MEDIVIR

MEDIVIR AB – YEAR END REPORT JANUARY – DECEMBER 2019

Continued progress with our proprietary and wholly owned candidate drug MIV-818 for liver cancer

October – December

Significant events during the quarter

- Preclinical data showing that in addition to its direct effect on cancer cells, MIV-818 also modulates the anti-tumor immune response, presented at the AACR-NCI-EORTC conference in Boston.
- The ninth and final liver cancer patient was included in the phase Ia study with MIV-818. Based on safety and tolerability as well as pharmaco-kinetics and positive biomarker data, it was decided to initiate the phase Ib part of the study.
- In December, an investigator-initiated phase II clinical trial of remetinostat was started in patients with squamous cell carcinoma. The study is conducted at the Stanford University School of Medicine in the United States.
- The first patient was included in a phase I study evaluating the safety and tolerability of a combination of birinapant and radiation therapy in patients with recurrent Head and Neck Squamous Cell Carcinoma. The study is sponsored and funded as part of the National Cancer Institute's Cancer Treatment Evaluation Program.
- A futility analysis of the phase II combination study with birinapant and Keytruda® in colorectal cancer patients was performed. Medivir decided to end the study since the results of the analysis indicated that the study's goals were unlikely to be achieved.
- The first milestone payment for the candidate drug MIV-701 in veterinary medicine was received in October.

Financial summary for the quarter

- Net turnover amounted to SEK 1.4 (13.6) million.
- The loss before interest, tax, depreciation and amortization (EBITDA) amounted to SEK -30.3 (-96.6) million. Basic and diluted earnings per share amounted to SEK -1.32 (-4.72) and SEK -1.32 (-4.72) respectively.
- Cash flow from operating activities amounted to SEK -22.6 (-72.4) million.
- Liquid assets and short-term investments at the end of the period amounted to SEK 134.6 (286.3) million.

January – December

Financial summary

- Net turnover amounted to SEK 8.7 (23.9) million.
- The loss before interest, tax, depreciation and amortization (EBITDA) amounted to SEK -118.9 (-326.5) million. Basic and diluted earnings per share amounted to SEK -5.08 (-14.62) and SEK -5.08 (-14.62) respectively.
- Cash flow from operating activities amounted to SEK -148.5 (-320.5) million.
- Liquid assets and short-term investments at the end of the period amounted to SEK 134.6 (286.3) million.

Significant events after the end of the period

- The phase II study of MIV-711 in patients with osteoarthritis was published in Annals of Internal Medicine (DOI: 10.7326/M19-0675).

Medivir in brief

Medivir develops innovative drugs with a focus on cancer where the unmet medical needs are high. The company is investing in indication areas where available therapies are limited or missing and there are great opportunities to offer significant improvements to patients. Collaborations and partnerships are important parts of Medivir's business model and the drug development is conducted either by Medivir or in partnership. Medivir's share (ticker: MVIR) is listed on Nasdaq Stockholm's Small Cap list. www.medivir.com.

CEO's message

The reorganization and refocus that was initiated at the end of 2018 was successful. Today we are an agile and efficient development company with the ability to use our resources where we can create the greatest value.

We continued to make progress with our proprietary and wholly owned candidate drug MIV-818 for liver cancer, and we entered 2020 with a clear and targeted focus on the continued clinical development of this exciting project.

MIV-818, our most important project, is the most advanced of a series of proprietary and wholly owned prodrug substances that we intend to develop for the treatment of various cancer indications.

MIV-818, which is developed for the treatment of liver cancer, has been designed to provide a targeted anti-tumor effect in the liver while minimizing side effects. MIV-818 has the potential to be the first liver cancer-targeted, orally administered drug that can help patients with this deadly disease, who lack good treatment options.

The ongoing phase I study is designed to study the safety, tolerability and pharmacokinetics of MIV-818 in patients with advanced liver cancer, and the data from patients in the phase Ia part of the study indicate that MIV-818 has the intended liver-targeted effect. MIV-818 was well tolerated and in addition, an efficacy signal was observed in liver biopsies from tumor tissue in patients treated with MIV-818. Unlike the tumor, normal liver tissue does not appear to have been affected by the treatment. These early clinical results in phase Ia constitute a proof-of-concept for this proprietary and wholly owned project. There is a very large potential here to make a life-changing difference for patients without good treatment options.

At the end of October, preclinical data were also presented at the AACR-NCI-EORTC conference in Boston showing that, in addition to its direct effect on cancer cells, MIV-818 also modulates the anti-tumor immune response.

In November, the ninth and final patient with liver cancer was included in the phase Ia study. Based on the very positive initial observations, we decided to initiate the phase Ib part of the study. We expect to be able to present topline data during the year. Based on the ongoing study, we will determine the recommended dose for the upcoming phase II study.

