening infections. AMR Centre (AMRC), the leading UK organization working to combat the global problem of drug resistance, will now progress this program.

November

Data from the initial phase IIa study of MIV-711 in patients with moderate knee osteoarthritis was presented as a late breaker presentation at the 2017 annual meeting of the American College for Rheumatology in the US.

Medivir announced a new cancer project, Leukotide, derived from its in-house nucleotide platform. The Leukotide project is intended to deliver a new drug for the treatment of acute myeloid leukemia (AML) and other hematological malignancies, and is based on the company's expertise in nucleoside and nucleotide science. It represents the second cancer project to emerge from its in-house discovery efforts in oncology.

Erik Björk was appointed as Chief Financial Officer, effective from January 3, 2018, and Christina Herder as Executive Vice President Strategic Business Development, effective December 14 2017.

December

Medivir announced that Janssen Pharmaceuticals Inc. (Janssen) had decided to terminate the license that it holds for simeprevir due to Janssen's assessment of decreasing market demand. The termination of the license will become effective in June 2018 and Medivir will continue to receive royalties on any remaining sales of Olysio/Sovriad (simeprevir) that Janssen will make until that time.

Research and development

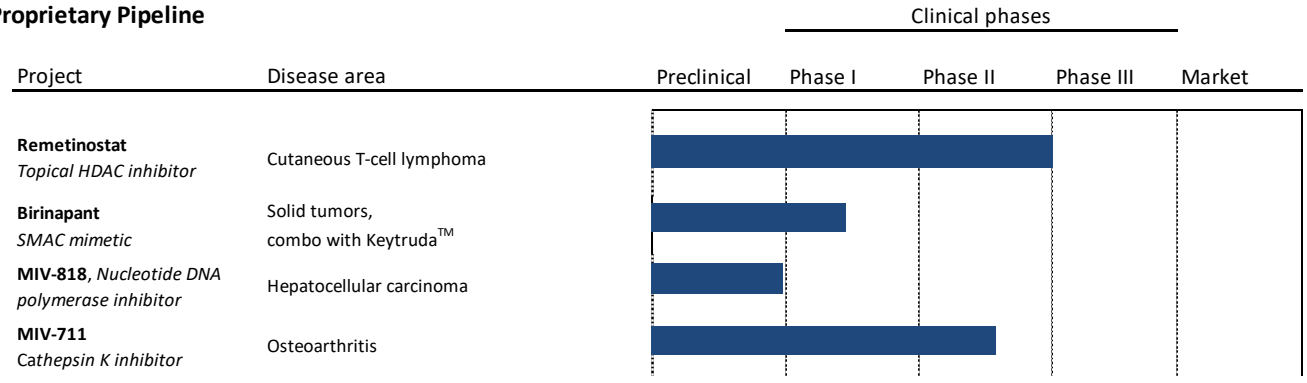
Medivir focuses on cancers of high unmet medical need, where existing therapies are not very successful and there is a great opportunity to provide real benefit to patients with few treatment options. Medivir's current clinical pipeline include a biologically targeted treatment in combination with an immune-oncology agent to improve outcomes for patients (birinapant combination with Keytruda®), and organ targeted treatments to improve efficacy and tolerability for specific cancer types (remetinostat and MIV-818).

The choice of the tumor type of focus will vary greatly depending on the individual project and the activity and role of drug targets in different cancer types, and sub-populations of cancer patients within one type that expects to respond well to treatments. Some cancer types of particular interest to Medivir include certain solid tumors, such as liver cancers and high-grade serous carcinomas (ovarian cancers) and cutaneous T-cell lymphoma, a blood cancer in the skin.

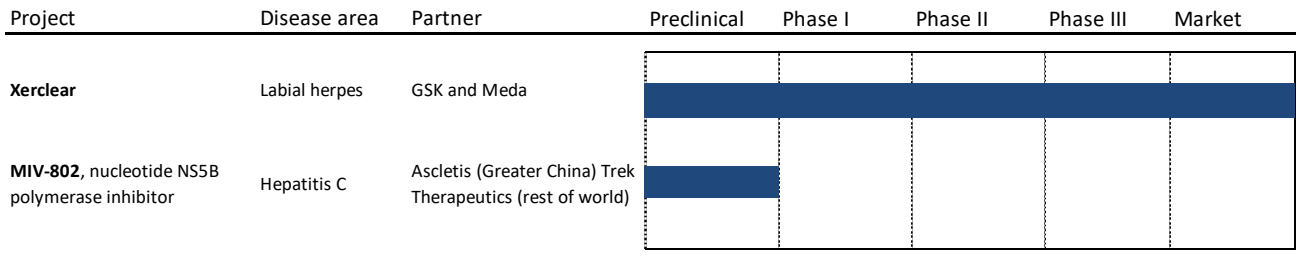
These cancers can be highly aggressive diseases with poor treatment options and very low overall survival rates, or where patients have other significant unmet needs, even with the best available treatments.
The research and development portfolio comprises various projects, the majority of which are being conducted in-house. The in-house projects are primarily in the oncology area, but also include a project aimed at osteoarthritis.

Going forward, to clearly present Medivirs focus, our pipeline will only show development stage projects in which Medivir is investing. Outside of the developments phases we will highlight research areas and our partnered programs. For those interested in more details, please see our website. www.medivir.com

Proprietary Pipeline



Partnership Pipeline



PROPRIETARY PROJECTS

Remetinostat

Cutaneous T-cell lymphoma (CTCL) is a rare form of blood cancer that presents initially in the skin and is classified as an orphan disease. According to the US National Cancer Institute mycosis fungoides (MF) is the most common type of CTCL. Medivir estimates the accessible market for early stage CTCL in the USA alone to be approximately USD 900 million per annum. Remetinostat is a new histone deacetylase (HDAC) inhibitor that Medivir develops for the topical treatment of early-stage MF/CTCL. The substance has been designed to be effective in the skin but to be degraded rapidly in the bloodstream to avoid the adverse effects previously associated with systemically administered HDAC inhibitors. Remetinostat has completed phase II studies.

