Annual Report 2022

Vicore Pharma Holding AB (publ)

vicorepharma.com

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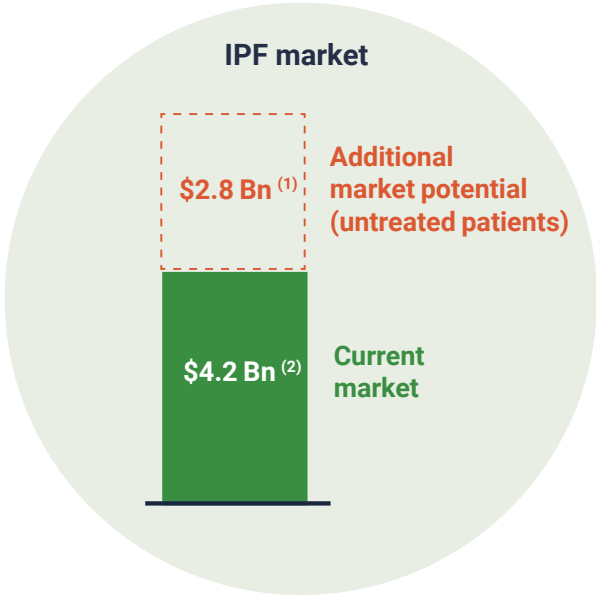
Vicore in Brief

Vicore is a clinical-stage pharmaceutical company focused on severe lung diseases and related indications.

Vicore is an innovative Swedish clinical-stage pharmaceutical company dedicated to creating life-changing treatments in diseases where the angiotensin II type 2 receptor (AT2 receptor) has a central role in stopping and reversing disease pathology. The company is establishing a portfolio in rare lung diseases including idiopathic pulmonary fibrosis (IPF) and pulmonary arterial hypertension (PAH). C21 is a first-in-class orally available small molecule angiotensin II type 2 receptor agonist (ATRAG). Almee™ (an investigational medical device in clinical development) is a digital therapeutic (DTx) based on cognitive behavioral therapy (CBT) created to address the psychological impact of living with pulmonary fibrosis. Inhaled IMID is a new formulation and delivery route of thalidomide targeting the severe cough associated with IPF. With our unique expertise in the ATRAG biology we fuel our pipeline with several new assets for a variety of diseases, some of which could be partnered while others could be taken to the market by Vicore.

The company's shares (VICO) are listed on Nasdaq Stockholm's main market. For more information, see www.vicorepharma.com.



There is a high unmet need for effective treatments in IPF today and a large share of the patients remain untreated or undertreated due to the side effects of current treatments.

Vicore pipeline

Indication	Program	Preclinical	Phase 1	Phase 2	Phase 3	Comments
IPF	C21					Final data phase 2a, Q4 2023. Phase 2b trial preparations during 2023
PAH	C21					Proof-of-principle study on endothelial function planned during 2023
PF anxiety	Almee™ DTx					Read-out pivotal study in Q4 2023
IPF cough	Inhaled IMID					Preclinical formulation
Cardiorenal	C106					Phase 1 data, H1 2023
Multiple indications	C103, C111, C112					Preclinical studies

1. Estimated based on ~40% of IPF patients currently not on treatment
2. Combined sales of Ofev and Esbriet where Ofev sales since 2019 includes the indication SSc-ILD. Source: Evaluate Pharma

Year in Brief

Continued progress in Vicores clinical programs, potential game-changing results in patients with IPF and a new asset entering clinical phase during 2022.

Stabilized disease and gaining of lung function in the phase 2a trial with C21(AIR) in idiopathic pulmonary fibrosis (IPF)

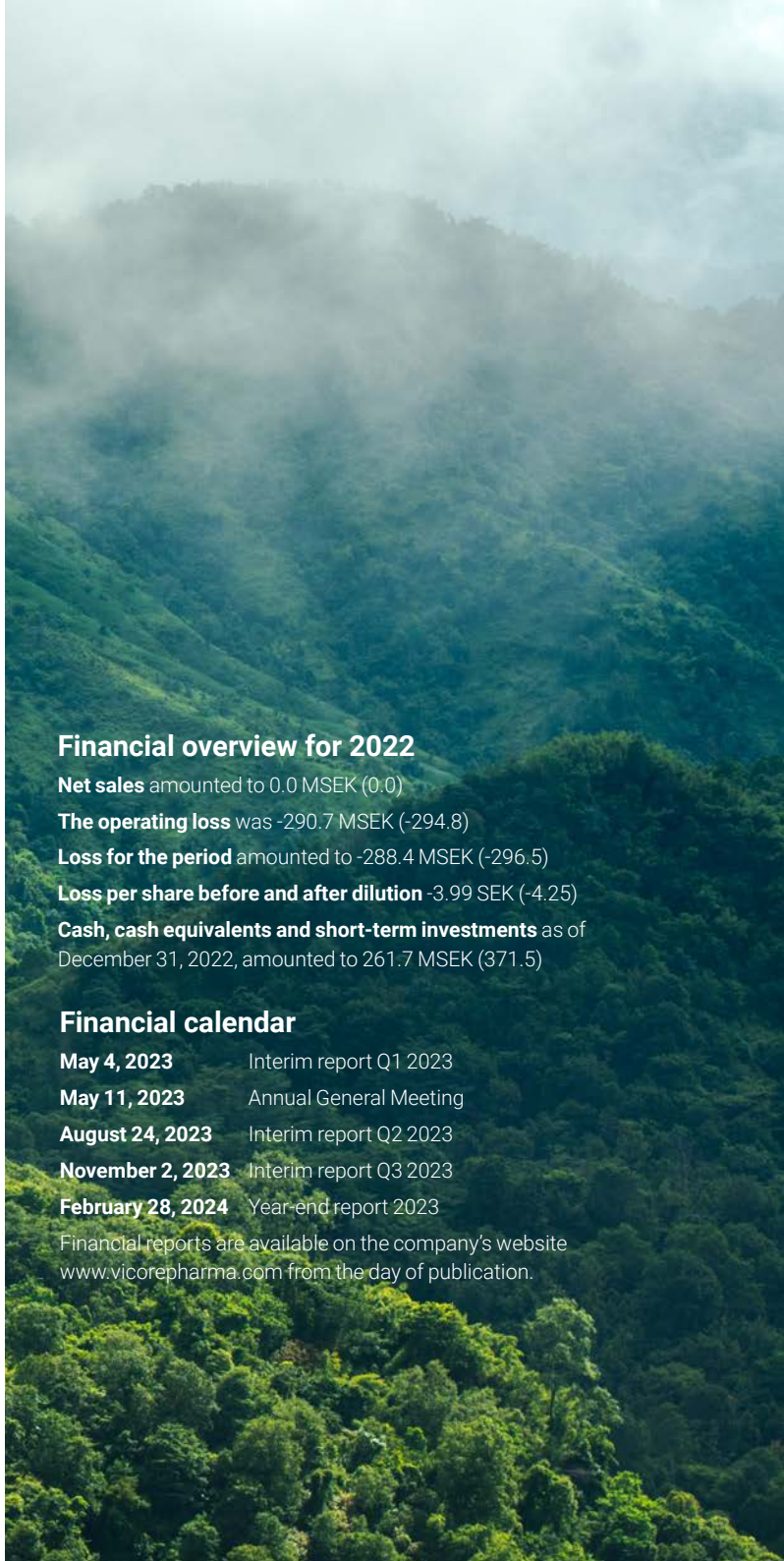
The AIR trial continued to recruit patients during 2022 despite difficulties due to the pandemic and the war between Russia and Ukraine, where Vicore had recruiting sites. Vicore performed two interim analyses of the trial during the year, the first in February and the second in November. The results were encouraging with an initial stabilization of disease and a demonstrated increase in FVC (Forced Vital Capacity - a measurement of lung function) up to the end of the study at 36 weeks. The second analysis, including 41 patients, further confirmed the previous results with a stabilization of lung capacity already at week 6 and, as also seen in the previous interim analysis, a subsequent demonstrated increase of lung capacity from weeks 18 to 36. The increase was more pronounced in IPF patients without end-stage destruction of lung parenchyma as documented by high resolution computer tomography (HRCT). No new side effects occurred which combined gives extra strength to the benefit-risk profile of C21. The AIR trial continues to recruit patients and final data is estimated to the end of 2023 with possibilities to do an additional interim analysis mid-year. Preparatory activities and discussions with regulators for the next trial, ANDAS (breathe in Swedish)- a global, placebo-controlled phase 2b trial, are ongoing.

Almee™, pilot study completed with positive results and pivotal study ongoing

During 2022, Vicore performed a first phase pilot study with COMPANION. The study is a a randomized, controlled and parallel-group clinical investigation evaluating the impact of digital cognitive behavioral therapy on psychological symptom burden in adults diagnosed with pulmonary fibrosis (PF). This pilot was a four week, open-label, decentralized clinical investigation in ten patients with self-reported symptoms of anxiety related to idiopathic pulmonary fibrosis (IPF). The primary objective of the pilot was to test the functionality, user experience and safety of Almee™. The pilot trial objectives were met and preliminary efficacy results were encouraging; after four weeks of using the DTx GAD-7 scores reduced by 4.2 points. A reduction in the GAD score of ≥2 points is regarded as clinically meaningful. The second phase, a pivotal study, started in December 2022 and will include approximately 250 patients in the US diagnosed with any kind of PF including IPF. The pivotal study is estimated to read-out during Q4 2023.

C21 promotes vascular function

In September, Vicore announced the results from a forearm blood flow study with intra-arterial administration of clinically relevant doses of C21. The results showed a significant dose-dependent increase in local blood flow (63% increase (p=0.026) in the injected arm) and in addition, the systemic blood pressure was unaffected and no side effects occurred. Vasodilation by angiotensin II type 2 receptor agonists (AT2 receptor agonists) is mediated by nitric oxide (NO) released from the endothelium, and the observed effects show that this can be achieved in man with clinically relevant doses of C21.The forearm blood flow study was measured by plethysmography (an instrument to measure changes in volume within and organ or whole body) and is a robust technique for early clinical concept testing and dose-finding.



Financial overview for 2022

Net sales amounted to 0.0 MSEK (0.0)

The operating loss was -290.7 MSEK (-294.8)

Loss for the period amounted to -288.4 MSEK (-296.5)

Loss per share before and after dilution -3.99 SEK (-4.25)

Cash, cash equivalents and short-term investments as of December 31, 2022, amounted to 261.7 MSEK (371.5)

Financial calendar

May 4, 2023	Interim report Q1 2023
May 11, 2023	Annual General Meeting
August 24, 2023	Interim report Q2 2023
November 2, 2023	Interim report Q3 2023
February 28, 2024	Year-end report 2023

Financial reports are available on the company's website www.vicorepharma.com from the day of publication.

C106, a novel angiotensin II type 2 receptor agonist (ATRAG) in clinical development

In June, the first subject was dosed with C106, an orally administered drug with demonstrated effects in human fibrotic lung and kidney tissue at clinically relevant concentrations, the next ATRAG after C21 in clinical development. The trial is a double-blind, placebo-controlled, randomized, single-center trial to evaluate the safety, tolerability and pharmacokinetics of single and multiple ascending oral doses of C106. It is planned to include 72 healthy volunteers and is being performed in Uppsala, Sweden. The results from the trial are expected in H1 2023.

Results from the phase 3 trial in COVID-19

In September, Vicore announced the top-line results from the phase 3 trial with C21 in hospitalized patients with COVID-19 (ATTRACT-3). Vicore failed to repeat the positive restorative results on lung function as were seen with C21 in the phase 2 trial. In the phase 3 trial, C21 did not meet the primary endpoint, reduction of all-cause mortality at 60 days nor the secondary efficacy endpoints related to disease progression and discharge. No safety signals were detected.

The results can be explained by the different variants of the SARS-COV-2 virus. The early wild-type virus, was unique in that it infected alveolar epithelial cells deep into the lung parenchyma, resulting in a distinct clinical pattern and a pathogenesis very similar to idiopathic pulmonary fibrosis (IPF)[1]. In contrast, the later virus mutations and especially the Omicron variant, that became predominant during the ATTRACT-3 trial period, reproduces more superficially in the bronchial mucosa in the upper airways giving rise to a much milder disease. The findings strengthen the view that C21 acts by stimulating alveolar epithelial cells which is critical in the treatment of IPF, and explain why it was efficacious in COVID-19 caused by the wild type virus. Vicore decided to discontinue further clinical development with C21 in COVID-19.

C103, selected as next ATRAG drug candidate

In October, Vicore announced that the third ATRAG candidate, C103, was selected as drug candidate. In preclinical testing, C103 has shown a more than 40,000 times higher affinity for the angiotensin II type 2 receptor (AT2 receptor) compared to the angiotensin II type 1 receptor (AT1 receptor). The AT2 receptor is a resolution and repair receptor whereas AT1 receptor stimulation increases blood pressure and promotes inflammation and fibrosis. This profile makes C103 particularly suitable for indications such as preeclampsia.

C103, with expected patent protection until at least 2040, will next be tested in both general toxicology and safety pharmacology studies as well as reproduction toxicology studies.

Multiple abstracts and scientific presentations during 2022

During 2022, Vicore presented several scientific abstracts and presentations at medical conferences in the US and Europe. An oral "late-breaker" at ERS (European Respiratory Society congress) in September covering the IPF interim data and presented by Professor Toby Maher was one of the highlights gaining high interest from the conference attendees.

Strengthened financial situation through a directed share issue

Vicore completed a directed share issue in December, raising gross proceeds of 200 MSEK before transaction costs. The share issue was subscribed by Swedish and international institutional investors.

1.E Sinha et. al. The Lancet eBiomedicine vol 82, 2022. DOI: https://doi.org/10.1016/j.ebiom.2022.104185(December 2022, accessed February 2023)

CEO Comments

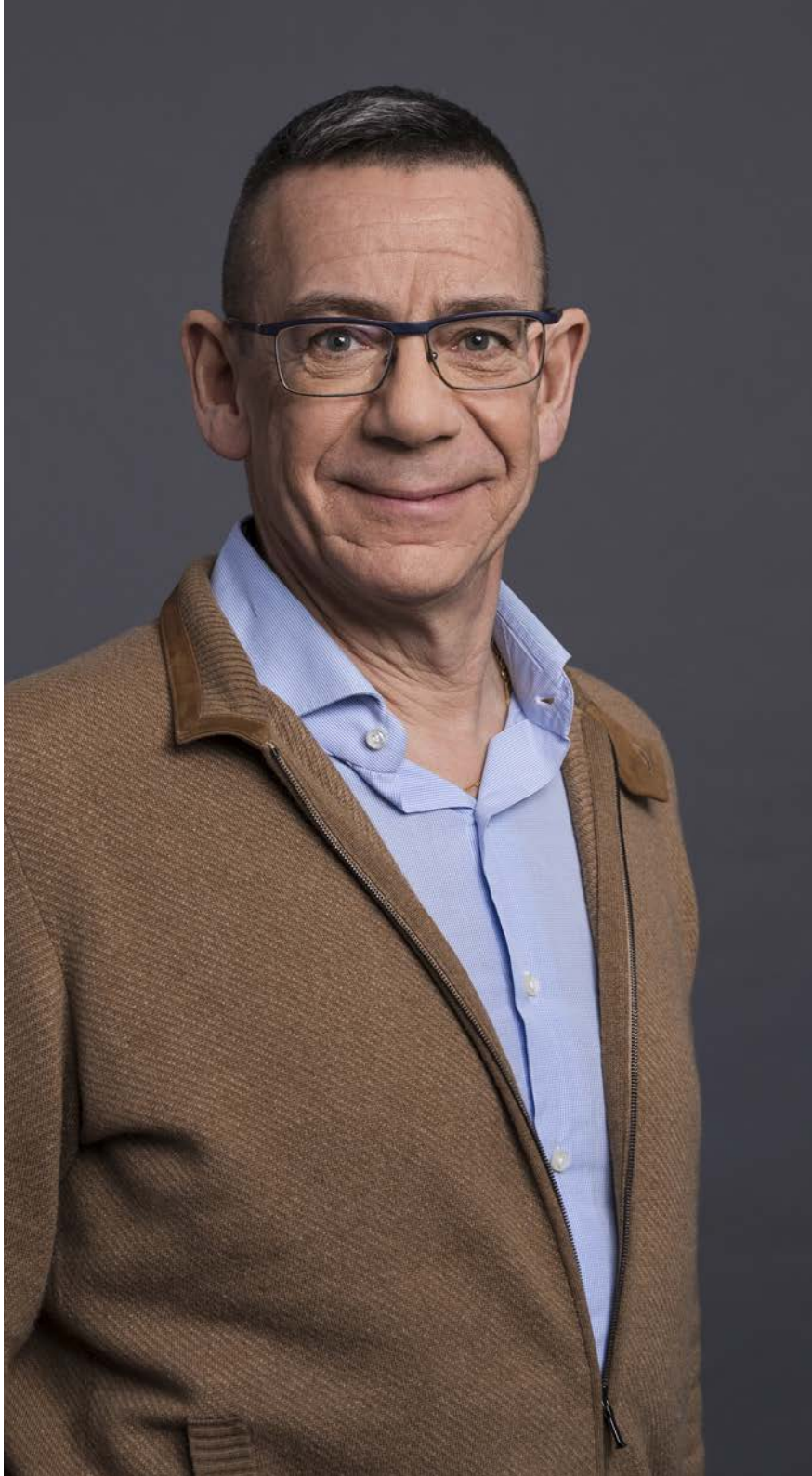
2022 was the year Vicore completed trials in COVID-19, which confirmed the mechanism of action with C21 in restoring alveolar function, demonstrated stabilization of disease with C21 in IPF in two interim analyses, showed promising effects of Almee™ on anxiety in relation to pulmonary fibrosis, expanded the scope of ATRAGs to diseases associated with endothelial dysfunction and finally advanced the first of the new ATRAG molecules (C106) into clinical trials.

2022 has been a productive and successful year. The demonstration of disease stabilization with C21 over time in the ongoing phase 2a trial (AIR) in idiopathic pulmonary fibrosis (IPF) were surprisingly strong from the early analysis in February. Prompted by reports of success by investigators, they have turned even more solid in the new follow-up analysis performed in November. By mid-2023 we expect to have a robust data set including more than 25 patients followed through 24 weeks and 20 patients followed through to 36 weeks and we anticipate a further strengthening of the previous data. So far, C21 have shown a very mild side effect profile without nausea or diarrhea, which is a serious problem with the licensed medicines.

As a consequence of the strong data set in the AIR trial, we have started to prepare for the next step in the development, the ANDAS trial, a placebo-controlled, randomized double-blind phase 2b study with two doses. Should data continue to be as strong as we have seen in the AIR trial, C21 has potential to become a game-changer for patients with IPF. With early diagnosis and early treatment, we see an opportunity to stop the disease progression and some patients can perhaps even regain some of the lost lung function. We aim to design the trial to apply for a conditional approval, should the results warrant.

Almee™ the digital cognitive behavioral therapy (dCBT) for anxiety associated with pulmonary fibrosis, has already shown great promise. In a pilot study performed during 2022, we saw a 50% reduction of anxiety after only four weeks of treatment. We anticipate that the pivotal study will be finalized during Q4 2023, and if successful we will apply for regulatory approval in the US.

The action of C21 in lung disease at the alveolus, where IPF is initiated, was further strengthened in the COVID-19 trial, where we demonstrated significant effects of C21 in SARS-COV-2 infection when the wild-type virus was predominant. This initial SARS-COV-2 variant infected the alveolar epithelial cells, as opposed to the more recent variants like Omicron which replicate only in the airway mucosa were the AT2 receptor is not expressed, explaining why C21 was



ineffective in the more recent COVID-19 trial. We have discontinued further development in COVID-19, but should there be a new surge of a deadly virus infecting alveolar epithelium, we know we have a promising drug candidate.

In addition to the effects demonstrated in lung disease and on alveolar epithelial cells, we have also demonstrated effects on the cell lining of the inner surface of the blood vessels, the endothelial cells. Endothelial dysfunction is a common denominator in a wide range of diseases with a cardiovascular component. In two mechanistic studies we have results demonstrating the effects of C21 on vascular function. Firstly in healthy volunteers, where C21 increased the forearm blood-flow in a dose dependent manner. Secondly, and even more impressive, were the effects seen in patients with systemic sclerosis (SSc) that have severe vasculopathy and Raynaud's phenomenon.

Pulmonary arterial hypertension (PAH) is a microvascular disease characterized by endothelial dysfunction. Given the results in healthy volunteers and SSc patients, we are planning a proof-of-principle study assessing effects on endothelial dysfunction, which could then serve as an indicator of effects also in PAH.

Besides the therapy area rare lung disease, we are developing a clinical pipeline with novel and improved molecules that, in addition to serving as backup molecules for the development in IPF and PAH, also could broaden the scope for ATRAGs in medicine. Based on the wealth of preclinical data that has been generated with C21 and the human data we have seen so far, it is possible that ATRAGs will become a new class of drugs that have potential to merit its own chapter in pharmacology textbooks. C21 has paved the way and Vicore has capitalized on this frontrunner compound to further develop the ATRAG chemistry. This has resulted in eight patent families covering new molecules with different properties, the first of which, C106, is about to complete a phase 1 trial in healthy volunteers assessing safety and pharmacokinetics.

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We are grateful for the continued support by the investors, the hard-working Vicore team, the investigators and the patients who are part of our clinical trials. We look forward to keeping you updated on our progress during 2023.

Carl-Johan Dalsgaard, CEO

Vicore ambition and strategic priorities

Vicore is unlocking the potential of a new class of drugs – Angiotensin II Type 2 Receptor Agonists (ATRAGs) – with a vision to stop disease progression and restore function.

Vicore has a strong history of collaboration with the scientific community, leading to a wealth of preclinical data and ongoing clinical research in multiple indications to prove the AT2 receptor biology. Patients motivate us to explore this protective resolution and repair system to address unmet medical needs and create value across multiple disease areas.

With our deep expertise in the ATRAG area, and the extensive chemistry program generating novel ATRAGs with improved properties, we are in a unique position to exploit opportunities to bring novel therapies to patient populations with large unmet medical need.

Our near-term priorities include advancing C21 to late-stage development in IPF (Idiopathic Pulmonary Fibrosis) and realizing the DTx opportunity by completing the ongoing clinical study and commercializing Almee™ in anxiety related to pulmonary fibrosis.

Build and expand

- Expand our presence and build a strong position within the IPF and interstitial lung disease (ILD) communities
- Expand visibility and capabilities in the US
- Optimize the Vicore operating model

Partner

- Work with the scientific community, patients, and other companies to maximize current and explore new indications
- Maximize portfolio value by combining in-house expertise with partners in select programs to co-develop and commercialize innovative treatments

Advance pipeline

- Advance C21 to late-stage development in IPF
- Realize the DTx opportunity, firstly by completing the COMPANION trial and commercializing Almee™ in PF anxiety
- Complete the phase 1 trial with C106 and continue to fuel our clinical pipeline with new ATRAGs
- Establish programs in new therapy areas, prioritized by strategic fit, scientific rationale and unmet patient need

Market Overview

The global pharmaceutical markets continue to grow, and in 2022 the overall market is estimated to reach $1,139 Bn with expected steady growth rate of around 6% in the years to come, driven by increasing access to healthcare globally in combination with more innovative treatments[1]. Products for rare diseases with Orphan Drug Designation are becoming a more and more significant part of the pharmaceutical market, making up about 13% of the total market in 2022 and expected to grow at almost double the rate compared to the overall market, about 11% annually until 2028[2].

IPF – still a large unmet medical need

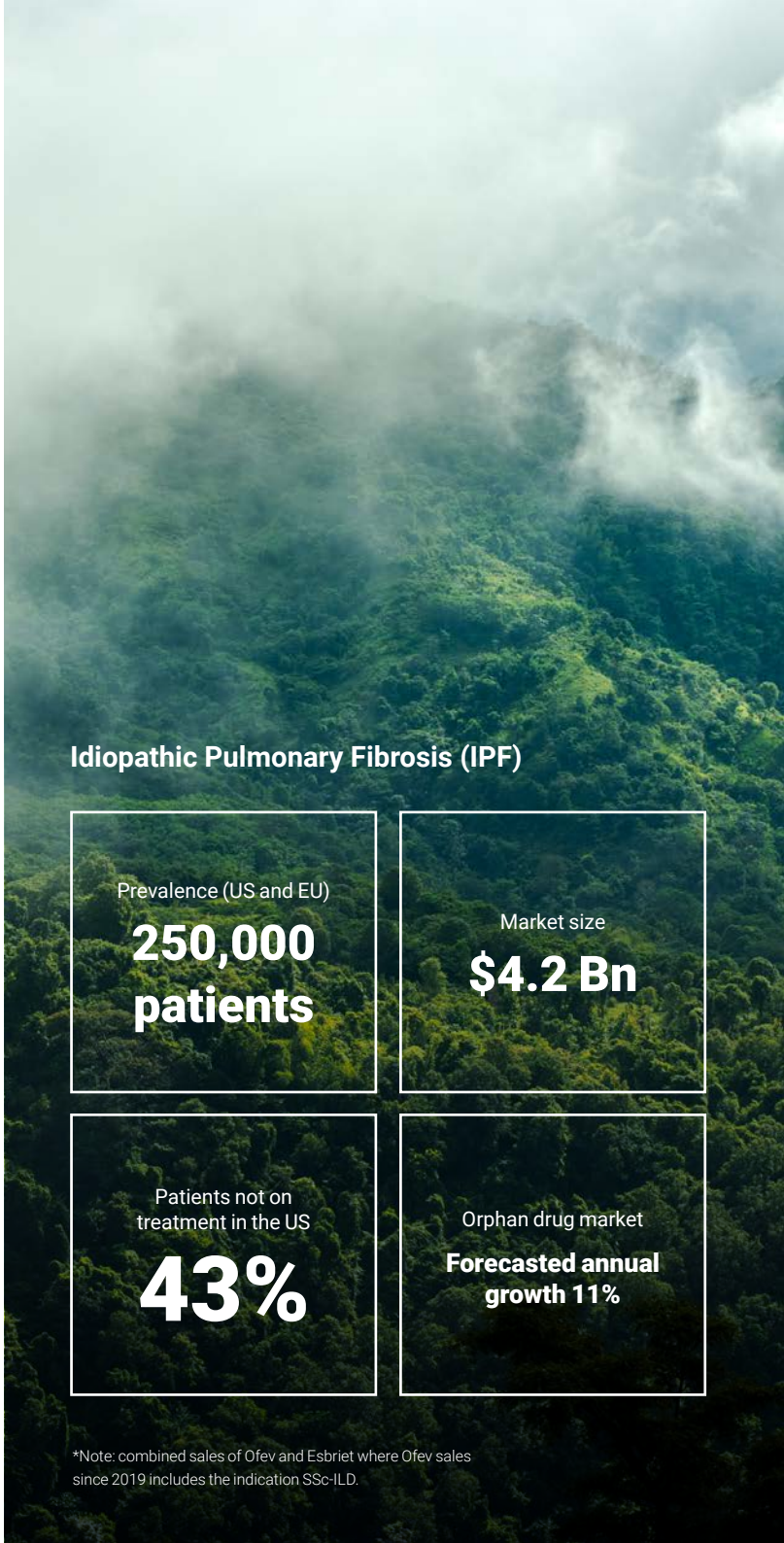
Idiopathic pulmonary fibrosis (IPF) is a progressive, lethal fibrotic lung disease that occurs primarily in middle-aged and elderly adults. An increased prevalence of fibrotic diseases in combination with a rising geriatric population is driving future growth of the IPF patient population. IPF is considered an orphan disease and the worldwide estimated prevalence ranges from 0.3-4.5 per 10,000[3].

In 2014, FDA approved two anti-fibrotic medications: Ofev (nintedanib) and Esbriet (pirfenidone). These drugs can reduce the decline in lung function by about 50 percent, but they are also associated with side effects, causing a large share of patients to opt out of or not comply with their treatment. It is estimated that as much as 43% of patients in the US discontinue treatment[4]. Even though many patients are untreated today, the combined sales of these drugs is estimated to be $4.2 Bn in 2022[5].

With a growing patient population and limited treatment options, there is room for innovative and disease modifying treatments. IPF is seen as an attractive indication for drug developers and has significant interest from the large pharmaceutical companies. Many acquisitions and licensing deals have been made in the past years, with Roche's acquisition of Promedior in 2019 as a prominent example (see Table on next page).

The rise of digital therapeutics

Digital Health encompasses a broad scope of technologies, where digital therapeutics (DTx) are expected to show strong growth in the coming years driven by regulatory approvals of new products, reimbursement routes becoming more established and an increased demand for digital care solutions in the wake of the Covid-pandemic[6]. While the use of DTx is still in its early stages, it has the potential to disrupt the way healthcare is delivered as it offers a cost-effective alternative to traditional in-person behavioral health therapies as well as pharmaceutical treatments. With these strong fundamental growth drivers, the market for digital therapeutics is estimated to grow



*Note: combined sales of Ofev and Esbriet where Ofev sales since 2019 includes the indication SSc-ILD.

with 32% p.a. in the next years [7,8]. In the US reimbursement has been the main obstacle for broader adoption of DTx, but an important step towards broader reimbursement coverage was taken during 2022 with the introduction of the "Access to Prescription Digital Therapeutics Act" to the US senate[9]. Investors see these opportunities and venture capital funding in DTx has increased four times since 2017 and is estimated to reach $1.3 Bn in 2022[10].

Many major pharma companies have established in-house digital health teams or partnered with digital health developers to create and integrate DTx as they see the opportunities in this market and how DTx can strengthen their portfolios by supporting drug assets. Pharma interest in the area is taking the form of partnerships as well as investments. Some of the notable alliances in 2022 were the strategic deal between Sanofi and Dario Health and the Biogen-MedRhythms licensing deal for a multiple sclerosis DTx (see Table below).

Deals in IPF, fibrosis and DTx

Year	Target/Licensor	Acquiror/Licensee	Type of deal	Development stage at transaction	Area	Total deal value (MUSD)*
2022	DJS Antibodies	Abbvie	Acquisition	Preclinical	Fibrosis/IPF	255
2022	Dario Health	Roche	Co-promotion	Marketed	DTx	30
2022	MedRhythms	Biogen	License	Feasability	DTx	121
2021	Aptar	Voluntis	Acquisition	Marketed	DTx	79
2020	Redx Pharma	AstraZeneca	License	Preclinical	Fibrosis/IPF	377
2020	Forbius	BMS	Acquisition	Phase 1	Fibrosis/IPF	Undisclosed
2020	Curzion Pharmaceuticals	Horizon Therapeutics	Acquisition	Phase 2	Fibrosis/IPF	45 + milestones
2020	Enleofen	Boehringer Ingelheim	License	Preclinical	Fibrosis/IPF	>1,000 per product, subject to milestones
2019	Propeller	ResMed	Acquisition	Marketed	DTx	225
2019	Promedior	Roche	Acquisition	Phase 2	Fibrosis/IPF	1,390
2019	Galapagos	Gilead Sciences	License	Phase 3	IPF (part of larger portfolio)	5,000
2019	Bridge Biotherapeutics	Boehringer Ingelheim	License	Phase 1	Fibrosis/IPF	1,300
2016	Nitto Denko	BMS	License	Phase 1b	Fibrosis/IPF	Undisclosed
2016	Afferent Pharmaceuticals	Merck	Acquisition	Phase 2b	IPF cough	1,250
2015	Promedior	BMS	Option**	Phase 2	Fibrosis/IPF	1,250
2014	InterMune	Roche	Acquisition	Marketed	Fibrosis/IPF	8,300
2014	Galecto Biotech	BMS	Option	Phase 1/2a	Fibrosis/IPF	444
2012	Stromedix	Biogen	Acquisition	Phase 2	Fibrosis/IPF	563
2011	Amira Pharmaceuticals	BMS	Acquisition	Phase 1	Fibrosis/IPF	475
2011	Arresto BioSciences	Gilead Sciences	Acquisition	Phase 1	Fibrosis/IPF	225 + milestones

* Total deal values including potential milestone payments

** BMS decided not to exercise its option

Source: Corporate webpages

1. Evaluate Pharma – World preview 2022 (October 2022)
2. Evaluate Pharma
3. Maher et al. Global incidence and prevalence of idiopathic pulmonary fibrosis. Respiratory research 22, 197 (2021)
4. Dempsey et al. Adoption of the Antifibrotic Medications Pirfenidone and Nintedanib for Patients with Idiopathic Pulmonary Fibrosis. Ann Am Thorac Soc. 18, 7 (2021)
5. Evaluate Pharma; Company reports, Roche and Boehringer Ingelheim
6. Global Data - Digital therapeutics will empower remote patient care in 2023 (December 2022)
7. Markets and Markets - Digital Therapeutics Market (October 2022)
8. IQVIA – Digital Health Trends 2021 (July 2022)
9. Mobihealthnews.com – "Bill could pave the way for prescription digital therapeutics reimbursement" (December 2022, accessed February 2023)
10. Dealroom.co - Digital Therapeutics – medical intervention beyond the pill. (December 2022, accessed February 2023)

ATRAGs - Unlocking the potential of a new class of drugs

The renin-angiotensin system (RAS) is a hormone system that regulates several important physiological processes. In this system the AT1 receptor is a well-established drug target with ARB's (Angiotensin receptor blockers) as a block-buster drug class, while the AT2 receptor has been more elusive and difficult to study. With C21 as the first-in-class highly selective small molecule AT2 receptor agonist (ATRAG) taken into clinical trials, the therapeutic benefit of targeting the AT2 receptor is becoming increasingly apparent.