MIV-828 is the next candidate drug in our proprietary and wholly owned series of prodrugs. It is a nucleotide-based prodrug that has been optimized for the treatment of acute myeloid leukemia (AML) and other forms of blood cancer. Preclinical data indicate that MIV828 may offer patients with AML and other blood cancers a drug with good efficacy and tolerability. MIV828 is developed to be combined with other medications and exhibits synergistic anticancer activity in preclinical models.

We look forward to being able to initiate clinical studies on our own with MIV-828, but this will happen when we have ensured the financial resources required.

The fourth quarter offered both successes and one setback. **Birinapant** is Medivir's SMAC mimetic developed for the treatment of solid tumors. The futility analysis conducted by the independent safety committee for the phase II study of combination therapy with birinapant and pembrolizumab (Keytruda®) indicated that the study's goals would not be achieved. We therefore decided to end this colorectal cancer study.

In October, an investigator-initiated phase I study was started in which the safety and tolerability of a combination of birinapant and radiotherapy are evaluated in patients with recurrent squamous cell carcinoma in the head and neck region. Potential signs of treatment efficacy will also be studied. The study is sponsored and funded as part of the National Cancer Institute's Cancer Treatment Evaluation Program.

Remetinostat is our topical HDAC inhibitor that is developed to treat mycosis fungoides, the most common form of cutaneous T-cell lymphoma. Medivir has determined the design of a phase III study is searching a partner for the continued development and commercialization of remetinostat.

In an ongoing investigator-initiated study in collaboration with researchers at Stanford University, remetinostat is given to patients with basal cell cancer (BCC). The preliminary results, presented at last year's SID conference, indicate that remetinostat has potential as an effective and well-tolerated treatment of local skin tumors in BCC patients.

In December 2019, the first patient was dosed with remetinostat in an investigator-initiated phase II clinical study on patients with squamous cell carcinoma. Also this study is being conducted at Stanford University.

For **MIV-711**, Medivir's cathepsin K inhibitor for the treatment of osteoarthritis, we have compiled a robust and comprehensive data package based on the data from the extension study presented before the summer. We continue to strive to reach a licensing or collaboration agreement for the continued development of MIV-711. Our phase II study was recently published in the esteemed journal Annals of Internal Medicine. In an editorial in the same issue, the study was commented on in a positive way.

Medivir's most important task is to develop and realize the value of our candidate drugs. It was to ensure our

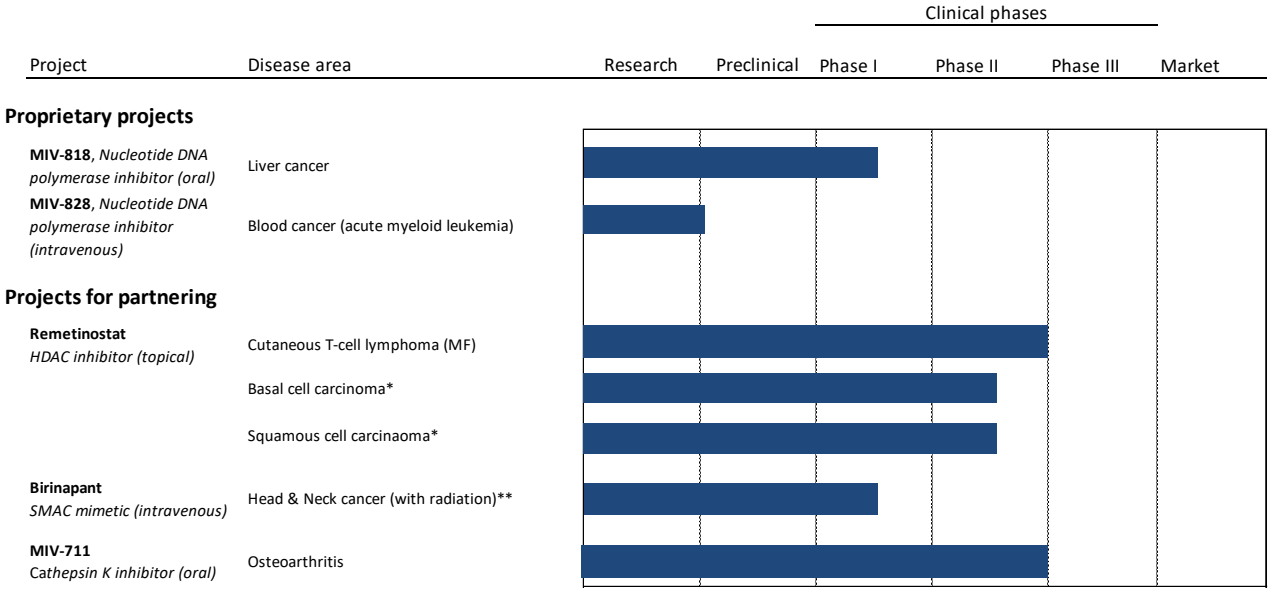
ability to develop and exploit the values within our clinical portfolio that we chose to concentrate and focus our operations in 2019.