Status/significant events:

- The positive phase II study data in early-stage CTCL patients were presented in full at the EORTC Cutaneous Lymphoma Task Force Meeting on October 15. The key outcomes from the study, which investigated three doses of remetinostat (1%gel once daily, 0.5% gel twice daily and 1% gel twice daily) administered for up to twelve months in patients with early stage mycosis fungoides (MF)-type CTCL, were as follows:
  - Patients in the remetinostat gel 1% twice-daily arm had highest proportion of confirmed responses (8/20, 40%).
  - Remetinostat also demonstrated an effect on itching (pruritus), a key symptom associated with CTCL. The remetinostat 1% twice-daily arm gave rise to an 80% rate of clinically significant reductions in the subgroup of patients with clinically significant itching at baseline.
  - Across all three dose groups, topical remetinostat was well-tolerated and without signs of systemic adverse effects, including those associated with systemic HDAC inhibitors.
  - Based on the phase II data, Medivir is in discussions with regulatory authorities on the design of a phase III study to enable market authorization of remetinostat in patients with MF-CTCL.
- Medivir has a clinical trial agreement with Stanford University to provide remetinostat gel for an investigator-initiated study of remetinostat to be conducted in patients with basal cell carcinoma. Further information on this study can be found at www.clinicaltrials.gov with the identifier NCT03180528.

MIV-711

MIV-711 is a cathepsin K inhibitor in clinical development for the treatment of osteoarthritis. Medivir estimates that the market for disease-modifying osteoarthritis drugs (DMOAD) in the US alone corresponds to a value in excess of USD 6 billion per annum, even if the use is limited to patients with moderate osteoarthritis in weight-bearing joints. Cathepsin K is a protease that breaks down the collagen in bone and cartilage, and hence an inhibitor of cathepsin K has the potential to reduce joint structural disease progression, and by preventing these changes in joint structure, attenuate the longer-term progression of pain. A phase IIa study (MIV-711-201) of MIV-711 in patients with moderate knee osteoarthritis was completed in September 2017. In September 2016, the first patient was enrolled into an open-label phase IIa extension study, MIV-711-202.

Status/significant events:

- MIV-711 received Fast Track status from the FDA for development as a disease-modifying drug to treat patients with osteoarthritis.
- Data from MIV-711-201 were presented as a late-breaking abstract at the 2017 Annual Meeting of the American College of Rheumatology in November. The principal conclusions of the study were as follows:
  - Treatment with MIV-711 did not result in a statistically significant reduction in knee pain relative to placebo-treated patients, but there was consistent tendency favoring patients treated with MIV-711 in all symptom measures. In addition, analgesic use showed a tendency to be lower in both of the MIV-711 treated arms relative to the placebo group.
  - Treatment with MIV-711 resulted in substantial joint protective effects after 6 months of treatment, reducing both joint bone area growth and cartilage loss compared to placebo.
  - Administration of MIV-711 resulted in substantial and sustained reductions in biomarkers related to bone and cartilage degeneration, serum CTX-I and urine CTX-II respectively. The effects of MIV-711 on these biomarkers indicate robust engagement of MIV-711 with its biological target, cathepsin K, throughout the duration of treatment.
  - MIV-711 had an acceptable safety and tolerability profile at both doses.

- Taken together, the data from the MIV-711-201 study are consistent with joint structure disease modification already after 6 months' treatment. Further evaluation of MIV-711 in longer and larger DMOAD trials is therefore warranted.
- MIV-711-202 remains on track to be completed during the first half of 2018 as expected
- With clinical data demonstrating MIV-711's potential to be the first disease modifying drug for osteoarthritis, Medivir has retained strategic advisors with the ambition to identify a partner and outlicense MIV-711.

Birinapant

Birinapant has the potential, through its actions on tumor cells and cells of the immune system, to improve the treatment of several types of cancer when used in combination with other drugs including checkpoint inhibitors and DNA damaging agents. Despite breakthroughs by immuno-therapeutic drugs, including PD-1 and PD-L1 antagonists, fewer than half of patients have clinically significant improvement after treatment in those indications for which these drugs are approved. Response rates in many other tumor types are <10%, e.g. microsatellite stable colorectal cancer. Nevertheless, global sales of these drugs totaled USD 8 billion annual sales in a 12 months' period to September 2017. The commercial potential available to a party capable of increasing the percentage of patients who respond to treatment is consequently significant. Birinapant is a bivalent peptidomimetic of the SMAC protein (Secondary Mitochondrial-derived Activator of Caspase) and is therefore known as a SMAC mimetic compound. Preclinical data has shown synergistic effects of birinapant in combination with checkpoint inhibitors. Medivir has a clinical trial agreement with Merck under which Keytruda® is provided for free.

Status/significant events:

- The dose escalation portion of a phase I/II study, in which birinapant is administered in combination with Merck's leading immunotherapeutic drug Keytruda® for the treatment of solid tumors began in August.
- The dose escalation phase of the study is on track to be completed in the first half of 2018.

MIV-818

MIV-818 has the potential to become the first liver-targeted, orally administered drug to address HCC and other forms of liver cancer. Liver cancer is the second highest cause of cancer- related death worldwide. Of the different forms of liver cancer, hepatocellular carcinoma (HCC) is the most prevalent. It is classified as an orphan disease in the West, but is more common in Asia in general, and China in particular. Medivir has developed specialist expertise in selectively delivering active metabolites of nucleoside and nucleotide analogues to the liver as a result of the company's extensive experience of developing better treatments for chronic hepatitis B and hepatitis C virus infection. MIV-818 has completed preclinical studies to allow clinical trial start.