The renin-angiotensin system (RAS) and the AT2 receptor

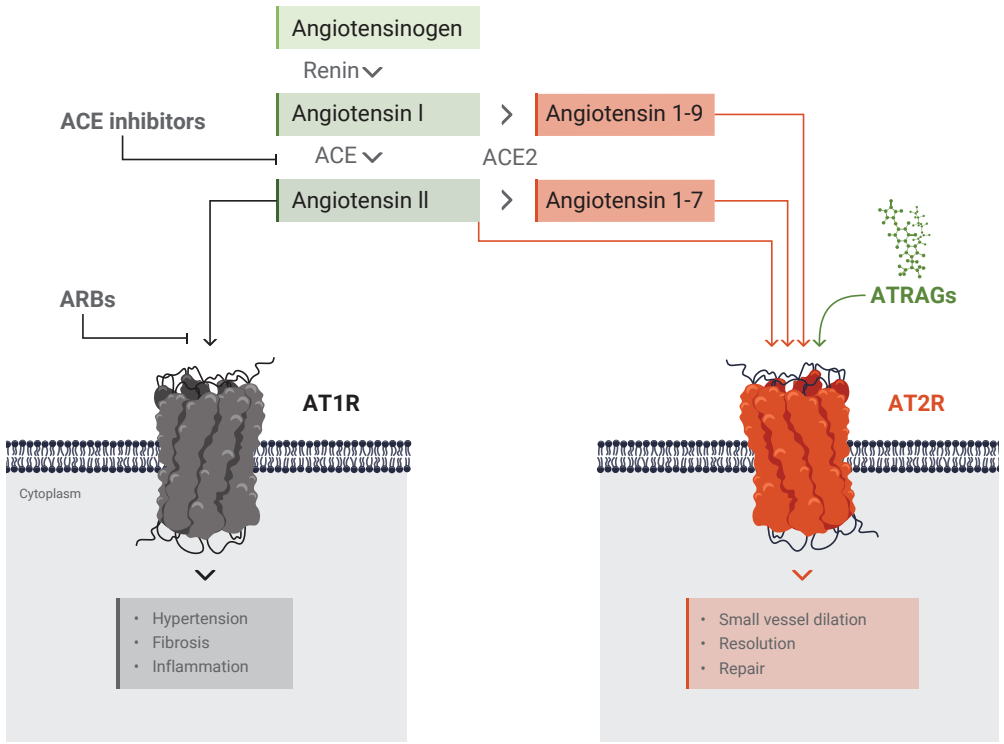
The RAS is regulated by the hormone Angiotensin II and the peptide fragments Ang 1-9 and Ang 1-7 which act on the AT1 and AT2 receptors.

The AT1 receptor is mainly involved in blood pressure regulation through several different mechanisms related to constriction of blood vessels and fluid retention, but also contributes to innate immunity through proinflammatory actions. When this system "overshoots", it can also contribute to the pathogenesis of diseases such as hypertension, myocardial infarction and different fibrotic conditions including pulmonary fibrosis and chronic kidney disease.

The expression of the AT2 receptor, on the other hand, is normally low in adult tissues but can be upregulated during repair and regeneration situations, following immune and vascular reactions to injury. There is strong scientific evidence for an important protective role of AT2 receptor activation in several serious diseases related to cellular senescence, fibrosis and microvascular dysfunction. In addition to IPF, these include e.g. pulmonary hypertension, chronic kidney disease, atherosclerosis, heart failure and several cognitive disorders such as Alzheimer's disease.

The benefit of AT2 receptor stimulation has been demonstrated in more than 100 preclinical studies, and clinical evidence is now accumulating, validating the preclinical results. In lung disease, C21 can restore lung function both in IPF and wildtype COVID-19 infection. In COVID-infection involving the lower airways (alveoli) C21 treated patients had a significantly lower risk of needing oxygen supplementation and at the 3-month follow-up, treated patients had fewer pathological signs on chest computer tomography.

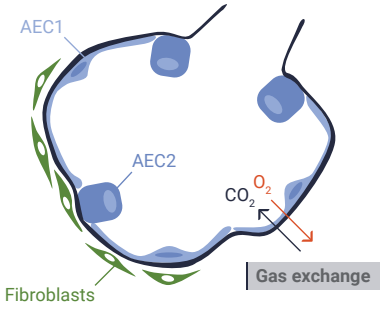
The renin-angiotensin system



Interim data from the ongoing AIR trial in IPF indicates that patients on C21 can regain lung function, seen as an increase in forced vital capacity.

Vascular effects of C21, seen as increase in blood flow, was demonstrated in systemic sclerosis patients with severe vasculopathy and fibrosis. The effects on endothelial cells have now also been demonstrated in healthy volunteers, where a robust dilation of peripheral vessels was seen. Since endothelial dysfunction is a key component in many severe diseases this finding is clinically relevant.

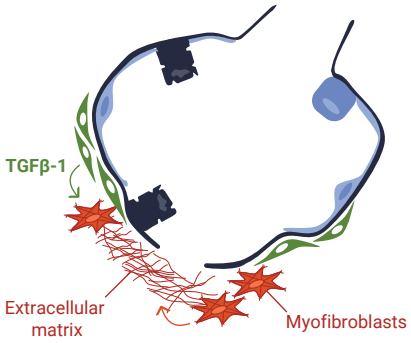
Vicore's candidate drug C21 and the new compounds C106, C103, C112 and C111 are AT2 receptor agonists (ATRAGs). With a strong position in ATRAG chemistry and an evolving platform of promising new ATRAGs with patent protection to at least 2040, Vicore holds a unique and large potential in this area.



AEC - Alveolar Epithelial Cell

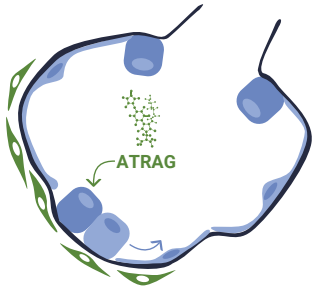
Normal alveolus

AEC1 cells – gas exchange. AEC2 cells – repair function



Lung fibrosis development

Dysfunctional AEC2 cells – trigger for fibrosis



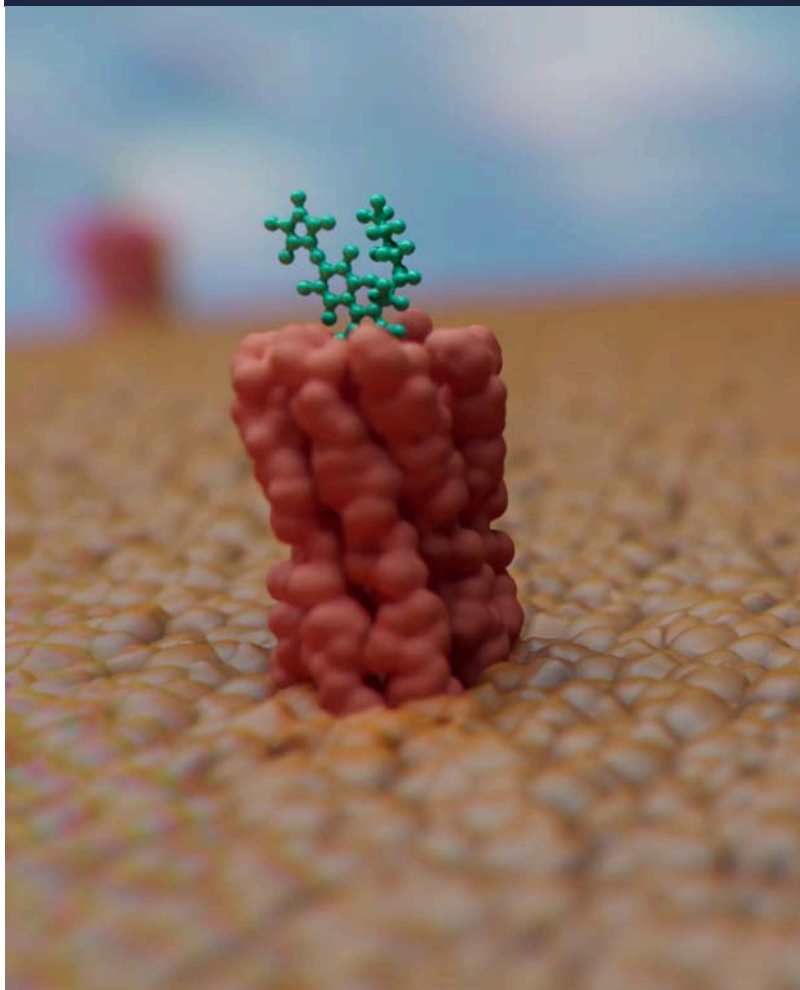
Alveolar repair

ATRAG stimulates AEC2 cells and alveolar repair

Mechanism of action in IPF

IPF develops in lung alveoli – tiny air-filled sacks where the exchange of oxygen and carbon dioxide takes place. Type 2 alveolar epithelial cells (AEC2) maintain alveolar integrity to keep the lungs healthy and functioning properly. In IPF, the AEC2 cells become dysfunctional and lose their ability to repair and maintain alveolar integrity which is a starting point for fibrosis.

AT2 receptors are highly expressed on the AEC2 in the alveoli. ATRAGs bind to and activate the AT2 receptor, triggering protective signaling pathways, promoting alveolar repair and maintenance of alveolar integrity.



R&D Program Overview

C21 in idiopathic pulmonary fibrosis (IPF)

AIR interim analysis data early in 2022 generated external interest in Vicore, and gained an oral "late breaker" presentation at ERS[1].

In November 2022 Vicore announced new data from the AIR, further strengthening the benefit-risk profile of C21. The new results showed stabilization of disease from week 6 and reconfirmed the unprecedented increase in lung function over time[2].

The focus for 2023 is on the completion of the AIR study, and planning for the next phase of clinical development, ANDAS, a phase 2b trial.

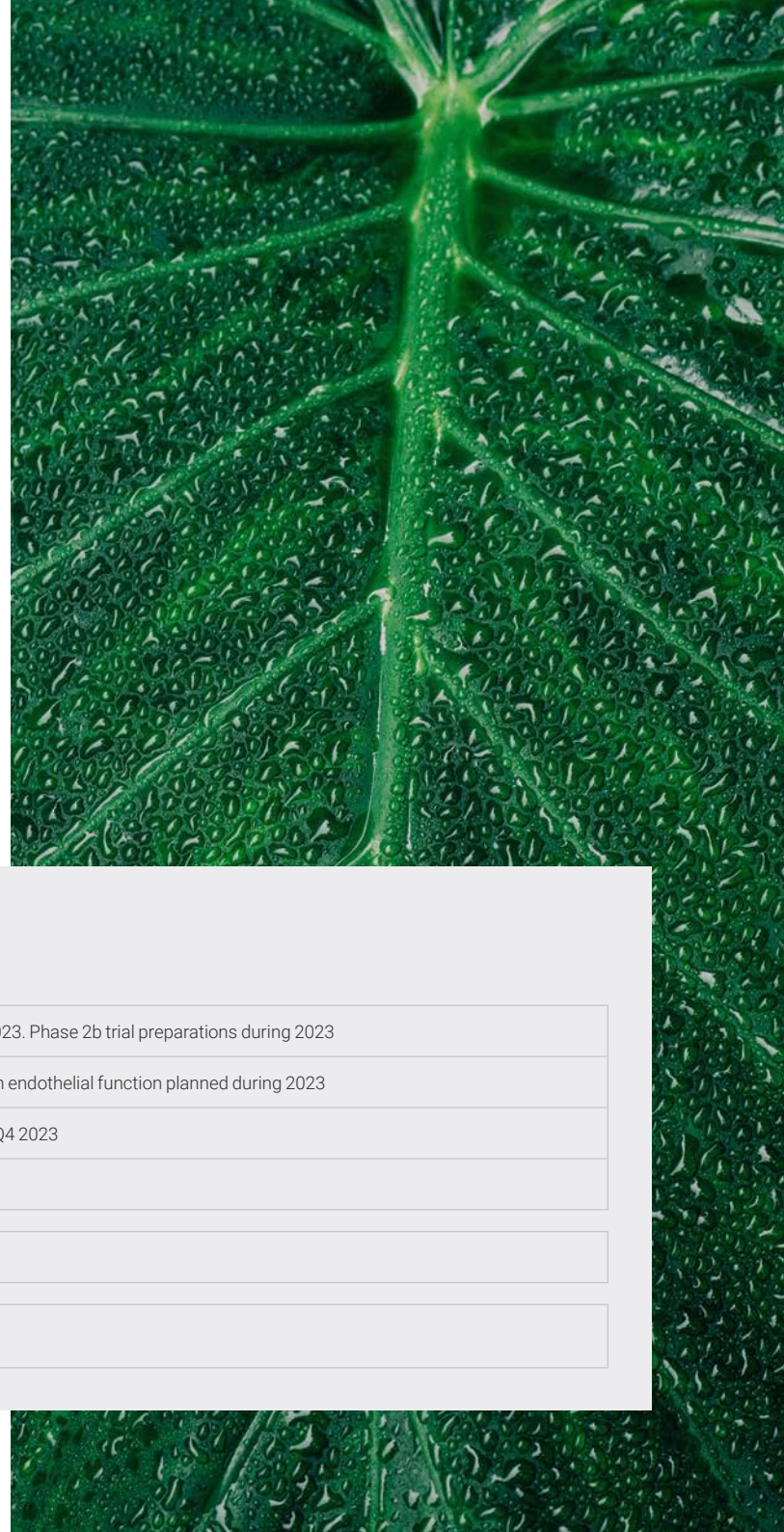
To prepare, the Vicore team has met with the FDA to discuss the planning of the ANDAS trial. The trial is designed with the input of an advisory committee comprised of six key opinion leaders from different countries and co-chaired by Professor Toby Maher.

C21 in pulmonary arterial hypertension (PAH)

In September 2022, Vicore shared data demonstrating that intra-arterial administration of C21 results in a significant dose-dependent increase in local blood flow[3]. The effect of ATRAGs on blood vessels is important for both PAH and IPF. Vicore is now planning a proof-of-principle study on endothelial function. Impaired endothelial function is the basis for the onset of PAH and such a study can guide whether angiotensin II type 2 receptor agonists (ATRAGs) can affect the central mechanism of the disease.

Immunomodulatory drug (IMiD) in IPF cough

A new formulation of an existing pharmaceutically active medicine, thalidomide (an IMiD), is currently in formulation development and is in preclinical phase.



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Multiple indications	**C103, C111, C112**					Preclinical studies

IPF and PF – road ahead

As a potential future leader in the treatment of fibrotic lung diseases, Vicore is committed to bringing transformational medicines to patients. For Vicore this means not only treating the underlying disease but also considering the patient in a holistic way and therefore managing both the physical and mental impact that comes with lung diseases.

Vicore team works collaboratively with the scientific community and with patients, to ensure their insights are built into our development programmes. This collaboration expedites the progress of our medicines towards regulators, payers, and ultimately brings innovative treatments to patients.

IPF is a progressive lung disease, characterized by an impaired ability of the lungs to expand, due to fibrosis. The disease develops in lung alveoli. In IPF, type 2 epithelial cells in the alveoli become dysfunctional and lose their ability to repair and maintain alveolar integrity. The loss of alveolar integrity leads to release of profibrotic mediators stimulating fibroblasts to produce excessive collagen fibers causing fibrosis.

Despite two marketed treatments for IPF available for almost a decade, life expectancy following diagnosis is still only 3-5 years. In addition, the currently available antifibrotics have limited efficacy and significant tolerability issues.

Vicore has an opportunity to address the significant unmet need in IPF, based on the mechanism of action of our novel lead compound C21. Activating the AT2 receptor, C21 triggers protective signaling pathways, promoting alveolar repair and maintenance of alveolar integrity. It has been shown preclinically to work through multi-modal pathways, which may benefit complex diseases such as IPF.

C21 has been granted orphan drug designation in IPF by the FDA and the EMA. The safety and pharmacokinetics of C21 have been studied in 88 healthy or obese subjects. Overall, C21 was well tolerated at doses up to 100 mg BID, administered for up to 8 days. To date, more than 300 subjects have been exposed.

Based on a strong scientific rationale and the established safety and tolerability of C21 in human subjects, a phase 2a study in IPF patients (AIR) is currently underway. In February and November 2022, unprecedented interim data from AIR was reported. The objective of this program is to deliver supporting data for the development of C21 in IPF.

We have a strategic commitment to advance C21 to late-stage development in IPF, and to bring new hope to patients to ease their disease burden.

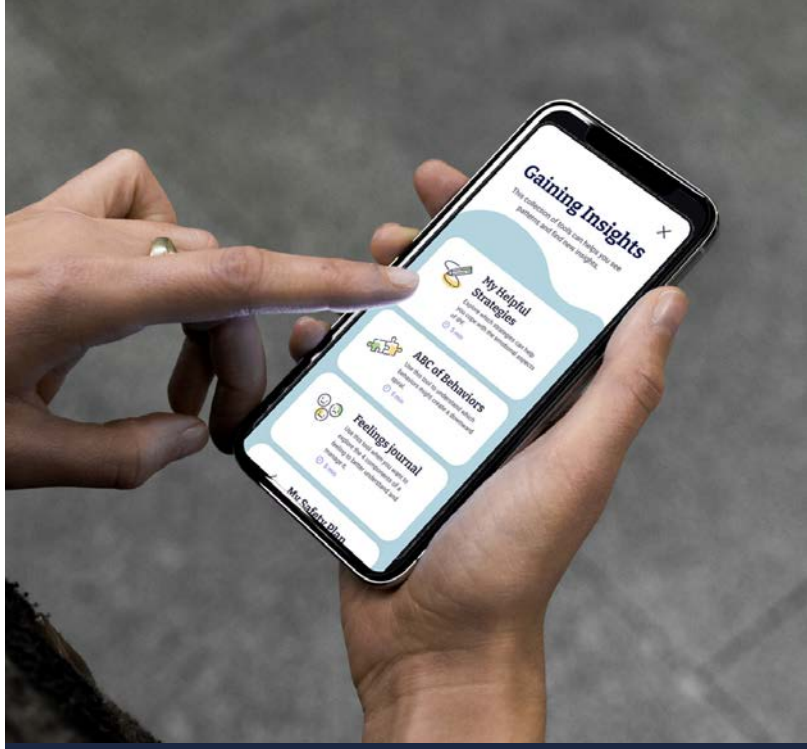
Vicore also aims to treat pulmonary fibrosis (PF) anxiety – one of the most pronounced symptoms in patients with PF, and other interstitial lung diseases, which propagates negative impact on patients' and caregivers' quality of life.

Approximately 250,000 people in the US are living with pulmonary fibrosis, whilst 40,000 people die from pulmonary fibrosis each year. 63% of people with pulmonary fibrosis report treatable levels of anxiety. The cause of anxiety in these patients is not well documented, however it has been reported that dyspnea (difficulty breathing) is an independent predictor of anxiety in ILD patients[6].

In IPF patient studies in particular, participants report a poor quality of life due to their dyspnea, fatigue and poor quality of sleep, along with depression and anxiety[7]. Patients are often psychologically affected by their diagnosis, since the illness and the worry can severely limit their ability to engage in normal daily living, their independence is often compromised, and family relationships can become strained[8].

Interestingly, several studies in ILD patients have reported that there appears to be no relationship between anxiety and disease severity, and that increased anxiety is more likely a reflection of a patients' symptomatic burden and psychological state, than their respiratory physiology. ILD patients tend also to have comorbidities such as gastro-oesophageal reflux disease, hypertension, diabetes and COPD, and the burden of treatment of such comorbidities can add to the overall psychological burden of disease. These studies together suggest that anxiety should be assessed in all ILD patients regardless of the disease duration, severity or prognosis[9].

Current treatment options leave significant room for improvement, with the lack of palliative care options for IPF patients in particular leaving much to be desired. Variable knowledge and confidence among health professionals in managing symptoms, and psychosocial indicators often lead to an underestimation of the need[10]. Although anti-fibrotics have been shown to reduce disease



Almee™ DTx in pulmonary fibrosis (PF) anxiety

Vicore's digital Cognitive Behavioral Therapy (dCBT), Almee™ (an investigational medical in clinical development); for patients with pulmonary fibrosis was demonstrated to be safe, functional, user-friendly and to reduce anxiety symptoms by 49% in patients with idiopathic pulmonary fibrosis in a pilot study of ten patients[4] completed in 2022.

Based on the successful pilot study, and very encouraging feedback from patients and health care providers, a pivotal trial was initiated in all pulmonary fibrosis patients with anxiety, scheduled to conclude in Q4 2023[5].

Throughout 2023 the Vicore team will closely collaborate with US trial sites to ensure the successful completion of the pivotal study.

progression, no significant effect has been observed regarding the quality of life or mental health status of IPF patients.

Vicore is aiming to make a real difference in managing the psychological burden of pulmonary fibrosis by developing an innovative digital therapeutic, Almee™, that offers digital Cognitive Behavioural Therapy (dCBT) to these patients.

Almee™ has been developed through collaboration with Alex Therapeutics, leading psychologists, ILD experts, pulmonary rehabilitation experts, KOLs, patient groups, and market research to develop a series of dCBT tools to impact clinically relevant endpoints (reducing anxiety with ≥ 2 points in the GAD-7 scale).

New ATRAGs

Vicore is developing new patent-protected angiotensin II type 2 receptor agonists (ATRAGs) to address a variety of diseases where the angiotensin II type 2 receptor (AT2 receptor) has a central role.

In the drug discovery engine, the collaboration with Emeriti Bio and HaLaCore Pharma for the design and synthesis of new potential ATRAG compounds continues. Initial screening of the compounds is followed by more comprehensive tests including efficacy, toxicology, and safety pharmacology studies. Vicore aims is to have several candidate drugs in different development stages and to be a pioneer in the development of ATRAGs as a new class of drugs, for the treatment of different diseases.

C106

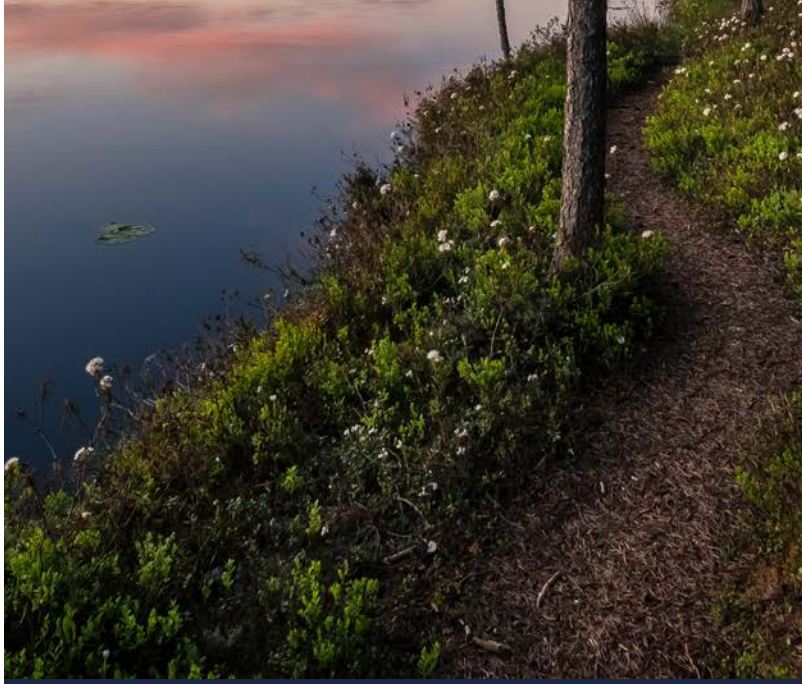
C106 is the first follow-on ATRAG after C21. In addition to use in IPF, there is strong scientific rationale with preclinical data supporting the stimulation of AT2 receptor in the treatment of many diabetes complications, such as for example chronic kidney disease.

C106 has undergone toxicology and safety pharmacology evaluations to enable clinical trials for up to 4-weeks of treatment. Toxicology studies enabling longer-term treatment in humans are planned. During 2022, a phase 1 study was initiated. The aim of this study is to evaluate the safety, tolerability, and pharmacokinetics of single and multiple ascending oral doses of C106 in healthy male and female volunteers. The trial is being conducted in Uppsala, Sweden and results are expected H1 2023.

C103

C103 is currently in the preclinical stage. There are intriguing preclinical data supporting the rationale of stimulation of the AT2 receptor in the treatment of preeclampsia. C103 has a very high affinity for the AT2R compared to the AT1 receptor which makes C103 suitable for indications where any AT1 receptor stimulation is undesirable, such as in preeclampsia. The oral bioavailability of C103 is expected to be low and therefore C103 is developed using an I.V. route of administration. Preclinical phase 1 enabling studies are ongoing.

1. Maher et al. Interim Results from AIR, An Open-label, Single Arm, 36-week Phase 2 Trial of C21 in Subjects with Idiopathic Pulmonary Fibrosis. Presented at ERS 2022, Barcelona.
2.. Vicore announces new data from the IPF AIR trial further strengthening the benefit-risk profile of C21 - Vicore Pharma
3. Vicore announces that C21 promotes vascular function in humans - Vicore Pharma
4. Vicore's digital therapeutic for IPF patients shows nearly 50% anxiety reduction in pilot study - Vicore Pharma
5. Vicore announces first patient enrolled in COMPANION; a digital therapeutic pivotal study for patients with pulmonary fibrosis - Vicore Pharma
6. Holland et al. Respirology (2014) 19, 1215–1221.
7. Jaarsveld et al. AJTCCM Vol.25 No.1 2019
8. Bajwah et al. Palliative Medicine. 2013;27(9):869-876.
9. Holland et al. Respirology (2014) 19, 1215–1221
10. Bajwah et al. Palliative Medicine. 2013;27(9):869-876.



Scientific Advisors

Vicores scientific advisors are key opinion leaders from around the globe:

- Toby Maher, Professor of Medicine and Director of Interstitial Lung Disease at Keck School of Medicine, University of Southern California, Los Angeles (USC);
- Maureen Horton, Professor of Medicine in the Division of Pulmonary and Critical Care Medicine at the Johns Hopkins University School of Medicine and Co-Director of the Johns Hopkins Interstitial Lung Disease Clinic;
- Dr. Fernando Martinez, Chief of the Division of Pulmonary and Critical Care Medicine at Weill Cornell Medical College;
- Kevin R. Flaherty, Professor of Medicine in the Division of Pulmonary and Critical Care Medicine, Department of Internal Medicine at the University of Michigan in Ann Arbor, Michigan;
- Chris Denton, Professor in experimental rheumatology at UCL Medical School and Joint Director of the Centre for Rheumatology, Royal Free Hospital, London, and
- Yoshikazu Inoue, M.D., Ph.D., Executive Director, Clinical Research Center, National Hospital Organization Kinki-Chuo Chest Medical Center, Osaka, Japan, and an Invited Professor, Infection, Immunology and Oncology Cooperating Course, Graduate School of Medicine, Osaka University;
- Tamera Corte, BSc (Med), MBBS, FRACP, PhD, is Director of Interstitial Lung Disease at Royal Prince Alfred Hospital, and Clinical Professor at the University of Sydney.

Pulmonary fibrosis and anxiety – the patient experience

When developing Almee™ (an investigational medical device in clinical development) we interviewed patients to create a digital therapeutic addressing the psychological impact of living with pulmonary fibrosis. Below is an excerpt of some of these patient interviews as well as an interview with Dr. Andrea Wierzchowski, licensed psychologist specialized in neuropsychology in Dallas, US.

Patients describing anxiety

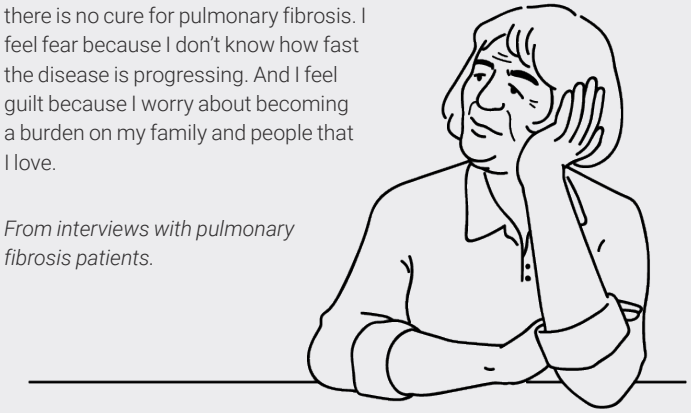
When I received the diagnosis, it was like a ton of bricks hitting you in the face. Then, when reading that I have a three to five years' life expectancy following diagnosis, was really scary and challenging. I have more than three to five years of things that I want to do in my life.

Understanding that you have an incurable disease and one that is likely terminal in the not-so-distant future, this, of course, affects your emotional status and your positive outlook on a lot of things. I had all kinds of images and visions of what the future would hold, but now I have no idea what I'm going to be able to do or to be in the future.

When you can't breathe or do simple stuff like make the bed or bend over to pick stuff up, it creates this negative anxiety in yourself. The disease affects every part of your daily life, but nobody can see on the outside that you're sick. You get embarrassed of your physical limitations, that you can't do as much as you used to. You're disappointed and scared: if I can't do this now, what's going to happen next month?

The thoughts that tend to hook me are thoughts of desperation, because there is no cure for pulmonary fibrosis. I feel fear because I don't know how fast the disease is progressing. And I feel guilt because I worry about becoming a burden on my family and people that I love.

From interviews with pulmonary fibrosis patients.



Andrea Wierzchowski, Ph.D., LP is a licensed Psychologist in the Dallas-Fort Worth, Texas area who specializes in neuropsychology and has worked with advanced heart and lung patients, including transplant recipients, over the years. She currently has her own practice and is an adjunct professor at the University of Dallas and Texas Woman's University.

Dr. Wierzchowski - What is anxiety and how do you recognize symptoms of anxiety?

Anxiety is an emotion characterized by feelings of persistent and excessive worries and could include physical changes.

Some of the physiological and psychological symptoms associated with anxiety can be feeling restless, wound up or on edge, being easily fatigued, having difficulty concentrating, feeling irritable, having headaches, muscle aches, stomach aches, or even unexplained pain.

You can have difficulty controlling the feelings of worry. Having sleep problems such as difficulty falling or staying asleep, or even when you're asleep, you might feel restless, and it might feel unsatisfying. You might experience a racing heart or chest discomfort. You might experience trembling, nausea, dizziness, hot or cold flashes, sweating, lump in your throat, choking, feeling confused or disoriented. Some experience a numbness or tingling sensation, shallow or rapid breathing.

How common is anxiety in pulmonary fibrosis and how can it be addressed?

