INTERIM REPORT JANUARY - JUNE 2007
TRIPEP AB (PUBL)

- Research and development costs amounted to SEK 7.7 million
- The loss after tax was SEK 13.8 million
- Earnings per share were SEK 0.29
- The company had no net sales for the period
- The company has received patent protection for administration of ChronVac-C® vaccine using electroporation

Events after the end of the reporting period

- After the end of the reporting period, Tripep received final approval to start a clinical study of ChronVac-C® on patients with a chronic infection of the Hepatitis C virus. The study is scheduled to start in September/October 2007.

Tripep develops drugs against chronic disease based on proprietary and other parties' patented and patent pending technologies. The company's main focuses are: the wound healing therapy ChronSeal, the therapeutic vaccine against Hepatitis C named ChronVac-C® plus the RAS® technology platform. The Tripep share is admitted to trade on First North.
Remium AB is Certified Adviser for Tripep AB.
For more information, please visit: www.tripep.se

There is no comparative data because the company was incorporated in June 2006.

In the event of any discrepancy between the Swedish and English versions of this Interim Report, the Swedish version will take precedence.

OPERATIONS

ChronVac-C® – a vaccine against the hepatitis C virus

During the period, applications were filed for ethical committee and Swedish Medical Products Agency approval for a clinical study on patients with a chronic infection of the Hepatitis C virus. The treatment comprises a combination of ChronVac-C® and Inovio's Medpulser® DDS technology.

In August, final approval was received and the clinical study is scheduled to start in September/October 2007. The study will include four groups with a total of 12 patients that will be treated with three different doses of ChronVac-C®. Patients must be infected by the genotype 1 virus with low levels of virus to be accepted in the study. Each patient will receive four vaccinations with one month intervals, after which they will be monitored for six months. The main purpose of the study is to show the safety of the treatment. The study will also test if the treatment boosts the host immune response to hepatitis C, as well as a preliminary study on the effects on the virus replication. This is the first study in the world where a DNA vaccine is used to treat patients with a chronic infection of the Hepatitis C virus. Also for the first time, a DNA vaccine against an infectious agent is administered by *in vivo* electroporation in humans.

ChronSeal – Healing chronic wounds

In October 2006, Tripep acquired a patent pending therapy for treating chronic wounds, ChronSeal, developed at Linköping University Hospital. ChronSeal is based on the endogenous compound hepatopoetin, also known as hepatocyte growth factor (HGF), administered in combination with antibiotics. Scientific studies[1] demonstrate that in many poorly healing wounds, the normally present growth factor HGF is defective. HGF is administered in combination with antibacterial compounds to avoid bacteria in the wound metabolising HGF. The treatment method has been successfully tested on humans. The acquisition also includes a patent pending diagnostic method that determines whether a patient produces the active form of HGF.

Tripep AB signed an agreement with Kringle Pharma of Japan regarding the joint development of ChronSeal in February 2007. Kringle Pharma is a world leader in the development of HGF. This agreement gives Tripep access to recombinant HGF produced to GMP (good manufacturing practice) standard, which has the necessary quality for trials in humans. It also brings access to Kringle's preclinical development results, which encompass trials including tolerability of this recombinant HGF in animals. Tripep considers that this agreement with Kringle will reduce ChronSeal's development lead-time by 18-24 months.

The development of an optimal cream or gel preparation began in the first quarter, which is being conducted alongside drug delivery company Zelmic. A skin tolerance study of the HGF produced by Kringle was conducted on pig by Scantox in Denmark during the second quarter.

Tripep perceives good prospects of beginning a phase II trial in humans on ChronSeal with recombinant HGF in the fourth quarter of 2007 or in the first quarter of 2008.

Other Research Projects

Activities on the RAS® (Redirecting Antibody Specificity) project, relating to HIV, continue. RAS® molecules act as adapters redirecting existing antibodies in the bloodstream so that they neutralize HIV. HIV-binding peptides coupled to a sugar structure, Gal-alfa1,3-Gal, which all humans have antibodies against, have been prepared and are now being tested for inhibiting HIV and for the antibody-assisted neutralization of HIV-infected cells in vitro.

Patents

Tripep's strategy is to secure patent protection in the regions significant to the company, i.e. North America, Europe and Asia. The patent portfolio consists of 36 approved patents and 57 patents pending.