Status/significant events:

- In November 2016, MIV-818 was selected as a candidate drug (CD) for the treatment of hepatocellular cancer (HCC) and other forms of liver cancer.
- In January 2018, it was announced that the preclinical GLP safety studies to enable the start of clinical trials had been successfully completed, and that Medivir intends to make regulatory submissions to obtain approval to start clinical trials during the first half of 2018
- Clinical trials are expected to start in the second half of 2018.

RESEARCH PROJECTS

Medivir's approaches to the discovery of novel anticancer drugs is based on its core scientific areas of expertise of nucleoside and nucleotide science, and protease inhibitor design.

Nucleoside analogues are widely used as drugs to treat both viral infections (e.g. acyclovir and lamivudine) and cancer (e.g. gemcitabine and 5-fluorouracil). These drugs usually require conversion to nucleotides within cells in order to be effective, and these intracellular processes can be slow and inefficient. Medivir has developed expertise in modifying nucleoside analogues to bypass these inefficient processes, resulting in more potent drugs that can also be targeted to specific organs. This class of molecules are nucleotide prodrugs. The development of Xerclear (Zoviduo®), which was approved for the treatment of labial herpes in 2009, is proof of Medivir's successful research based on nucleoside analogues, while MIV-802 and MIV-818 are both liver-targeted nucleotide prodrugs of nucleoside analogues.

An example of Medivir's ongoing nucleotide research is the Leukotide project. The aim of the Leukotide project is to develop a better tolerated and more effective agent that can lead to improved treatment outcomes for patients with acute myeloid leukemia (AML) and other hematological cancers. AML is a relatively rare cancer, with around 21,000 cases expected in the US in 2017. The prognosis is poor for many AML patients, especially those who are elderly, because they are often unable to tolerate the intensive treatments currently used to cure the disease. Five-year

survival of patients in the US diagnosed with AML was 27% in the period 2007-2013. With Medivir's nucleotide prodrug innovation, Leukotide may be able to improve outcomes for patients, and especially frail patients, with AML.

Proteases are involved in a number of other processes that are essential to initiate and sustain tumor growth. Medivir has historically targeted viral proteases in its R&D work, with simeprevir as the clearest example of our success to date. MIV-711, under development for osteoarthritis is also a protease inhibitor.

It is now recognized that the ubiquitination system can regulate many important cancer pathways and that using deubiquitinase (DUB) inhibitors could provide a novel approach to targeting them. DUBs are proteases and Medivir is applying our strength in protease inhibitor design to investigate multiple DUB targets, and collaborating with several academic groups at the Karolinska Institute Stockholm to identify additional DUBs that could be targeted in order to treat certain cancers.

PARTNERED PROJECTS

MIV-802

MIV-802 is a potent, pan-genotypic nucleotide-based inhibitor of the HCV NS5B polymerase, which is currently in preclinical development. Hepatitis C treatment comprises a combination of several pharmaceuticals with different mechanisms. Nucleotides are generally regarded as an important component of any such combination treatment, due to their potent and broad spectrum antiviral effect on multiple HCV genotypes and high barriers to resistance. Preclinical data indicate that MIV-802 can be used effectively in combination with other classes of antiviral agents for the treatment of HCV, including protease inhibitors and NS5A inhibitors. In August 2016, Medivir entered into a licensing agreement with Trek Therapeutics for the exclusive rights to develop and commercialize MIV-802 globally, excluding China, Taiwan, Hong Kong and Macau.

Status/significant events:

- In August 2017, it was announced that Ascletis has licensed the exclusive rights to develop, manufacture and commercialize MIV-802, in Greater China. Under the terms of the agreement, Medivir received an upfront payment, and is entitled to receive milestones based on successful development through commercial launch and tiered royalties on net sales of MIV-802 containing products. Ascletis will fund clinical development, manufacturing and commercialization of MIV-802 in Greater China.

Patents

Securing patent protection is the foundation for all new pharmaceutical projects, whether a project derives from our own laboratories or is in-licensed. Patents and other exclusive rights, such as data exclusivity and trademark protection are crucial to companies´ future commercial prospects. Two new patent applications in the area of oncology were submitted during the fourth quarter. Medivir currently has 33 active patent families, with over 150 granted national patents.

Royalty undertakings

A significant percentage of Medivir's research and development project work has been carried out exclusively in-house and Medivir is consequently entitled to all revenues in respect of these inventions. Some of Medivir's research and development projects originate from universities and pharmaceutical companies, and Medivir is consequently entitled to the revenues generated by these projects but obliged to pay royalties on their commercialization. Certain projects have been progressed with patented research tools which are in-licensed from other companies and for which royalties are payable. The combined royalty costs for the year were SEK 2.5 million (5.2 m).

Financial overview, October-December 2017

Summary of the Group's figures (SEK m)	Q4		Q1 - Q4	
	2017	2016	2017	2016
Net turnover	4.2	9.9	36.6	93.0
Operating profit before depreciation and amortization (EBITDA)	-92.6	-125.8	-342.6	-300.6
Operating profit (EBIT)	-103.6	-128.9	-362.8	-312.4
Profit/loss before tax	-103.1	-129.9	-359.7	-306.7
Basic earnings per share, SEK	-5.08	-4.50	-16.40	-10.94
Diluted earnings per share, SEK	-5.08	-4.50	-16.40	-10.94
Net worth per share, SEK	25.31	64.38	25.31	64.38
Return on equity	-72.9	-30.5	-32.1	-18.5
Cash flow from operating activities	-88.9	-71.8	-358.5	-182.3
Cash and cash equivalents at period end	467.8	1 698.5	467.8	1 698.5

Revenues

Net turnover for the period from October – December totaled SEK 4.2 million (9.9 m), corresponding to a decrease of SEK 5.7 million attributable to the reduction in royalty income from simeprevir. The revenues from Medivir's pharmaceutical sales in the fourth quarter have been discontinued and totaled SEK 0 million (2.9 m). Royalties from Janssen´s sales of simeprevir and GlaxoSmithKline's sales of Xerclear (Zoviduo) during the quarter totaled SEK 4.2 million (7.1 m). Other operating income amounted to SEK 2.4 million (2.4 m) and mainly referred to the letting of research facilities in the UK.