About 60% or more of patients who have been diagnosed with pulmonary fibrosis also experience anxiety symptoms. There is a difference between being diagnosed with an anxiety disorder and experiencing anxiety symptoms. It can become debilitating to the point where the worry impacts our thought process, or we have difficulty controlling our worry or engaging in activities - so we start avoiding certain things.

Read more about the way Almee™ addresses this and the COMPANION trial at almeetherapy.com

Quality Assurance - an important pillar in clinical development

As a drug development company, Vicore has to comply with strict regulatory requirements related to the quality of products produced and studies conducted. In order to ensure that studies are safe for the participants and deliver reliable results, Vicore and our collaborators are vigilant to comply with the regulations and at the same time demonstrate to authorities how the results are obtained.

Meet Lene Eskildsen, Head of Quality Assurance

Lene has been leading the Quality Assurance work in Vicore since 2021. She has more than 24 years of experience in a variety of pharmaceutical industry roles, having worked in contract research organisations, medtech companies and biotech companies.

Being able to demonstrate how results were obtained requires a substantial amount of documentation. Quality Assurance ensures processes are in place to meet the regulatory requirements and to produce the documentation needed to demonstrate compliance with these requirements. If a drug development company has good results from the studies but is not able to demonstrate how these were obtained, the authorities will most likely not approve the new drug.

Lene, what is your role and responsibilities?

I am Head of Quality Assurance, meaning that I am overall responsible for our Quality Management System (QMS). In very close collaboration with the different stakeholders in Vicore, I ensure we have adequate processes in place. Our QMS includes processes related to staff training, maintenance of quality documents and systems, qualification of suppliers, handling of changes etc. as well as processes specific to the pre-clinical, clinical, and product manufacturing areas. Part of my role is to maintain a close collaboration with my colleagues to prevent and/or to quickly and effectively handle the challenges that inevitably occur.

What is the most challenging part of your role?

As an employee in a small company, you cover a wide range of tasks and have to be a good "generalist". Since the regulatory landscape and technology develops very fast, it can be quite challenging to be on top of everything at all times. On the other hand, I really enjoy the large variety and broad perspective in my role.

India is a high recruiting site for the IPF trial. How is Vicore securing the quality of the clinical sites?

Vicore has a robust audit program in place. This means that we ensure that both our suppliers and the investigational sites which are recruiting the clinical trial participants are appropriately qualified. We ensure the quality of the sites by having thorough site selection and qualification procedures in place and via audits of sites once the trial gets going. Especially high-recruiting sites generating a substantial amount of data in our trials are often selected for audits. This has also been the case for the high-recruiting sites in India which we have audited on-site to ensure the quality is as expected.

What gives you the most satisfaction/motivates you in your work?

One real advantage of being in a small company is the agile way of working. I thrive with the fast decision making and uncomplicated communication pathways we have at Vicore. The company culture is built on trust, which is also a very important factor for my motivation.

I really like driving the quality agenda and the fact that I can contribute to ensuring Vicore delivers safe and efficacious new drugs to patients.

What is Quality Assurance?

Quality Assurance is about having systematic and planned processes in place to ensure quality. These processes are designed to ensure that studies and products meet the quality standards and regulatory requirements set by the industry and authorities. The work in Quality Assurance is constantly seeking to improve the quality of studies and products to meet the highest standards.

The Vicore team

Employee engagement vital to our success

In Vicore, we share the ambition to create life-changing treatments in areas where the AT2 receptor has a central role in stopping and reversing disease. Vicore has a lean and agile organization comprised of highly experienced team members with functional expertise ranging from early asset development to commercialisation and patient access.

Our success as a company depends on our ability to attract and retain qualified people who are highly engaged, embrace change and enjoy working in a creative and fast-paced environment. All employees are important to turn the Vicore ambition into reality.

We value a growth mindset

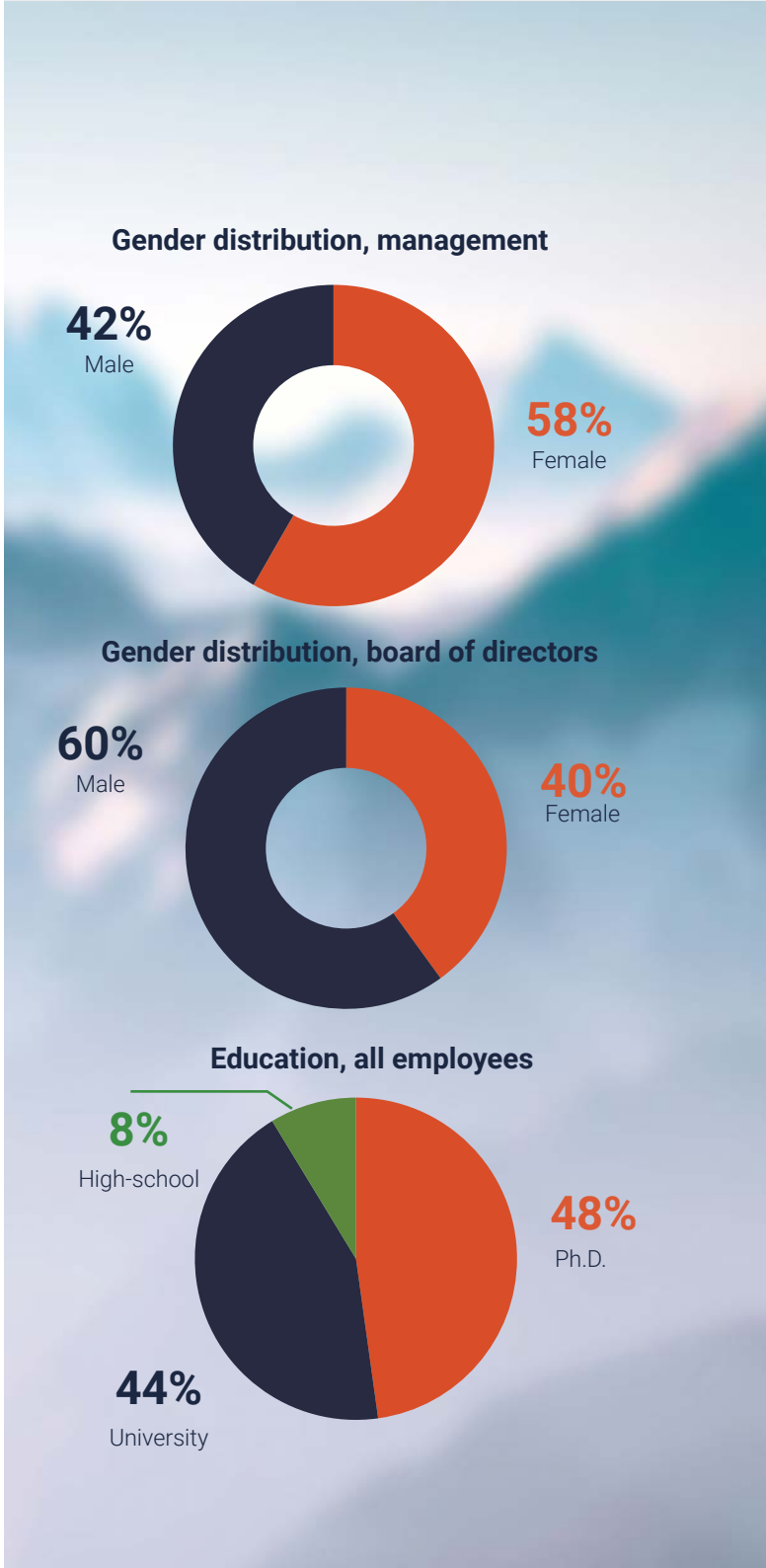
In order to accomplish our ambition, we are building an organisation based on trust, collaboration and challenge. We encourage and ensure that all employees can grow in their roles in order to find solutions for patients and their families.

Gender equality

Vicore is proud to have a gender equalized management team and board and as a result, Vicore have been nominated for the Allbright award* two years in a row.

The number of employees in the group at year-end amounted to 23, whereof 18 women and 5 men. Of the employees 17 are active within R&D.

** The Allbright award is awarded to a Swedish company working for and showing results for increased diversity and inclusion.*



Intellectual Property

The granted original C21 patent is in force until 2024 (see Table A). In addition to this patent, C21 is expected to be protected by different types of patents, including those directed to new formulations and methods of use. Moreover, Vicore relies on orphan drug status obtained in the EU and the US for C21 regarding treatment of IPF. Orphan drug designation provides for up to ten-year protection in Europe and an up to seven-year protection in the United States from the time of registration of an approved drug. If Vicore subsequently receives a market approval, the sale of C21 for the treatment of IPF will also be protected by regulatory data/ market exclusivity (ten years in Europe and five years in the US). The company also sees good opportunities to obtain orphan drug status for C21 for certain diseases other than IPF. Overall, Vicore believes that the company has strong product protection for C21 based on the development plan being followed.

Vicore also develops new improved patentable AT2 receptor agonists (ATRAGs). Eight patent applications with new ATRAGs have been filed (see Table A).

Table A – Substance patents related to C21 and new ATRAGs

Project	Country	Application date (priority)	Status	Expiry year (planned)
C21	US	31.05.2001	Granted	2024
ATRAG	National	20.09.2019	Pending	2040
ATRAG	National	19.03.2020	Pending	2041
ATRAG	National	20.03.2020	Pending	2041
ATRAG	National, International	01.09.2020	Pending	2041
ATRAG	International	23.03.2021	Pending	2042
ATRAG	International	23.03.2021	Pending	2042
ATRAG	International	23.03.2021	Pending	2042
ATRAG	International	09.07.2021	Pending	2042

Table B – Other patents related to product C21

Project	Country	Application date (priority)	Status	Expiry year (planned)
C21	National	23.03.2020	Granted in US/ Pending	2040/41
C21	National	24.04.2020	Pending	2041
C21	National	24.04.2020	Pending	2041
C21	National	24.04.2020	Pending	2041
C21	National	14.05.2020	Pending	2041
C21	Priority/US	10.02.2022	Pending	2042/43

Vicore equity story

Unlocking the potential of a new class of drugs – Angiotensin II type 2 receptor agonists (ATRAGs)

The AT2 receptor – an attractive drug target

- +100 publications supporting efficacy in various preclinical models
- Unique MoA mediating tissue repair addressing fibrosis and vasculopathy

C21 – first-in-class ATRAG

- Highly selective for AT2 vs AT1 receptor
- Oral bioavailability
- Good safety and tolerability profile
- Clinical efficacy data emerging in IPF and endothelial dysfunction, confirming preclinical data

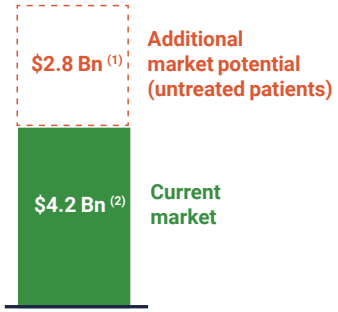
Leading position in AT2 receptor biology and chemistry sets foundation for future growth

- First follow-on ATRAG in phase 1, and one more candidate drug has been selected
- 7 families of NCEs with high AT2 receptor selectivity and patent protection to 2040+

Unique opportunity for market leadership in IPF

IPF – large unmet need

- Efficacy and tolerability of current treatments are unsatisfactory – low overall treatment rate
- With a better tolerated therapy and improved efficacy, significant commercial opportunity exists beyond the current $4.2 Bn market



Unprecedented interim data from the IPF phase 2a trial with C21 (AIR)

- Stabilized disease and increased lung unction from week 18
- Well tolerated with no identified adverse safety signals

Vicore takes a holistic patient approach to address psychological impact of living with pulmonary fibrosis

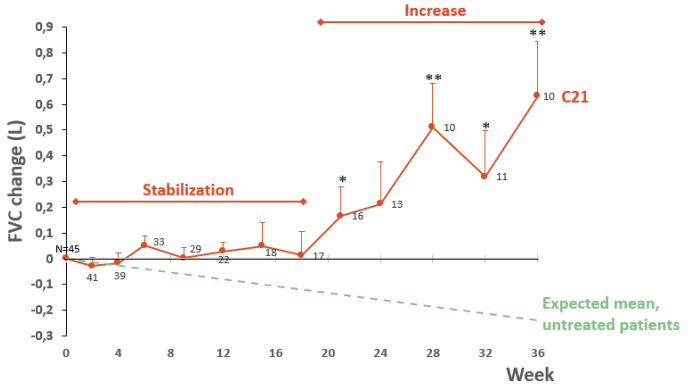
- Almee™ - A digital therapy (DTx) to relieve and reduce anxiety in pulmonary fibrosis, pivotal trial during 2023

Several significant milestones in the coming years

Key value inflection points 2023-2025

- Additional interim data in IPF phase 2a trial during 2023, final data later in the year
- Advancing C21 to late-stage development in IPF
- Completion of COMPANION study in PF-related anxiety in 2023 and prepare for launch of Almee™
- Completion of phase 1 with C106 in H1 2023
- Prove clinical concept of Thalidomide in IPF cough
- Enter the clinic with novel ATRAGs (C103, C112, C111) and continue development in new indications

Mean change (±SEM*) from baseline in FVC* over time



* SEM= Standard Error of the Mean, a meausure of variability. FVC= Forced Vital Capacity, a measure of lung function

Source: Internal data from interim analysis of AIR trial, November 2022

1. Estimated based on ~40% of IPF patients currently not on treatment
2. Combined sales of Ofev and Esbriet where Ofev sales since 2019 includes the indication SSc-ILD. Source: Evaluate Pharma

Shareholder information

The share

Vicore's shares are listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of December 31, 2022, the total number of shares amounted to 81,847,979 and the market capitalization was 1,465 MSEK. The number of shareholders amounted to 7,636. The company's shares are issued in one class and each share carries one vote.

Capital supply

In June 2022, Vicore carried out a directed share issue of 87,686 shares, corresponding to approximately 3 MSEK, as part of milestone compensation to the company's partners Emeriti Bio and HaLaCore Pharma in connection with the first subject being dosed with C106.

On December 8, 2022, Vicore successfully completed a directed share issue of 10,000,000 shares at a subscription price of SEK 20,0 per share, raising 200 MSEK before transaction costs.

Analyst coverage

The following analysts cover Vicore and continuously analyze the company's development:

- ABG Sundal Collier, Gonzalo Artiach
- Bryan Garnier, Alex Cogut
- Carnegie, Arvid Necander and Erik Hultgård
- DNB, Patrik Ling
- Nordea, Viktor Sundberg
- Pareto, Dan Akschuti

Share price development

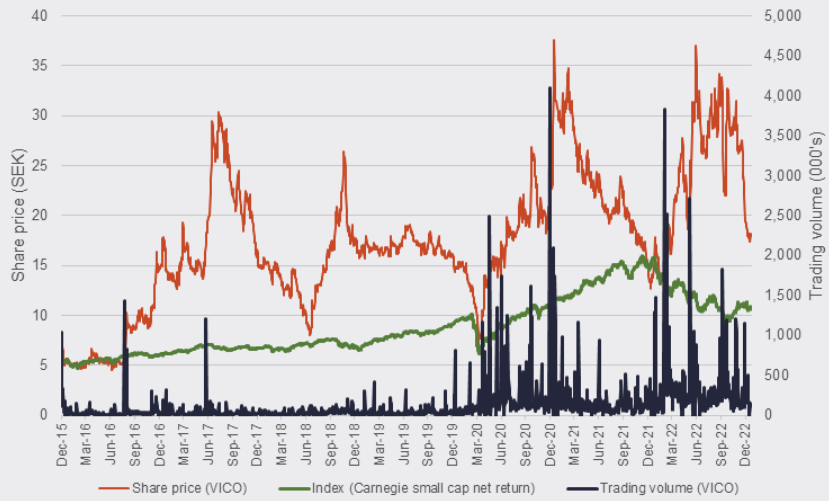
At the end of 2022, the share price was 17.90 SEK. The highest price paid for the share during the year was 36.95 SEK on June 9 and the lowest price paid was 12.36 SEK on February 9. The share price increased by a total of 18 percent during 2022.

Financial targets and dividend policy

The target is to distribute approximately 50 percent of the company's annual net profit as dividends when Vicore has achieved the desired financial stability, taking into account present and future profit levels, investment needs, liquidity and development opportunities as well as general economic and business conditions.

In accordance with the Board of Directors' dividend policy, no dividend is to be paid before the company generates significant revenue.

Development of the share



Largest shareholders

Largest shareholders in Vicore as of December 31, 2022:

Shareholder	No. of shares	%
HealthCap VII L.P.	17,234,834	21.1%
Fourth Swedish National Pension Fund	8,032,041	9.8%
HBM Healthcare Investments (Cayman) Ltd.	5,425,432	6.6%
Protem	4,010,340	4.9%
Third Swedish National Pension Fund	3,066,425	3.7%
Unionen	2,771,681	3.4%
Avanza Pension	2,709,152	3.3%
Swedbank Robur Funds	2,696,549	3.3%
Handelsbanken Funds	2,672,882	3.3%
The Invus Group*	1,770,000	2.2%
Kjell Stenberg	1,551,303	1.9%
Jesper Lyckeus	1,470,000	1.8%
Karl Perlhagen	1,358,177	1.7%
Second Swedish National Pension Fund	1,012,894	1.2%
SEB Funds	726,983	0.9%
Nordnet Pension	542,451	0.7%
Carl-Johan Dalsgaard	477,981	0.6%
Mats K Andersson	440,000	0.5%
Apo Asset Management	350,734	0.4%
Nordea Life & Pension	296,322	0.4%
Jonas Wikström	292,372	0.4%
Other	22,939,426	28.0%
Total number of shares	81,847,979	100.0%

* As of May 3, 2022

Source: Monitor by Modular Finance as of December 31, 2022

Share capital development

Year	Event	Quota value	Increase in number of shares	Increase in share capital	Total no. of shares	Total share capital
2022	Share issue	0.5	10,000,000	5,000,000	81,847,979	40,923,989
2022	Share issue	0.5	87,686	43,843	71,847,979	35,923,990
2021	Share issue	0.5	11,200,000	5,600,000	71,760,293	35,880,147
2021	Issue in kind	0.5	142,054	71,027	60,560,293	30,280,146
2020	Share issue	0.5	10,000,000	5,000,000	60,418,239	30,209,119
2020	Share issue	0.5	243,525	121,763	50,418,239	25,209,119
2019	Share issue	0.5	7,800,000	3,900,000	50,174,714	25,087,357
2019	Share issue	0.5	9,414,706	4,707,353	42,374,714	21,187,357
2018	Share issue	0.5	8,240,002	4,120,001	32,960,008	16,480,004
2018	Issue in kind	0.5	8,851,502	4,425,751	24,720,006	12,360,003
2017	Share issue	0.5	1,500,000	750,000	15,868,504	7,934,252
2017	Share issue	0.5	2,000,000	1,000,000	14,368,504	7,184,252
2015	Share issue/Listing	0.5	3,248,144	1,624,072	12,368,504	5,684,252
2015	Reverse split,1:10	0.5	-73,083,239	-	8,120,360	4,060,180
2015	Share issue	0.05	12,639,073	631,954	81,203,599	4,060,180
2013	Share issue	0.05	34,282,263	1,714,113	68,564,526	3,428,226
2012	Offset issue	0.05	474,498	23,725	34,282,263	1,714,113
2011	Share issue	0.05	10,402,389	520,120	33,807,765	1,690,388
2010	Offset issue	0.05	1,000,000	50,000	23,405,376	1,170,269
2010	Share issue	0.05	5,601,344	280,067	22,405,376	1,120,269
2010	Share issue	0.05	5,601,344	280,067	16,804,032	840,202
2008	Share issue	0.05	688	34	11,202,688	560,134
2008	Split 1:2000	0.05	11,196,399	-	11,202,000	560,100
2008	Bonus issue	100	4,601	460,100	5,601	560,100
2005	Formation	100	1,000	100,000	1,000	100,000

Shareholder categories

Shareholder categories in Vicore as of December 31, 2022:

Shareholder category	Number of shares	% of capital
Swedish shareholders	65,342,211	79.9%
International shareholders	16,505,768	20.1%

Shareholder types	Number of shares	% of capital
Swedish institutional shareholders	36,993,295	45.2%
International institutional shareholders	7,859,769	10.0%
Swedish retail investors	8,773,744	10.7%
Other	12,605,889	15.4%
Anonymous holdings	5,658,726	6.5%

Ownership distribution by holding

Ownership distribution in Vicore as of December 31, 2022:

Size categories	Number of known shareholders	Number of shares	% of capital
1 - 10,000	5,244	1,227,256	1.5%
10,001 - 50,000	44	1,005,018	1.2%
50,001 - 100,000	21	1,766,169	2.2%
100,001 - 500,000	28	5,768,806	7.1%
500,001 - 1,000,000	2	1,269,434	1.6%
1,000,001 - 5,000,000	11	25,089,403	31.0%
5,000,001 -	3	30,692,307	37.5%
Anonymous holdings	2,283	15,029,586	17.9%
Totalt	**7,636**	**81,847,979**	**100.0%**

Annual Report 2022
Administration Report

The Board of Directors and the CEO of Vicore Pharma Holding AB (publ.), Corp. Reg. No. 556680-3804, hereby submit the annual report and consolidated financial statements for the 2022 fiscal year.

Vicore's operations

Vicore is an innovative Swedish clinical-stage pharmaceutical company dedicated to creating life-changing treatments in diseases where the angiotensin II type 2 receptor (AT2 receptor) has a central role in stopping and reversing disease pathology. The company is establishing a portfolio in rare lung diseases including idiopathic pulmonary fibrosis (IPF) and pulmonary arterial hypertension (PAH). C21 is a first-in-class orally available small molecule angiotensin II type 2 receptor agonist (ATRAG). Almee™ (an investigational medical device in clinical development) is a digital therapeutic (DTx) based on cognitive behavioral therapy (CBT) created to address the psychological impact of living with pulmonary fibrosis. Inhaled IMID is a new formulation and delivery route of thalidomide targeting the severe cough associated with IPF. With our unique expertise in the ATRAG biology we fuel our pipeline with several new assets for a variety of diseases, some of which could be partnered while others can be taken to the market by Vicore.

The Vicore shares (VICO) are listed on Nasdaq Stockholm's main market. For more information, see www.vicore-pharma.com.

Important events during 2022

- In February, an interim analysis of the AIR phase 2 trial in idiopathic pulmonary fibrosis (IPF) suggested that C21 stabilizes disease and shows an unanticipated increase in lung function in IPF patients.
- In February, Vicore announced the advancement of C106, a novel angiotensin II type 2-receptor agonist (ATRAG), to a first in human phase 1 trial.
- In March, Vicore announced the plan to initiate a proof-of-concept trial with C21 in pulmonary arterial hypertension (PAH).
- In March, Vicore announced the initiation of a human forearm blood flow study with C21, planned to start in Q2 2022.
- In March, Vicore announced that Michael Wolff Jensen resigned from the board and was replaced by Jacob Gunterberg as chairman until the Annual General Meeting in May 2022.
- In April, Vicore announced that the first IPF patient to the pilot phase in the clinical investigation (COMPANION) of the digital therapeutic Almee™ was enrolled.
- In April, Vicore submitted a clinical trial application (CTA) to start a phase 1 trial with the new drug candidate C106.
- In June, Vicore announced an amendment of the primary endpoint to all-cause mortality and a reduced sample size in the phase 3 trial in COVID-19.
- In June, Vicore announced that the first subject was dosed in the phase 1 trial with C106.
- In June, Vicore resolved on a set-off issue of 87,686 shares and a total of 3 MSEK in cash as part of a milestone compensation to Emeriti Bio and HaLaCore for the start of the phase 1 trial with C106.
- In August, Vicore announced late-breaker presentation of interim data with C21 in the IPF trial (AIR) at the 2022 ERS congress.
- In September, Vicore announced continued stabilization and increase in lung capacity with C21 in the IPF trial (AIR) and a second interim analysis is planned for Q4 2022.
- In September, Vicore announced that the phase 3 trial with C21 in COVID-19 (ATTRACT-3) did not reach the primary and secondary endpoints. Further clinical development in this indication is discontinued.
- In September, Vicore announced that clinically relevant doses of C21 increase bloodflow in humans without affecting systemic blood pressure and with no side effects observed.
- In October, Vicore announced results in a pilot study with the investigational digital therapeutic Almee™, addressing pulmonary fibrosis-related anxiety, which demonstrated a nearly 50% reduction in anxiety measured by theGAD-7 scale.
- In October, Vicore announced that C103, a novel angiotensin II type 2-receptor agonist (ATRAG), was selected as a drug candidate.
- In November, a second interim analysis of the AIR phase 2a trial in idiopathic pulmonary fibrosis (IPF) with C21 showed stabilization of disease, reinforcing previously presented data and further strengthening the benefit-risk profile.
- In December, Vicore announced that the first patient with pulmonary fibrosis (PF) had been enrolled in pivotal phase of COMPANION; a pivotal study with Almee™.
- In December, Vicore successfully completed a directed share issue raising gross proceeds of 200 MSEK before transaction costs.

Important events after the year-end

- In January, Vicore divested its entire holding of 91,829 shares in I-Tech AB (publ). As of December 31, 2022, the value of the financial asset was approximately 4.9 MSEK.
- In March, Vicore was awarded Innovation Passport designation by the UK regulatory agency MHRA (Medicines and Healthcare products Regulatory Agency) for C21 in IPF.

Revenue

Net sales amounted to 0.0 MSEK (0.0) for the full year 2022.

Operating expenses

Operating expenses amounted to -292.3 MSEK (-295.9) for the full year 2022. Research and development expenses comprise a large fraction of the operating expenses.

Administrative expenses amounted to -28.4 MSEK (-20.2) for the full year 2022. The costs for share-based incentive programs related to administrative staff amounted to -1.1 MSEK (+2.3) for the full year 2022.

Marketing and distribution expenses were -9.1 MSEK (-1.4) for the full year 2022. The costs for share-based incentive programs related to staff within marketing and distribution amounted to -0.3 MSEK (-0.1) for the full year 2022.

Research and development expenses amounted to -250.0 MSEK (-271.8) for the full year 2022. Research and development expenses are mainly related to clinical trial costs with C21. The costs for share-based incentive programs related to research and development staff amounted to -3.4 MSEK (-0.7) for the full year 2022.

Other operating income and expenses amounted to -3.2 MSEK (-1.4) for the full year 2022.

The total costs for the share-based incentive programs for the full year 2022 amounted to -4.9 MSEK (+1.5), of which -1.0 MSEK (+5.4) consisted of provisions for social security contributions and -3.9 MSEK (-3.9) were IFRS 2 classified salary costs. These costs have had no cash flow impact.

Result

The operating loss amounted to -290.7 MSEK (-294.8) for the full year 2022. The result after tax for the full year 2022 was -288.8 MSEK (-296.7). Tax amounted to 0.4 MSEK (0.3) for the full year 2022. Tax is mainly related to a change in deferred tax liability attributable to acquired intangible assets. The group's accumulated tax loss carryforwards as of December 31, 2022, amounted to 1,023.7 MSEK. The group's tax loss carryforwards have not been measured and are not recognized as a deferred tax asset. These tax loss carryforwards will be accounted for only when the group has established a level of earnings which management with confidence estimates will lead to taxable profits. The loss for the full year 2022 amounted to -288.4 MSEK (-296.5). The loss per share before and after dilution amounted to SEK -3.99 (-4.25) for the full year 2021.

Cash flow, investments and financial position

Cash flow from operating activities amounted to -299.9 MSEK (-265.2) for the full year 2022.

Cash flow from investing activities for the full year 2022 was 74.0 MSEK (-7.0). The difference compared with the previous year is mainly attributable to the acquisition and sale of short-term interest-bearing investments.

Cash flow from financing activities amounted to 187.0 MSEK (318.2) for the full year 2022. On December 8, 2022, the company successfully completed a directed share issue of 200 MSEK before transaction costs amounting to approximately 12.7 MSEK. The issue was subscribed for by both new and existing Swedish and international institutional investors.

As of December 31, 2022, cash and cash equivalents amounted to 256.8 MSEK (294.2) and short-term investments were 4.9 MSEK (77.3). Accordingly, cash, cash equivalents and short-term investments amounted in total to 261.7 MSEK (371.5). The equity ratio as of December 31, 2022, was 85.5 percent (85.0 percent) and equity amounted to 289.1 MSEK (383.3). Total equity and liabilities amounted to 338.0 MSEK (451.2).

Parent company

The group ("Vicore") consists of the parent company, Vicore Pharma Holding AB (publ) and the subsidiaries Vicore Pharma AB and INIM Pharma AB. The parent company's operations mainly consist of providing management and administrative services for the group's operative companies. The research and development operations are conducted in the wholly owned subsidiaries Vicore Pharma AB and INIM Pharma AB.

Net sales for the parent company amounted to 30.4 MSEK (38.7) for the full year 2022. Net sales mainly consisted of management fees to group companies. Administrative expenses amounted to -27.8 MSEK (-19.9) for the full year 2022. The operating profit for the full year 2022 amounted to 0.7 MSEK (17.1). The profit amounted to 0.7 MSEK (17.6) for the full year 2022. During the full year 2022, shareholder contributions amounting to 250 MSEK were provided to the subsidiaries.

Personnel

As of December 31, 2022, the group had 23 employees, of whom 18 were women and five men. Of the employees, 17 are active within R&D. The group also engages consultants for specialist tasks and assignments on a frequent basis.

Shareholders and the share

At the end of 2022, Vicore had 7,636 shareholders and the number of shares was 81,847,979 with a quotient value of SEK 0.5 each. There is only one class of shares. The company's shares are issued in one class and each share carries one vote at the Annual General Meeting.

On December 31, 2022, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 17,234,834 shares, corresponding to 21.1 percent of the votes and capital. No shareholder other than HealthCap VII L.P. has a direct or indirect shareholding that represents one tenth, or more, of the voting rights for all shares in the company. Further information on shareholders and Vicore's share is presented on pages 21-22 in the 2022 annual report.

Share-based incentive programs

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management and other co-workers in line with the interests of the shareholders. Vicore has four active programs that include the management team, employees and certain board members.

At the Extraordinary General Meeting on August 13, 2018, it was resolved to implement a new incentive program: a maximum of 2,000,000 employee stock options to senior leaders and key persons ("Co-worker LTIP 2018").

At the Annual General Meeting on May 20, 2020, it was resolved to implement a new incentive program for the new board members ("Board LTIP 2020") amounting to a maximum of 525,000 share awards.

At the Annual General Meeting on May 11, 2021, it was resolved to implement two new incentive programs: a maximum of 3,000,000 employee stock options to senior leaders and key persons ("Co-worker LTIP 2021"), and a maximum of 73,000 share awards to certain board members ("Board LTIP 2021").

All these programs are performance-based programs entitling the holder to a maximum of one common share in Vicore per option or share award after three years.

For further information about these programs, see Note 8 "Share-based payments" and the company's website, www.vicorepharma.com.

Assuming full utilization and maximum goal achievement of all granted employee stock options and share awards as of December 31, 2022, corresponding to 2,988,489 shares, would entail a dilution of 3.5 percent. Taking into account also non-granted employee stock options and warrants that may be used as hedge for social security contributions, the maximum dilution as of December 31, 2022, amounts to 5.6 percent.

Guidelines for executive remuneration 2022

The board of directors, the CEO and other members of the executive management fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration already decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Vicore is a clinical-stage pharmaceutical company focused on developing innovative medicines in severe lung diseases and other indications where the Angiotensin II type 2 receptor (AT2R) plays an important role.

For more information about the company, please see Vicore Pharma's company presentation at; https://vicore-pharma.com/investors/events-presentations/.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers a competitive European level remuneration.