Our proprietary and wholly owned projects have great potential and I look forward to the development of these projects, especially MIV-818, during 2020.

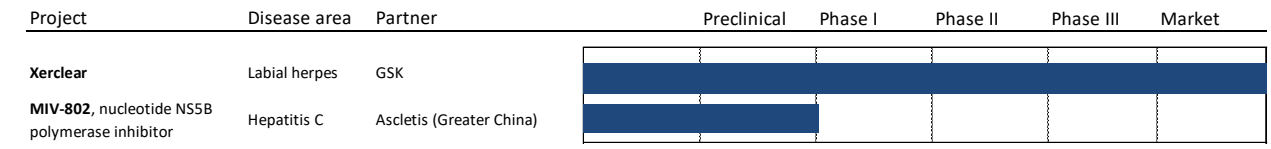
Business development remains our focus when it comes to remetinostat, birinapant and MIV-711.

Uli Hacksell
President & CEO

Project portfolio



Outlicensed projects



* Conducted by Stanford University
** Conducted by NCI, USA

Significant events in the project portfolio during the quarter

- Preclinical data showing that in addition to its direct effect on cancer cells, MIV-818 also modulates the anti-tumor immune response, were presented at the AACR-NCI-EORTC conference in Boston.
- The ninth and final liver cancer patient was included in the phase Ia study with MIV-818. Based on safety and tolerability as well as pharmacokinetics and positive biomarker data, it was decided to initiate the phase Ib part of the study.
- The first patient was dosed with remetinostat in an investigator-initiated phase II clinical study in patients with squamous cell carcinoma. The study is conducted at the Stanford University School of Medicine in the United States.
- The first patient was included in a phase I study evaluating the safety and tolerability of a combination of birinapant and radiation therapy in patients with recurrent Head and Neck Squamous Cell Carcinoma (HNSCC). The study is sponsored and funded as part of the National Cancer Institute's Cancer Treatment Evaluation Program (CTEP).
- A futility analysis was conducted by the independent safety committee for the phase II study of combination therapy with birinapant and pembrolizumab (Keytruda®) in patients with colorectal cancer. The analysis indicated that the study's goals would not be achieved. Medivir decided to end the study.
- The first milestone payment for the candidate drug MIV-701 in veterinary medicine was received in October.

Significant events in the project portfolio after the quarter

- The phase II study of MIV-711 in patients with osteoarthritis was published in Annals of Internal Medicine (DOI: 10.7326/M19-0675).

Project Portfolio

- Full descriptions of all Medivir's development projects, including their current status and ongoing studies, can be found on the Medivir website: http://www.medivir.com/our-projects.

PROPRIETARY PROJECTS

MIV-818 – *for the treatment of liver cancer.*
MIV-818 is our proprietary prodrug for the treatment of liver cancer. Hepatocellular carcinoma (HCC) is the third most common cause of cancer-related deaths in the world. Although existing treatments for HCC can extend patients' lives, treatment benefits are often marginal and mortality remains at a high level.

MIV-818 has been developed to achieve a targeted anti-tumor effect with the maximum concentration of the active substance in the liver, while keeping the concentration in the rest of the body down to minimize any side effects.

Preclinical data showing that in addition to its direct effect on cancer cells, MIV-818 also modulates the anti-tumor immune response, were presented at the AACR-NCI-EORTC conference in Boston.

The first clinical study with MIV-818 was initiated at the end of 2018. The primary purpose of this phase Ia study was to study the safety, tolerability and pharmacokinetics of MIV-818 in patients with advanced liver cancer. Positive results from the first six patients in the phase Ia part of the study were presented in June 2019.

The ninth and final patient with liver cancer was included in the phase Ia part of the study in November 2019. Based on safety, tolerability, pharmacokinetics and positive biomarker results, it was decided to continue with the phase Ib part of the study. Topline data is expected to be presented during the year. Based on this study, the recommended dose for the upcoming phase II study will be determined.

MIV-828 - *for the treatment of blood cancer.*
The candidate drug MIV-828 is a proprietary nucleotide-based prodrug that has been optimized for the treatment of acute myeloid leukemia (AML) and other forms of blood cancer. A large proportion of patients do not tolerate the treatments currently used to treat the disease. Preclinical data indicate that MIV-828 may offer patients with different forms of blood cancer a drug with better tolerability and efficacy.

PROJECTS FOR PARTNERING

Remetinostat - *for improved treatment of MF-CTCL.*
Mycosis fungoides (MF) is the most common type of cutaneous T cell lymphoma (CTCL). MF-CTCL is an unusual form of blood cancer that primarily presents in the skin. The primary unmet need for patients in the early stages of MF-CTCL is well-tolerated treatments with efficacy on skin lesions and relief from the troublesome symptom of severe itching.
It is known that orally or intravenously administered HDAC inhibitors are effective against MF-CTCL, but the compounds have significant side effects and are therefore only used in later stages of the disease. Remetinostat, an HDAC inhibitor, applied to the skin in the form of a gel, degrades as it reaches the bloodstream, thereby reducing the risk of side effects. The aim of the project is to find a partner for phase III and commercialization of remetinostat.