Operating expenses

The cost of goods for resale totaled SEK 0 million (-1.4 m), due to the discontinued pharmaceutical sales.

Other external costs totaled SEK -73.9 million (-68.4 m), corresponding to an increase of SEK 5.5 million which was mainly attributable to the increase in the scale of the research programs conducted through contracted research organizations. Personnel costs amounted to SEK -25.3 million (-66.0 m) and have decreased by SEK 40.7 million in comparison with the same quarter last year due to the reorganization implemented during 2016.

The total expenses totaled SEK -99.2 million (-135.8 m), where of SEK 9.4 million (49.1 m) were non-recurring cost.

Depreciation and amortization totaled SEK -11.1 million (-3.1 m) for the quarter and included a write down of the RSV-project of SEK 8.9 million.

Net financial items totaled SEK 0.5 million (-1.0 m), corresponding to an increase of SEK 1.5 million due to lower financial assets and comprised of unrealized gains driven by positive market valuation of short-term, interest-bearing investments.

Operating profit/loss

The operating profit/loss totaled SEK -103.6 million (-128.9 m), corresponding to an increase of SEK 25.3 million attributable, in part, to a non-recurring cost in fourth quarter 2016, in part by the write down of RSV-project and the reduction in royalty income from simeprevir (OLYSIO®) in 2017. External costs increased, attributable to ongoing research and development programs. The increase in external expenses were partly offset by lower personnel cost. Adjusted for non-recurring costs, the operating profit/loss totaled SEK -94,2 million (-79.8 m).

Taxes

Tax for the period totaled SEK 0 million (8.6 m).

The Group's tax is based on a legally stipulated tax rate of 22%, which is also expected to be the effective tax rate. Tax deficits are not capitalized due to uncertainties in the utilization.

Financial overview, January – December 2017

Revenues

Net turnover for the period from January – December totaled SEK 36.6 million (93.0 m), corresponding to a decrease of SEK 56.4 million attributable to the reduction in royalty income from simeprevir, a non-recurring income of SEK 10.3 million for the out-licensing of MIV-802 and a milestone payment of SEK 6.5 million in the same period last year. The revenues from Medivir's pharmaceutical sales in the period totaled SEK 2.5 million (12.3 m). Royalties from Janssen´s sales of simeprevir and GlaxoSmithKline's sales of Xerclear (Zoviduo) during the period totaled SEK 32.7 million (64.0 m). Other operating income amounted to SEK 9.9 million (12.7 m) and mainly referred to the letting of research facilities in the UK.

Operating expenses

The cost of goods for resale totaled SEK -1.7 million (-3.1 m), due to the discontinued pharmaceutical sales.

Other external costs totaled SEK -281.1 million (-237.7 m), corresponding to an increase of SEK 43.4 million which was attributable to a bad debt loss of SEK 9.8 million (0 m) and to the increase in the scale of the research programs conducted through contracted research organizations. Personnel costs amounted to SEK -104.9 million (-162.7 m) and have decreased by SEK 57.8 million in comparison with the same period last year due to the reorganization implemented during 2016. The total expenses totaled SEK -387.7 million (-403.5 m), whereof SEK 20.6 million (52.6 m) were non-recurring cost.

Depreciation and amortization totaled SEK -20.3 million (-11.8 m) for the period and included a write down of the RSV-project of SEK 8.9 million. Other operating costs amounted to SEK -1.4 million (-2.9 m).

Net financial items totaled SEK 3.1 million (5.7 m), corresponding to a decrease of SEK 2.6 million due to lower financial assets and comprised of unrealized gains driven by positive market valuation of short-term, interest-bearing investments.

Operating profit/loss

The operating profit/loss totaled SEK -362.8 million (-312.4 m), corresponding to a decrease of SEK 50.4 million attributable to the reduction in royalty income from simeprevir (OLYSIO), the write down of RSV-project and a non-recurring income related to the out-licensing of MIV-802 in the same period last year. External costs increased, attributable to ongoing research and development programs and a bad debt loss. The increased external expenses were partly offset by lower personnel cost. Adjusted for non-recurring costs, the operating profit/loss totaled SEK -342,2 million (-259.8 m).

Taxes

Tax for the period totaled SEK -0.5 million (11.9 m).

The Group's tax is based on a legally stipulated tax rate of 22%, which is also expected to be the effective tax rate. Tax deficits are not capitalized due to uncertainties in the utilization.

Cash flow, investments, and financial position

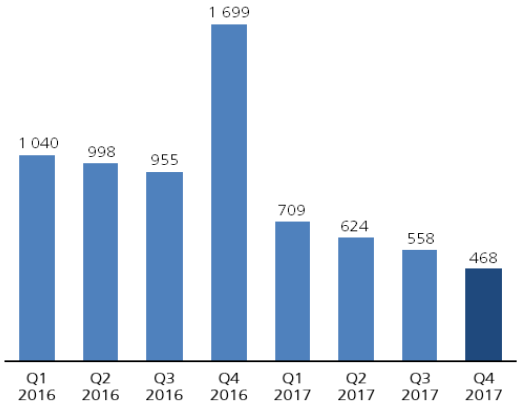
Liquid assets, including short-term investments with a maximum term of three months, amounted to SEK 467.8 million (1 698.5 m) at the end of the period, corresponding to a decrease of SEK 1 230.7 million. The corresponding figure at the beginning of 2017 was SEK 1 698.5 million (1 077.9 m). Liquid assets at the period end exclude the Q4 royalties of SEK 4.2 million. Pledged assets at the end of the period totaled SEK 0 million (90) as the security for the vendor's guarantees, related to the sale of BioPhausia AB in 2016, has been released. Medivir's financial assets are, in accordance with its financial policy, invested in low-risk, interest-bearing securities.