These guidelines enable the company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

The company also has long-term share-related incentive plans in place. The plans have been resolved by the general meeting and aim to align the interests of the board members and key employees with those of the shareholders.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, additional variable cash remuneration may be awarded in extraordinary circumstances. Additionally, the general meeting may – irrespectively of these guidelines – resolve on, among other things, share-related or share price-related incentive programs. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one to several years. The variable remuneration payable in cash may amount to a maximum of 40 percent of the annual fixed cash salary for the CEO and a maximum of 30 percent of the annual fixed cash salary to other senior executives under the measurement period for such criteria. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once per year for each individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary. For other executives, pension benefits, including health insurance, shall be premium defined unless otherwise required by for example collective agreements. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance and medical insurance (Sw: sjukvårdsförsäkring). Such benefits may not amount to more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

For all executives the notice period may be up to six months if notice of termination of employment is made by the company. For the CEO, fixed cash salary during the notice period and severance pay may, in total, not exceed

twelve months' fixed salary, and for other executives, such remuneration may not correspond to an amount which exceeds six months' fixed salary. The period of notice may be up to six months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria. These criteria can be measurable advancements in the company's preclinical and clinical trials and other associated activities. The criteria can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or the executive's long-term development. The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

To which extent the criteria for awarding variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation, subject to approval by the board of directors for those executives who report directly to the CEO. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting.

The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.
As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of significant changes to the guidelines and how the shareholders' views have been taken into account

The Board has reviewed the description of the company's business in the remuneration guidelines and made a minor editorial change. No significant changes have been made to these proposed guidelines compared to previously adopted guidelines. No shareholders have provided any comments.

Description of significant changes to the guidelines for 2023 and how the shareholders' views have been taken into account

No changes have been made to the proposed guidelines for 2023 compared to previously adopted guidelines.
No shareholders have provided any comments.

Nomination committee for the 2023 Annual General Meeting

Vicore's nomination committee for the 2021 Annual General Meeting consists of Staffan Lindstrand, appointed by HealthCap VII L.P., Jan Särlvik, appointed by Fourth Swedish National Fund AB, Ivo Staijen, appointed by HBM Healthcare Investments (Cayman) and Jacob Gunterberg, Chairman of the Board of Directors of Vicore.

Risk factors

Vicore's business is influenced by a number of factors, the effects of which on the company's earnings and financial position, in certain respects, cannot be controlled by the company at all or in part. In an assessment of the company's future development, it is important, alongside the possibilities for growth, to also consider these risks.

Set forth below is a description, without any internal order of priority, of the risks which are considered to have greatest significance for the company's future development. Risk factors related to Vicore's operations, industry and markets, and further include operational risks, regulatory risks and financial risks.

COVID-19-pandemic

The pandemic is currently not considered to have a significant negative impact on the company's operations.

Research and development and the dependency of four programs

Vicore's business consists mainly of four programs (C21, IMiD, new ATRAGs and Almee™). The company's main value may be attributable to the potential of the company's respective programs. The programs are in preclinical or clinical phase. There is a risk that Vicore's various programs will not develop as planned, which could have a material adverse effect on the company's value and future potential. This is especially true if any of the above would occur in

the more advanced program C21, which is currently of the greatest value to the company. For example, there is a risk that Vicore, any collaborating partners, institutional review bodies and / or regulatory authorities will discontinue clinical studies if the results of such studies do not demonstrate the intended treatment effect, fail to achieve an acceptable safety profile, or due to results from unwanted side effects. If a program or study is interrupted, in addition to a significant decline in the company's share price as a result of a reduced value of the company's program portfolio and a significantly impaired revenue potential for the specific program, it may cause an impairment of fixed assets.

Clinical trials and regulatory approvals

Before conducting certain clinical trials, approval must be obtained from the relevant regulatory authority and an ethics committee. The main markets for the company's future products are the United States and the EU, and the relevant regulators are the US Food and Drug Administration ("FDA") and / or the European Medicines Agency ("EMA"). There is a risk that the regulatory authority and / or the ethics committee will not grant the necessary approvals for the company's ongoing or future programs. There is also a risk that program approvals or opinions will be delayed or withdrawn. If the necessary approvals are not obtained, delayed or withdrawn, this could delay the relevant program or mean that it needs to be cancelled. The aforementioned risks could have a material adverse effect on the company's operations, financial position and results.

Delays in clinical studies

There is a risk that the company's clinical studies, for example C21 in IPF, will be delayed. Delays can occur for a variety of reasons, including difficulties in reaching agreements with clinics about participation under acceptable conditions, problems in identifying patients for studies, patients not completing a study, or not returning for follow-up. A pandemic and / or a war could negatively affect the availability and recruitment of potential trial participants as well as their possibility of carrying out non-essential hospital visits. Difficulties in adding new clinics or if a clinic withdraws from a study also entail a risk of delays. Furthermore, there may be delays as a result of problems in the supplier route, where a delay in the delivery of an ordered substance may cause a delay in the studies. A delay in a program usually means that the program will be more expensive, since the research and development costs will run for a longer time than planned. This may result in the company having to raise additional capital to complete the program.

Development of further candidate drugs

In addition to the programs, C21, IMiD, and Almee™, work is being performed to identify and develop new selective AT2 receptor molecules (ATRAGs) for treatment of diseases within or outside the orphan disease area. This development work is performed in collaboration with external researchers.

There is a risk that Vicore's available financial resources will prove insufficient to conduct such development and that the company, as a result thereof, may be forced to discontinue development or find other sources of financing. Continuing the further development of new molecules could create a need to expand the company's organisational resources, which could incur further costs for the company. There is thus a risk that the company's work on further drug candidates will have a negative impact on its operations, financial position and results.

Intellectual property issues

The value of Vicore is largely dependent on its ability to obtain and defend patents and its ability to protect specific knowhow. Patent protection for pharmaceutical companies may be uncertain and involve complicated legal and technical questions. There is a risk that a patent sought will not be granted for an invention, that the patent granted will not provide sufficient protection, or that the patent granted will be circumvented or revoked.

Vicore holds three granted patents for C21. There is a risk that these patents do not constitute adequate protection. If intellectual property protection is not satisfactory, other parties can exploit this by circumventing the company's protection and conduct competing drug development. Such drug development could show higher efficacy. This may force Vicore to terminate a particular drug program for commercial reasons, or that the company's future product will not generate any revenue.

Vicore has several pending patent applications within the programs C21, IMiD, Almee™ and new ATRAGs. There is a risk that these patent applications

or future patent applications by the company are not granted. If a patent application is not granted, it can lead to insufficient commercial protection which may result in termination of relevant programs due to lack of market prospects. Both insufficient commercial protection and a decision to terminate programs would have a material adverse effect on the company's program portfolio and outlook.

Orphan drug status

In addition to the company's patents, Vicore has received orphan drug status for C21 for the treatment of IPF in the USA and EU, which becomes particularly relevant if Vicore succeeds in developing and launching a drug. This means that Vicore will depend on other protection than patents, such as, alternative commercial protections in the form of orphan drug status or data exclusivity.

There is a risk that these protections are not adequate for Vicore's purposes, or that the market exclusivity or the orphan drug status is revoked. If Vicore's commercial and / or intellectual property protection is not adequate, other actors can take advantage of this, bypassing the company's protection, and conduct competing drug development, or launching competing products on the market. If other players develop and / or launch competing products that show higher efficiency or are sold at a lower price than Vicore's, the company could lose significant revenue.

Market and competition

The development and commercialization of new pharmaceutical products constitute a competitive market. Vicore's competitors are mainly large pharmaceutical companies, biotech companies and academic institutions. It is possible that competitors, such as large pharmaceutical companies, have greater opportunities in terms of, for example, research and development, contacts with regulatory authorities, payers, patient recruitment and marketing than Vicore. Therefore, there is a risk that competitors, who in many cases have greater resources than Vicore, may develop competing products more quickly and / or more efficiently, achieve broader market acceptance or succeed in obtaining market exclusivity earlier or in parallel with Vicore. This may lead to a significant weakening of the company's ability to generate revenues and the company may be forced to terminate parts of the business for commercial reasons. Furthermore, this could mean that the value of the company's program portfolio is significantly reduced.

Production

Since Vicore has no proprietary production facilities, the company is dependent on sub-suppliers for the production of pharmaceuticals. The manufacturing process for Vicore's drugs is made in collaboration with contract manufacturers in Europe. Vicore is dependent on the quality of the manufacturing processes as well as the availability and maintenance of the production facilities. Regulatory authorities require that all manufacturing processes and methods, as well as all equipment comply with current requirements of Good Manufacturing Practice, GMP requirements and consequences for the company in the event of deficiencies in GMP requirements may lead to delays in clinical trials or to market products.

None of the company's current manufacturers are significant in the sense that they are not replaceable, but the company is dependent on them, since changing manufacturers can be both costly and time-consuming. There is a risk that the company will not find suitable manufacturers that offer the same quality and quantity on terms acceptable to the company.

Reliance on key individuals and employees

Vicore is highly dependent on retaining and recruiting both qualified employees and consultants as well as board members. The company's future performance is affected by its ability to attract and retain qualified key personnel. In the event that one or more key persons leave and the company fails to replace him or her, this could have a negative effect on the company's operations, financial position and earnings.

In order for the company to have sufficient capacity to further develop its drug candidates and conduct phase III studies, several persons must be recruited. If the recruitment is not successful, or if Vicore fails to retain key personnel, there is a risk that the company's drug development programs cannot be developed according to plan, which would have significant negative consequences for the company's operations and program portfolio. Such a lack of competence or resources may, in the long run, lead to delays in the company's programs, which would be associated with significant research and development costs.

Financing and capital requirements

The company currently has no approved drugs and does not generate any revenue from drug sales. It may take a several years before the company's drug candidates will be sold commercially and generate recurring cash flows. The company's ongoing and planned clinical trials entail significant costs. The company is therefore still dependent on raising capital or borrowing money to finance clinical studies. Both the extent and timing of Vicore's future capital needs will depend on a number of factors, including results from and costs for future studies. The access to, and the conditions for, additional financing, for example through new share issues, licenses or partnership agreements or loans are affected by a number of factors such as Vicore's clinical study results, market conditions, general access to capital and Vicore's credit rating and credit capacity. Disruptions and uncertainty in the credit and capital markets can also limit access to additional capital. If Vicore fails to raise sufficient capital on favorable terms, or at all, it would mean that the company may have to accept a more expensive financing solution, share issues with significant discount and large dilution, or cause the company to limit its development or cease operations. For further description of the company's financial risks, see Note 19.

The Board of Directors and the CEO continuously assess the group's liquidity and financial resources in both the short- and long-term. The annual report has been prepared with the assumption that the company has the ability to continue operations for the next 12 months, in line with the going concern principle.

Currency risk

Assets, liabilities, income and expenses in foreign currency give rise to currency exposures. A weakening of the Swedish krona (SEK) against other currencies increases the reported amounts of Vicore's assets, liabilities, income and earnings while a strengthening of the SEK against other currencies decreases these items. The company is exposed to such changes, as parts of the company's costs are paid in EUR and other international currencies and because a part of the company's future sales revenue may be received in international currencies. A material change in such exchange rates could have a negative impact on the company's financial statements, which in turn could have negative effects on Vicore's financial position and results. For further description of the company's currency risks, see Note 19.

Tax loss carryforwards

As a result of the business having generated significant loss, Vicore has large accumulated tax loss carryforwards. As of December 31, 2022, Vicore's tax loss carryforwards amounted to 1,023.7 MSEK. Changes in ownership resulting in a change of controlling influence over Vicore, may impose restrictions, in whole or in part, on the possibility of utilizing such losses in the future. There is also a risk that Vicore will not be able to generate enough profits to exploit such tax losses. The possibility of utilizing the losses in the future may also be adversely affected by future changes in the applicable legislation.

Proposed appropriation of the company's profits or loss for the 2022 financial year

The following profit/loss stated in SEK is at the disposal of the Annual General Meeting:

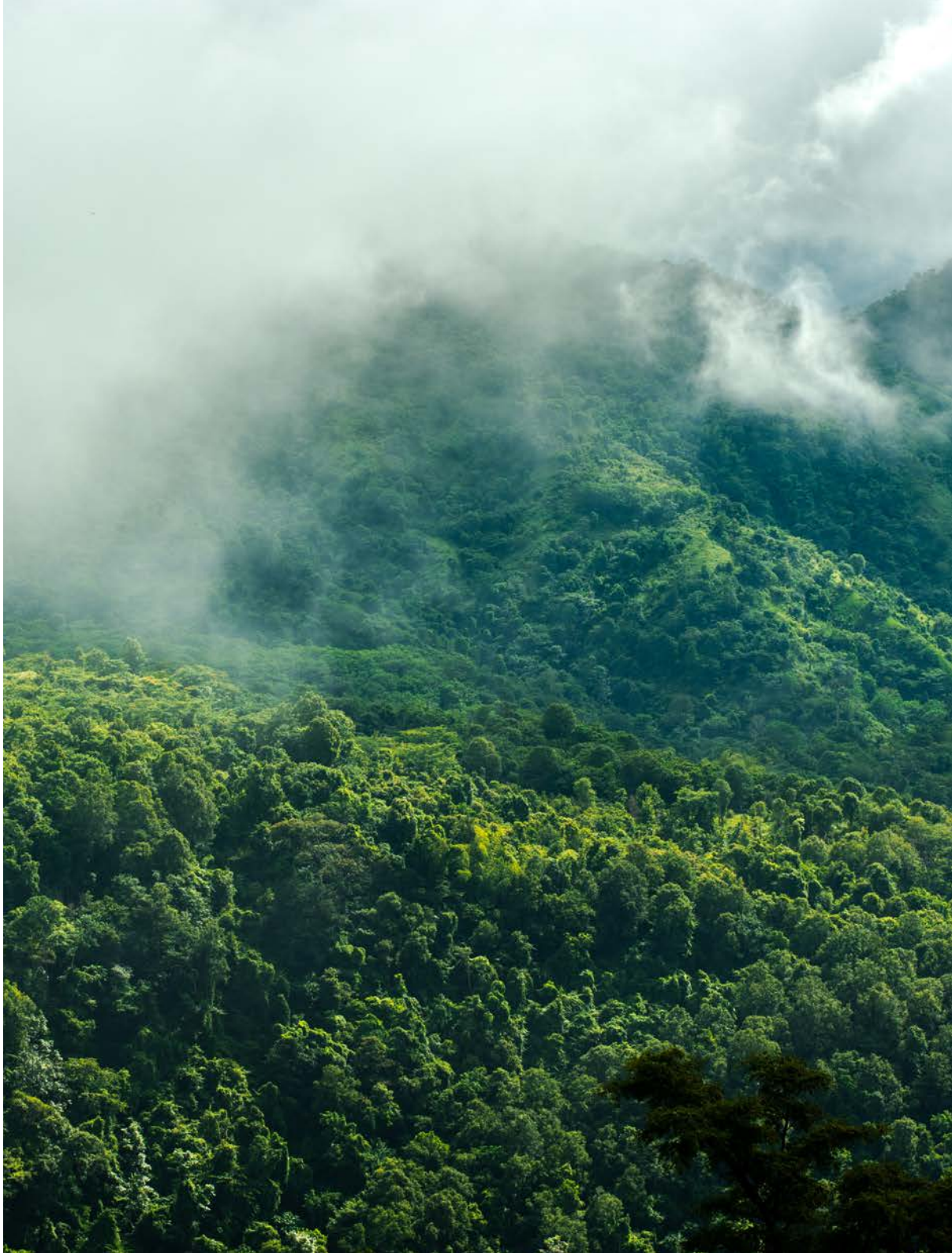
Share premium reserve	1,189,010,066
Loss brought forward	-38,903,595
Profit/loss of the year	1,324,806
	1,151,431,277

The Board of Directors proposes that SEK 1,151,431,277 are to be carried forward.

Financial targets and dividend policy

The target is to distribute approximately 50 percent of the company's annual net profit as dividends when Vicore has achieved the desired financial stability, taking into account present and future profit levels, investment needs, liquidity and development opportunities as well as general economic and business conditions.

In accordance with the Board of Directors' dividend policy, no dividend is to be paid before the company generates significant revenue.



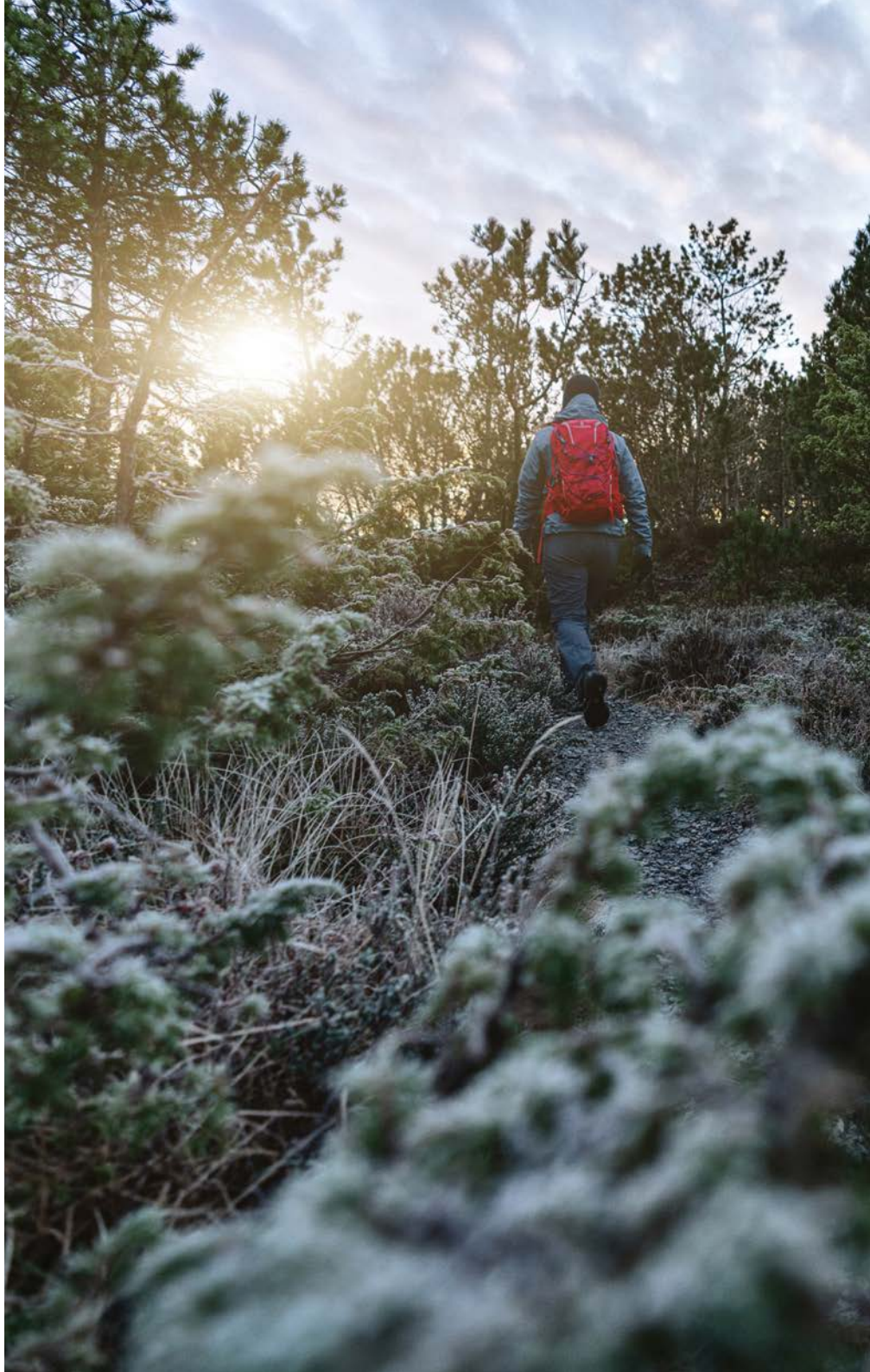
Multi-year Overview

Multi-year overview, group

	2022	2021	2020	2019	2020
Net sales (KSEK)	0	0	0	0	508
Loss after financial items (KSEK)	-288,806	-296,735	-147,315	-93,329	-21,681
Total assets (KSEK)	338,007	451,168	406,515	341,108	-301,600
Equity ratio (%)	85.5	85.0	87.2	94.3	94.6
Number of employees (average)	21	16	13	8	6

Multi-year overview, parent company

	2022	2021	2020	2019	2020
Net sales (KSEK)	30,402	38,730	3,672	3,092	2,653
Profit/loss after financial items (KSEK)	1,325	17,709	-21,826	-24,803	-11,100
Total assets (KSEK)	1,203,141	1,075,894	669,514	503,959	488,965
Equity ratio (%)	99.1	92.6	97.7	98.4	82.1
Number of employees (average)	5	4	4	3	3



Financial reports
Group

Consolidated statement of comprehensive income

KSEK	Note	2022 Jan-Dec	2021 Jan-Dec
Net sales		0	0
Gross profit		**0**	**0**
Administrative expenses	4, 5	-28,380	-20,204
Marketing and distribution expenses	4	-9,149	-1,404
Research and development expenses	4	-249,965	-271,812
Other operating income and expenses	4, 9, 10	-3,231	-1,398
Profit/loss from operations		**-290,725**	**-294,818**
Financial income	11	2,395	646
Financial expenses	12	-476	-2,563
Net financial income/expense		**1,919**	**-1,917**
Loss after financial items		**-288,806**	**-296,735**
Tax	13	384	254
Loss for the year attributable to the parent company´s shareholders		**-288,422**	**-296,481**
Other comprehensive income			
Other comprehensive income		0	0
Other comprehensive income for the year, net of tax		**0**	**0**
Total comprehensive income attributable to the parent company´s shareholders		**-288,422**	**-296,481**
Earnings per share, before and after dilution	14	**-3.99**	**-4.25**

Consolidated statement of financial position

KSEK	Note	2022 Dec 31	2021 Dec 31
ASSETS			
Fixed assets			
Patents, licenses and similar rights	15	68,100	67,427
Equipment	16	54	84
Contract asset	6	63	317
Long-term investments	17, 18	0	5,409
Total fixed assets		**68,217**	**73,237**
Current Assets			
Other receivables		2,180	1,417
Prepaid expenses and accrued income	20	5,867	5,034
Short-term investments	21	4,940	77,281
Cash and cash equivalents	22	256,803	294,199
Total current assets		**269,790**	**377,931**
TOTAL ASSETS		**338,007**	**451,168**
EQUITY AND LIABILITIES			
EQUITY	24		
Share capital		40,924	35,880
Other contributed capital		1,210,811	1,021,666
Retained earnings (including profit (loss) for the period)		-962,652	-674,230
Total equity attributable to the parent company's shareholders		**289,083**	**383,316**
LIABILITIES			
Non-current liabilities			
Contract liability	6	0	320
Other provisions	25	1,600	600
Deferred tax liability	13	905	1,210
Total non-current liabilities		**2,505**	**2,130**
Current liabilities			
Contract liability	6	65	0
Trade payables	18, 19	23,495	23,984
Current tax liability		760	335
Other liabilities		3,751	1,112
Other provisions	25	127	152
Accrued expenses and deferred income	26	18,221	40,139
Total current liabilities		**46,419**	**65,722**
TOTAL LIABILITIES		**48,924**	**67,852**
TOTAL EQUITY AND LIABILITIES		**338,007**	**451,168**

Consolidated statement of changes in shareholders´ equity

	Shareholders' equity attributable to the parent company			
KSEK	Share capital	Other contributed capital	Retained earnings including profit (loss) for the period	Total
Equity Jan 1, 2021	**30,209**	**702,053**	**-377,749**	**354,513**
Profit/loss for the year	0	0	-296,481	-296,481
Other comprehensive income for the year	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**-296,481**	**-296,481**
Transactions with owners:				
Issue of new shares and issue in kind	5,671	333,329	0	339,000
Issue costs	0	-17,578	0	-17,578
Long-term incentive program	0	3,862	0	3,862
Total transactions with owners	**5,671**	**319,613**	**0**	**325,284**
Equity Dec 31, 2021	**35,880**	**1,021,666**	**-674,230**	**383,316**
Equity Jan 1, 2022	**35,880**	**1,021,666**	**-674,230**	**383,316**
Profit/loss for the year	0	0	-288,422	-288,422
Other comprehensive income for the year	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**-288,422**	**-288,422**
Transactions with owners:				
Issue of new shares	5,044	197,956	0	203,000
Issue costs	0	-12,708	0	-12,708
Long-term incentive program	0	3,897	0	3,897
Total transactions with owners	**5,044**	**189,145**	**0**	**194,189**
Equity Dec 31, 2022	**40,924**	**1,210,811**	**-962,652**	**289,083**

Consolidated statement of cash flow

KSEK	Note	2022 Jan-Dec	2021 Jan-Dec
Operating activities			
Operating profit		-290,725	-294,818
Adjustment for items not included in the cash flow	27	10,560	2,099
Interest received		1,194	483
Interest paid		-8	-8
Cash flow from operating activities before changes in working capital		**-278,979**	**-292,244**
Cash flow from changes in working capital			
Change in operating receivables		-1,598	-340
Change in operating payables		-19,342	27,413
Cash flow from operating activities		**-299,919**	**-265,171**
Investing activities			
Acquisition of intangible assets	29	-3,000	0
Acquisition of financial assets	21	0	-77,000
Sale of financial assets	21	77,000	70,000
Cash flow from investing activities		**74,000**	**-7,000**
Financing activities			
Amortization contract liability		-252	-239
Issue of new shares		200,000	336,000
Issue costs		-12,708	-17,578
Cash flow from financing activities		**187,040**	**318,183**
Cash flow for the year		**-38,879**	**46,012**
Cash and cash equivalents at the beginning of the year		**294,199**	**248,618**
Foreign exchange difference in cash and cash equivalents	11, 12	**1,483**	**-431**
Cash and cash equivalents at year-end	22	**256,803**	**294,199**

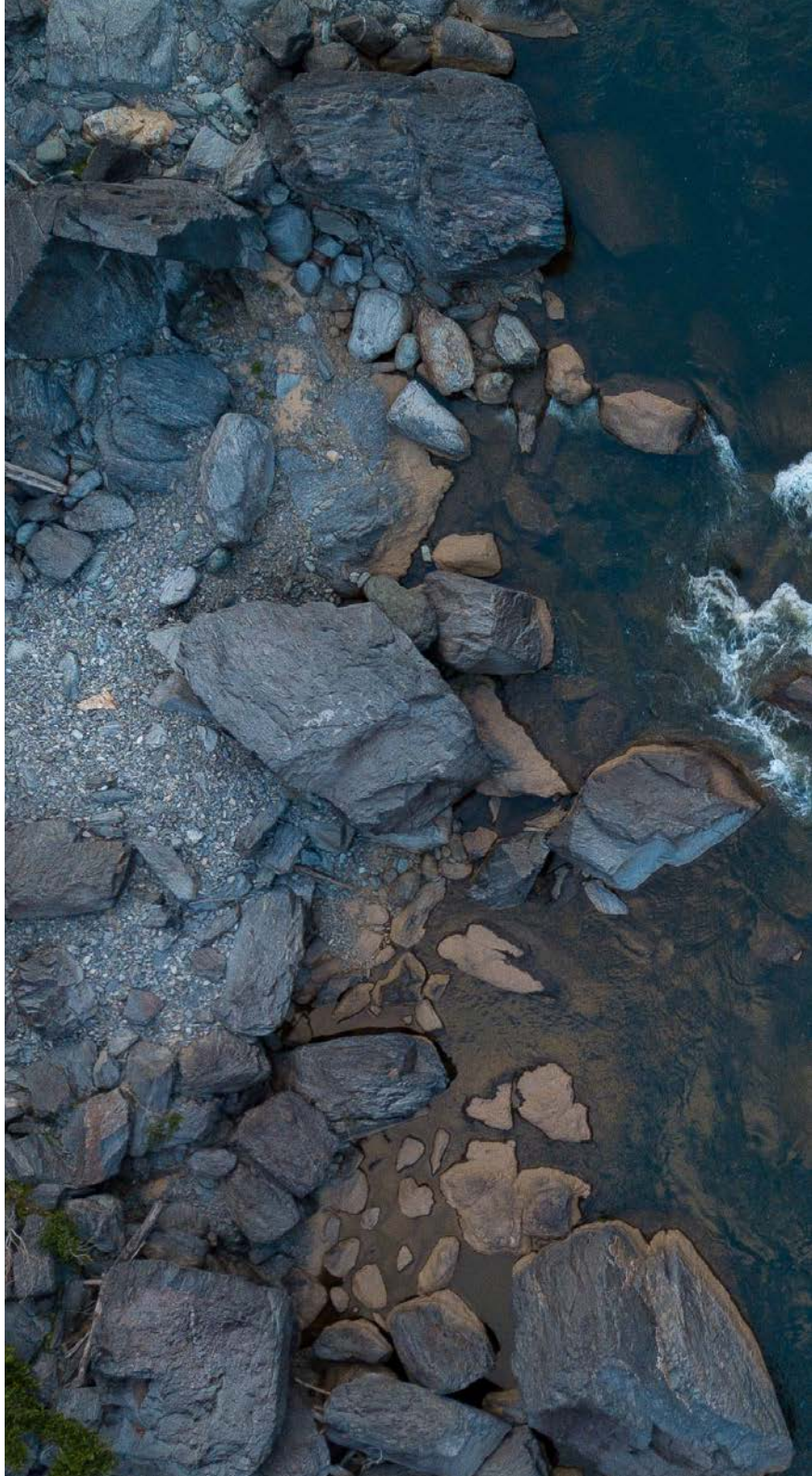
Financial reports
Parent company

Parent company's income statement

KSEK	Note	2022 Jan-Dec	2021 Jan-Dec
Net sales	2	30,402	38,730
Gross profit		**30,402**	**38,730**
Administrative expenses	3, 4, 5, 6	-27,759	-19,911
Research and development expenses	3	-1,936	-1,686
Other operating income and expenses	3	-53	-67
Profit/loss from operations		**654**	**17,066**
Interest income and similar profit items	7	676	645
Interest expenses and similar loss items	8	-5	-2
Net financial income/expense		**671**	**643**
Profit/loss after financial items		**1,325**	**17,709**
Tax	9	0	-131
Profit/loss for the year		**1,325**	**17,578**

Parent company's statement of comprehensive income

KSEK	Note	2022 Jan-Dec	2021 Jan-Dec
Profit/loss for the year		**1,325**	**17,578**
Other comprehensive income			
Other comprehensive income		0	0
Other comprehensive income for the year		**0**	**0**
Comprehensive income for the year		**1,325**	**17,578**



Parent company's balance sheet

KSEK	Note	2022 Dec 31	2021 Dec 31
ASSETS			
Fixed assets			
Financial assets			
Participations in group companies	10	1,049,433	796,389
Long-term investments	11	0	565
Total financial assets		**1,049,433**	**796,954**
Total fixed assets		**1,049,433**	**796,954**
Current assets	12		
Receivables			
Receivables from group companies		13,000	32,386
Other receivables		918	65
Prepaid expenses and accrued income	13	633	812
		14,551	**33,263**
Short-term investments	14	565	77,281
Cash and cash equivalents	15	138,592	168,396
Total current assets		**153,708**	**278,940**
TOTAL ASSETS		**1,203,141**	**1,075,894**

Parent company's balance sheet

KSEK	Note	2022 Dec 31	2021 Dec 31
EQUITY AND LIABILITIES			
EQUITY	16		
Restricted equity			
Share capital		40,924	35,880
Total restricted equity		**40,924**	**35,880**
Non-restricted equity			
Share premium reserve		1,189,010	1,003,762
Accumulated profit or loss		-38,904	-60,379
Profit for the year		1,325	17,578
Total non-restricted equity		**1,151,431**	**960,961**
TOTAL EQUITY		**1,192,355**	**996,841**
LIABILITIES			
Provisions			
Other provisions	17	744	507
Deferred tax liability		264	184
Total provisions		**1,008**	**691**
Current liabilities			
Trade payables		5,352	622
Liabilities to group companies	18	0	75,000
Current tax liability		0	61
Other liabilities		1,935	595
Accrued expenses and deferred income	19	2,491	2,084
Total current liabilities		**9,778**	**78,362**
TOTAL LIABILITIES		**10,786**	**79,053**
TOTAL EQUITY AND LIABILITIES		**1,203,141**	**1,075,894**

The parent company's report of changes in equity

KSEK	Share capital	Share premium reserve	Loss brought forward	Loss for the year	Total
Equity Jan 1, 2021	**30,209**	**688,011**	**-42,483**	**-21,758**	**653,979**
Transfer of previous year's profit/loss	0	0	-21,758	21,758	0
Profit/loss for the year	0	0	0	17,578	17,578
Other comprehensive income for the year	0	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**-21,758**	**39,336**	**17,578**
Transactions with owners:					
Issue of new shares and issue in kind	5,671	333,329	0	0	339,000
Issue costs	0	-17,578	0	0	-17,578
Incentive programs	0	0	3,862	0	3,862
Total transaction with owners	**5,671**	**315,751**	**3,862**	**0**	**325,284**
Equity Dec 31, 2021	**35,880**	**1,003,762**	**-60,379**	**17,578**	**996,841**
Equity Jan 1, 2022	**35,880**	**1,003,762**	**-60,379**	**17,578**	**996,841**
Transfer of previous year's profit/loss	0	0	17,578	-17,578	0
Profit/loss for the year	0	0	0	1,325	1,325
Other comprehensive income for the year	0	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**17,578**	**-16,253**	**1,325**
Transactions with owners:					
Issue of new shares	5,044	197,956	0	0	203,000
Issue costs	0	-12,708	0	0	-12,708
Incentive programs	0	0	3,897	0	3,897
Total transaction with owners	**5,044**	**185,248**	**3,897**	**0**	**194,189**
Equity Dec 31, 2022	**40,924**	**1,189,010**	**-38,904**	**1,325**	**1,192,355**

The parent company's cash flow statement

KSEK	Note	2022 Jan-Dec	2021 Jan-Dec
Operating activities			
Operating profit		654	17,066
Adjustments for items not included in the cash flow	20	1,170	-2,215
Interest received		957	482
Interest paid		-5	-2
Cash flow from operating activities before changes in working capital		**2,776**	**15,331**
Cash flow from changes in working capital			
Change in operating receivables		18,712	-36,438
Change in operating payables		-65,584	2,259
Cash flow from operating activities		**-44,096**	**-18,848**
Investing activities			
Shareholder contributions to group companies		-250,000	-320,000
Acquisition of financial assets	14	0	-77,000
Sale of financial assets	14	77,000	70,000
Cash flow from investing activities		**-173,000**	**-327,000**
Financing activities			
Issue of new shares		200,000	336,000
Issue costs		-12,708	-17,578
Cash flow from financing activities		**187,292**	**318,422**
The cash flow for the year		**-29,804**	**-27,426**
Cash and cash equivalents at the beginning of the year		**168,396**	**195,822**
Cash and cash equivalents at the end of the year	15	**138,592**	**168,396**

Notes
Group

Note 1 Accounting principles

This Annual Report and the consolidated financial statements comprise the Swedish parent company Vicore Pharma Holding AB (publ), corporate registration number 556680-3804, and its subsidiaries. The parent company is a limited liability company with its registered office in Gothenburg, Sweden. The address of the main office is Kornhamnstorg 53, 111 27 Stockholm, Sweden. The main operation of the group is research and development of pharmaceutical products.