Publications

Billaud JN, Peterson D, Lee BO, Maruyama T, Chen A, Sallberg M, Garduno F, Goldstein P, Hughes J, Jones J, Milich D. 2006. Advantages to the use of rodent hepadnavirus core proteins as vaccine platforms. Vaccine. 2007: 25(9):1593-606.

Abdurahman S, Höglund S, Höglund A and Vahlne A. Mutation in the loop C-terminal to the cyclophilin A binding site of HIV-1 capsid protein disrupts proper virus assembly and infectivity. Retrovirology. 2007 Mar 19;4:19.

Employees

The company had 7 employees at the end of the period.

Nomination Committee

The AGM resolved on the appointment of a Nomination Committee consisting of Chairman of the Board Thomas Lynch, Erik Selin and Peter Horal. The task of the Nomination Committee is to submit proposals for Board members and Directors' fees to the AGM 2008.

Profit/loss

The company has no net sales.

Operating costs were SEK 7.5 m for the second quarter 2007 and SEK 14.3 m during the period January – June 2007.

The loss after financial items was SEK -7.3 m for the second quarter 2007 and SEK -13.8 m for the period January – June 2007.

Research and development costs were SEK 4.3 m for the second quarter 2007, of which external researchers & subcontractors were SEK 4.1 m. Research and development costs were SEK 7.7 m for the period January - June 2007, of which external researchers & subcontractors were SEK 7.2 m.

Investments

Net investments in equipment amounted to SEK 0.0 m during the first quarter 2007 and SEK 0.2 m during the period January – June 2007.

Shares in Associated Companies

The company has a holding of 30 per cent (1,250,000 shares) of VLP Biotech Inc. of San Diego, US with a book value of SEK 0.

Financial Position

The company's liquid assets amounted to SEK 23.8 m as of 30 June 2007.

As of 30 June 2007, shareholders' equity was SEK 17.6 m.

The company's share capital amounted to SEK 2,413,043.50 representing 48,260,870 shares.

Long-term liabilities were SEK 3.6 m as of 30 June 2007, a commitment over five years that Tripep undertook coincident with the acquisition of the ChronSeal wound healing project.

Current non-interest bearing liabilities amounted to SEK 5.3 m as of 30 June 2007.

Rights Issue

The AGM on 22 March 2007 authorised the Board to decide on the new issue of a maximum of 10,000,000 shares against cash payment and/or with a decision on issue in kind or set-off or otherwise subject to terms and conditions, and that could waive shareholders' preferential rights on one or more occasions in the period until the next AGM. So far, this has not been exercised by the Board of Directors.

Stock Option plan

The AGM resolved to introduce a staff stock option plan of a maximum of 750,000 staff stock options. These options will be issued in four series with expiry on 30 June 2008, 2009, 2010 and 2011. Each staff stock option confers the right to subscribe for one new Tripep AB share at a subscription price corresponding to the average share price in the period 23-30 March 2007 with a supplement of 30 to 100% depending on the expiry of the option series. To safeguard the company's commitments pursuant to the staff stock option plan, the AGM resolved to issue 1,000,000 warrants on the corresponding terms as the staff stock options.

Warrants

In connection with the new issue that was completed in December 2006, a series 1 (TO1) warrant was received free of charge for each fully paid-up share subscribed for. Each warrant conferred the holder with the right to subscribe for one new share in the period 14 May 2007 - 31 May 2007 at a subscription price of SEK 2.00 per share. The number of warrants amounted to 24,067,494 and were listed, and subject to trading, on the First North marketplace from 15 January 2007. During the period, 125,882 TO1 have been converted into the equivalent number of shares, thereby raising SEK 251,764 of shareholders' equity to the company.

[1] Nayeri, F, Strömberg T, Larsson M, Brudin L, Söderström C and Forsberg P. Hepatocyte growth factor may accelerate healing in chronic leg ulcers: a pilot study. J Dermatolog Treat. 2002 Jun;13(2):81-6.

Nayeri F, Olsson H, Peterson C and Sundquist T. Hepatocyte growth factor; expression, concentration and biological activity in chronic leg ulcers. J Dermatol Sci. 2005 Feb;37(2):75-85. Epub 2004 Dec 28.

Fariba Nayeri, Hans Olsson, Claes Söderström, Pia Forsberg, Lars Brudin, Curt Peterson and Tommy Sundqvist. Hepatocyte growth factor in chronic leg ulcers – no biological activity – no improvement . J Dermatol Sci. 2005 Jul;39(1):62-4.

Risk and uncertainty factors

The financial risks are primarily associated with Tripep's business risk and possibilities to finance development.