Remetinostat also has the potential to treat other skin cancer indications. In an ongoing investigator-initiated study in collaboration with researchers at Stanford University, remetinostat is given to patients with basal cell cancer. The preliminary results, presented at last year's SID conference, indicate that remetinostat has potential as an effective and well-tolerated treatment of local skin tumors in BCC patients.

In December 2019, the first patient was dosed in an investigator-initiated phase II clinical trial of remetinostat in patients with squamous cell carcinoma. Also this study is conducted at the Stanford University School of Medicine.

Birinapant – *for the treatment of solid tumors.*
Birinapant is being developed to improve treatment response and prolong survival in patients with solid tumors where available treatments do not provide adequate survival or where the patient no longer has other treatment options.

Medivir has conducted a phase II study of birinapant in combination with pembrolizumab (Keytruda®) in patients with microsatellite-stable colorectal cancer. A futility analysis conducted by the independent safety committee indicated that the study's goals would not be achieved. Medivir therefore decided to end the study.

Birinapant has the potential to improve a number of cancer treatments when used in combination with other drugs. However, Medivir does not intend to conduct any further clinical development of birinapant on its own.

In October, at the National Cancer Institute (NCI) in the United States, an investigator-initiated phase I study was started in which patients with recurrent squamous cell carcinoma in the head and neck region are treated with a combination of birinapant and radiotherapy. The study is sponsored and funded as part of NCI's Cancer Treatment Evaluation Program.

Medivir provides birinapant and is given full access to all reports from the study whose primary goal is to evaluate the safety of the combination therapy and to determine a maximum tolerated dose for further studies. Signs of treatment efficacy are also studied.

MIV-711 – *with the potential to be the first disease-modifying drug in osteoarthritis.*
Medivir has conducted a phase II study showing positive effects in both bone and cartilage in joints in osteoarthritis patients after only six months of treatment with MIV-711. Treatment with MIV-711 for a total of 12 months provided continued treatment effect

on bone and cartilage, and the patients also retained the response level of the positive signals for self-reported pain as well as other clinical symptoms.

Medivir continues to aim to establish a license or collaboration agreement for the continued development of MIV-711 as the first disease-modifying drug for osteoarthritis.

OUTLICENSED PROJECTS

Xerclear® - In 2009, Xerclear® (Zoviduo®) was approved for the treatment of labial herpes. The marketing rights to Xerclear® in the USA, Canada and Mexico were divested in 2010, while the corresponding rights in Europe and the rest of the world have been out-licensed to GlaxoSmithKline, with the exception of China, where Medivir has appointed a local distributor, and Israel and South America where Medivir has retained the rights.

Medivir receives royalties on sales of Xerclear®/(Zoviduo®) from GlaxoSmithKline. In addition, Medivir would receive milestones when Zoviduo® is appro- ved as an over the counter product in certain new markets.

MIV-802 – is a potent, nucleotide-based inhibitor of the HCV NS5B polymerase and acts against several genotypes of hepatitis C (HCV). Preclinical data indicate that MIV-802 can be used effectively in combination with other classes of antiviral drugs for the treatment of HCV.

Ascletis holds the exclusive rights to develop, manufacture and commercialize MIV- 802 in China, Taiwan, Hong Kong and Macao. The terms of the agreement entitle Medivir to milestone payments at achieved development goals and step-by-step royalty payments from the net sales of products where MIV-802 is included. The Investigational New Drug (IND) application for MIV- 802 (ASC21) submitted by Ascletis was approved by the Chinese authority (NMPA) during the first quarter.

MIV-701 - In the spring of 2019, a licensing agreement was signed for one of Medivir's candidate drugs, MIV-701, with the French company Vetbiolix, granting Vetbiolix the right to develop the product for veterinary use. In October, Medivir received the first milestone-payment of EUR 10,000 after the product was found to meet certain quality requirements.
MIV-701 is a cathepsin K inhibitor that is not suitable for human development due to its rapid degradation, but which has excellent properties for animals. Medivir is entitled to additional milestone payments as well as royalties during the continued development.

Financial overview, October – December 2019

Summary of the Group's figures (SEK m)	Q4		Q1 - Q4	
	2019	2018	2019	2018
Net turnover	1.4	13.6	8.7	23.9
Operating profit before depreciation and amortization (EBITDA)	-30.3	-96.6	-118.9	-326.5
Operating profit (EBIT)	-32.0	-114.2	-126.0	-351.0
Profit/loss before tax	-32.0	-114.6	-123.3	-350.5
Basic earnings per share, SEK	-1.32	-4.72	-5.08	-14.62
Diluted earnings per share, SEK	-1.32	-4.72	-5.08	-14.62
Net worth per share, SEK	7.59	12.67	7.59	12.67
Return on equity, %	-63.9	-125.6	-50.2	-85.3
Cash flow from operating activities	-23.6	-72.4	-148.5	-320.5
Cash and cash equivalents at period end	134.6	286.3	134.6	286.3

Revenues

Net turnover for the period from October – December was SEK 1.4 million (13.6m) corresponding to a decrease of SEK 12.2 million, the difference mainly attributable to a milestone payment from Acletis last year.