On April 4, 2023, the Board of Directors approved this Annual Report and the consolidated financial statements, which will be presented for approval at the Annual General Meeting on May 11, 2023.

Applied regulations

Vicore's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations from the IFRS Interpretation Committee (IFRS IC) as adopted by the European Union (EU). Furthermore, the group also applies the Annual Accounts Act (1995: 1554) and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups".

Basis for the consolidated accounts

Preparing financial statements in accordance with IFRS requires the company management to make estimates for accounting purposes. These assessments and estimates are based on historical experiences, as well as other factors that are considered to be reasonable during the current circumstances. The actual result can deviate from these estimates and assessments.

New and amended standards and interpretations not yet adopted by the group

Updated standards and interpretations from IASB and IFRIC interpretations that came into force during the 2022 calendar year have had no material impact on the group.

Valuation principles

Assets and liabilities have been recognised at their historical cost, except for certain financial assets that are stated at fair value. Financial assets valued at fair value consist of holdings in listed and non-listed shares.

Consolidation

Subsidiaries

Subsidiaries are all the companies over which Vicore has a controlling influence. The group controls a company when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated accounts as of the date on which the controlling influence is transferred to the group. They are excluded from the consolidated accounts as of the date on which the controlling influence ceases.

Subsidiaries are reported according to the acquisition method. The method implies that acquiring a subsidiary is considered a transaction, whereby the group indirectly acquires the subsidiary's assets and liabilities. In the acquisition analysis, the fair value of acquired identifiable assets and assumed liabilities, as well as any holdings without controlling influence, is determined on the acquisition date. Transaction costs, excluding transaction costs attributable to the issue of equity instruments or debt instruments, which arise are reported directly in the profit/loss for the year. For business combinations where the transferred remuneration exceeds the fair value of acquired assets and assumed liabilities that are reported separately, the difference is reported as goodwill. When the difference is negative, a so-called bargain purchase, this is reported directly in the profit/loss for the year.

When acquiring an asset, the acquisition value is allocated to the individual identifiable assets and the debts, based on their relative fair values. Such a transaction does not give rise to goodwill.

Eliminated transactions during consolidation

Intra-group receivables and liabilities, income or expenses and unrealised gains or losses which arise from intra-group transactions between group companies are eliminated in the preparation of the consolidated accounts. Unrealised gains arising from transactions with associated companies are eliminated to the extent which corresponds to the group's ownership in the company. Unrealised losses are eliminated in the same way, but only to the extent that there is no impairment of the asset.

Currency

Functional currency and reporting currency

Functional currency is the currency in the primary economic environments in which the companies operate. The parent company's functional currency is the Swedish kronor, which is also the reporting currency for the parent company and the group. Unless otherwise stated, all amounts are rounded to the nearest thousand (KSEK).

Foreign currency transactions

Transactions in foreign currency are translated to the functional currency at the exchange rate as on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date. Exchange rate differences that arise are recognized in the profit/loss for the year. Exchange gains and exchange losses on operating receivables and operating liabilities are reported in operating results, while exchange gains and exchange losses on financial receivables and liabilities are reported as financial items.

Operating segments

Operating segments are reported in a way that corresponds with internal reporting structures. The profit/loss generated by a business segment is then followed up by the company's chief operating decision maker, who is responsible for assessing the profit/loss figures and allocating resources to the business segment. In the group, this function is identified as the company's CEO.

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. Vicore does not divide its business into different segments, instead it sees the entire business of the group as one segment. This follows the company's internal organization and reporting structures.

Classification

Non-current assets and non-current liabilities consist in all essentials solely of amounts that are expected to be recovered or settled more

than twelve months after the reporting period. Current assets and current liabilities consist in all essential solely of amounts that are expected to be recovered or settled within twelve months of the reporting period.

Revenue from contracts with customers

The group reports revenue when the group fulfils a performance obligation, i.e. when a promised product is delivered to the customer and the customer takes control of the product. Control of a performance obligation can be transferred over time or at a point in time. Revenue consists of the amount the company expects to receive as compensation for the transferred products or services. For the group to report revenue from contracts with customers, each customer contract is analyzed according to the five-step model included in the standard:

Step 1: Identify a contract between at least two parties that consists of enforceable rights and obligations.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price, i.e. the amount of consideration that the company is expected to receive in exchange for the promised goods or services.

Step 4: Allocate the transaction price over the identified performance obligations.

Step 5: Recognize revenue when the performance obligations are satisfied, i.e. when control is transferred to the customer.

The group's net sales are currently not a significant part of the business.

Government grants

Government grants are reported in the statement of financial position and the statement of comprehensive income when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Leasing agreement

The group's leasing portfolio consists of a few operating leases for premises, which are the two classes of leased assets presented by the group.

The leasing agreements are reported as contract assets with a corresponding lease liability on the day that the leased asset is available for use by the group. Short-term leases and low value leases are excluded.

Each leasing payment is divided between amortization of the lease debt and financial cost. The financial cost shall be distributed over the lease period so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability reported during each period.

The leasing period is determined as the non-cancellable period together with both periods covered by an option to extend the lease if the lessee is reasonably sure to take advantage of that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably sure not to exercise that option.

The group's leasing liabilities are recognized at the present value of the group's future leasing fees. Leasing payments have been discounted with the group's marginal loan interest rate.

The group's contract assets are recognized at cost and initially include the present value of the leasing liabilities, adjusted for leasing fees paid on or before the commencement date and initial direct expenses. Recovery costs are included in the asset if a corresponding provision regarding recovery costs has been identified. The contract asset is amortized on a straight-line basis over the shorter of the asset's useful life and the duration of the lease.

Employee benefits

Short-term remuneration

Short-term remuneration to employees, such as salary, social security contributions, holiday pay and bonus, is expensed when the employees perform the services.

Pension obligations

The group only has defined contribution pension plans. In defined contribution plans, the group pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if this entity does not have sufficient assets to pay all the remuneration to employees connected with the employees' service during the current or prior periods. Therefore, the group has no additional risk. For the group's obligations regarding contributions for defined contribution plans, these are reported as an expense in the consolidated profit/loss as the benefits are earned.

Incentive programs

There are four types of share-based incentive programs in the group: two option programs for employees, and two share awards programs for certain board members. The option and share awards have been granted free of charge and are settled with equity instruments.

The fair value of share-based payments is accounted for as personnel costs. The fair value of the employee stock options is determined at grant date with the Black-Scholes model for pricing of options. For the share awards, the fair value is determined at the time of allocation using a Monte Carlo simulation of future stock price development. The cost is reported, along with a corresponding increase in equity, during the period in which the vesting conditions are fulfilled, up to and including the date when the persons concerned are fully entitled to the compensation.

The accumulated cost included in each reporting period shows to what extent the vesting period has been recognised with an estimate of the number of share-related instruments that eventually will be vested.

Social security contributions attributable to share-related instruments to employees as compensation for purchased services must be expensed over the periods during which the services are performed. This cost must then be calculated using the same valuation model that was used when the options were issued. The provision made shall be reassessed at each reporting date based on a calculation of the amount social charges that may be payable when the instruments are settled.

Financial income and expenses

Financial income

Financial income consists of capital gains on and dividend incomes from financial fixed assets. Dividend income is recognized when the right to receive a dividend has been established.

Exchange rate gains and losses are reported net.

Financial costs

Financial costs consist mainly of interest expenses on loans. Exchange rate gains and losses are reported net.

Income taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognized in profit or loss for the year, except when the underlying transaction is recognized in other comprehensive income or equity, in which case the tax effect is recognized in other comprehensive income or equity.

Current tax

Current tax is the tax that must be paid or received for the current year, with the application of the tax rates that have been decided, or in practice decided, on the balance sheet date. Current tax also includes adjustments to the current tax attributable to previous periods.

Deferred tax asset/tax liability

Deferred tax is reported in its entirety, according to the balance sheet method and is based on the temporary differences between the tax base value of assets and liabilities and their carrying amount. Temporary differences are not taken into account in consolidated goodwill or differences attributable to participations in subsidiaries, which

are not expected to be taxed in the foreseeable future. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realized or regulated. Deferred tax amounts are calculated by applying the tax rates and tax rules that have been decided or announced as of the balance sheet date and which are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets related to deductible temporary differences and loss carry forwards are only recognized to the extent it is probable that these will be utilized.

The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legal right to offset short-term tax assets against short-term tax liabilities and the deferred tax is attributable to the same entity in the group and the same tax authority.

Earnings per share

Earnings per share before dilution are calculated as profit or loss attributable to the parent company shareholders divided by the weighted average number of ordinary shares outstanding during the period.

Earnings per share after dilution are calculated as profit or loss attributable to the parent company shareholders divided, in some cases adjusted, by the sum of the weighted average number of ordinary shares and potential ordinary shares that may give rise to dilution effects. A dilution effect of potential ordinary shares is recognized only if a translation into ordinary shares would lead to a reduction of earnings per share after dilution.

Intangible assets

Acquired intangible assets

Intangible assets in the group consist of patents, licenses and similar rights. They are valued at cost that is decreased by accumulated depreciation and any accumulated impairment losses.

An intangible asset is recognized if it is probable that the asset will generate future economic benefits for the group, the criteria for capitalization are met and the costs can be measured reliably. An intangible asset is valued at cost when it is included for the first time in the financial report. Intangible assets with finite useful lives are reported at cost less depreciation and any impairment losses. Intangible fixed assets with finite useful lives are depreciated linearly over the asset's estimated useful life. Intangible assets with indefinite useful lives are instead tested annually for impairment.

Intangible assets with finite and indefinite useful lives are reviewed for impairment requirements in cases where there are indications that a write-down may be needed. The useful life of intangible assets is reviewed at each balance sheet date and adjusted if necessary.

Capitalization of development expenditure

The expenses that arise during the development phase are capitalized as intangible assets when, according to management's assessment, they are likely to result in future economic benefits for the group, the criteria for capitalization are met and the costs can be measured in a reliable way. Otherwise, development expenses are expensed as normal operating expenses.

The group only has acquired intangible assets.

Depreciation principles

Depreciation begins when the asset can be used, i.e. when it is in the place and in the condition required to be able to use it in the way management intends.

The estimated useful life for intangible fixed assets with a finite useful life is 5 years. Depreciation is made on a straight-line basis over the estimated useful life of the asset, which coincides with the remaining patent period for the product.

Tangible fixed assets

Tangible fixed assets are reported in the group at cost after deductions for accumulated depreciation and any accumulated impairment losses. The cost includes the purchase price and any costs directly attributable to the asset to bring it in place and in condition to be utilized in accordance with the purpose of the acquisition.

The carrying amount of an asset is derecognized from the balance sheet when disposing or divesting, or when no future economic benefits are expected from use or disposing/divesting of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's carrying amount with the deduction of direct sales costs. Gains and losses are reported as other operating income/expenses.

Additional expenses

Additional expenses are added to the asset's carrying amount only if it is probable that the future economic benefits associated with the asset will be leveraged by the group and that the cost of the asset can be measured reliably. All other additional expenses are reported as an expense during the period they arise. Repairs are expensed on an ongoing basis.

Depreciation principles

The depreciable amount shall be allocated on a systematic basis over the asset's estimated useful life. Used depreciation methods, residual values and useful lives are reviewed at the end of each year.

The estimated useful lives are:

Equipment .....5 years

Impairment of non-financial assets

The group's reported assets are assessed in cases where there are indications of a decline in value of tangible or intangible assets, i.e. whenever events or changes in circumstances indicate that the fair value is not recoverable. Furthermore, the group's development projects are reviewed annually for impairment requirements until they are available for use. This is done regardless of whether there are indications of a decline in value or not.

An impairment is recognized when an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less the cost of sale on the one hand and the value in use on the other. When assessing impairment, assets are grouped at the lowest level where there are separate identifiable cash flows (cash-generating units). When the need for impairment has been identified for a cash-generating unit (group of units), the impairment amount is distributed proportionally among the assets included in the cash-generating unit (group of units).

A previously recognized impairment is reversed if the recovery amount is deemed to exceed the fair value. Reversal does not occur with an amount that is greater than what the fair value would have been recorded to if the impairment had not been recognized in previous periods. Any reversals are reported in the income statement.

Financial assets and liabilities

A financial asset or financial liability is recognized in the balance sheet when the group becomes a party according to the instrument's contractual terms. A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or when the group loses control over them. The same applies to a part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to a part of a financial debt.

Acquisitions and divestments of financial assets are reported on the trade date. The trade date constitutes the day when the company undertakes to acquire or divest the asset.

Financial instruments are classified on initial recognition, including on the basis of what purpose the instrument was acquired and managed. This classification determines the valuation of the instruments.

Classification and valuation of financial assets

The classification of financial assets that are debt instruments, is based on the group's business model for managing the asset and the nature of the asset's contractual cash flows.

Assets are classified according to:

- Amortized cost
- Fair value through profit or loss, or
- Fair value through other comprehensive income

The group's financial assets that are classified at amortized cost include accounts receivable, certain other receivables, short-term investments, and cash and cash equivalents. Financial assets classified at amortised cost are initially measured at fair value with the addition of transaction costs. After initial recognition, the assets are valued at amortized cost after a deduction of a loss reserve for expected credit losses. Assets classified at amortized cost are held according to the business model to collect contractual cash flows, which are solely payments of principal and interest on the outstanding principal amount.

The group's financial assets that are classified at fair value through profit or loss relate to holdings in listed and non-listed shares.

Impairment of financial assets

The group's impairment model is based on expected credit losses, and takes into account prospective information. A loss reserve is made when there is an exposure to credit risk, usually at initial recognition for an asset or receivable.

Classification and valuation of financial liabilities

The group's financial liabilities consist of accounts payable and other current liabilities, which are all classified at amortized cost. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After the initial recognition, they are valued according to the effective interest method.

Cash and cash equivalents

Cash and cash equivalents consist of cash and balances as well as immediately available credit balances with banks and corresponding financial institutions.

Equity

All shares in the company are ordinary shares, which are reported as equity. The share capital is reported up to its quota value and any excess part is reported as Other contributed capital. Transaction costs, directly attributable to the issue of new ordinary shares or options, are reported, net after tax, in equity as a deduction from the issue proceeds.

Contingent liabilities

A contingent liability is recognised when there is a possible commitment that arises from past events and whose existence is confirmed only by one or more uncertain future events, or when there is a commitment that is not reported as a liability or provision due to it being unlikely that an outflow of resources will be required.

Cash flow

Cash and cash equivalents consist of available cash, bank credit balances and other liquid investments with an original maturity of less than three months, which are exposed to insignificant value fluctuation. Incoming and outgoing payments are reported in the cash flow statement. The cash flow statement has been prepared in accordance with the indirect method.

Note 2 Judgements and accounting estimates

The preparation of the financial statements in accordance with IFRS requires company management to make judgements and accounting estimates that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. The actual outcome could deviate from these estimates.

The accounting estimates and assumptions are evaluated continuously. Changes to the accounting estimates are recognized in the period in which the change is made if the change only has affected the period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Sources of uncertainty in the accounting estimates

The sources of uncertainty in the accounting estimates, entailing a significant risk that the value of assets or liabilities might need to be adjusted to a material extent during the forthcoming fiscal year, include impairment testing of intangible assets with indefinite useful lives.

Impairment testing of intangible assets

When impairment testing intangible assets, a number of significant assumptions and judgements must be taken into account in order to calculate a recoverable amount. These assumptions and judgements relate to, among others, future expected selling price for the company's products C21, IMiD and C106, expected market penetration, expected development-, sales and marketing costs and expected likelihood that the products will pass the remaining stages of development. The assumptions are based on industry- and market-specific data and are produced by the management and reviewed by the Board of Directors. For more information about impairment testing, see Note 15 "Patent, licenses and similar rights".

Other judgments and accounting estimates

Capitalization of intangible assets

Development expenditures are capitalized when they fulfill the criteria set out in IAS 38 and are expected to represent material amounts for the development initiative as a whole. Development expenditures are otherwise expensed as normal operating costs. The most important criteria for capitalization are that the end product of the development work has a demonstrable future earning capacity or cost savings and cash flow, and that there are technical and financial preconditions to finish the development work when it begins. The group only has acquired intangible assets. Since regulatory approval has not yet been obtained, no costs have been capitalized.

Research and development expenses

The company conducts research and development with external collaboration partners, such as clinical research organizations (CROs). The company estimate the timing of the costs when the project commences. This cost is then used as a basis for settlement with the external collaboration partner. An evaluation and update of the calculation is performed monthly and forms the basis for booking accrued costs attributable to research and development.

Incentive programs

The group has four active share-based long-term incentive programs. The applicable accounting policies are described in Note 1 "Accounting principles". The cost for the remuneration that is recognized in a period is dependent on the original valuation that was made on the contract date of with the holder of the option/share award, the number of months of service required by the participant for becoming entitled to options (accruals are made over this period), the number of options that are expected to be vested by the participant under the terms of the programs and a continuous reassessment of the value of the tax benefits for the participants in the incentive programs (for determining provisions for social security contributions). Those estimates which affect the cost in a period and the corresponding increase in equity mainly refer to inputs for the valuation of the options. The models used for this purpose are the Black & Scholes model and a Monte Carlo simulation. Significant assumptions in these valuations are described in Note 8 "Share-based payments".

Tax loss carryforwards

The group's tax loss carryforwards have not been measured and are not recognized as a deferred tax asset. These tax loss carryforwards will be measured valued only when the group has established a level of earnings which management with confidence estimate will lead to taxable profits.

Not 3 Operating segments

Vicore does not divide its business into different operating segments. Instead the group's entire business is treated as one operating segment. This reflects the company's internal organisation and reporting system. Vicore's chief operating decision maker is the CEO. Currently, Vicore is operating mainly in Sweden, where the group's tangible and intangible fixed assets are attributed.

Note 4 Operating expenses by nature of expense

The total expenses classified by function are distributed in the following cost categories:

	2022	2021
Other external expenses	224,713	256,517
Personnel expenses	59,169	33,304
Depreciation and amortization	3,612	3,598
Other operating expenses	4,784	2,492
Total	**292,278**	**295,911**

Note 5 Audit fees

Ernst & Young AB	**2022**	**2021**
Audit fees*	435	450
Other audit related services	170	92
Tax consultancy services	0	0
Other services	0	10
Total	**605**	**552**

* Audit engagement refers to fees for the statutory audit, i.e. work that has been necessary to produce the auditor's report as well as audit advisory services provided in connection with the audit engagement.

Note 6 Leases

	2022 Dec 31	2021 Dec 31
Contract assets		
Premises	63	317
Total	**63**	**317**
Contract liabilities		
Long-term	0	320
Short-term	65	0
Total	**65**	**320**

The following amounts related to leasing contracts are reported in the consolidated statement of comprehensive income:	**2022**	**2021**
Leasing fees, short-term	1,184	1,066
Depreciation		
Premises	255	239
Interest	4	6
Total	**1,443**	**1,311**

The total cash flow related to leasing agreements was 259 KSEK (245 KSEK) for 2022. For information on the maturity of leases, see Note 19 "Financial risks".

Note 7 Employees and personnel costs

Average number of employees	**2022**		**2021**	
	No. of employees	**of which men/ women**	**No. of employees**	**of which men/ women**
Parent company	5	60%/40%	4	50%/50%
Subsidiaries	16	19%/81%	12	30%/70%
Group total	**21**	**29%/71%**	**16**	**36%/64%**

Personnel costs for the Board of Directors, senior executives and other employees	2022	2021
Group		
The Board and other senior executives		
Salaries and other remuneration	25,393	17,898
Social security contributions	6,336	-120
Pension costs	4,527	3,046
	36,256	**20,824**
Group		
Other employees		
Salaries and other remuneration	15,406	9,048
Social security contributions	3,529	744
Pension costs	2,181	2,239
	21,116	**12,031**
Group		
Other personnel costs	1,797	449
	1,797	**449**
Total personnel costs	**59,169**	**33,304**
Parent company		
The Board and other senior executives		
Salaries and other remuneration	12,063	9,813
Social security contributions	3,339	-2,154
Pension costs	2,210	1,508
	17,612	**9,167**
Parent company		
Other employees		
Salaries and other remuneration	874	906
Social security contributions	262	277
Pension costs	143	72
	1,279	**1,255**
Parent company		
Other personnel costs	779	226
	779	**226**
Total personnel costs	**19,670**	**10,648**

Senior executives include members of the Board of Directors, the CEO and other senior executives.

Salaries and other remuneration

Costs related to the long-term incentive programs amounts to 3,897 KSEK (3,862 KSEK) of the payroll expenses and 975 KSEK (-5,425 KSEK) of the social security contributions.

Pensions

All pension plans in the group are defined contribution plans. The group's total cost for defined contribution plans amounted to 6,709 KSEK (5,285 KSEK).

Gender breakdown among senior executives

	2022 Dec 31	2021 Dec 31
Group		
Proportion of women on the Board	40%	33%
Proportion of men on the Board	60%	67%
Proportion of women among other senior executives	50%	50%
Proportion of men among other senior executives	50%	50%
Parent company		
Proportion of women among other senior executives	25%	25%
Proportion of men among other senior executives	75%	75%

Information regarding remuneration to the Board and other senior executives

2022	Basic salary, board fee*	Pension costs	Variable remuneration	Share-based payments	Other remunera-tion*	Total
Chairman of the Board						
Jacob Gunterberg	438	0	0	0	637	1,075
Members of the Board						
Hans Schikan	175	0	0	91	275	541
Maarten Kraan	175	0	0	91	275	541
Sara Malcus	175	0	0	91	275	541
Heidi Hunter	175	0	0	170	275	620
Senior executives						
CEO	2,738	809	821	613	0	4,981
Other senior executives**	13,326	3,718	3,263	2,597	0	22,904
Total	**17,202**	**4,527**	**4,084**	**3,653**	**1,737**	**31,203**

* Board fees as resolved at the AGM, excluding social security contributions and remuneration of board committee work for the May 2022 to May 2023 financial year. Other remuneration include remuneration for board committee work. Other remuneration also includes the additional board fee decided by the general meeting, which was conditional on the acquisition of shares in the company.
** For more information, see "Remuneration for senior executives" below.

2021	Basic salary, board fee*	Pension costs	Variable remuneration	Share-based payments	Other remunera-tion*	Total
Chairman of the Board						
Michael Wolff Jensen	450	0	0	730	50	1,230
Members of the Board						
Jacob Gunterberg	150	0	0	0	125	275
Hans Schikan	150	0	0	142	50	342
Maarten Kraan	150	0	0	142	75	367
Sara Malcus	150	0	0	108	50	308
Heidi Hunter	150	0	0	365	50	565
Senior executives						
CEO	2,753	745	261	431	0	4,190
Other senior executives**	9,484	2,301	753	1,287	0	13,825
Total	**13,437**	**3,046**	**1,014**	**3,205**	**400**	**21,102**

* Board fees as resolved at the AGM, excluding social security contributions and remuneration of board committee work for the May 2021 to May 2022 financial year. Other remuneration include remuneration for board committee work.
** For more information, see "Remuneration for senior executives" below.

Share-based payments

Share-based payments refer to share awards and options granted to independent directors, the CEO, other senior executives, and other employees. Each vested share award entitles the holder to receive one share in the company, provided that the holder is still a member of the Board of Directors of the company at the relevant time of vesting. Each option entitles the holder to acquire one share in the company for a predetermined exercise price. The options are subject to vesting over a three year period whereby all options shall be vested on the third anniversary of the granting date, provided that the holder, with some customary exceptions is still employed by the company. The participants in the programs have received the share awards / options free of charge. For further information about the incentive programs, see Note 8 "Share-based payments".

Other remuneration

Other remuneration include remuneration for board committee work. For the fiscal year 2022, other remuneration also includes the additional board fee decided by the general meeting, which was conditional on the acquisition of shares in the company.

Remuneration for senior executives

Remuneration of the CEO and other senior executives consists of, in accordance with the guidelines for remuneration decided by the shareholder's meeting in 2021, basic salary, pension benefits, bonus and share-based incentives adopted by the shareholders' meeting (e.g. employee stock options). Other senior executives refer to the individuals who, together with the CEO, constitute the group management. As of January 1, 2021, other senior executives refer to the Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, VP Clinical Development, Program Director, early development, and Chief Administrative Officer. During 2021, the group of other senior executives was expanded as follows: Head of Digital Therapeutics (July 1, 2021), Chief Commercial Officer (October 2, 2021) and Head of Business Development (November 8, 2021).

The CEO has a period of notice of six months in the event the termination is made by the group or if the CEO resigns. Other senior executives have a period of notice of three to six months, in the event the termination is made by the group or if the senior executive resigns.

In addition to salary during the termination period, the CEO is entitled to a termination benefit corresponding of six months' salary in the event of termination by the company on a basis other than a breach of contract.

Note 8 Share-based payments

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management and other co-workers in line with the interests of the shareholders. As of December 31, 2022, Vicore has four active incentive programs that include the management team, other employees and certain board members. Assuming full utilization and maximum goal achievement of all granted employee stock options and share awards as of December 31, 2022, corresponding to 2,988,489 shares, would entail a dilution of 3.5 percent. Taking into account also non-granted employee stock options and warrants that may be used as hedge for social security contributions, the maximum dilution as of December 31, 2022, amounts to 5.6 percent.

Long-term incentive program 2018

The Extra General Meeting in Vicore held on August 13, 2018, resolved, in accordance with the Board of Directors' proposal, to adopt a long-term incentive program for certain of the company's senior management and key persons ("Co-worker LTIP 2018") in Vicore. A maximum of 2,000,000 options (Co-worker LTIP 2018) may be allotted to participants under the program. Of these, a total of 1,325,800 options and 475,000 share awards have been allocated. The increase in the company's share capital in full utilization of the incentive program amounts to a maximum of approximately SEK 1,000,000, corresponding to a dilution of approximately 2.4 percent of the total number of shares. The options have been granted to the participants of the incentive programs free of charge and the settlement is made with equity instruments.

Co-worker LTIP 2018

Co-worker LTIP 2018 is an incentive program intended for members of senior management and key persons in the company. According to the program participants will be granted, free of charge, options subject to three year vesting that entitle to acquire a maximum of 2,000,000 shares in the company in total, in accordance with the terms stipulated below.

The Board of Directors of the company believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of senior management and key persons in the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Co-worker LTIP 2018 is an incentive program under which the participants will be granted options free of charge. The Board of Directors shall resolve upon the allocation of options annually or at such time as the Board of Directors can be considered as relevant to such decision (with each respective date of granting being a "granting date"). Each option entitles the holder to acquire one share in the company for a predetermined exercise price. The exercise price per share shall correspond to 150 percent of the volume weighted average price of the company's share for the five trading days preceding the granting date. The options are subject to vesting over a three year period whereby all options shall be vested on the third anniversary of the granting date, provided that the holder, with some customary exceptions is still employed by the company. The latest point in time at which vested options may be exercised shall be the fourth anniversary of the granting date.

The options are valued according to the so-called Black & Scholes model, which means that the value of the options depends, among other things, on the value of the underlying share, the options's issue price and life, risk-free interest rate and volatility. The volatility has been based on the expected volatility of the Vicore share and other listed companies with similar operations. The risk-free interest rate was equated with the interest rate for Swedish government bonds. The fair value of the options at the time of allocation during 2020 amounts to SEK 3.98 per option. No allocation within Co-worker LTIP 2018 has taken place in 2021 or 2022. For further information about inputs that have been used in the model, see the Annual Reports for the years 2018-2021.

Long-term incentive program 2020

The Annual General Meeting in Vicore Pharma Holding AB held on May 20, 2020, resolved, in accordance with the proposal from the Nomination Committee, to adopt a long-term incentive program for the new members of the Board of Directors ("Board LTIP 2020") in Vicore Pharma Holding AB. A maximum of 525,000 share awards may be allotted to participants in the program Board LTIP 2020. The increase in the company's share capital, assuming full utilization, amounts to a maximum of approximately SEK 262,500, corresponding to a dilution of 0.6% of the total number of shares.

Board LTIP 2020

Board LTIP 2020 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("share awards") that entitle to shares in the company to be calculated in accordance with the principles stipulated below, however a maximum of 525,000 shares.

Board LTIP 2020 is intended for the newly elected, main owner independent, members of the Board of Directors in the company. The Nomination Committee believes that an equity-based incentive program is a central part of a competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

The share awards shall vest gradually over approximately three years, corresponding to three terms up to the date of, whichever is earliest, (i) the Annual General Meeting 2023 or (ii) June 1, 2023 ("vesting date"), where each term equals the period from one Annual General Meeting up until the day falling immediately prior to the next Annual General Meeting or the vesting date, as applicable (each such period a "term"). The share awards shall vest by 1/3 at the end of each term, provided that the participant is still a member of the Board of Directors of the company on said date. In addition to the vesting conditions just stated, the share awards are subject to performance vesting based on the development of the company's share price, in accordance with the vesting conditions below.

The share awards are subject to performance vesting based on the development of the company's share price over the period from the date the share awards are allocated ("grant date") up to and including the vesting date. The development of the share price will be measured based on the volume weighted average price of the company's share on Nasdaq Stockholm for the 30 trading days immediately following the grant date and the 30 trading days immediately preceding the vesting date, respectively. In the event the price of the company's share has thereby increased by more than 150 percent, 100 percent of the share awards shall vest, and should the share price have increased by 50 percent, 25 percent of the share awards shall vest. In the event of an increase of the share price between 50 and 150 percent, vesting of the share awards will occur linearly. Should the increase of the share price be less than 50 percent, no vesting will occur. The earliest point in time at which vested share awards may be exercised shall be the day falling immediately after the vesting date.