For ChronVac-C®, the biggest risk is assessed to be that the main product ChronVac-C®, at the dosages administered, will not activate a human immune response of sufficient force.

ChronSeal is subject to the risk that the positive clinical effects of ChronSeal cannot be repeated in future clinical trials conducted by Tripep.

In addition, there can be no guarantee that the clinical trials conducted by Tripep are able to demonstrate with sufficient clarity that the potential products are sufficiently safe and effective. In that case, approval may not be forthcoming for these products, which would adversely affect Tripep's operations, financial position and earnings.

Another risk to which Tripep is exposed lie in its competitive market with the risk of new and better pharmaceuticals from competing companies.

For a more in-depth discussion of the company's exposure to risk, please revert to the Risk Factors section (page 22) and note 17 of Tripeps Annual Report 2006.

Events after the end of the reporting period

Tripep has received approval to start a clinical phase I/II study of its ChronVac-C® vaccine from the Swedish Medical Products Agency (MPA) administered with Inovio's Medpulser® DDS. The study – the first one in the world where a DNA vaccine against an infectious agent is administered by *in vivo* electroporation in humans – is expected to start in September-October of 2007. It is also the first study in the world where a DNA vaccine is used to treat Hepatitis C.

Accounting principles

This interim report has been compiled in accordance with IAS 34 Interim Financial Reporting, taking the exceptions from and amendments to IFRS/IAS, specified in RR32:06 into consideration, and in accordance with the Swedish Accounting Standards Board's general recommendations for voluntary interim reporting BFNAR 2007:1. The accounting policies applied agree with those applied when preparing the 2006 Annual Report.

The staff stock option plan launched during 2007 is accounted pursuant to IFRS 2, Share-based Payment. Fair value has been calculated using Black-Scholes at the grant date. The cost is distributed over the earning period. Reservations for social security fees are made on an on-going basis pursuant to URA 46.

Forthcoming Financial Reports

Third-quarter Interim Report 2007	26 October 2007
Year-End Report 2007	1 February 2008

The Board of Directors and the Chief Executive Officer hereby declare, that the Interim Report gives a true and fair review of the company's operation, financial position and performance, and that it also, in a correct fashion, presents the material risks and uncertainties facing the the company.

Huddinge, Sweden, 24 August 2007

Thomas Lynch
Chairman

Anders Vahlne
Board member

Matti Sällberg
Board member

Jan Nilsson
CEO

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

FORE MORE INFORMATION, PLEASE CONTACT:

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INCOME STATEMENT

SEK m	3 mth. Apr-Jun 2007	6 mth. Jan-Jun 2007	6 mth. Jul-Dec 2006
Net sales	-	-	-
Other operating income	0.0	0.0	0.1
Total operating income	**0.0**	**0.0**	**0.1**
Operating costs			
Other external costs*	-5.2	-9.9	-17.1
Payroll costs	-2.2	-4.3	-4.3
Depreciation of tangible fixed assets	-0.1	-0.1	-0.0
Total operating costs	**-7.5**	**-14.3**	**-21.4**
Operating profit/loss	**-7.5**	**-14.3**	**-21.3**
Profit/loss from financial investments			
Interest income and similar profit/loss items	0.2	0.5	0.2
Interest costs and similar profit/loss items	-	-	-
Total profit/loss from financial investments**	**0.2**	**0.5**	**0.2**
Profit/loss after financial items	**-7.3**	**-13.8**	**-21.1**
Tax on net profit/loss	-	-	-
Net profit/loss for the period	**-7.3**	**-13.8**	**-21.1**

* R&D costs specified under key figures on p. 6
** Inc. un-realised exchange rate differences of SEK 0.0 m

EARNINGS PER SHARE

SEK	3 mth. Apr-Jun 2007	6 mth. Jan-Jun 2007	6 mth. Jul-Dec 2006
Earnings per share	-0.15	-0.29	-0.78
Earnings per share after dilution	-0.15	-0.29	-0.78
Outstanding average number of shares	48,161,271	48,148,202	27,180,748

Earnings per share: net profit/loss divided by the average number of shares. Earnings after dilution: net profit/loss divided by the average number of shares after dilution. No outstanding options give rise to any dilution effect when calculating earnings per share. Conversion has been affected for the bonus issue element of consummated rights issue.