Operating expenses

Other external costs totaled SEK -22.4 million (-63.3m), corresponding to a decrease of SEK 40.9 million. Personnel costs amounted to SEK -8.1 million (-45.8 m) a decrease of 37.7 million and the total expenses was SEK -32.1 million (-127.7 m) a decrease of 95.6 million. The decreased costs are mainly due to the restructuring of the company near year end 2018.

Operating profit/loss

The operating profit/loss totaled SEK -32.0 million (-114.1 m), SEK 82.1 million better than previous year due to the restructuring done in the fourth quarter 2018.

Cash flow, investments, and financial position

Liquid assets, including short-term investments amounted to SEK 134.6 million (286.3 m) at the end of the period, corresponding to a decrease of SEK 151.7 million. The opening balance 2019 was SEK 286.3 million (467.8 m).

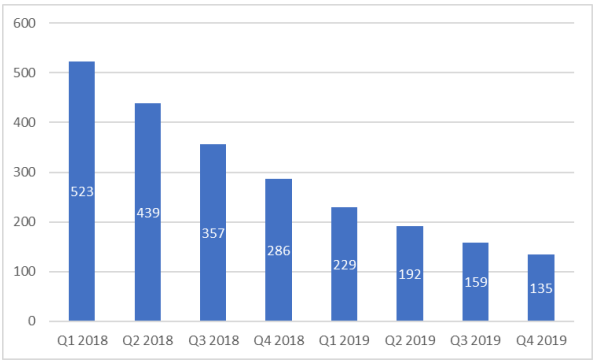
Medivir's financial assets are, in accordance with its financial policy, invested in low-risk, interest-bearing securities.

Cash flow from operating activities totaled SEK -23.6 million (-72.4 m), with changes in working capital accounting for SEK 15.5 million (-14.8 m) of this total.

The period's investments in tangible and intangible fixed assets totaled SEK 0.0 million (-1.7 m).

Cash flow from financing activities totaled SEK -0.7 million (0.0 m).

Liquid assets and short-term investments (SEK m)



Financial overview, January – December 2019

Revenues

Net turnover for the period from Jan – December was SEK 8.7 million (23.9 m) corresponding to a decrease of SEK 15.2 million attributable to less royalty revenues and less milestone payments.

Operating expenses

Other external costs totaled SEK -91.1 million (-235.1), corresponding to a decrease of SEK 144.0 million.

Personnel costs amounted to SEK -35.0 million (-118.2 m) a decrease of 83.2 million and the total expenses was SEK -133.2 million (-380.4 m) a decrease of 247.2 million.

The decreased costs are due to the restructuring of the company. As previously communicated, the operational fixed costs from Q3 amounts to only one third of last year's level.

Operating profit/loss

The operating profit/loss totaled SEK -126.0 million (-351.0 m), SEK 225.0 million better than previous year due to the restructuring done in the fourth quarter 2018.

Cash flow, investments, and financial position

Liquid assets, including short-term investments amounted to SEK 134.6 million (286.3m) at the end of the period, corresponding to a decrease of SEK 151.7 million. The opening balance 2019 was SEK 286.3 million (467.8 m).

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 -148.5 million (-320.5 m), with changes in working capital accounting for SEK -12.7 million (-28.0 m) of this total.

The period's investments in tangible and intangible fixed assets totaled SEK -0.5 million (-5.0 m).

Cash flow from financing activities totaled SEK -2.5 million (144.3 m).

Other disclosures, January – December 2019

Employees

Medivir had 14 (71) employees (FTEs) at the period end, 50% (53%) of whom were women. Out of these employees, there are 1 (54) who 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 board of directors proposed and the 2017 AGM approved a long-term incentive program. The right to subscribe is vested in all of the company's senior executives and other permanent employees of Medivir. The market value was determined using the Black & Scholes valuation model, based on term, strike price, weighted share price during the subscription period (VWAP), risk-free interest rate, and volatility. The subscription price for all outstanding warrants (strike price) per share shall correspond to 133 percent of the volume weighted average rate of the class B share according to the official NASDAQ Stockholm price list during the period.

Medivir employees bought 48 515 warrants during the second quarter 2017 as part of this incentive program. The warrants were issued at a market value of SEK 9.41 each with an exercise price of SEK 89.36 per share. In the fourth quarter 2017, Medivir employees bought an additional 9 320 warrants. These warrants were issued at a market value of SEK 3.98 each with 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 valuation calculation for 2017 was based on the following figures: term, 3.66 years; strike price, SEK 89.36; VWAP, SEK 67.19; risk-free interest rate, –0.35 percent; volatility, 32 percent.