The valuation of the share awards is based on a Monte Carlo simulation in accordance with accepted valuation theory. Volatility has been based on the expected volatility of the Vicore share and other listed companies with similar operations. The risk-free interest rate has been derived through an interpolation between a 2-year and 5-year government bond, respectively. The fair value of the share awards at the time of allocation amounts to SEK 5.18 per share award. In order to calculate the value of the share awards in relation to the current performance conditions, a starting value is used that corresponds to the volume-weighted average price paid for the Vicore share over a fixed period, which in this case corresponds to the value of the underlying share at the time of valuation.

Long-term incentive programs 2021

The Annual General Meeting in Vicore Pharma Holding AB held on May 11, 2021, resolved to implement a long-term incentive program for senior management and key persons in the company ("Co-worker LTIP 2021") and to implement a long-term performance-based incentive program for independent board members in the company who are not participants in Board LTIP 2020 ("Board LTIP 2021"). A maximum of 3,000,000 options (Co-worker LTIP 2021) and 61,773 share awards (Board LTIP 2021) may be allotted to participants in the programs. The increase in the company's share capital, assuming full utilization of both incentive programs, amounts to a maximum of approximately SEK 1,530,887, corresponding to a dilution of approximately 3.6 percent of the total number of shares.

Board LTIP 2021

Board LTIP 2021 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting that entitle to shares in the company to be calculated in accordance with the principles stipulated below, however a maximum of 61,773 shares.

Board LTIP 2021 is intended for independent board members in the company who are not participants in Board LTIP 2020. The Nomination Committee believes that an equity-based incentive program is a central part of a competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

The share awards shall vest gradually over approximately three years, corresponding to three terms up to the date of, whichever is earliest, (i) the Annual General Meeting 2024 or (ii) June 1, 2024 ("vesting date"), where each term equals the period from one Annual General Meeting up until the day falling immediately prior to the next Annual General Meeting or the vesting date, as applicable (each such period a "term"). The share awards shall vest by 1/3 at the end of each term, provided that the participant is still a member of the Board of Directors of the company on said date. In addition to the vesting conditions just stated, the share awards are subject to performance vesting based on the development of the company's share price, in accordance with the vesting conditions below.

The share awards are subject to performance vesting based on the development of the company's share price over the period from the date the

share awards are allocated ("grant date") up to and including the vesting date. The development of the share price will be measured based on the volume weighted average price of the company's share on Nasdaq Stockholm for the 30 trading days immediately following the grant date and the 30 trading days immediately preceding the vesting date, respectively. In the event the price of the company's share has thereby increased by more than 80 percent, 100 percent of the share awards shall vest, and should the share price have increased by 40 percent, 25 percent of the share awards shall vest. In the event of an increase of the share price between 40 and 80 percent, vesting of the share awards will occur linearly. Should the increase of the share price be less than 40 percent, no vesting will occur. The earliest point in time at which vested share awards may be exercised shall be the day falling immediately after the vesting date.

The valuation of the share awards is based on a Monte Carlo simulation in accordance with accepted valuation theory. Volatility has been based on the expected volatility of the Vicore share and other listed companies with similar operations. The risk-free interest rate has been derived through an interpolation between a 2-year and 5-year government bond, respectively. The fair value of the share awards at the time of allocation amounts to SEK 10.99 per share award. In order to calculate the value of the share awards in relation to the current performance conditions, a starting value is used that corresponds to the volume-weighted average price paid for the Vicore share over a fixed period, which in this case corresponds to the value of the underlying share at the time of valuation.

Co-worker LTIP 2021

Co-worker LTIP 2021 is an incentive program intended for members of senior management and key persons in the company. According to the program participants will be granted, free of charge, options subject to three-year vesting that entitle to acquire a maximum of 3,000,000 shares in the company in total.

The Board of Directors of the company believes that Co-worker LTIP 2021 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2021 is adapted to the current position and needs of the company. The Board of Directors is of the opinion that Co-worker LTIP 2021 will increase and strengthen the participants' dedication to the company's operations, improve company loyalty and that Co-worker LTIP 2021 will be beneficial to both the shareholders and the company.

Co-worker LTIP 2021 is a program under which the participants will be granted, free of charge, options. The Board of Directors shall annually resolve upon the allocation of options no later than the day falling three years after the Annual General Meeting 2021 (with each respective date of granting being a "grant date"). Each Option entitles the holder to acquire one share in the company for a pre-determined exercise price. The exercise price shall correspond to 125 percent of the volume weighted average price of the company's share on Nasdaq Stockholm for the five trading days preceding the grantdate. The options shall vest over a three-year period with one third each year on the anniversary of the grant day, whereby all options shall vest on the third anniversary of the grant date, provided that the holder, with some customary exceptions, still is employed by the company. The latest point in time at which vested options may be exercised shall be the fifth anniversary of the grant date.

The options are valued according to the so-called Black & Scholes model, which means that the value of the options depends, among other things, on the value of the underlying share, the options's issue price and life, risk-free interest rate and volatility. The volatility has been based on the expected volatility of the Vicore share and other listed companies with similar operations. The risk-free interest rate was equated with the interest rate for Swedish government bonds. The fair value of the options at the time of allocation during 2021 amounts to SEK 8.45 per option. The following inputs have been used in the model:

	2022		2021	
Underlying share price	22.00	SEK	20.00	SEK
Excercise price	28.75	SEK	26.48	SEK
Expected volatility	50.00	%	50.00	%
Option life	5	år	5	år
Expected dividends	0	SEK	0	SEK
Risk-free interest rate	2.56	%	0.10	%

Summary of issued share awards and options

	2022		2021	
Issued share awards (Board LTIP 2018)	**Average exercise price per share award**	**Number of share awards**	**Average exercise price per share award**	**Number of share awards**
At January 1	0	0	0	433,333
Forfeited/expired during the year	0	0	0	-433,333
At December 31	0	0	0	0

A total of 433,333 share awards expired during 2021.

	2022		2021	
Issued share awards (Board LTIP 2020)	**Average exercise price per share award**	**Number of share awards**	**Average exercise price per share award**	**Number of share awards**
At January 1	0	525,000	0	525,000
Granted during the year	0	0	0	0
Forfeited/expired during the year	0	-291,667	0	0
At December 31	0	233,333	0	525,000

A total of 291,667 share awards were forfeited during the year.

	2022		2021	
Issued share awards (Board LTIP 2021)	**Average exercise price per share award**	**Number of share awards**	**Average exercise price per share award**	**Number of share awards**
At January 1	0	61,773	0	0
Granted during the year	0	0	0	61,773
At December 31	0	61,773	0	61,773

No share awards have been exercised, forfeited or expired during the year.

Issued options (Co-worker LTIP 2018)	2022 Average exercise price per option	2022 Number of options	2021 Average exercise price per option	2021 Number of options
At January 1	27.48	1,239,600	27.48	1,239,600
Granted during the year	0	0	0	0
Forfeited/expired during the year	25.49	-300,000	0	0
At December 31	27.99	939,600	27.48	1,239,600

A total of 300,000 options were forfeited/expired during the year.

Issued options (Co-worker LTIP 2021)	2022 Average exercise price per option	2022 Number of options	2021 Average exercise price per option	2021 Number of options
At January 1	26.26	807,600	0	0
Granted during the year	28,72	987,850	26.26	807,600
Forfeited during the year	27.84	-41,667	0	0
At December 31	27.64	1,753,783	26.26	807,600

A total of 41,667 options were forfeited during the year.

Outstanding share awards and options at year-end

Program per year	Date of expiration	Exercise price	Dec 31, 2022 Share awards/ options	Dec 31, 2022 Vested (%)	Dec 31, 2021 Share awards/ options	Dec 31, 2021 Vested (%)
Program share awards (Board LTIP 2020)	Annual General Meeting 2023	0	233,333	88%	525,000	78%
Program share awards (Board LTIP 2021)	Annual General Meeting 2024	0	61,773	75%	61,773	38%
Program 2018 options (Co-worker LTIP 2018)	September 27, 2022	25.26	-	-	283,333	100%
Program 2019 options (Co-worker LTIP 2018)	September 27, 2023	26.17	396,267	100%	396,267	92%
Program 2020 options (Co-worker LTIP 2018)	September 24, 2024	29.31	543,333	92%	560,000	68%
Program 2021 options (Co-worker LTIP 2021)	September 16, 2026	26.26	765,933	68%	807,600	15%
Program 2022 options (Co-worker LTIP 2021)	September 27, 2027	28.72	987,850	16%	-	-

The costs for social security contributions related to share-based incentive programs varies from quarter to quarter due to the change in the underlying share price. Related provisions are reported as non-current liabilities. Total IFRS 2-classified payroll expenses for the incentive programs for the entire duration of the programs amount to 18,967 KSEK. The total costs for the share-based incentive programs for each year is presented below. These costs have had no cash impact.

Summary of the total cost of the incentive programs

	2022	2021
IFRS 2-classified payroll expenses	3,897	3,862
Provisions for social security contributions	975	-5,425
Total	**4,872**	**-1,563**

Summary of allotted options and share awards

Program 2018 share awards (Board LTIP 2018)	2022 Number outstanding at Jan 1, 2022	2022 Granted/ forfeited	2022 Number outstanding at Dec 31, 2022	2021 Number outstanding at Jan 1, 2021	2021 Granted/ forfeited	2021 Number outstanding at Dec 31, 2021
Former chairman of the Board Leif Darner	0	0	0	83,333	-83,333	0
Member of the Board Hans Schikan	0	0	0	125,000	-125,000	0
Member of the Board Maarten Kraan	0	0	0	125,000	-125,000	0
Former member of the Board Peter Ström	0	0	0	50,000	-50,000	0
Member of the Board Sara Malcus	0	0	0	50,000	-50,000	0
Total	**0**	**0**	**0**	**433,333**	**-433,333**	**0**

Program 2020 share awards (Board LTIP 2020)	2022 Number outstanding at Jan 1, 2022	2022 Granted/ forfeited	2022 Number outstanding at Dec 31, 2022	2021 Number outstanding at Jan 1, 2021	2021 Granted/ forfeited	2021 Number outstanding at Dec 31, 2021
Former chairman of the Board Michael Wolff Jensen	350,000	-233,333	116,667	350,000	0	350,000
Member of the Board Heidi Hunter	175,000	-58,333	116,667	175,000	0	175,000
Total	**525,000**	**-291,667**	**233,333**	**525,000**	**0**	**525,000**

Program 2021 share awards (Board LTIP 2021)	2022 Number outstanding at Jan 1, 2022	2022 Granted/ forfeited	2022 Number outstanding at Dec 31, 2022	2021 Number outstanding at Jan 1, 2021	2021 Granted/ forfeited	2021 Number outstanding at Dec 31, 2021
Member of the Board Hans Schikan	20,591	0	20,591	0	20,591	20,591
Member of the Board Maarten Kraan	20,591	0	20,591	0	20,591	20,591
Member of the Board Sara Malcus	20,591	0	20,591	0	20,591	20,591
Total	**61,773**	**0**	**61,773**	**0**	**61,773**	**61,773**

Program 2018, 2019 and 2020 options (Co-worker LTIP 2018)	2022 Number outstanding at Jan 1, 2022	2022 Granted/ forfeited	2022 Number outstanding at Dec 31, 2022	2021 Number outstanding at Jan 1, 2021	2021 Granted/ forfeited	2021 Number outstanding at Dec 31, 2021
CEO Carl-Johan Dalsgaard	300,000	-100,000	200,000	300,000	0	300,000
Other senior executives	703,750	-150,000	553,750	703,750	0	703,750
Other employees	235,850	-50,000	185,850	235,850	0	235,850
Total	**1,239,600**	**-300,000**	**939,600**	**1,239,600**	**0**	**1,239,600**

Program 2021 options (Co-worker LTIP 2021)	2022 Number outstanding at Jan 1, 2022	2022 Granted/ forfeited	2022 Number outstanding at Dec 31, 2022	2021 Number outstanding at Jan 1, 2021	2021 Granted/ forfeited	2021 Number outstanding at Dec 31, 2021
CEO Carl-Johan Dalsgaard	100,000	100,000	200,000	0	100,000	100,000
Other senior executives	436,000	480,000	916,000	0	436,000	436,000
Other employees	229,933	407,850	637,783	0	271,600	271,600
Total	**765,933**	**987,850**	**1,753,783**	**0**	**807,600**	**807,600**

For information about other senior executives, see Note 7 "Employees and personnel costs".

Note 9 Other operating income

	2022	2021
Exchange rate gains	1,553	1,094
Total other operating income	**1,553**	**1,094**

Note 10 Other operating expenses

	2022	2021
Exchange rate losses	4,784	2,492
Total other operating expenses	**4,784**	**2,492**

Note 11 Financial income

	2022	2021
Financial assets measured at fair value through profit and loss		
Exchange rate gains currency accounts	1,483	0
Total	**1,483**	**0**
Financial assets measured at amortized cost		
Interest income short-term investments	913	646
Total interest income calculated using the effective interest method	**913**	**646**
Total disclosed in net financial income/expenses	**2,395**	**646**

Note 12 Financial expenses

	2022	2021
Financial assets measured at fair value through profit and loss		
Change in value for long-term investments	-468	-2,121
Exchange rate losses currency accounts	0	-431
Total	**-468**	**-2,552**
Financial liabilities measured at amortized cost		
Interest expenses other financial liabilities	-8	-11
Total interest expenses calculated using the effective interest method	**-8**	**-11**
Total disclosed in net financial income/expenses	**-476**	**-2,563**

Not 13 Tax

	2022	2021
Current tax	0	0
Change in deferred tax regarding temporary differences	384	254
Recognized tax	**384**	**254**

Reconciliation of effective tax rates	**2022**	**2021**
Loss before tax	-288,806	-296,735
Tax according to applicable tax rate 20.6% (20.6%)	59,494	61,127
Non-deductable expenses	-682	-95
Tax effect non-taxable income	0	1,118
Tax effect unrecognized tax assets	-58,428	-61,896
Change in deferred tax	384	254
Recognized tax	**384**	**254**
Effective tax rate	**0%**	**0%**

The group has no tax items that are recognized in other comprehensive income, but there are issue costs booked directly against shareholder's equity.

Information about deferred tax liabilities

In the table below, the tax effect of the temporary differences is specified:

Deferred tax liability	**2022 Dec 31**	**2021 Dec 31**
Intangible assets	641	1,026
Tax provision for pension premium	264	184
Carrying amount	**905**	**1,210**

Tax loss carryforwards

Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounted to 1,023,731 KSEK (727,791 KSEK). These carryforwards have no time limit. Deferred tax assets have not been recognized for these items, as it is unlikely that the group in a foreseeable future will utilize them to offset future taxable profits. For further information about tax loss carryforwards, see Note 2 "Judgements and accounting estimates".

Note 14 Earnings per share

Earnings per share before and after dilution	**2022**	**2021**
Profit for the year attributable to shareholders of the parent company	-288,423,230	-296,480,577
Average number of ordinary shares	72,214,440	69,678,461
Earnings per share before and after dilution	**-3.99**	**-4.25**

The average number of outstanding shares has been adjusted for bonus shares in new stock issued targeted towards existing shareholders. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding for the dilution effect from all potential ordinary shares. These potential ordinary shares are attributable to the options and share awards allocated to senior executives, other employees and certain board members during the years 2018-2022. For further information, see Note 8 "Share-based payments". If there is a loss for the year, the options are not treated as dilutive. Neither are the options considered dilutive if the exercise rate, including the addition of the value of remaining future services to be recognized during the vesting period, exceeds the average trading price for the period. There is no dilution effect for potential ordinary shares as there was a loss for the year, as demonstrated above.

For more information about the changes of the number of outstanding shares, see Note 24 "Shareholders' equity".

Note 15 Patents, licenses and similar rights

	2022 Dec 31	**2021 Dec 31**
Opening cost	75,192	75,192
Additions for the year	6,000	0
Disposals	-2,000	0
Closing accumulated cost	**79,192**	**75,192**
Opening amortizations	-7,765	-4,437
Amortizations for the year	-3,327	-3,328
Closing accumulated amortizations	**-11,092**	**-7,765**
Closing carrying amount	**68,100**	**67,427**

Amortizations

Amortization refers to previously acquired intangible assets. This consists of a patent portfolio related to C21, whose main patent expires in the United States in September 2024. Amortization began in September 2019 and is amortized over its estimated useful life, which is the remaining patent period. Amortization has not yet begun for the group's other intangible assets.

Impairment testing

To test the value of acquired intangible assets, Vicore uses a probability-adjusted discounted cash flow model based on fair value. The value in use for C21, IMiD and C106 is determined by calculating the present value of the estimated future cash flows and adjusting these in order to take the development risk into account. The valuation considers the cash flows over the projects' estimated remaining useful life, but does not involve calculation of any residual value thereafter. The methodology used is an accepted one for impairment testing within the biopharmaceutical industry. The measurement is attributed to Level 3 in the fair value hierarchy and comprises the material assumptions specified below:

- Revenue- and cost forecasts for C21 stretches over 7 years for the US and 10 years for the EU and Japan, that is, during the period in which the company has orphan drug protection in each market. Revenue- and cost forecasts for IMiD and C106 stretches over 20 years.
- Revenue is calculated using estimations based on available data of different types considered indicators, e.g. forecasts of total market size, growth, anticipated market share of the product, competition from rival products and assessed price level. Market, growth, anticipated market share of the product and assessed price level is derived from secondary sources, accepted industry assumptions and assumptions made by Vicore.
- Costs comprise development expenditures as well as direct and indirect project costs based on Vicore's business plan. Operating margins are derived from secondary sources, accepted industry assumptions and assumptions made by Vicore.
- The present value of the cash flows is calculated and adjusted to reflect the probability of success for the project. This probability is based on accepted assumptions regarding the possibility for a corresponding product to go to market from the current development stage. The probability of success for C21 is estimated at 25.6%, IMiD at 7.2%, and C106 at 15.3%.
- The weighted average pre-tax cost of capital has been estimated at 14% (14%).

The most critical assumptions mainly consist of assumptions made about market size, market share and price level. As with many pharmaceutical development projects, the results of the development work may be binary in the sense that the project can either be developed according to plan or must be cancelled altogether. Where appropriate, the valuation has been calibrated against completed share issues with external investors.

The impairment assessment for December 31, 2022, has not demonstrated a need for any impairments. No reasonable changes in the assumptions and estimates made would lead to an impairment.

Note 16 Equipment

	2022 Dec 31	2021 Dec 31
Opening cost	147	147
Closing accumulated cost	**147**	**147**
Opening depreciations	-63	-34
Depreciations for the year	-30	-29
Closing accumulated depreciations	**-93**	**-63**
Closing carrying amount	**54**	**84**

Note 17 Long-term investments

	2022 Dec 31	2021 Dec 31
Opening carrying amount	5,409	7,530
Change in value in profit/loss	-469	-2,121
Reclassification to short-term investments	-4,940	0
Closing carrying amount	**0**	**5,409**

Vicore holds as of December 31, 2022, a total of 91,829 shares in I-Tech AB (publ). The holdings were reclassified in December, 2022, to short-term investments. The holdings were divested on January 4, 2023.

Note 18 Financial assets and liabilities

Financial assets and liabilities at December 31, 2022

	Financial assets/ liabilities measured at fair value through profit and loss	Financial assets/ liabilities measured at amortized cost	Total carrying amount
Financial assets			
Other current receivables	0	338	338
Short-term investments	4,940	0	4,940
Cash and cash equivalents	0	256,803	256,803
Total	**4,940**	**257,141**	**262,081**
Financial liablilities			
Contract liability	0	64	64
Trade payables	0	23,495	23,495
Other liabilities	0	70	70
Accrued expenses	0	14,381	14,381
Total	**0**	**38,010**	**38,010**

The maximum credit risk of the financial assets consists of the net amounts of the reported values in the table above The group has not received any pledged assets for the financial net assets.

Financial assets and liabilities at December 31, 2021

	Financial assets/ liabilities measured at fair value through profit and loss	Financial assets/ liabilities measured at amortized cost	Total carrying amount
Financial assets			
Long-term investments	5,409	0	5,409
Other current receivables	0	60	60
Accrued income	0	281	281
Short-term investments	0	77,000	77,000
Cash and cash equivalents	0	294,199	294,199
Total	**5,409**	**371,540**	**376,949**
Financial liablilities			
Contract liability	0	320	320
Trade payables	0	23,984	23,984
Accrued expenses	0	35,311	35,311
Total	**0**	**59,615**	**59,615**

The maximum credit risk of the financial assets consists of the net amounts of the reported values in the table above The group has not received any pledged assets for the financial net assets.

Fair value measurement

IFRS 13, Fair Value Measurement contains a valuation hierarchy regarding inputs to the measurements. This measurement hierarchy is divided into three levels, which comprise:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as price quotations) or indirectly (that is, derived from price quotations)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, non-observable inputs)

Long-term investments

Investments in financial fixed assets are measured at fair value with changes in value in profit and loss. Investments in listed shares are measured at fair value according to Level 1 in the valuation hierarchy. Listed investments are measured on the basis of their share price on the closing day.

Other financial assets and liabilities

For other current receivables and liabilities, short-term investments, cash and cash equivalents, trade payables, and accrued income and expenses with a short maturity, the carrying amount is considered a reasonable estimate of the fair value.

Note 19 Financial risks

Through its operations, Vicore is exposed to various types of financial risk; credit risks, market risks (foreign exchange risk, interest rate risk and other price risks) and liquidity risks (including refinancing risk). The group's overall risk management objective focuses on the unpredictability of financial markets and strives to minimize potentially unfavorable consequences for the group's financial position and performance.

The Board of Directors has overall responsibility for managing financial risks and internal controls related to financial transactions. Financial risks and transactions are managed centrally by the parent company through the group's CFO and CEO. The overall objective in terms of financial risks is: to provide cost-effective financing and cash management, to ensure that all payment commitments are processed at the right time, to ensure that all financial transactions are organized in a way that supports the group in achieving the financial key ratios and ensure that risk exposures relating to credit risk, market risks and liquidity risk are reduced to an acceptable level.

The Board of Directors establishes written principles both for the overall risk management and for specific areas such as credit risks, foreign exchange risks, interest rate risks, refinancing risks, liquidity risks and the use of derivative instruments and the handling of excess liquidity. The group does not currently use derivatives, but allows hedging of currency in certain situations.

Credit risk

Credit risk is the risk that the group's counterparty of a financial instrument cannot fulfill its obligation and thereby causes a financial loss for the group. Given the nature of the group's business, with no foreseen revenues, credit risk is not a material issue at this stage of the company's development. However, some credit risk exists in the group's cash management, which is managed through Vicore's treasury policy.

Financial credit risk

The financial assets that are covered by provisions for expected credit losses according to the general method consist of cash and cash equivalents. Vicore applies a rating-based method in combination with other known information and forward-looking factors for assessing expected credit losses. The group has defined default as when payment of the claim is 90 days overdue or more, or if other factors indicate a suspension of payments. Significant increase in credit risk has not been considered to exist for any receivable or asset on the reporting date. Such assessment is based on whether payment is 30 days overdue or more, or if significant deterioration of the rating occurs, entailing a rating below investment grade. In cases where the amounts are not deemed to be insignificant, a provision for expected credit losses is also recognized for these financial instruments.

The assessment has been made that there has been no significant increase in credit risk for any of the group's financial assets. There counterparties do not have credit ratings, except for cash and cash equivalents where the counterparties have credit risk ratings of AA-, A+ and A.

Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks are according to IFRS divided into three types: foreign exchange risk, interest rate risk and other price risks. Foreign exchange risk is the market risk with the greatest

impact on the group as the financing received shall cover for research and development costs mainly in foreign currencies.

The group does not currently have any loans that expose it to interest rate risks. Interest risk may occur in short term cash management, and is regulated by maximum maturities.

The group is partly exposed to other price risks from investments in listed shares. However, the risks associated with the investments have not been considered to be significant.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of or future cash flow from a financial instrument may vary due to changes in foreign exchange rates. Foreign exchange risk relates to the risk that fluctuations in exchange rates will have a negative impact on the group's P&L, balance sheet or cash flow.

Transaction currency risk

The main exposure derives from the group's expenses in foreign currencies. This exposure is referred to as transaction exposure. The company's development costs for C21 are mainly paid in EUR. As a result, the company is subject to exchange rate risks in relation to payment flows within Sweden and the eurozone, such as fluctuations where the exchange rate changes from the time an agreement is entered into until its payment is to be made in accordance with the agreement. Foreign exchange hedging is decided by the Board of Directors based on cash flow forecasts. In accordance with the company's policy for financial risk, the company exchanges EUR at a level of 60-100% of expected flows. See the table below for the level of exposure in each currency.

	Operating income	Operating expenses
Foreign exchange exposure 2022 (%)		
GBP	-	8%
EUR	-	53%
DKK	-	3%
USD	-	5%
SEK	-	31%
Foreign exchange exposure 2021 (%)		
GBP	100%	7%
EUR	-	52%
DKK	-	2%
USD	-	2%
SEK	-	37%

Operating expenses in the table above are excluded from payroll expenses.

As indicated in the table above, the group's main transaction exposure consists of EUR (EUR in 2020). A 10% stronger EUR against SEK would have a negative impact on the profit after tax and shareholders' equity by approximately 13,914 KSEK (14,191 KSEK).

Refinancing risk

Refinancing risk refers to the risk that cash and cash equivalents are unavailable and that financing can only be obtained partially, not at all or at an elevated cost. If the company's development projects fail or are delayed, it may negatively affect the company's ability to raise external capital. In addition, market conditions, the general availability of capital as well as uncertainty and/or disturbances in the capital markets can affect the company's ability to raise, and the availability of, such financing. There is a risk that new capital cannot be raised when needed, that new capital can only be raised at terms and conditions unsatisfactory for the company, or that available capital is not sufficient for the company's development plans and objectives. In the event of one or more risks occurring, it may have significant negative effects on the Company's financial position in the form of, for example, a significantly increased debt/equity ratio, increased expenses for loans and other financing.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulties in fulfilling its obligations related to financial liabilities. The Board of Directors manage liquidity risk by continuously following up the cash flow to reduce liquidity risk and ensure the solvency of the group.

Vicore uses rolling forecasts to ensure that the company has sufficient cash assets to meet its operational requirements. This monitoring takes the form of reporting to the Board, whereby outcomes and forecasts are compared with the budget that is produced and approved by the Board each year.

Surplus liquidity in Vicore, in excess of what is required to manage working capital requirements, is from time to time invested in interest-bearing current accounts. At the balance sheet date, Vicore had short-term investments in fixed-rate accounts of 0 KSEK (77,000 KSEK). In addition to this, Vicore had bank deposits of 256,803 KSEK (294,199 KSEK) at the balance sheet date.

The group's contractual and undiscounted interest payments and financial liability repayments are shown in the table below. Amounts in foreign currencies have been translated into SEK at the closing rate on the reporting date. Financial instruments with a variable interest rate have been calculated using the interest rate at the reporting date. Liabilities have been included in the earliest period during which repayment may be required.

	Dec 31, 2022		
	<1 month	1-3 months	>3 months
Maturity analysis			
Contract liability	21	43	0
Trade payables	23,446	49	0
Other short-term liabilities	70	0	0
Accrued expenses	4,856	5,194	4,331
Total	**28,393**	**5,286**	**4,331**

	Dec 31, 2021		
	<1 month	1-3 months	>3 months
Maturity analysis			
Contract liability	21	42	257
Trade payables	23,785	198	0
Accrued expenses	0	13,934	21,377
Total	**23,806**	**14,174**	**21,634**

Capital management

The group's goals regarding the capital structure are to ensure financing of the company's development and business plan. Equity or financing related to equity is expected to be the most realistic and possible alternative in the near future.

No change occurred in the group's capital management during the year. None of the group companies are subject to external capital requirements.

Note 20 Prepaid expenses and accrued income

	2022 Dec 31	2021 Dec 31
Prepaid rental charges	109	214
Prepaid insurances	626	591
Prepaid research and development expenses	4,538	3,123
Other prepaid expenses	594	1,106
Total	**5,867**	**5,034**

Note 21 Short-term investments

	2022 Dec 31	2021 Dec 31
Fixed-rate account, SBAB	0	77,000
Accrued interest income	0	281
Reclassification from long-term investments (I-Tech AB)	4,940	0
Total	**4,940**	**77,281**

Note 22 Cash and cash equivalents

Available balances	2022 Dec 31	2021 Dec 31
SEK	256,799	232,568
EUR	4	61,631
Total	**256,803**	**294,199**

Note 23 Group companies

		Share of equity and voting rights	
Company	**Principal activity**	2022 Dec 31	2021 Dec 31
Vicore Pharma Holding AB	Own and manage shares in subsidiaries	Parent company	
Vicore Pharma AB	Research and development of pharmaceutical products	100%	100%
INIM Pharma AB	Research and development of pharmaceutical products	100%	100%

Note 24 Shareholders' equity

Share capital and other contributed capital

SEK	Number of ordinary shares	Share capital	Other contributed capital
At January 1, 2021	**60,418,239**	**30,209,119**	**702,052,950**
Issue in kind, November 2, 2020, registered February 22, 2021	142,054	71,027	2,928,973
New share issue, February 22, 2021, registered March 9, 2021	11,200,000	5,600,000	312,821,895
Share-based payments	0	0	3,861,698
At December 31, 2021	**71,760,293**	**35,880,146**	**1,021,665,516**
At January 1, 2022	**71,760,293**	**35,880,146**	**1,021,665,516**
New share issue, June 17, 2022, registered June 28, 2022	87,686	43,843	2,956,157
New share issue, December 8, 2022, registered December 28, 2022	10,000,000	5,000,000	182,292,382
Share-based payments	0	0	3,897,141
At December 31, 2022	**81,847,979**	**40,923,989**	**1,210,811,196**

Share capital

At December 31, 2022, the registered share capital encompassed 81,847,979 ordinary shares. All shares have been fully paid and no shares are reserved for transfer. Each share carries one vote. The quotient value is SEK 0.50 (0.50). No shares are held by the company itself or its subsidiaries.

Other contributed capital

Other contributed capital comprises capital contributed by the owners of the company, for example share premiums when subscribing for shares.

Share-based payments

As of December 31, 2022, Vicore has four active incentive programs that include the management team, other employees and certain board members. For more information, see Note 8 "Share-based payments".

Dividend

At the Annual General Meeting in May 2023, no dividend will be proposed by the board of directors for the financial year 2022.

Note 25 Other provisions

Social security contributions related to share-based incentive programs	2022 Dec 31	2021 Dec 31
Opening amount	752	6,177
Provisions for the year	975	-5,425
Total	**1,727**	**752**

For more information about incentive programs, see Note 8 "Share-based payments".

Note 26 Accrued expenses and deferred income

	2022 Dec 31	2021 Dec 31
Accrued personnel-related expenses	3,582	4,644
Accrued expenses, research and development	13,166	35,036
Accrued expenses, other	1,473	459
Total	**18,221**	**40,139**

Note 27 Supplementary information to the cash flow statement

Adjustment for items not included in the cash flow	2022 Dec 31	2021 Dec 31
Depreciations	3,612	3,598
Loss on disposal of intangible asset	2,000	0
Incentive programs, payroll expenses	3,897	3,862
Incentive programs, social security contributions	975	-5,425
Provision for payroll tax, pension premium	76	64
Total	**10,560**	**2,099**

Note 28 Related-party transactions

Related parties are defined as individuals with holdings of more than ten percent, members of the group's senior management, meaning the Board of Directors and senior executives, as well as their immediate family members.

For information about remuneration to senior executives and the Board of Directors, see Note 7 "Employees and personnel costs".