NUMBER OF OUTSTANDING SHARES

	3 mth. Apr-Jun 2007	6 mth. Jan-Jun 2007	6 mth. Jul-Dec 2006
No. of outstanding shares, opening balance	48,134,988	48,134,988	2,000,000
New issue	-	-	21,566,068
New issue	-	-	1,426
Set-off issue	-	-	500,000
New issue (paid-up, registered 3 January 2007)	-	-	24,067,494
New issue	125,882	125,882	-
Outstanding number of shares, closing balance	48,260,870	48,260,870	48,134,988

A statement of changes in equity is presented on page 18 in the Annual Report for 2006.

WARRANTS

	Number	Of which the Company owns	Of which the Staff	Exercise Price, SEK	Subscription Period
Series A	200,000	50,000	150,000	1.89	1-30 June 2008
Series B	200,000	50,000	150,000	2.32	1-30 June 2009
Series C	250,000	62,500	187,500	2.61	1-30 June 2010
Series D	350,000	87,500	262,500	2.90	1-30 June 2011
Total	1,000,000	250,000	750,000		

BALANCE SHEET

SEK m	30 Jun 2007	31 Dec 2006
Tangible fixed assets	0.6	0.4
Financial fixed assets	0.0	0.0
Current receivables	2.1	1.7
Cash & bank balances*	23.8	40.2
Total assets	**26.5**	**42.3**
Sharesholders' equity (see note below)	17.6	31.1
Long-term liabilities	3.6	4.3
Current non interest-bearing liabilites	5.3	6.9
Total liabilities and shareholders' equity	**26.5**	**42.3**

* of which SEK 0.3 (0.4) m is blocked funds for rent and VPC (the Swedish Central Securities Depository & Clearing Organization)

STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

SEK m	30 Jun 2007	31 Dec 2006
Shareholders' equity, opening balance	31.1	
Formation (7 June 2006)	-	0.1
Unconditional shareholders' contribution coincident with restructuring	-	22.6
New issues	0.3	29.5*
Options	0.0	-
Net profit/loss	-13.8	-21.1
Shareholders' equity, closing balance	17.6	31.1

* Includes issue costs of SEK 2.5 m

SHAREHOLDERS' EQUITY PER SHARE

SEK	30 Jun 2007	31 Dec 2006
Shareholders' equity per share	0.36	0.65

Shareholders' equity per share: shareholders' equity divided by the number of outstanding shares at the end of the period

CASH FLOW STATEMENTS

SEK m	6 mth. Jan-Jun 2007	6 mth. Jul-Dec 2006
Cash flow from operating activities		
Net profit/loss	-13.8	-21.1
Depreciation	0.1	0.0
Change in long-term liabilities*	-0.7	4.3
Set-off issue	-	0.8
Cash flow from operating activities before change in working capital	**-14.4**	**-16.0**
Cash flow from change in working capital		
Decrease/increase(-) in receivables	-0.4	0.1**
Decrease(-)/increase in current liabilities	-1.6	3.3**
Net cash flow used in operating activities	**-16.4**	**-12.6**
Cash flow from investment activities		
Acquisition of assets and liabilities**	-	1.4
Acquisition of tangible fixed assets	-0.2	-0.0
Net cash flow used in investment activities	**-0.2**	**1.4**
Cash flow from financing activities		
New issue/capital contribution	0.3	51.3
Cash flow from financing activities	**0.3**	**51.3**
Cash flow for the period	-16.4	40.1
Liquid assets, at start of period	40.2	0.1
Liquid assets, at end of period	**23.8**	**40.2**

* A commitment over five years that Tripep undertook coincident with the acquisition of the ChronSeal wound healing project
** Fixed assets 0.4, current receivables 1.8, current liabilities 3.6

KEY FIGURES

	3 mth. Apr-Jun 2007	6 mth. Jan-Jun 2007	6 mth. Jul-Dec 2006
Return on capital employed, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Equity/assets ratio, %	66.4	66.4	73.5
Net debt/equity ratio	0.20	0.20	0.14
Liquid assets, SEK m	23.8	23.8	40.2
Share risk-bearing capital, %	66.4	66.4	73.5
Cash flow for the period, SEK m	8.0	16.4	40.1
Investment intangible fixed assets, SEK m	0.0	0.2	0.2*
Internal research and development (written off), SEK m	0.2	0.5	0.7
External research and development (written off), SEK m	4.1	7.2	12.6
Salaries, benefits and social security costs, SEK m	2.2	4.3	4.3
Average no. of employees	6	7	10

* The transfer as of 1 July 2006 included SEK 0.4 m of fixed assets, of which 0.1 were written off.