In May 2018, the board of directors proposed and the AGM approved a new long-term incentive program, in the same manner as 2017. During the second quarter 2018, Medivir employees bought 51 864 warrants at a market value of 5.63 each with an exercise price of SEK 52.75 per share. The warrants may be exercised to subscribe for new class B shares during the period from 16 December 2021 up to and including 15 January 2022. The valuation calculation for 2018 was based on the following figures: term, 3.66 years; strike price, SEK 52.75; VWAP, SEK 39.66; risk-free interest rate, –0.16 percent; volatility, 32 percent.

The Parent Company in brief

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

The Parent Company's total revenues amounted to SEK 8.7 million (24.9 m).

The operating profit/loss was SEK -126.0 million (-351.0 m), corresponding to an improved result of SEK 225,0 million. Combined operating expenses totaled SEK -133.2 million (-372.6 m).

Net financial items totaled SEK 3.0 million (0.9 m), corresponding to an increase of SEK 2.1 million.

The tax for the period totaled SEK 0.0 million (0.0 m). The net profit/loss for the period was SEK -122.3 million (-351.2 m), corresponding to an improvement of SEK 228.9 million.

Liquid assets, including short-term investments with a maximum term of three months, amounted to SEK 125.7 million (275.8 m).

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 0.002 million (0.1 m), attributable to royalty payments to Uppsala Hallbechem AB, Anders R Hallberg (Board Member until 9 May 2019)). Furthermore, Medivir has purchased consulting services from Anna Malm Bernsten (Chairman of the Board until 9 May 2019) to the value of SEK 0.2 million (0.4 m). No other services were purchased by the company from related parties during the period.

Significant risks and uncertainty factors

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 success in developing medicines, to enter into partnerships 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 2018 Annual Report, see pages 31-32 and 40-41 and in Note 7 on pages 63-65. The Annual Report is available on the company's website: www.medivir.com.

Annual Report

Medivir's Annual Report is scheduled to be available on the company's website, www.medivir.com, as of the week commencing 6 April 2020.

Dividend

The Board of Directors proposes that no dividend be paid for the 2019 financial year.

Annual General Meeting

The Annual General Meeting will be held at 14.00 (CEST) on 5 May 2020 at Tändstickspalatset, Västra Trädgårdsgatan 15, 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 mainly be in clinical pharmaceutical projects within oncology. With the completed restructuring at the end of 2018, costs have been reduced significantly in 2019. From Q3 2019 the fixed costs amounts to around one third of the 2018 level.

It is the view from Board of Directors and management that the current cash is sufficient to complete the ongoing clinical activities.

For further information, please contact

Uli Hacksell, CEO, +46 (0) 8 5468 3100
Magnus Christensen, CFO, +46 (0)73-125 0620

Conference call for investors, analysts and the media

The Year End Report January - December 2019 will be presented by Medivir's President & CEO, Uli Hacksell.

Time: Thursday, February 13, 2020, at 14.00 (CET).

Phone numbers for participants from:
Sweden + 46 8 505 583 52
Europe + 44 33 3300 9268
US + 1 833 5268 396

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.

R&D Day Monday 2 March 2020

On March 2, Medivir will arrange an R&D day for investors, analysts and the media. Presentations will include new clinical results from the phase Ia study of MIV-818 in patients with liver cancer. The meeting will be held at Helio GT30, Grev Turegatan 30 in Stockholm, on March 2 at 14:00 to 16:30 CET. Register with an e-mail to: info@cordcom.se.

Financial calendar:

Interim Report (January – March 2020)
May 5, 2020
Annual General Meeting
May 5, 2020
Interim Report (January – June 2020)
August 20, 2020
Interim Report (January – September 2020)
November 10, 2020

Attestation

The Board of Directors and the President & CEO hereby affirm that the Year End 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 13, 2020

Uli Hacksell *Member of the Board and CEO*	**Lennart Hansson** *Member of the Board*	**Bengt Julander** *Member of the Board*
Helena Levander *Chairman of the Board*	**An van Es ohansson** *Member of the Board*	**Bengt Westermark** *Member of the Board*

This report has not been subject to auditors' review.

The information was submitted for publication
at 08.30 CET on 13 February 2020.

Notes

Accounting principles
Medivir prepares its Consolidated Accounts in accordance with IFRS, International Financial Reporting Standards, as endorsed by the EU. In addition to the stated IFRS, the Group also applies the Swedish Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Rules for Groups, and applicable statements from the Swedish Financial Reporting Board. The Group utilizes the acquisition value for Balance Sheet item valuation, unless otherwise indicated. IFRS are under constant development, and new standards and interpretations are published on an ongoing basis, only some of which have come into effect. An assessment of the impact that the introduction of these standards and statements has had, and may have, on Medivir's financial statements follows. Comments are restricted to those changes that have had, or could have, a significant effect on Medivir's accounting. See pages 52-59 of the 2018 Annual Report for a full presentation of the accounting principles applied by the Group.