Note 29 Contingent liabilities

Below a summary of material agreements which the company has entered into during the most recent years:

Agreement with Emeriti Bio AB

Vicore Pharma AB ("Vicore Pharma") entered into a collaboration and development agreement with Emeriti Bio AB on August 24, 2016, which was expanded on November 1, 2017. The main purpose of the agreement is to develop new follow-on molecules based on C21 and other drug substances targeting the AT2 receptor (AT2R). On November 2, 2020, the parties expanded their collaboration and development agreement in connection with the acquisition of a number of new intellectual property rights as part of the development of new AT2R agonists from HaLaCore Pharma AB, where HaLaCore Pharma AB became a new party to the agreement. The agreement is valid until there is no longer any obligation to pay Emeriti Bio AB and HaLaCore Pharma AB. For Emeriti Bio AB's and HaLaCore Pharma AB's development work, Vicore Pharma pays consultancy fees, possible milestone compensation subject to achievement of predefined development goals. Vicore Pharma owns all results. The total maximum payments in the form of milestone compensation under the agreement is limited to 49.5 MSEK. In 2020, a milestone payment of 1,000 KSEK (250 KSEK) was paid to Emeriti Bio AB in connection with the filing of a patent application by Vicore Pharma. As compensation for the acquisition of intellectual property rights, HaLaCore received a one-time payment of 6 MSEK in 2020, divided between 3 MSEK in cash and 142,054 newly issued shares in Vicore, corresponding to approximately 3 MSEK. In June 2022, a milestone payment of approximately 6 MSEK was paid to Emeriti Bio AB and HaLaCore Pharma AB in connection with the first subject being dosed in the phase 1 study with C106. This is reported in Note 15 "Patents, licenses and similar rights".

Agreement with Alex Therapeutics AB

Vicore Pharma AB ("Vicore Pharma") entered into a collaboration and development agreement with Alex Therapeutics on April 23, 2021. The main purpose of the agreement is to develop a digital app in interstitial lung diseases, such as IPF. Within the scope of the collaboration and development agreement, Vicore Pharma pays certain milestone payments if the collaboration leads to predetermined development goals as well as royalties on sales. At the entering of the agreement, Vicore paid a one-time payment amounting to 0.8 MEUR.

Note 30 Events after the balance sheet date

- In January, Vicore divested its entire holding of 91,829 shares in I-Tech AB (publ). As of December 31, 2022, the value of the financial asset was approximately 4.9 MSEK.
- In March, Vicore was awarded Innovation Passport designation by the UK regulatory agency MHRA (Medicines and Healthcare products Regulatory Agency) for C21 in IPF.

Notes
Parent company

Note 1 Accounting principles

The parent company's accounting principles

The parent company has prepared its financial reports in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 "Accounting for Legal Entities". The differences between the group's and the parent company's accounting principles are described below. The accounting policies set out below for the parent company have been consistently applied for all periods as presented in the parent company's financial statements, unless otherwise stated.

Classification and format

The parent company's income statement and balance sheets are prepared in accordance with the Annual Accounts Act's scheme, while the statement of comprehensive income, statement of changes in equity and the statement of cash flow are based on IAS 1 Presentation of Financial Statements and IAS 7, Statement of Cash Flow. The differences concerning the group's statements, which are relevant to the parent company's income statement and balance sheet consist mostly of the presentation of equity.

Subsidiary and associated companies

Participations in subsidiaries and associated companies are recognized in the parent company according to the cost method less any write-downs. This means that transaction costs are included in the carrying amount of the subsidiaries.

Financial assets and liabilities

Due to the relation between accounting and tax, the rules pertaining to the financial instruments in IFRS 9 are not applied in the parent company as a legal entity. Instead the parent company applies accounting at cost in accordance with the Annual Accounting Act. In the parent company, therefore, financial non-current assets are valued at cost and financial current assets according to the lowest value principle, with the application of impairments for expected credit losses according to IFRS 9 for assets that are debt instruments. For other financial assets, impairments are based on market values.

Leasing

The parent company does not apply IFRS 16 Leases. The parent company as lessee recognizes leasing fees as a linear cost over the lease period, unless another systematic way better reflects the user's economic benefit over time. The parent company only recognizes leasing fees from leasing contracts as a linear cost over the leasing period under administrative expenses. Thus, the contract asset and the contract liability are not recognized in the balance sheet.

Group contributions and shareholder contributions

Both received and paid group contributions are recognized as appropriations in accordance with the alternative method. Shareholder contributions are recognized directly in the receiver's equity and capitalised in shares and participations of the parent company, to the extent that impairment is not required.

Note 2 Net sales

Net sales mainly consists of management fees to group companies.

Note 3 Operating expenses by nature of expense

The total expenses classified by function are distributed in the following cost categories:

	2022	2021
Other external expenses	10,025	10,947
Personnel expenses	19,670	10,648
Other operating expenses	60	69
Total	**29,755**	**21,664**

Note 4 Audit fees

Ernst & Young AB	2022	2021
Audit fees	310	300
Other audit related services	170	92
Tax consultancy services	0	0
Other services	0	10
Total	**480**	**402**

For further information on audit fees, see Note 5 "Audit fees" for the group.

Note 5 Leases

Operating leasing costs for the year concerning operating leases mainly comprise rent for premises and office equipment and amounts to 1,184 KSEK (1,066 KSEK).

Future payment commitments as of December 31 for operating leases are divided up as follows:

Future minimum lease payments	2022	2021
No later than 1 year	358	279
Between 1 and 5 years	0	0
Later than 5 years	0	0
Total	**358**	**279**

Note 6 Employees and personnel costs

For salaries and remuneration to employees and senior executives as well as information on the number of employees, see Note 7 "Employees and personnel costs" for the group. For information on employee stock options, see Note 8 "Share-based payments" for the group.

Note 7 Interest income and similar profit items

	2022	2021
Financial assets measured at amortized cost		
Interest income from other financial assets	676	645
Total interest income according to the effective interest method	**676**	**645**
Total	**676**	**645**
Total in profit or loss from financial items	**676**	**645**

Note 8 Interest expenses and similar loss items

	2022	2021
Financial assets measured at amortized cost		
Interest expenses other financial liabilities	-5	-2
Total interest expenses calculated using the effective interest method	**-5**	**-2**
Total	**-5**	**-2**
Total in profit or loss from financial items	**-5**	**-2**

Note 9 Tax on profit for the year

	2022	2021
Current tax	0	0
Change in deferred tax assets	0	-131
Recognized tax	**0**	**-131**

Reconciliation of effective tax rates	2022	2021
Loss before tax	1,325	17,709
Tax according to applicable tax rate for parent company 20.6% (20.6%)	-273	-3,648
Tax effect non-deductible expenses	-347	-81
Tax effect non-deductible income	0	990
Tax effect unrecognized deferred tax assets	620	2,608
Recognized tax	**0**	**-131**
Effective tax rate	**0%**	**1%**

The parent company has no tax items that are recognized in other comprehensive income or directly in equity.

Information about deferred tax assets and tax liabilities

The following table specifies the tax effect of the temporary differences:

Deferred tax asset:	2022 Dec 31	2021 Dec 31
Provision for pension premium	0	0
Carrying amount	**0**	**0**

Specification of change in deferred tax assets:

	2022 Dec 31	2021 Dec 31
Opening carrying amount	0	131
Change of temporary differences	0	-131
Carrying amount deferred tax asset	**0**	**0**

Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounted to 117,530 KSEK (107,833 KSEK). These carryforwards have no time limit. Deferred tax assets have not been recognized for these items, as it is unlikely that the group in a foreseeable future will utilize them to offset future taxable profits.

Note 10 Participations in group companies

				Carrying amount	
Company	**No. of shares**	**Proportion of equity**	**Share of voting power**	**2022 Dec 31**	**2021 Dec 31**
Vicore Pharma AB	10,000	100%	100%	918,621	665,577
INIM Pharma AB	50,000	100%	100%	130,812	130,812
				1,049,433	**796,389**

	Corp. Reg. No.	Domicile of the entity	Equity	Loss for the year
Vicore Pharma AB	556607-0743	Stockholm	72,261	-276,145
INIM Pharma AB	559156-8471	Stockholm	16,615	-11,722

	2022 Dec 31	2021 Dec 31
Opening cost	796,389	396,303
Acquisitions for the year	253,044	400,086
Closing accumulated cost	**1,049,433**	**796,389**
Closing carrying amount	**1,049,433**	**796,389**

Note 11 Long-term investments

	2022 Dec 31	2021 Dec 31
Opening cost	565	565
Reclassifications	-565	0
Closing carrying amount	**0**	**565**

Note 12 Financial assets and liabilities

Financial assets and liabilities at December 31, 2022

	Financial assets/liabilities measured at fair value through profit and loss	Financial assets/ liabilities measured at amortized cost	Total carrying amount
Financial assets			
Receivables from group companies	0	13,000	13,000
Other current receivables	0	15	15
Short-term investments	0	0	0
Cash and cash equivalents	0	138,592	138,592
Total	**0**	**151,607**	**151,607**
Financial liablilities			
Trade payables	0	5,352	5,352
Accrued expenses	0	980	980
Total	**0**	**6,332**	**6,332**

The maximum credit risk of the financial assets consists of the net amounts of the reported values in the table above. The parent company has not received any pledged assets for the financial net assets.

Financial assets and liabilities at December 31, 2021

	Financial assets/liabilities measured at fair value through profit and loss	Financial assets/ liabilities measured at amortized cost	Total carrying amount
Financial assets			
Receivables from group companies	0	32,386	32,386
Other current receivables	0	65	65
Short-term investments	0	77,281	77,281
Cash and cash equivalents	0	168,396	168,396
Total	**0**	**278,128**	**278,128**
Financial liablilities			
Liabilities to group companies	0	75,000	75,000
Trade payables	0	622	622
Accrued expenses	0	1,145	1,145
Total	**0**	**76,767**	**76,767**

The maximum credit risk of the financial assets consists of the net amounts of the reported values in the table above. The parent company has not received any pledged assets for the financial net assets.

For fair value measurement of long-term investments see Note 18 "Financial assets and liabilities" for the group.

For other current receivables and liabilities, short-term investments, cash and cash equivalents, trade payables, and accrued expenses and income with a short maturity, the carrying amount is considered a reasonable estimate of the fair value.

Based on the parent company's assessment, taking into account other known information and forward-looking factors, expected credit losses for any of the parent company's financial assets are deemed to be non-significant and no provision has therefore been recognized. The counterparties do not have credit ratings, except for cash and cash equivalents where counterparties have credit risk ratings of AA-, A+ and A. For a description of the expected credit loss for the cash and cash equivalents according to the general method, see Note 19 "Financial risks" for the group.

Note 13 Prepaid expenses and accrued income

	2022 Dec 31	2021 Dec 31
Prepaid rental charges	109	181
Prepaid insurances	188	120
Other prepaid expenses	336	511
Total	**633**	**812**

Note 14 Short-term investments

	2022 Dec 31	2021 Dec 31
Fixed-rate account, SBAB	0	77,000
Accrued interest income	0	281
Reclassification long-term investments (I-Tech AB)	565	0
Total	**565**	**77,281**

Not 15 Cash and cash equivalents

	2022 Dec 31	2021 Dec 31
Available balances	138,592	168,396
Total	**138,592**	**168,396**

Note 16 Shareholders' equity

At December 31, 2022, the registered share capital comprised 81,847,979 ordinary shares. All shares are fully paid and no shares are reserved for transfer. Each share carries one vote. The quota value amounts to 0.5 SEK (0.5 SEK). No shares are held by the company itself or its subsidiaries.

The share premium reserve refers to capital from new share issues that have been issued at a price that exceeds the quotient value and includes deductions of expenditures for new share issues.

Note 17 Other provisions

Social security contributions related to share-based incentive programs	2022 Dec 31	2021 Dec 31
Opening amount	507	5,312
Provisions for the year	237	-4,805
Total	**744**	**507**

For more information about incentive programs, see Note 8 "Share-based payments" for the group.

Note 18 Liabilities to group companies

Current liabilities	2022 Dec 31	2021 Dec 31
Opening cost	75,000	0
Reclassifications	-75,000	0
Additions	0	75,000
Closing carrying amount	**0**	**75,000**

Note 19 Accrued expenses and deferred income

	2022 Dec 31	2021 Dec 31
Accrued personnel-related expenses	1,867	1,799
Accrued consulting fees	425	150
Other	199	135
Total	**2,491**	**2,084**

Note 20 Supplementary information to the cash flow statement

Adjustment for items not included in the cash flow	2022 Dec 31	2021 Dec 31
Incentive programs, salary costs	853	2,526
Incentive programs, social security contributions*	237	-4,805
Provision payroll tax, pension premium	80	64
Total	**1,170**	**-2,215**

Note 21 Pledged assets and contingent liabilities

For information about pledged assets and contingent liabilities in the parent company, see Note 29 "Pledged assets and contingent liabilities" for the group.

Note 22 Related-party transactions

	Sales of goods or services	Purchase of goods or services	Other	Receivables on closing day	Payables on closing day
Transactions with subsidiaries					
2022	30,402	0	0	13,000	0
2021	37,866	0	859	32 386	75,000

Sales of goods or services relate to reinvoiced costs and management fee.

For information about salaries and remuneration to employees and senior executives, see Note 7 "Employees and personnel costs" for the group.

For further information on related-party transactions, see Note 28 "Related-party transactions" for the group.

Signatures

The undersigned give their assurance that the annual accounts have been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU. The annual accounts and the consolidated financial statements each provide a fair and accurate impression of the parent company's and the group's position and earnings. The Administration Report for the parent company and the group provides a fair and accurate overview of the parent company's and the group's operations, position and earnings, and describes material risks and uncertainties faced by the parent company and the companies included in the group.

Gothenburg April 4, 2023

Jacob Gunterberg
Chairman

Hans Schikan
Board member

Sara Malcus
Board member

Maarten Kraan
Board member

Heidi Hunter
Board member

Carl-Johan Dalsgaard
CEO

Our audit report was submitted on April 4, 2023
Ernst & Young AB

Linda Sallander
Authorized Public Accountant

Auditors-Report

To the general meeting of the shareholders of Vicore Pharma Holding AB (publ), corporate identity number 556680-3804.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Vicore Pharma Holding AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 23-57 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter 1

Description	*How our audit addressed this key audit matter*
As of December 31, 2022, a substantial part (20.1% or SEK 68.1 million) of the Group's total assets consists of patents, licenses and similar rights (hereinafter referred to as the assets). The Company tests the assets for impairment annually and when events or changes in conditions indicate that the carrying value of the assets may be below the recoverable amount. Impairment testing involves a number of material estimates and judgments, including estimating value in use by assessing the likelihood of future product launch, estimating expected future discounted cash flows, and calculating weighted average cost of capital ("WACC"). The carrying amount of the assets amounts to a significant amount. Furthermore, impairment tests are sensitive to changes in assumptions and are therefore a particularly important area of our audit. For further information, please refer to the Group's accounting policies in Note 1, assessments and estimates in Note 2 and information on patents, licenses and similar rights in Note 15	Our review, conducted together with our valuation specialists, has included, but is not limited to, the following actions: • Obtained an understanding of the company's process for identifying indications of impairment • Evaluated the methods and models used by management when assessing impairment including sensitivity analyses • Reviewed the assumptions made by the Company when examining impairment with a focus on the assumptions for which the results of the impairment test are most sensitive. This has been performed, along with other procedures, by comparing the assumptions that formed the basis for previous years' impairment tests, reviewing relevant market data, evaluating the company's sensitivity analyzes and conducting its own sensitivity analyzes. • We have also assessed the company's disclosures in the annual report

Other Information than the annual accounts and consolidated account

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22 and 61-74. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Vicore Pharma Holding AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit.

The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Vicore Phamra Holding AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Vicore Pharma Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB with Linda Sallander as auditor in charge Box 7850, 103 99 Stockholm, was appointed auditor of Vicore Pharma Holding AB (publ) by the general meeting of the shareholders on the 11 May 2022 and has been the company's auditor since the 10 October 2018.

Gothenburg the 4th of April 2023
Ernst & Young AB

Linda Sallander
Authorized Public Accountant

Board of Directors and Management

Board of Directors

Jacob Gunterberg
Chairman since 2022. Board member since 2018

Jacob Gunterberg is a former partner at HealthCap and has a background in venture capital investment operations and corporate finance advisory services focusing on the life sciences sector. Jacob Gunterberg has long experience as board member in both private and publicly traded companies.

Born: 1967

Education: M.Sc. in Business Administration and Economics from Lund University.

Other assignments: Board member in AO Pharma AB, Aurelia Invest AB, Disruptive Pharma Holding AB, EllAug AB, Tova Skrenen Stockholm AB and Twiceme Technlogy Sweden AB.

Previous assignments for the past five years: Partner at HealthCap. Board member in MIPS AB, Trimb Holding AB, Trimb Healthcare AB, HealthCap Holdings GP AB, HealthCap Annex Fund I-II Bis GP AB and HealthCap Aero Holdings GP AB (which were merged in 2016), Carisma Therapeutics Inc and Synox Therapeutics Ltd.

Holdings in the company: 6,400 shares.

Jacob is chairman of Vicore's Audit Committee and a member of the Scientific Committee.

Independent of the company and its senior management, and independent of major shareholders of the company.

Hans Schikan
Board member since 2018

Hans Schikan is the former CEO of Prosensa (acquired by BioMarin). His previous assignments include leading roles at Genzyme (acquired by Sanofi) and Organon (acquired by Schering Plough). He has served on the Board of Directors of Wilson Therapeutics (acquired by Alexion) and Therachon (acquired by Pfizer). He is a co-founder of Pharvaris NV.

Born: 1958

Education: PharmD from the University of Utrecht.

Other assignments: Chairman of Microbiotica Ltd and Complix NV. Board member of VectivBio AG, Pharvaris NV and the Dutch Top Sector Life Sciences & Health. Advisor to various organisations in Life Sciences & Health.

Previous assignments for the past five years: Chairman of InteRNA Technologies BV. Board member of Asceneuron, Hansa Medical, Sobi, Therachon and Wilson Therapeutics.

Holdings in the company: 20,591 share awards in the framework of the company's incentive program and 4,000 shares.

Hans is chairman of Vicore's Remuneration Committee and member of the Audit Committee.

Independent of the company and its senior management and independent of major shareholders of the company.

Heidi Hunter
Board member since 2020

Heidi Hunter has more than 25 years of experience from leading positions in different roles within pharmaceutical development and commercialization. She has worked strategically and operationally from clinical and commercial development to launch execution. Her leadership experience spans alliance management, investment risk mitigation, global clinical and commercial management, new business strategy development, product launch, and business sustainability.

Born: 1958

Education: M.B.A., Marketing and International Business, The University of Chicago. B.A., Economics and German, Magna cum laude, The University of Michigan

Other assignments: Board member Sutro Biopharma and Bavarian Nordic. Advisory board member MiGenTra.

Previous assignments for the past five years: President, Cardinal Health Specialty Solutions. SVP, Global immunology business unit at UCB, Belgium.

Holdings in the company: 116,667 share awards in the framework of the company's incentive program and 5,000 shares.

Heidi is a member of Vicore's Audit Committee and Scientific Committee.

Independent of the company and its senior management and independent of major shareholders of the company.

Maarten Kraan
Board member since 2018

Maarten Kraan has extensive experience in biomedicine and has, among others, held a senior positions at Schering Plough, Bristol Myers Squibb, Roche/Genentech and AstraZeneca AB where he was responsible for the research and development of medicines for respiratory, inflammatory and autoimmune symptoms.

Born: 1961

Education: Medical degree, PhD in translational science, board certification in rheumatology, all at the University of Leiden.

Other assignments: CMO at AM-Pharma. Maarten Kraan is a board member of Toleranzia AB and CDS Gmbh. Scientific advisor for AER therapeutics and Cyxone AB.

Previous assignments for the past five years: R&D Director of Pierre-Fabre SA, CMO at AM-Pharma BV.

Holdings in the company: 20,591 share awards in the framework of the company's incentive program and 4,025 shares.

Maarten is chairman of Vicore's Scientific Committee and a member of the Remuneration Committee.

Independent of the company and its senior management and independent of major shareholders of the company.

Sara Malcus
Board member since 2018

Sara Malcus has more than ten years of experience from operational management and board work through her work with developing early drug projects at GU Ventures, Astra Zeneca AB and in smaller start-up companies.

Born: 1975

Education: Doctor's degree in immunology and inflammatory medicine at the University of Gothenburg.

Other assignments: Sara Malcus is the Managing Director of MetaboGen AB.

Previous assignments for the past five years: Board member of Oncorena AB, Oncorena Holding AB, Cereno Scientific AB and MetaboGen AB.

Holdings in the company: 20,591 share awards in the framework of the company's incentive program and 2,902 shares.

Sara is a member of Vicore's Remuneration Committee.

Independent of the company and its senior management and independent of major shareholders of the company.

Management

Carl-Johan Dalsgaard
Chief Executive Officer since 2018

Carl-Johan Dalsgaard has been a Venture Partner at HealthCap since 2000, thereby he has served as CEO of several companies in which HealthCap has invested. Prior to that, he has ten years of experience from senior positions within the AstraZeneca Group, such as pre-clinical research director, therapeutic area manager of pain and anesthesia, CEO of Astra Pain Control AB and part of the Group's research management team.

Born: 1956

Education: MD from the Karolinska Institute. Ph.D. in neurobiology and post-doc experience from Harvard Medical School. Carl-Johan has also completed a specialist training in plastic surgery.

Other assignments: Board member and CEO of INIM Pharma AB and Vicore Pharma AB.

Holdings in the company: 477,981 shares and 400,000 options within the framework of the company's incentive program.

Hans Jeppsson
Chief Financial Officer since 2017

Hans Jeppsson has a cross-disciplinary background in finance and medicine. He has previously worked as a biotechnology analyst at Danske Bank as well as within preclinical research at AstraZeneca R&D.

Education: Ph.D. in Business Administration from the University of Gothenburg. After he obtained his Ph.D.-degree he conducted postdoctoral studies at the Haas School of Business at the UC Berkeley in the US. He also has a background in chemical engineering with a focus on biotechnology from Chalmers University of Technology.

Other assignments: Deputy board member of Vicore Pharma AB and INIM Pharma AB.

Holdings in the company: 5,000 shares and 265,000 options within the framework of the company's incentive program.

Elin Rosendahl
VP Clinical Development since 2020

Elin Rosendahl has more than 20 years' experience of managing global biopharmaceutical development programs and leading cross-functional teams. Solid experience of all phases of clinical drug development with focus on design of innovative and patient-focused paths to market, effective management of global, cross-functional teams and optimized collaborations with contract research organizations (CROs).

Education: M.Sc. Pharmacy from Uppsala University.

Other assignments: None.

Holdings in the company: 150,000 options within the framework of the company's incentive program.

Johanna Gräns
Program Director, early development since 2015

Johanna has a Ph.D and expertise in pharmaceutical metabolism. She has extensive experience in preclinical interpretation and is responsible for drug development projects.

Education: Ph.D. in biology with a focus on toxicology from the University of Gothenburg.

Other assignments: None.

Holdings in the company: 7,004 shares and 168,750 options within the framework of the company's incentive program.

Åsa Magnusson
Chief Commercial Officer since 2021

Åsa has more than 20 years of experience as a commercial executive in the pharmaceutical industry with focus on securing market access and launching rare disease medicines. Her previous roles include leading cross-functional teams as General Manager at Arvelle and in different senior commercial roles at Alexion, expanding innovative antibody products and heading the commercial launch of Actelion's pulmonary arterial hypertension (PAH) pharmaceuticals.

Education: BBA and B2B marketing from Lund University.

Other assignments: Board member of Think Brand Direction.

Holdings in the company: 100,000 options within the framework of the company's incentive program.

Rohit Batta
Chief Medical Officer since 2018

Rohit Batta has over 20 years of experience as a medical doctor with an extensive background leading medical and clinical development teams whilst developing drugs for rare diseases. His previous roles include senior level positions within Cell and Gene Therapy at GlaxoSmithKline leading the clinical development and defining the clinical strategy for haemoglobinopathy gene therapy medicines. He also led the global medical and late stage clinical development teams to launch the world's first gene therapy for patients with a paediatric rare disease.

Education: MBBS from Kings College London, a fellow of the Faculty of Pharmaceutical Medicine and a member of the Royal College of General Practitioners.

Other assignments: Visiting Senior Lecturer at Kings College London.

Holdings in the company: 215,000 options within the framework of the company's incentive program.

Johan Raud
Chief Scientific Officer since 2018

Johan Raud has many years of experience from drug research and managing industrial drug discovery projects.

Education: MD Ph.D. from the Karolinska Institute and Vanderbilt university, USA.

Other assignments: None.

Holdings in the company: 238,991 shares and 130,000 options within the framework of the company's incentive program.

Mikael Nygård
VP Business Development since 2021

Mikael has extensive experience from Business Development in the healthcare industry. He has led M&A and Corporate Development at the care provider Humana AB and has also worked in the global healthcare team at the strategy consulting firm Boston Consulting Group.

Education: M.Sc. Pharmacy, Uppsala University. Ph.D. Neurobiology, Karolinska Institutet.

Other assignments: None.

Holdings in the company: 4,031 shares and 91,000 options within the framework of the company's incentive program.

Jessica Shull
Head of Digital Therapeutics since 2021

Jessica has more than 20 years' experience in the field of digital technologies for healthcare including development of virtual surgical devices. She is considered an authority in HTA requirements for patient-facing software and innovation adoption in Europe and internationally. In previous roles she worked on digital health best practices for the WHO and with the Digital Therapeutics Alliance she focused on digital therapeutic product integration, regulation, and policy.

Education: MA, M.Sc. Ph.D. in Biomedicine.

Other assignments: None.

Holdings in the company: 100,000 options within the framework of the company's incentive program.

Nina Carlén
Chief Administrative Officer since 2009

Nina has more than 20 years of experience working with marketing and communication in the pharmaceutical industry.

Education: Completed training in project management, PR, communication and graphic design at, among others, Bergh's School of Communication.

Other assignments: Deputy board member of North River AB and North River Maintenance AB.

Holdings in the company: 24,480 shares and 200,000 options within the framework of the company's incentive program.

Corporate Governance Report

Introduction

The Board of Directors of Vicore Pharma Holding AB (publ), company reg. no. 556680-3804 ("Vicore" or the "company") hereby submits the 2022 corporate governance report.This report on corporate governance has been prepared in accordance with the provisions of the Swedish Code of Corporate Governance ("the Code") and ch. 6. Sections 6–9 of the Annual Accounts Act and ch. 9 Section 31 of the Companies Act and refers to the financial year 2022.

The company's shares have been listed on Nasdaq Stockholm since September 27, 2019. The company's shares were previously, since December 2015, listed on the Nasdaq First North Growth Market. The company's corporate governance is mainly regulated by the provisions of the company's articles of association, the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen) and other Swedish legislation, the Nasdaq Stockholm Rulebook for issuers and the Code.

The corporate governance report has been reviewed by the company's auditors in accordance with the Swedish Annual Accounts Act. It does not constitute a part of the formal annual report documents.

The group comprises the parent company Vicore Pharma Holding AB ("Vicore") and the subsidiaries Vicore Pharma AB ("Vicore Pharma") and INIM Pharma AB ("INIM Pharma"). The company's research and development operations are conducted in Vicore Pharma and INIM Pharma.

There are no deviations from the Swedish Corporate Governance Code (the "Code") to report for the financial year of 2022. No infringements of Nasdaq Stockholm's rules and no breach of good practice on the securities market was reported by the stock exchange's disciplinary committee or the Swedish Securities Council during the financial year.

Corporate governance within Vicore

The purpose of Vicore's corporate governance is to create a clear allocation of roles and responsibilities among the shareholders, the Board of Directors and management. Corporate governance, management and control of Vicore are allotted among the general meeting, the Board of Directors, its elected committees and the CEO.

Important external and internal regulations and policies that affect corporate governance:

Signficant external regulations:

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Accounts Act
- International standards for audits and financial reporting (IFRS)
- Nasdaq Stockholm Rulebook for issuers
- Swedish Code of Corporate Governance
- Other applicable rules and recommendations

Significant internal regulations and policies:

- Articles of association
- Rules of procedure for the Board of Directors
- Instruction for the CEO, including the financial reporting instruction
- Finance policy
- Financial handbook
- Internal control policy
- Risk management policy
- Information policy
- Insider policy
- IT policy
- Authorization framework

Shareholders and the share

At the end of 2022, Vicore had 7,638 shareholders and the number of shares was 81,847,979 with a quotient value of SEK 0.5 each. There is only one class of shares. The company's shares are issued in one class and each share carries one vote at the AGM.

On December 31, 2022, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 17,234,834 shares, corresponding to 21.1 percent of the votes and capital. No shareholder other than HealthCap VII L.P. has a direct or indirect shareholding that represents one tenth, or more, of the voting rights for all shares in the company. Further information on shareholders and Vicore's share is presented on pages 21-22 in the 2022 annual report.

General meetings of shareholders

According to the Companies Act (2005: 551), the General Meetings of shareholders is the company's highest decision-making body. At the General Meetings, the shareholders exercise their voting rights in the company. The Annual General Meeting shall be held within six (6) months from the end of the financial year. At the Annual General Meeting, the shareholders decide, among other things, on the Board of Directors and, where applicable, auditors, how the Nomination Committee is to be appointed and on discharge from liability for the Board of Directors and the CEO for the past year. Decisions are also made on the adoption of Annual Report, the appropriation of profit or loss, fees for the Board of Directors and auditors, guidelines for remuneration to the CEO and other senior executives as well as the remuneration report.

The Articles of Association stipulate that the Annual General Meeting shall be held in Stockholm or Gothenburg. Shareholders who wish to attend General Meetings, in person or through a representative, must be included in the share book kept by Euroclear Sweden AB six (6) banking days before the General Meeting and make a notification to the company in accordance with the notice. Notice of General Meetings is made through advertising and via the company website (www.vicorepharma.com).

2022 AGM

The Annual General Meeting 2022 was held through advance voting (postal voting), pursuant to temporary legislation, on May 11, 2022. At the AGM, approximately 62.2 percent of the total votes were represented. Jacob Gunterberg was elected chairman of the meeting.

At the AGM the following principal resolutions were passed:

- Jacob Gunterberg, Maarten Kraan, Sara Malcus, Hans Schikan and Heidi Hunter were re-elected as board members. Jacob Gunterberg was elected Chairman of the Board.
- Ernts & Young AB with principal auditor Linda Sallander was re-elected as auditor.
- Remuneration, including an additional fee subject to the board members' acquisition of shares in Vicore Pharma, to the Chairman of the Board and the Board's members, elected by the Annual General Meeting and the auditor were established.
- Proposed guidelines for remuneration to senior executives were approved.
- Authorization to issue new shares corresponding to not more than 20 per cent of the number of outstanding shares and votes at the time of the AGM.
- Resolution on adoption of remuneration report 2021.
- Resolution on adoption of balance sheet and income statement.
- No dividend will be paid for 2021 and the company's earnings shall be carried forward.
- Discharge from liability of the Board of Directors and CEO for the financial year 2021.

Full minutes and information from the AGM are available on Vicore's website (www.vicorepharma.com).

AGM 2023

The 2023 Annual General Meeting will be held on May 11, 2023, in Stockholm. Information on the decisions made at the Annual General Meeting will be published on May 11, 2023, as soon as the outcome of the voting is finally compiled. For the right to participate and more information, see Vicore's website (www.vicorepharma.com). The minutes of the Annual General Meeting will be available on Vicore's website (www.vicorepharma.com).

Nomination Committee

The Nomination Committee for the AGM 2023 consists of Staffan Lindstrand (Chairman) appointed by HealthCap VII L.P., Jan Särlmark appointed by Fjärde AP-fonden and Ivo Staijen appointed by HBM Healthcare Investments (Cayman) Ltd. Staffan Lindstrand is chairman of the Nomination Committee. The Committee also includes the Chairman of the Board, Jacob Gunterberg, as convenor.

The task of the Nomination Committee is to prepare and present proposals for the number of board members to be elected by the AGM, the election of a Chairman and other members of the Board of Directors, board fees and, if any, remuneration for committee work, election of a Chairman to the Annual General Meeting, election of auditors (if applicable) and auditors' fees (if applicable) and proposals for rules for the appointment of a Nomination Committee for the next annual general meeting. The proposals will be published at the latest in conjunction with the notice of the AGM 2023.