Cash flow from operating activities totaled SEK -358.5 million (-182.3 m), including changes in working capital accounting for SEK -11.6 million (7.4 m) of this total.

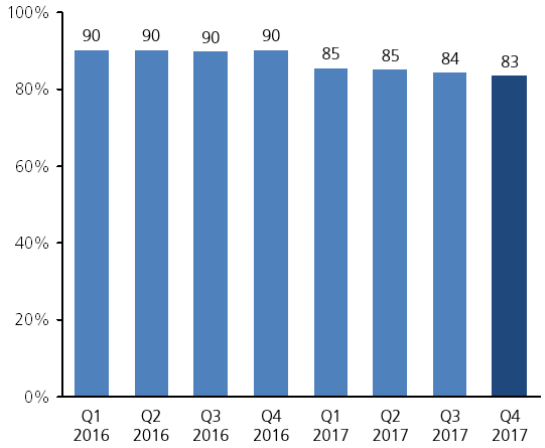
Cash flow from financing activities totaled SEK -858.6 million (0 m) and mainly derive from the voluntary redemption program implemented during the period. The period's investments in tangible and intangible fixed assets totaled SEK -13.5 million (803.2 m) and referred to research and office equipment and IT systems. During the same period last year, the cash flow from investing activities was mainly comprised of the divestment of the subsidiary BioPhausia and the acquisition of research assets from Tetralogic Inc.

Depreciation and write-downs of tangible and intangible fixed assets totaling SEK -20.3 million (-11.8 m) were charged to the profit/loss for the period.

Liquid assets and short-term investments (SEK m)



Equity/assets ratio, %



Other disclosures, January – December 2017

Employees
Medivir had 88 (117) employees (FTEs) at the period end, 53% (54%) of whom were women. Out of these employees, 12 (21) have been given notice of termination of employment, but whose employment has not yet been terminated.

Share-related incentive plans
To enable the staff to take part of and contribute to a positive value development for the company and to improve the possibilities for the company to keep and employ new competent and dedicated staff the company issued 48 515 warrants during the second quarter as part of the incentive program approved by the AGM. The warrants were issued at a market value of SEK 9.41 each at an exercise price of SEK 89.36 per share. In the fourth quarter, the company issued additional 9 320 warrants to employees. The warrants were issued at a market value of SEK 3.98 each at an exercise price of SEK 89.36 per share. The total 57 835 warrants may be exercised to subscribe for new class B shares during the period from 16 December 2020 up to and including 15 January 2021.

The Parent Company in brief
Medivir AB (publ.), corporate ID no. 556238-4361, is the Parent Company of the Group. Its operations consist of research and development, and administrative and company management functions.

The Parent Company's total revenues amounted to SEK 38.5 million (131.0 m). Sales to Group companies totaled SEK 1.8 million (38.0 m).

The operating profit/loss was SEK -362.2 million (-311.3 m), corresponding to a decrease of SEK 50.9 million. Combined operating expenses totaled SEK -401.9 million (-446.7 m). Net financial items totaled SEK 3.4 million (4.0 m), corresponding to a decrease of SEK 0.6 million due to lower financial assets and comprised of unrealized gains driven by positive market valuation of short-term, interest-bearing investments.

The tax for the period totaled SEK -0.6 million (0.2 m). The net profit/loss for the period was SEK -361.3 million (406.3 m), corresponding to a decrease of SEK 767.6 million.

Liquid assets, including short-term investments with a maximum term of three months, amounted to SEK 458.6 million (1 692.5 m).

See the section entitled "Financial overview" for additional comments on the operations.

Transactions with related parties
Transactions with related parties are on market terms. There are existing agreements between companies owned by senior executives and Medivir, dating from 2005, which entitle the senior executives to royalties on products that the company may develop based on patented inventions that the company has purchased from the parties in question. During the period, transactions with related parties totaled SEK 0.2 million (1.5 m), attributable to royalty payments to Uppsala Hallbechem AB (Board Member, Anders R Hallberg and to Sybesam AB, (former Board Member Bertil Samuelsson in 2016). No other services were purchased by the company from related parties during the period.

Significant risks and uncertainty factors
An effective risk assessment reconciles Medivir's business opportunities and results with the requirements of shareholders and other stakeholders for stable, long-term value growth and control. The process of pharmaceutical research and development, all the way up to regulatory market approval, is both high-risk and capital-intensive. The majority of projects initiated will never achieve market authorization. If competing pharmaceuticals take market shares, or competing research projects achieve better efficacy and reach the market more quickly, the future value of Medivir's product and project portfolio may be lower than expected. Medivir's ability to produce new candidate drugs, to enter into partnerships for its projects, to successfully develop its projects to market launch and continued sales, and to secure funding for its operations, are decisive in terms of the company's future.

A more detailed description of the exposure to risk, and of the ways in which Medivir manages it, is provided in the 2016 Annual Report, see pages 38-40 and in Note 8 on pages 73-75.

The Annual Report is available on the company's website: www.medivir.se.

Significant events after end of Q4
In January, Medivir board announced that it was seeking issue authorizations to increase the company's funding flexibility and called for an Extraordinary General Meeting. The EGM was held on Friday 26 January and resolved to authorize the board to issue new shares of series B with deviation of the shareholders´ pre-emptive rights. The total number of shares that may be issued under the authorization shall total not more than 20 percent of the number of shares of series B issued as per the date of the Meeting. In addition, the Board of Directors proposed that the Extraordinary General Meeting authorize the Board to

issue new shares of series B with pre-emptive rights for the Company's shareholders.

In February 2, 2018, Medivir has completed a directed share issue of approximately SEK 155 million before transaction related expenses. The majority of the new shareholders were life sciences specialist investors.

In January, Medivir AB announced that the holders of series A shares have notified the Company that they will convert all their series A shares in Medivir to series B shares. Following the conversion, there will no longer be any series A shares outstanding in Medivir. The total number of shares in Medivir were not affected.