New and updated accounting principles
IFRS 16 Leases came into effect on 1 January 2019 and the company has elected to apply the simplified transition method for IFRS 16. For Medivir, this means that we will not perform a recalculation of the 2018 figures and will, instead, adjust the opening balance for 2019. The total value of the assets has increased by SEK 50.5 million. Leased assets are included in Tangible fixed assets, which have increased by SEK 18.7 million due to IFRS 16 during the transition period. Financial fixed assets in the form of the long-term and short-term components of leasing receivables total SEK 25.4 million and SEK 6.4 million, respectively. With regard to liabilities, Long-term liabilities have increased by SEK 41.9 million and Short-term liabilities by SEK 8.6 million at the beginning of 2019. Amortization of the debt amounted to SEK 1.8 million during fourth quarter. Additional disclosures that explain the difference between the closing balance in 2018 and the opening balance in 2019 will be provided in the 2019 Annual Report. The Parent Company applies the exemption offered in RFR 2 and consequently reports leasing as operational, in accordance with the previous method.

Consolidated Income Statement, summary	Q4		Q1 - Q4	
(SEK m)	2019	2018	2019	2018
Net turnover	1.4	13.6	8.7	23.9
Other operating income	-1.2	-	-1.5	5.5
Total income	**0.1**	**13.6**	**7.2**	**29.4**
Other external expenses	-22.4	-63.3	-91.1	-235.1
Personnel costs	-8.1	-45.8	-35.0	-118.2
Depreciations and write-downs	-1.7	-17.6	-7.1	-24.5
Other operating expenses	-	-1.0	-	-2.5
Operating profit/loss	**-32.0**	**-114.1**	**-126.0**	**-351.0**
Net financial items	-0.1	-0.5	2.6	0.5
Profit/loss after financial items	**-32.0**	**-114.6**	**-123.3**	**-350.5**
Tax	0.0	-	-0.1	0.2
Net profit/loss for the period	**-32.0**	**-114.6**	**-123.4**	**-350.3**
Net profit/loss for the period attributable to:				
Parent Company shareholders	-32.0	-114.6	-123.4	-350.3
Earnings per share, calculated from the net profit/loss attributable to Parent Company shareholders during the period				
Earnings per share (SEK per share)				
- Total operations, basic earnings	-1.32	-4.72	-5.08	-14.62
- Total operations, diluted earnings	-1.32	-4.72	-5.08	-14.62
Average number of shares, '000	24 288	24 288	24 288	23 846
Average number of shares after dilution '000	24 288	24 288	24 288	23 846
Number of shares at period end, '000	24 288	24 288	24 288	24 288

Consolidated Statement of Comprehensive Income

(SEK m)	Q4 2019	Q4 2018	Q1 - Q4 2019	Q1 - Q4 2018
Net profit/loss for the period	**-32.0**	**-114.6**	**-123.4**	**-350.3**
Other comprehensive income				
Exchange rate differences	0.1	0.5	0.3	-0.4
Total other comprehensive income	**0.1**	**0.5**	**0.3**	**-0.4**
Total comprehensive income for the period	**-32.0**	**-114.1**	**-123.2**	**-350.8**

Consolidated Balance Sheet, summary

(SEK m)	31-dec 2019	31-dec 2018
Assets		
Intangible fixed assets	96.3	96.9
Tangible fixed assets	23.3	10.8
Long-term receivables	21.0	-
Current receivables	18.3	25.4
Short-term investments	100.3	239.1
Cash and cash equivalents	34.3	47.2
Total assets	**293.6**	**419.4**
Shareholders' equity and liabilities		
Shareholders' equity	184.5	307.6
Long-term liabilities	54.0	14.8
Current liabilities	55.1	96.9
Total shareholders' equity and liabilities	**293.6**	**419.4**

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 2018	**157.7**	**295.9**	**-3.0**	**63.5**	**514.1**
Total comprehensive income for the period	-	-	-0.9	-235.7	-236.6
Stock dividend issue	30.8	124.0	-	-	154.8
Warrants	-	0.3	-	-	0.3
Transaction costs	-	-	-	-10.2	-10.2
Closing balance, 30 September 2018	**188.5**	**420.1**	**-3.9**	**-182.4**	**422.4**
Opening balance, 1 January 2018	**157.7**	**295.9**	**-3.0**	**63.5**	**514.1**
Total comprehensive income for the period	-	-	-0.4	-350.3	-350.8
Stock dividend issue	30.8	124.0	-	-	154.8
Warrants	-	0.3	-	-	0.3
Transaction costs	-	-	-	-10.8	-10.8
Closing balance, 31 December 2018	**188.5**	**420.1**	**-3.5**	**-297.6**	**307.6**
Opening balance, 1 January 2019	**188.5**	**420.1**	**-3.5**	**-297.6**	**307.6**
Total comprehensive income for the period	-	-	0.3	-123.4	-123.2
Closing balance, 31 December 2019	**188.5**	**420.1**	**-3.2**	**-421.1**	**184.5**