External auditors

The external audit of the accounts of the parent company and the group, as well as of the management by the Board of Directors and the CEO, is carried out in accordance with generally accepted accounting standards in Sweden. The auditor participates in at least one board meeting per year, going through the accounts for the year and leading a discussion with the Board of Directors without the CEO or any other senior executive present. In addition, the auditor has participated in all Audit Committee meetings without the presence of the CEO or other senior executive.

Pursuant to the articles of association, Vicore must have an authorized public accountant or a registered accounting firm as its external auditor. Since the AGM 2010, the accounting firm Ernst & Young AB has been auditor of the company. As of the 2022 AGM, certified public accountant Linda Sallander is the auditor in charge. Linda Sallander is member of the Swedish Institute of Authorized Public Accountants. For information regarding fees paid to the auditors, please refer to Note 5 of the 2022 Annual Report.

The Board of Directors

The Board of Directors is the company's highest decision-making body after the Annual General Meeting. According to the Companies Act, the Board of Directors is responsible for the company's management and organization, which means that the Board of Directors is responsible for, among other things, setting goals and strategies, ensuring routines and systems for evaluating established goals, continuously evaluating the company's results and financial position and evaluating the operational management. The Board of Directors is also responsible for ensuring that the annual accounts and interim reports are prepared in a timely manner. In addition, the Board of Directors appoints the company's CEO. Board members are normally elected by the AGM for the period until the end of the next AGM.

According to the Code, the Chairman of the Board must be elected by the Annual General Meeting and have a special responsibility for the management of the Board of Directors' work and for the Board of Directors' work being well organized and implemented in an efficient manner. The Board of Directors adheres to written rules of procedure that are reviewed annually and are determined at the statutory board meeting each year. The rules of procedure govern, among other things, the practices and tasks of the Board of Directors, decision-making within the company, the Board of Directors' meeting agenda, the Chairman's duties and the allocation of responsibilities between the Board of Directors and the CEO. Instructions for financial reporting and instructions for the CEO are also determined in connection with the statutory board meeting.

The Board of Directors meets in accordance with a yearly schedule and essentially follows an annual cycle determined by the Board of Directors, which is decided at the statutory board meeting in conjunction with the Annual General Meeting. If necessary, special decisions are made such as acquisitions or divestments, other investment decisions, financing decisions and decisions on structural or organizational issues. The CEO, CFO and CAO have attended the board meetings when needed.

Board of Directors

According to the Articles of Association, Vicore's Board of Directors shall consist of a minimum of three and a maximum of nine members. The Company's Board of directors currently consists of five people without deputies. The assignment for all members runs until the end of the upcoming AGM.

On page 61-62 is a presentation of the Board of Directors with information on year of birth, year of inclusion in the Board, education, work experience, assignments in the company, other significant assignments and their respective direct and indirect holdings in the company as of December 31, 2022. Ownership in the company includes personal and / or related parties' holdings.

Board of Directors' work 2022

During 2022, the Board of Directors held 12 board meetings, including the inaugural meeting, of which 5 through digital channels. In addition, the Board of Directors has made decisions per capsulam on 6 occasions during 2022. The issues that the Board of Directors dealt with in 2022 are mainly: decision to carry out a new share issue, preclinical, clinical studies and organizational issues.

At the board meetings held during the financial year 2022, the members have been present as shown below.

Evaluation of the Board of Directors' work

Pursuant to the Code, the Board of Directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the Board of Directors' working methods and efficiency. The work of the Board of Directors has been evaluated by having the board members anonymously answer a number of questions about the Board of Directors' activities. The results of the evaluation have been compiled and reported orally to the members of the Board of Directors and the Nomination Committee.

Reporting period January 1 – December 31, 2022

			Independent in relation to		Remuneration, KSEK[1]						Attendance[2]			
Board member	Function	Elected	The company and its management	Major shareholders	Board fees	Additional board fee[3]	Remuneration Committee	Audit Committee	Scientific Committee	Total	Board of Directors[4]	Remuneration Committee	Audit Committee	Scientific Committee
Jacob Gunterberg	Chairman	2018	Yes	Yes	437.5	437.5	-	100	25	1,000	11/12	-	6/6	5/5
Heidi Hunter	Board member	2020	Yes	Yes	175	175	-	50	25	425	12/12	-	5/6	5/5
Hans Schikan	Board member	2018	Yes	Yes	175	175	50	50	-	450	11/12	5/5	3/3[5]	2/2[6]
Maarten Kraan	Board member	2018	Yes	Yes	175	175	25	-	50	425	10/12	5/5	-	5/5
Sara Malcus	Board member	2018	Yes	Yes	175	175	25	-	-	375	12/12	2/2[7]	3/3[8]	-
Michael Wolff Jensen[9]	Chairman	2020	Yes	Yes	-	-	-	-	-	-	3/3	2/2	-	-

1) Fee set by the AGM, excluding social security contributions, for the May 2022 to May 2023 financial year

2) Figures in table show the total number of meetings attended/total number of meetings

3) Additional fee subject to the board members' acquisition of shares in Vicore Pharma

4) Excluding per capsulam meetings

5) Elected to the Audit Committee in May 2022

6) Exited the Scientific Committee in May 2022

7) Elected to the Remuneration Committee in May 2022

8) Exited from the Audit Committee in May 2022

9) Resigned from the board in March 2022

Board Committees

Remuneration Committee

The Remuneration Committee is appointed by the company's Board of Directors and consists of three members: Hans Schikan (Chairman), Sara Malcus and Maarten Kraan. The Remuneration Committee shall fulfill the tasks specified in the Code. The Remuneration Committee shall keep minutes at its meetings and make the minutes available to the Board of Directors.

The Remuneration Committee's main tasks are as follows:

- Prepare decisions for the Board of Directors regarding remuneration principles, remuneration and other employment terms and conditions for senior management.
- Monitor and evaluate any programs pending or adopted during the year for variable compensation for senior management.
- Monitor and evaluate the application of the guidelines for remuneration adopted by the annual general meeting, as well as applicable remuneration structures and levels for the company.

In 2022, the Remuneration Committee held five meetings.

Audit Committee

The Audit Committee is appointed by the Board of Directors and consists of Jacob Gunterberg (Chairman), Heidi Hunter and Hans Schikan.

Primary duties of the Audit Committee:

- The Audit Committee shall, without impact on the responsibilities and duties of the Board of Directors in other respects, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit and risk management, keep informed of the audit of the annual accounts and the consolidated accounts, review and monitor the auditor's impartiality and independence and in this case pay special attention to whether the auditor provides the company with services other than audit services, and assist in the preparation of proposals for the general meeting's election of auditor.

In 2022, the Audit Committee held six meetings.

Scientific Committee

The Scientific Committee shall consist of at least three non-employed board members with a broad scientific and medical understanding and experience in the field concerned. The Board of Directors shall appoint the members of the Scientific Committee, including the Chairman. Vicore's Scientific Committee consists of Maarten Kraan (chairman), Jacob Gunterberg and Heidi Hunter.

The main tasks and responsibilities of the Committee are:

- Reviewing and discussing the company's preclinical and clinical product portfolio, including its commercial attractiveness and ranking.
- Reviewing and discussing the company's R&D strategy and reviewing scientific and technological trends that the company considers are of great importance.
- Providing strategic advice and recommendations for the company's ongoing R&D program.
- To review the (quality of) R&D capacity of the company and its organization, including the product development process.
- To review and discuss the company's intellectual property strategies.

In 2022, the Scientific Committee held five meetings.

Remuneration

Remuneration to the Board of Directors

At the Annual General Meeting on May 11, 2022, it was resolved that the remuneration to the members of the Board of Directors for the period up to the end of the 2023 Annual General Meeting shall be paid with 437,500 SEK to the Chairman of the Board and 175,000 SEK to each of the other board members. As remuneration for committee work, it was decided that the Chairman of the Audit Committee should receive 100,000 SEK and the other members of the Audit Committee 50,000 SEK each. Furthermore, it was decided that the Chairman of the Remuneration Committee should receive 50,000 SEK and the other members of the Remuneration Committee 25,000 SEK each. The Chairman of the Scientific Committee shall receive 50,000 SEK and the other members of the Scientific Committee 25,000 SEK each. In addition, it was resolved to pay an additional fee to the board members of 437,500 SEK to the Chairman of the Board and 175,000 SEK to each of the other board members. The additional fee was conditional of the board member purchasing shares in Vicore Pharma Holding for the full amount (net tax).The table on page 67, shows the fees paid to members elected by the AGM in 2022.

Remuneration to management

Remuneration issues for senior executives are dealt with by the Board of Directors Remuneration Committee. The Board of Directors decides on the CEO's remuneration on a proposal from the Remuneration Committee. Remuneration and terms for senior executives are based on market conditions and consist of a balanced mix of fixed salary, variable remuneration, pension benefits and terms of notice. Salaries and other remuneration for the 2022 financial year were paid to the CEO and other senior executives in accordance with what is stated in note 7 "Employees and Personnel costs" in the Annual Report 2022.

Guidelines on remuneration to senior executives and Board of Directors 2022

This is a summary of the guidelines for executive remuneration. The complete guidelines are available in the annual report 2022 and on the company website.

At the 2022 AGM, guidelines were adopted that are valid up to the 2026 AGM as follows. Vicore shall offer remuneration in accordance with market practice which enables the recruitment and retention of internationally qualified senior executives. Remunerations within Vicore shall be based on principles of performance, competitiveness and fairness.

Senior executives refer to the CEO and the other members of the executive management. The guidelines shall apply to employment agreements concluded after the annual general meeting's resolution to adopt these guidelines, as well as when changes are made to existing agreements thereafter. The remuneration to senior executives consists of fixed remuneration, variable remuneration, share and share-price related incentive programs, pension and other benefits.

The Board of Directors is entitled to deviate from the guidelines if the Board of Directors, in a certain case, deems that there are good reasons for the deviation.

Fixed salary

The fixed remuneration shall take into account the individual's responsibilities, experience and performance. The fixed salary should be reviewed annually.

Variable salary

Variable remuneration paid in cash may amount to a maximum of 40 percent of the annual fixed remuneration of the CEO and a maximum of 30 percent of the annual fixed remuneration to other senior executives. Further variable cash remuneration may be awarded in extraordinary circumstances. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once per year for each individual. Variable remuneration must be linked to predetermined and measurable criteria, designed to promote the company's long-term value creation.

Share- and share price-based remuneration

Share- and share price-based incentive programs shall, if applicable, be decided by the AGM. Already decided incentive programs are described on page 8-9.

Pension

Pension should, where possible, be premium-based. For the CEO and other senior executives, the premium, in cases where a premium-based pension is applicable, can amount to up to 30 percent of the fixed salary. The Board of Directors has the right, without prejudice to the above, to offer other solutions that are equivalent in cost to the above.

Severance pay, etc.

A notice period of up to six months between the company and the CEO shall apply if notice is given by the company. If notice is given by the company, the Board of Directors may decide that the CEO shall be entitled to severance pay of up to twelve months' salary. In the event of termination by the CEO, a notice period of up to six months shall apply. Other senior executives shall have a notice period of up to six months. During the notice period, normal salary shall be paid.

Other benefits

Senior executives may be awarded customary other benefits such as occupational health care, etc. Such other benefits shall not constitute a significant part of the total remuneration.

Vetting and decision processes

The CEO's remuneration shall be vetted by the Remuneration Committee and decided by the Board of Directors. The remuneration of other senior executives shall be vetted by the CEO and the Remuneration Committee, which shall submit a proposal for approval to the Board of Directors. The Board of Directors has the right to deviate from the above guidelines if there are special reasons that justify it in an individual case.

Incentive programs

At the end of 2022, Vicore has four active programs that include the company's management and staff, and certain board members. In 2018, a long-term incentive program , "Co-worker LTIP 2018", was set up. In 2020, a long-term incentive program, "Board LTIP 2020", for the two new board members was introduced. In 2021, two long-term incentive programs were set up: "Co-worker LTIP 2021" and "Board LTIP 2021".

Assuming full utilization and maximum goal achievement of all granted employee stock options and share awards as of December 31, 2022, corresponding to 2,988,489 shares, would entail a dilution of approximately 3.5 percent. Taking into account also non-granted employee stock options and warrants that may be used as hedge for social security contributions, the maximum dilution as of December 31 amounts to approximately 5.6 percent.

Below is a description of the various programs. For other information about the incentive programs, see Note 8 in the Annual Report 2022.

Long-term incentive program 2018

The Extraordinary General Meeting of Vicore Pharma Holding AB on August 13, 2018 resolved, in accordance with the Board of Directors' proposal to adopt a long-term incentive program for senior executives and key employees ("Co-worker LTIP 2018"). A maximum of 2,000,000 options may be granted to participants in the program. The increase in the company's share capital upon full utilization of both incentive programs amounts to a maximum of around SEK 1,000,000, which corresponds to a dilution of approximately 2.4 percent with respect to the total number of shares. The participants in the programs have received the share rights / options free of charge and settlements are made with equity instruments.

Co-worker LTIP 2018

Co-worker LTIP 2018 is an incentive program intended for members of senior management and key persons in the company. According to the program, participants will be granted, free of charge, options subject to a three-year vesting that entitle to acquire a maximum of 2,000,000 shares in the company in total. The exercise price per share shall correspond to 150 percent of the volume weighted average price of the company's share for the five trading days preceding the granting date. The latest point in time at which vested options may be exercised shall be the fourth anniversary of the granting date.

The Board of Directors of the company believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of senior management and key persons in the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Long-term incentive program 2020

The Annual General Meeting in Vicore Pharma Holding AB held on May 20, 2020, resolved, in accordance with the proposal from the Nomination Committee, to adopt a long-term incentive program for the new members of the Board of Directors ("Board LTIP 2020") in Vicore Pharma Holding AB. A maximum of 525,000 share awards may be allotted to participants in the program Board LTIP 2020. The increase in the company's share capital, assuming full utilization, amounts to a maximum of approximately SEK 262,500, corresponding to a dilution of 0.6 percent of the total number of shares.

Board LTIP 2020

Board LTIP 2020 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting that entitle to shares in the company to be calculated in accordance with the principles stipulated below, however a maximum of 525,000 shares. The share awards shall vest gradually over approximately three years and are subject to performance vesting based on the development of the company's share price over the period from the date the share awards are allocated up to and including the vesting date.

Board LTIP 2020 is intended for the newly elected, main owner independent, members of the Board of Directors in the company. The Nomination Committee believes that an equity-based incentive program is a central part of a competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Long-term incentive program 2021

The Annual General Meeting in Vicore Pharma Holding AB held on May 11, 2021, resolved to implement a long-term incentive program for senior management and key persons in the company ("Co-worker LTIP 2021") and to implement a long-term performance-based incentive program for independent board members in the company who are not participants in Board LTIP 2020 ("Board LTIP 2021"). A maximum of 3,000,000 options (Co-worker LTIP 2021) and 61,773 share awards (Board LTIP 2021) may be allotted to participants in the programs. The increase in the company's share capital, assuming full utilization of both incentive programs, amounts to a maximum of approximately SEK 1,530,887, corresponding to a dilution of approximately 3.6 percent of the total number of shares.

Board LTIP 2021

Board LTIP 2021 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting that entitle to shares in the company to be calculated in accordance with the principles stipulated below, however a maximum of 61,773 shares. The share awards are subject to performance vesting based on the development of the company's share price over the period from the date the share awards are allocated up to and including the vesting date.

Board LTIP 2021 is intended for independent board members in the company who are not participants in Board LTIP 2020. The Nomination Committee believes that an equity-based incentive program is a central part of a competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Co-worker LTIP 2018

Co-worker LTIP 2021 is an incentive program intended for members of senior management and key persons in the company. According to the program, participants will be granted, free of charge, options subject to three-year vesting that entitle to acquire a maximum of 3,000,000 shares in the company in total. The exercise price per share shall correspond to 125 percent of the volume weighted average price of the company's share for the five trading days preceding the granting date. The latest point in time at which vested options may be exercised shall be the fifth anniversary of the granting date.

The Board of Directors of the company believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of senior management and key persons in the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Internal control and risk management regarding the financial reporting

Introduction

According to the Companies Act and the Annual Accounts Act, the Board of Directors is responsible for internal control. The purpose of internal control is to achieve efficient and effective operations, to ensure reliable financial reporting and information about the business, and to comply with applicable laws, regulations, policies and guidelines.

Vicore's internal control is based on principles developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which consists of five consecutive components:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring including monitoring and evaluation

Internal control of financial reporting

Internal control over financial reporting aims to provide reasonable reliability and security in financial reporting and to ensure that financial external reporting is conducted in accordance with applicable laws and accounting standards. The Board of Directors is ultimately responsible for internal control and continuously evaluates, via the Audit Committee, Vicore's risk management and internal control.

Vicore ensures internal control of financial reporting through a qualitative and quantitative analysis of the balance sheet and income statement for the group. The purpose of the quantitative analysis is to identify risks linked to significant and transaction-intensive items. The qualitative analysis aims to identify risks linked to complexity and irregularities. Based on the results of the analysis, significant financial processes and risks have been identified.

Vicore has designed procedures and activities to follow up on financial reporting and to ensure that any errors are detected and corrected. Key controls have been designed and followed up as part of the effort to maintain good internal control.

Internal audit

The Board of Directors has evaluated the need for an internal audit function and concluded that it is not justified in Vicore in view of the scope of the business and that the Board's follow-up of internal control is deemed sufficient to ensure that internal control is effective. The Board reexamines the need, when changes occur that can lead to re-examination and at least once a year.

Control environment and risk assessment

The control environment within Vicore is part of the framework for the orientation and culture that the Company's Board and management communicate to the organization. In order to ensure appropriate risk management and good internal control, the Company has adopted a series of internal guidelines, work processes and routines, in addition to governing documents such as the Board's rules of procedure, instructions for the CEO with associated instructions for delegation and attestation.

The Board has also established an Audit Committee whose main task is to monitor the Company's financial position, the effectiveness of the Company's internal control, internal audit and risk management to be informed of the audit of the annual accounts and the consolidated accounts, and to review and monitor the auditor's impartiality and independence. Responsibility for ongoing work regarding the internal control of the financial reporting has been delegated to the Company's CEO and CFO.

In addition to the abovementioned controls, the company has standardized procedures that govern the control and quality of drug development.

Vicore's group management shall annually conduct a risk assessment of strategic, operational, legal and financial risks with the aim of identifying potential problem areas and assessing the risk exposure in the company. The risk assessment includes identifying risks that may arise that may prevent the company from achieving its vision and goals, for example if the basic requirements for financial reporting in the company are not met. Within the scope of each risk area, the responsible person identifies risks and their potential consequences and probabilities, and proposes measures. The Audit Committee is responsible for continuously evaluating the company's risk situation and shall assist the Board of Directors with proposals regarding the management of the company's financial risk exposure and risk management.

Control activities

To identify and manage the risks associated with the company's operations, the Board of Directors has adopted a risk management policy. Risk management is a high priority within Vicore. Ultimately, it is the Board of Directors that is responsible for risk management. The company's risk situation must be evaluated annually, after which an action plan will be drawn up. Vicore bases its control environment on the risks identified during the risk assessment process. The company has also appointed process owners who are responsible for individual processes. The CEO and other senior executives are all involved in the ongoing work to manage the risks associated with the business.

Vicore has designed procedures and activities to follow up on financial reporting and to ensure that any errors are detected and corrected. These activities include, among other things, follow-up and comparison of earnings performance or items, account reconciliations and balance sheet specifications, as well as approval of bank transactions and cooperation agreements, proxy and authorization instructions, and accounting and valuation principles. The company's CFO has a key role in analyzing and following up the company's financial reporting and results. Authorizations to IT systems are limited according to powers, responsibilities and roles.

Information and communication

The company also has internal control functions for information and communication that aim to ensure that correct financial and other company information is communicated to employees and other stakeholders.

The company's internal instructions and policies are available to all employees and provide detailed information on current routines in all parts of the company and describe the control functions and how they are implemented.

Monitoring including follow-up and evaluation

Compliance and effectiveness regarding internal controls are regularly monitored. The CEO ensures that the Board of Directors receives regular reports on the development of the company's operations, including the development of the company's earnings and financial position and information on important events, such as research results and important agreements and contracts. The CEO reports on these issues at each board meeting. The company's compliance with applicable policies and governance documents and the effectiveness of internal control are subject to annual evaluation. The results of these evaluations are compiled by the company's CEO and reported to the Board of Directors annually. The Board of Directors handles all interim reports and annual reports before they are published and follows up the audit of the internal control via the Audit Committee. The Audit Committee supports the Board of Directors by preparing questions and provides the Board of Directors with support in its work to fulfill its responsibilities in the areas of internal control and accounting and to assure the quality of Vicore's financial reporting.

Management

The Board of Directors appoints the CEO to lead the company. The management team consists of ten people:

- CEO
- Chief Financial Officer
- Chief Medical Officer
- Chief Scientific Officer
- VP Clinical Development
- Program Director, early development
- Chief Administrative Officer
- Chief Commercial Officer
- VP Business Development
- Director of Digital Therapeutics

The management team holds monthly meetings to discuss the group's results and financial position, follow-up of budgets and forecasts, status in research and development projects, administration, HR and organization, IR and strategy.

The CEO's responsibility

The CEO is subordinate to the Board of Directors and is responsible for the company's day-to-day management and operations of the company. The division of duties between the Board of Directors and CEO is specified in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO shall ensure that the company's accounting is in order and that the business is conducted in accordance with relevant regulations, including Nasdaq Stockholm's Rule Book for Issuers.

The CEO shall keep the Board of Directors continuously informed of the development of the company's operations, the company's earnings and financial position, liquidity and credit situation, important business events and any other event, circumstances or conditions that may be of material importance to the company's shareholders.

The CEO is also responsible for producing reports and necessary documentation to facilitate decisions for board meetings and is the main presenter of the material at board meetings.

Management team

Vicore's management team currently consist of ten individuals; CEO Carl-Johan Dalsgaard; Chief Financial Officer Hans Jeppsson; CMO Rohit Batta, CSO Johan Raud, VP Clinical Development Elin Rosendahl, Program Director, early development Johanna Gräns, Chief Administrative Officer Nina Carlén, Chief Commercial Officer Åsa Magnusson, VP Business Development Mikael Nygård and Director of Digital Therapeutics Jessica Shull.

For further information about Vicore's management team, including name, position, year of employment, education, work experience, significant assignments outside the company and holdings (own and / or related parties) in Vicore on December 31, 2022, see pages 63-64.

Glossary

Agonist

A drug that has affinity for, and stimulates physiological activity, via cellular receptors that are normally stimulated by naturally occurring substances.

Antagonist

A substance that tends to nullify the action of another; in pharmaceutical terms, a drug that binds to a receptor without eliciting a biological response.

Angiotensin

Peptides and hormonal substances within the renin-angiotensin system. The most potent form known as Angiotensin II, which may bind to two different receptors; the AT1 receptor and the AT2 receptor.

AT1 receptor

Stimulation of the AT1 receptor via Angiotensin II provides, among other things, a contraction of the blood vessels and raised blood pressure

AT2 receptor

The Angiotensin II type 2 receptor or AT2 receptor is regarded as the "protective" receptor of the Renin-Angiotensin system. In contrast to the ubiquitous AT1 receptor, the AT2 receptor is predominantly expressed during embryonic development. In adults, however, it is mainly expressed after injury and in different disease states.

Clinical studies

Phase 1 is the first time that the drug is tested on humans. This is usually done on a small group (10-30) of healthy volunteers with normal weight who are men. This is because women's reproductive capacity is more sensitive if it should prove that the substance is toxic. In the phase I study the safety of the drug is investigated, how it is broken down in the body and its effects. In the phase I study the subject is only given a small fraction of the amount that is given to experimental animals, because the effect on people is completely unknown.

Phase 2 is carried out on a larger group of patients suffering from a disease (20-3,000) to study how effective the drug is to treat the disease. During phase II, dose studies are also usually conducted to arrive at the right dose to be given to patients in the future. This dose is used later in the phase III studies. Phase II studies can be divided into early phase (IIa) and late phase (IIb).

Phase 3 is carried out in a large population (300-30,000) to conclusively define how suitable the drug is to treat the disease. This patient group should as far as possible mimic the population of which the finished product is to be used on, e.g. weight, age, gender, etc. Comparisons are made to the current standard treatment or placebo (sugar pill) if there is no standard treatment for the disease. Phase III may also be divided into two subgroups phase IIIa and phase IIIb. In phase IIIa, the drug has not come out in the market yet and during phase IIIb the drug is on the market, but new areas of use for it are tested.

Phase 4 comes after the drug has started to be sold in the market, when new unusual side effects can be discovered. Phase IV can be seen as a monitoring of what is happening. Interstitiell lungsjukdom.

Digital Therapeutics (DTx)

Digital therapeutics (DTx) deliver medical interventions directly to patients using evidence-based, clinically evaluated software to treat, manage, and prevent a broad spectrum of diseases and disorders.

Interstitial lung disease (ILD)

Term used for a group of lung diseases.

Idiopathic pulmonary fibrosis (IPF) and pulmonary fibrosis (PF)

IPF is a chronic and ultimately fatal disease characterized by a progressive decline in lung function. The term pulmonary fibrosis means scarring of lung tissue and is the cause of worsening dyspnoea (shortness of breath). Fibrosis is usually associated with a poor prognosis. When the cause of the disease is not known, the fibrosis may be termed "idiopathic" . IPF usually occurs in adult individuals of between 50 and 70 years of age, and affects more men than women.

IMiD (Immunomodulatory drugs)

Is a class of drugs that affect the immune response and contains an imide group. The IMiD class includes thalidomide.

Preclinical research

Preclinical research is a stage of research that begins before clinical trials (testing in humans) can begin, and during which important feasibility, iterative testing and drug safety data are collected. The main goals of pre-clinical studies are to determine the safe dose for first-in-man study and assess a product's safety profile.

Pulmonary arterial hypertension (PAH)

Pulmonary arterial hypertension (PAH) is a progressive disease characterized by high blood pressure in the lung arteries caused by narrowing and obstruction in the arteries of the lung.

RAS or Renin-Angiotensin System

The Renin-Angiotensin System (RAS) or the Renin-Angiotensin-Aldosterone System (RAAS) is a hormone system that regulates blood pressure and water (fluid) balance. Drugs that block the ras, e.g. ACE inhibitors and Angiotensin receptor blockers, have been widely used clinically to treat high blood pressure, and for reducing mortality of patients with myocardial infarction and heart failure patients. With these drugs, the negative effects of Angiotensin II are blocked, which occurs when AT1r stimulated.

Receptor

A specific molecule on the surface or within the cytoplasm of a cell that recognizes and binds with other specific molecules, such as the cell molecules that bind with hormone or neurotransmitter molecules and react with other molecules that respond in a specific way.

Regulatory

Summary term for the work done to meet the authorities' formal requirements regarding, for example, pharmaceutical registration.

Orphan drugs

The regulatory authorities can grant a drug candidate Orphan Drug Designation (ODD). Orphan drug status is a way of encouraging research and development of drugs for the treatment of rare diseases. The market for orphan drugs is growing faster than other pharmaceuticals market.

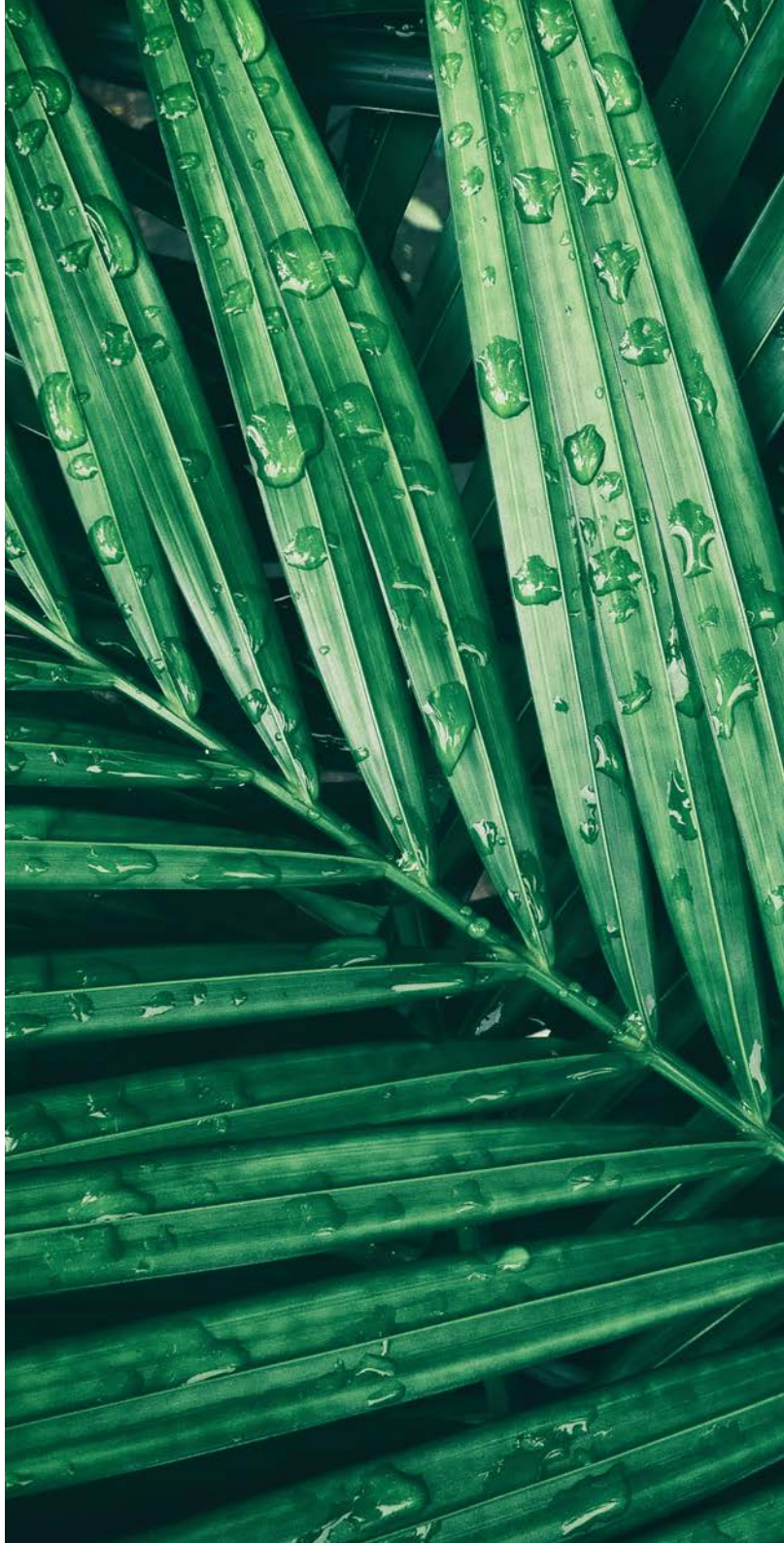
In the US and Europe, about 60 million people are estimated to suffer from one of the 7,000 identified rare diseases. In total, some 350 million people around the world are estimated to suffer from one of the rare diseases identified.

The definition of rare disease for different markets:

USA: <200,000 patients per indication

Japan: <50,000 patients per indication

Europe: <5 per 10,000 inhabitants (approximately 250,000 patients per indication)



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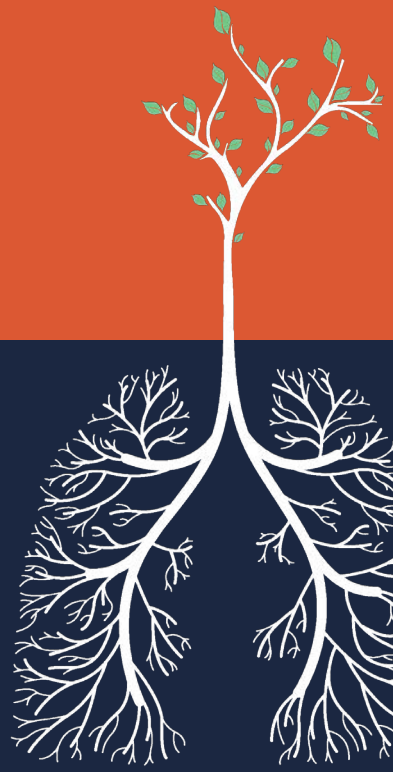

vicore pharma

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