MIV-818 is Medivir's proprietary liver-targeted nucleotide prodrug for the treatment of hepatocellular carcinoma (HCC) and other forms of liver cancer. It is the first development project to emerge from Medivir's in-house drug discovery efforts in oncology. With the successful completion of the pre-clinical safety studies on MIV-818, Medivir intends to make the necessary regulatory submissions during the first half of 2018, and to start the first clinical trials of MIV-818 during the second half of 2018.

Annual Report

Medivir's Annual Report is scheduled to be available on the company's website, www.medivir.se, as of beginning of the week commencing 2 April 2018. Printed copies of the Annual Report will be distributed to those shareholders who request it.

Dividend

The Board of Directors proposes that no dividend be paid for the 2017 financial year.

Annual General Meeting

The Annual General Meeting will be held at 14.00 (CEST) on 3 May 2018 at the IVA conference centre at Grev Turegatan 16, Stockholm. Shareholders wishing to contact the Nomination Committee may do so by letter addressed to: The Nomination Committee, Medivir AB, PO BOX 1086, SE-141 22 Huddinge, Sweden or by email to: valberedning@medivir.se.

Outlook

Medivir's future investments will be in oncology – an area in which the company can build on its cutting-edge competences in the design of protease inhibitors and nucleotide/nucleoside science. Ongoing projects outside this therapeutic area will be prepared for out-licensing. In February, Medivir completed a directed share issue of approximately SEK 155 million before transaction related expenses in order to strengthen liquidity and secure funding for research and development projects. This enables Medivir to actively drive ongoing research as well as delivering the next step in the clinical projects:

- completion of the MIV-711 phase IIa osteoarthritis extension study,
- completion of the birinapant dose escalation portion of phase I/II study in combination with Keytruda®,
- start and completion of the MIV-818 (HCC nuc) phase I study, and
- preparations for the start of the pivotal phase III CTCL study for remetinostat.

For further information, please contact

Christine Lind, President & CEO, +46 (0) 8 5468 3100
Erik Björk, CFO, +46 (0)72-228 2831

Conference call for investors, analysts and the media

The Year End report 2017 will be presented by Medivir's President & CEO, Christine Lind.

Time: Wednesday, February 14 2018, at 15.00 (CET).
Phone numbers for participants from:
Sweden + 46 8 566 426 96
Europe + 44 20 3008 9804
US + 1 855 753 2236

The conference call will also be streamed via a link on the website: www.medivir.com

The presentation will be available on Medivir's website after completion of the conference.

Financial calendar:

Interim Report (January – March 2018)
April 27, 2018
Annual General Meeting
May 3, 2018
Interim Report (January – June 2018)
July 25, 2018
Interim Report (January – September 2018)
October 26, 2018

Attestation

The Board of Directors and the President & CEO hereby affirm that the Interim Report constitutes a faithful representation of the company's and the Group's operations, position and profit/loss, and that it describes the significant risks and uncertainty factors faced by the company and the companies that make up the Group.

Huddinge, February 14 2018

Anders Ekblom *Member of the Board*	**Anders Hallberg** *Member of the Board*	**Bengt Julander** *Member of the Board*
Björn Klasson *Member of the Board,* *Employee Representative*	**Helena Levander** *Member of the Board*	**Stina Lundgren** *Member of the Board,* *Employee Representative*
Anna Malm Bernsten *Chairman of the Board*	**Bengt Westermark** *Member of the Board*	**Christine Lind** *President and CEO*

This report has been subject to auditors' review

The information in this report comprises the information that Medivir AB is obliged to disclose under the provisions of the EU's Market Abuse Directive.

The information was submitted for publication, through the agency of the contact persons set out above, at 12.00 (CET) on February 14 2018.

Consolidated Income Statement, summary

(SEK m)	Q4 2017	Q4 2016	Q1 - Q4 2017	Q1 - Q4 2016
Continuing operations				
Net turnover	4.2	9.9	36.6	93.0
Other operating income	2.4	2.4	9.9	12.7
Total income	**6.6**	**12.3**	**46.5**	**105.7**
Merchandise	-	-1.4	-1.7	-3.1
Other external expenses	-73.9	-68.4	-281.1	-237.7
Personnel costs	-25.3	-66.0	-104.9	-162.7
Depreciations and write-downs	-11.1	-3.1	-20.3	-11.8
Other operating expenses	-	-2.2	-1.4	-2.9
Operating profit/loss	**-103.6**	**-128.9**	**-362.8**	**-312.4**
Net financial items	0.5	-1.0	3.1	5.7
Profit/loss after financial items	**-103.1**	**-129.9**	**-359.7**	**-306.7**
Tax	0.0	8.6	-0.5	11.9
Net profit/loss for the period from continuing operations	**-103.1**	**-121.3**	**-360.2**	**-294.9**
Net profit/loss for the period from discontinued operations	-	534.7	-	577.7
Net profit/loss for the period	**-103.1**	**413.4**	**-360.2**	**282.9**
Net profit/loss for the period attributable to:				
Parent Company shareholders	-103.1	413.4	-360.2	282.9
Earnings per share, calculated from the net profit/loss attributable to Parent Company shareholders during the period				
Earnings per share (SEK per share)				
- Continuing operations, basic earnings	-5.08	-4.50	-16.40	-10.94
- Continuing operations, diluted earnings	-5.08	-4.50	-16.40	-10.94
- Discontinued operations, basic earnings	-	19.85	-	21.44
- Operations discontinuing, diluted earnings	-	19.80	-	21.39
- Total operations, basic earnings	-5.08	15.35	-16.40	10.50
- Total operations, diluted earnings	-5.08	15.31	-16.40	10.47
Average number of shares, '000	20 308	26 941	21 963	26 941
Average number of shares after dilution '000	20 366	27 004	22 021	27 004
Number of shares at period end, '000	20 308	26 917	20 308	26 917

Consolidated Statement of Comprehensive Income

(SEK m)	Q4 2017	Q4 2016	Q1 - Q4 2017	Q1 - Q4 2016
Net profit/loss for the period	**-103.1**	**413.4**	**-360.2**	**282.9**
Other comprehensive income				
Items that may be reclassified in the Income Statement				
Exchange rate differences	-0.5	0.0	0.0	-1.2
Total other comprehensive income	**-0.5**	**0.0**	**0.0**	**-1.2**
Total comprehensive income for the period	**-103.6**	**413.4**	**-360.2**	**281.6**
Total comprehensive income attributable to:				
- Continuing operations	-103.6	-121.3	-360.2	-296.1
- Discontinued operations	-	534.7	-	577.7
Total net profit/loss	**-103.6**	**413.4**	**-360.2**	**281.6**

Notes

Accounting principles
Medivir applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are presented on pages 62-69 of the 2016 Annual Report.