Consolidated Cash Flow Statement, summary

(SEK m)	Q4 2019	Q4 2018	Q1 - Q4 2019	Q1 - Q4 2018
Cash flow from operating activities before changes in working capital	**-39.1**	**-57.6**	**-135.8**	**-292.5**
Changes in working capital	15.5	-14.8	-12.7	-28.0
Cash flow from operating activities	**-23.6**	**-72.4**	**-148.5**	**-320.5**
Investing activities				
Acquisition/sale of fixed assets	-	1.7	-0.5	-5.0
Cash flow from investing activities	**-**	**1.7**	**-0.5**	**-5.0**
Financing activities				
Other changes in longterm receivables/liabilities	-0.7	-	-2.5	-
Warrants	-	-	-	0.3
Share issue	-	-	-	154.8
Transaction costs	-	-	-	-10.8
Cash flow from financing activities	**-0.7**	**-**	**-2.5**	**144.3**
Cash flow for the period	**-24.3**	**-70.7**	**-151.4**	**-181.2**
Cash and cash equivalents at beginning of period	158.5	357.2	286.3	467.8
Exchange rate difference, liquid assets	0.4	-0.2	-0.2	-0.3
Cash and cash equivalents at end of period	**134.6**	**286.3**	**134.6**	**286.3**

Parent company income statement, summary

(SEK m)	Q4 2019	Q4 2018	Q1 - Q4 2019	Q1 - Q4 2018
Net turnover	1.4	14.6	8.7	24.9
Other operating income	-1.2	-1.4	-1.5	-3.3
Total income	**0.2**	**13.2**	**7.2**	**21.6**
Other external expenses	-23.0	-61.4	-94.0	-227.2
Personnel costs	-8.1	-45.8	-35.0	-118.4
Depreciations and write-downs	-0.9	-17.6	-4.2	-24.5
Other operating expenses	-	-1.0	-	-2.5
Operating profit/loss	**-31.8**	**-112.6**	**-126.0**	**-351.0**
Profit/loss from participation in Group companies	0.8	-1.1	0.8	-1.1
Net financial items	0.0	-0.4	3.0	0.9
Profit/loss after financial items	**-31.0**	**-114.1**	**-122.3**	**-351.2**
Tax	-	-	-	-
Net profit/loss for the period (=comprehensive income)	**-31.0**	**-114.1**	**-122.3**	**-351.2**

Parent company balance sheet, summary

(SEK m)	31-dec 2019	31-dec 2018
Assets		
Intangible fixed assets	96.3	96.9
Tangible fixed assets	7.5	10.8
Shares in subsidiaries	0.1	0.1
Receivables on Group companies	-	23.3
Current receivables	10.3	23.5
Short-term investments	100.2	239.1
Cash and bank balances	25.5	36.7
Total assets	**239.9**	**430.4**
Shareholders' equity and liabilities		
Shareholders' equity	179.3	301.5
Provisions	19.8	37.7
Liabilities to Group companies	0.1	21.3
Current liabilities	40.8	69.9
Total shareholders' equity and liabilities	**239.9**	**430.4**

Key ratios, share data, options	Q4		Q1 - Q4	
	2019	2018	2019	2018
Return on:				
- shareholders' equity, %	-63.9	-125.6	-50.2	-85.3
- capital employed, %	-41.7	-125.6	-41.0	-85.3
- total capital, %	-41.7	-99.3	-34.6	-67.7
Number of shares at beginning of period, '000	24 288	24 288	24 288	20 319
Number of shares at period end, '000	24 288	24 288	24 288	24 288
- of which class A shares	-	-	-	-
- of which class B shares	24 288	24 288	24 288	24 288
- of which repurchased B shares	-	-	-	-
Average number of shares, '000	24 288	24 288	24 288	23 956
Outstanding warrants, '000	110	110	110	110
Share capital at period end, SEK m	188.5	188.5	188.5	188.5
Shareholders' equity at period end, SEK m	184.5	307.6	184.5	307.6
Earnings per share, SEK				
- Total operations, basic earnings	-1.32	-4.72	-5.08	-14.62
- Total operations, diluted earnings	-1.32	-4.72	-5.08	-14.62
Shareholders' equity per share, SEK	7.59	12.67	7.59	12.67
Net worth per share, SEK	7.59	12.67	7.59	12.67
Cash flow per share after investments, SEK	-0.97	-2.91	-6.13	-13.59
Equity/assets ratio, %	62.8	73.4	62.8	73.4
EBITDA	-30.3	-96.6	-118.9	-326.5
EBIT	-32.0	-114.2	-126.0	-351.0

Key ratio definitions

Average number of shares. The unweighted average number of shares during the period.
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.