The Group's Interim Report has been prepared in accordance with IAS 34. The Parent Company applies the principles recommended by the Swedish Financial Reporting Board in its recommendation, RFR 2. Other new or revised IFRS standards and IFRIC interpretations that have come into force since 31 December 2015 have had no significant effect on the Group's or Parent Company's financial position or results. In the fourth quarter 2016, Medivir divested the subsidiary BioPhausia AB. BioPhausia made a significant contribution to the Consolidated Income Statement and Balance Sheet. For this reason, we have adjudged IFRS 5 to be applicable; the divested operations are, therefore, kept distinct from the continuing operations and the profit/loss is stated as a separate item in the Income Statement. The results for the divested operations are stated on a separate line in the Income Statement.

From 1 January 2017, the Income Statement is presented in accordance with the classification by type of cost method. The classified by function method was previously used. The sole effect of the change is a revision of the Income Statement structure. The net profit/loss for the periods presented is not affected, hence no reconciliation between prior and new principles have been prepared. The comparative figures for the Income Statement in the reports in 2017 will be stated in accordance with the new format.

New and amended accounting policies
No new or amended International Financial Reporting Standards have come into effect that have any significant impact.

IFRS 15 revenue from contracts with customers replaces all previously issued standards and interpretations that deal with revenues in a coherent model of revenue recognition. The company applies the new standard as of January 1, 2018, and have assessed IFRS 15 and its effects on the Group's financial statements. The assessment shows that no change is expected other than additional disclosure requirements.

IFRS 9 financial instruments covers the recognition of financial assets and liabilities and replaces of IAS 39 financial instruments: recognition and measurement. The Group applies the new standard as of January 1, 2018 and it has assessed IFRS 9 and its effects on company's financial statements. which shows that no material impact on the company's results and financial position. Furthermore, no changes are expected in the presentation of the note of Financial instruments.

Consolidated Balance Sheet, summary	**31-dec**	**31-dec**
(SEK m)	**2017**	**2016**
Assets		
Intangible fixed assets	112.8	111.9
Tangible fixed assets	14.4	22.0
Deferred tax receivable	-	1.0
Inventories	-	0.4
Current receivables	21.2	87.8
Short-term investments	409.2	1 504.6
Cash and cash equivalents	58.6	193.8
Total assets	**616.2**	**1 921.5**
Shareholders' equity and liabilities		
Shareholders' equity	514.1	1 732.9
Current liabilities	102.1	188.6
Total shareholders' equity and liabilities	**616.2**	**1 921.5**

Consolidated Statement of Changes in Equity

(SEK m)	Share capital	Other paid-in capital	Exchange rate difference	Accum. loss	Total equity
Opening balance, 1 January 2016	**157.2**	**1 152.2**	**-1.8**	**142.6**	**1 450.1**
Total comprehensive income for the period	-	-	-1.2	282.9	281.6
Share incentive plan: value of employee service	-	1.2	-	-	1.2
Closing balance, 31 December 2016	**157.2**	**1 153.4**	**-3.1**	**425.4**	**1 732.9**
Opening balance, 1 January 2017	**157.2**	**1 153.4**	**-3.1**	**425.4**	**1 732.9**
Total comprehensive income for the period	-	-	0.0	-360.2	-360.2
Redemption program	-38.7	-818.8	-	-	-857.5
Warrants	-	0.5	-	-	0.5
Stock dividend issue	39.3	-39.3	-	-	-
Transaction costs	-	-	-	-1.7	-1.7
Closing balance, 31 December 2017	**157.7**	**295.9**	**-3.0**	**63.5**	**514.1**

Consolidated Cash Flow Statement, summary

(SEK m)	Q4 2017	Q4 2016	Q1 - Q4 2017	Q1 - Q4 2016
Cash flow from operating activities before changes in working capital	**-89.3**	**-86.3**	**-346.9**	**-189.7**
Changes in working capital	0.4	14.5	-11.6	7.4
Cash flow from operating activities	**-88.9**	**-71.8**	**-358.5**	**-182.3**
Investing activities				
Acquisition/sale of fixed assets	-1.3	-93.3	-13.5	-105.1
Sale of operations	-	908.3	-	908.3
Cash flow from investing activities	**-1.3**	**815.0**	**-13.5**	**803.2**
Financing activities				
Redemption program	-	-	-857.5	-
Warrants	0.0	-	0.5	-
Transaction costs	-	-	-1.7	
Cash flow from financing activities	**0.0**	**-**	**-858.6**	**-**
Cash flow for the period	**-90.2**	**743.2**	**-1 230.7**	**620.9**
Cash and cash equivalents at beginning of period	557.8	955.0	1 698.5	1 077.9
Exchange rate difference, liquid assets	0.1	0.3	-0.2	-0.4
Cash and cash equivalents at end of period	**467.8**	**1 698.5**	**467.8**	**1 698.5**
Cash flow attributable to discontinued operations				
Cash flow from operating activities	-	38.4	-	64.9
Cash flow from investing activities	-	908.3	-	908.3
Cash flow for the period	**-**	**946.7**	**-**	**973.2**

Parent company income statement, summary

(SEK m)	Q4 2017	Q4 2016	Q1 - Q4 2017	Q1 - Q4 2016
Net turnover	6.0	28.0	38.5	131.0
Other operating income	0.1	0.2	1.2	4.5
Total income	**6.1**	**28.2**	**39.7**	**135.4**
Merchandise	-	-1.4	-1.7	-3.1
Other external expenses	-72.1	-81.9	-273.7	-255.9
Personnel costs	-25.3	-68.6	-104.9	-173.1
Depreciations and write-downs	-11.1	-3.1	-20.3	-11.8
Other operating expenses	-	-2.2	-1.4	-2.9
Operating profit/loss	**-102.3**	**-129.1**	**-362.2**	**-311.3**
Profit/loss from participation in Group companies	-1.9	675.5	-1.9	675.5
Net financial items	0.6	-2.4	3.4	4.0
Profit/loss after financial items	**-103.7**	**544.0**	**-360.7**	**368.2**
Appropriations	-	37.9	-	37.9
Tax	0.0	0.2	-0.6	0.2
Net profit/loss for the period	**-103.7**	**582.2**	**-361.3**	**406.3**

Parent company statement of comprehensive income

(SEK m)	Q4 2017	Q4 2016	Q1 - Q4 2017	Q1 - Q4 2016
Net profit/loss for the period	-103.7	582.2	-361.3	406.3
Other comprehensive income for the period, net after tax	-	-	-	-
Total comprehensive income for the period	**-103.7**	**582.2**	**-361.3**	**406.3**

Parent company balance sheet, summary

(SEK m)	31-dec 2017	31-dec 2016
Assets		
Intangible fixed assets	112.7	111.9
Tangible fixed assets	14.4	22.0
Shares in subsidiaries	0.1	0.1
Inventories	-	0.4
Receivables on Group companies	24.3	22.2
Current receivables	19.5	85.6
Short-term investments	409.2	1 504.6
Cash and bank balances	49.4	187.9
Total assets	**629.7**	**1 934.7**
Shareholders' equity and liabilities		
Shareholders' equity	509.3	1 729.7
Provisions	7.1	30.3
Liabilities to Group companies	22.8	21.0
Current liabilities	90.6	153.6
Total shareholders' equity and liabilities	**629.7**	**1 934.7**

Key ratios, share data, options	Q4		Q1 - Q4	
	2017	2016	2017	2016
Return on:				
- shareholders' equity, %	-72.9	-30.5	-32.1	-18.5
- capital employed, %	-73.0	-34.1	-32.0	-19.3
- total capital, %	-61.3	-30.7	-28.3	-17.3
Number of shares at beginning of period, '000	20 319	26 966	26 966	26 966
Number of shares at period end, '000	20 319	26 966	20 319	26 966
- of which class A shares	475	606	475	606
- of which class B shares	19 833	26 310	19 833	26 310
- of which repurchased B shares	11	49	11	49
Average number of shares, '000	20 308	26 941	21 963	26 941
Outstanding warrants, '000	58	63	58	63
Share capital at period end, SEK m	157.7	157.2	157.7	157.2
Shareholders' equity at period end, SEK m	514.1	1 732.9	514.1	1 732.9
Earnings per share, SEK				
- Continuing operations, basic earnings	-5.08	-4.50	-16.40	-10.94
- Continuing operations, diluted earnings	-5.08	-4.50	-16.40	-10.94
- Discontinued operations, basic earnings	-	19.85	-	21.44
- Discontinued operations, diluted earnings	-	19.80	-	21.39
- Total operations, basic earnings	-5.08	15.35	-16.40	10.50
- Total operations, diluted earnings	-5.08	15.31	-16.40	10.47
Shareholders' equity per share, SEK	25.31	64.38	25.31	64.38
Net worth per share, SEK	25.31	64.38	25.31	64.38
Cash flow per share after investments, SEK	-4.44	27.59	-16.94	23.05
Equity/assets ratio, %	83.4	90.2	83.4	90.2
EBITDA	-92.6	-125.8	-342.6	-300.6
EBIT	-103.6	-128.9	-362.8	-312.4

Key ratio definitions

Average number of shares. The unweighted average number of shares during the year.
Basic earnings per share. Profit/loss per share after tax divided by the average number of shares.
Capital employed. Balance Sheet total less non-interest-bearing liabilities including deferred tax liabilities.
Cash flow per share after investments. Cash flow after investments divided by the average number of shares.
Diluted earnings per share. Profit/loss per share after tax divided by the average number of shares and outstanding warrants adjusted for any dilution effect.
EBIT (Earnings before interest and taxes). Operating profit/loss after depreciation and amortization.
EBITDA (Earnings before interest, taxes, depreciation and amortization). Operating profit/loss before depreciation and amortization.
Equity/assets ratio. Shareholders' equity in relation to the Balance Sheet total.
Net worth per share. Shareholders' equity plus hidden assets in listed equities divided by the number of shares at the period end.
Operating margin. Operating profit/loss as a percentage of net turnover.
Return on capital employed. Profit/loss after financial items plus interest expenses as a percentage of the average capital employed.
Return on shareholders' equity. Profit/loss after tax as a percentage of the average shareholders' equity.
Return on total assets. Profit/loss after financial items plus interest expenses as a percentage of the average Balance Sheet total.
Shareholders' equity per share. Shareholders' equity divided by the number of shares at the period end.

The above key ratios are deemed to be relevant for the type of operations conducted by Medivir and to contribute to an increased understanding of the financial report.

AUDITOR'S REPORT

Medivir corp (publ). reg. no. 556238-4361

Introduction

We have reviewed the condensed interim financial information (interim report) of Medivir AB (publ) as of 31 December 2017 and the twelve-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Täby, February 14, 2018

Öhrlings PricewaterhouseCoopers AB

Tobias Stråhle
Authorized Public Accountant