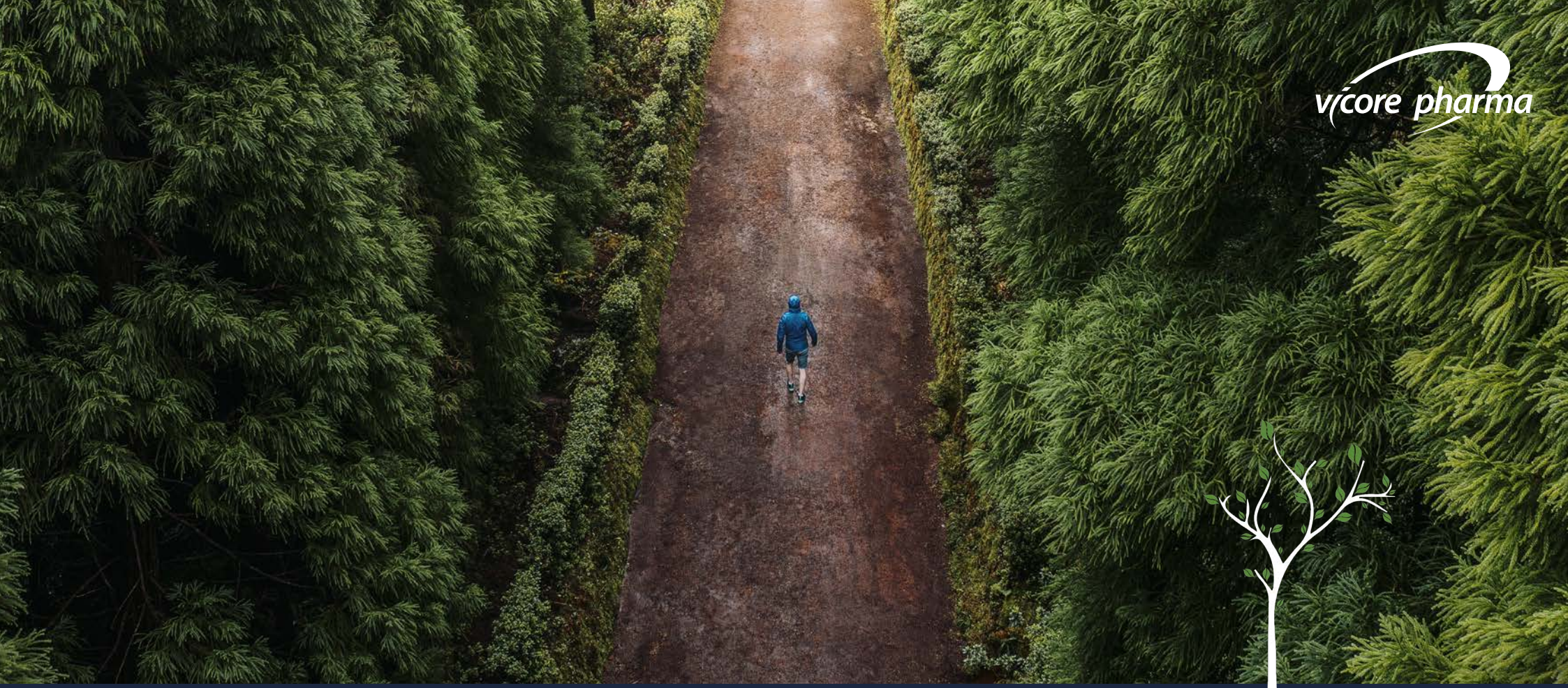


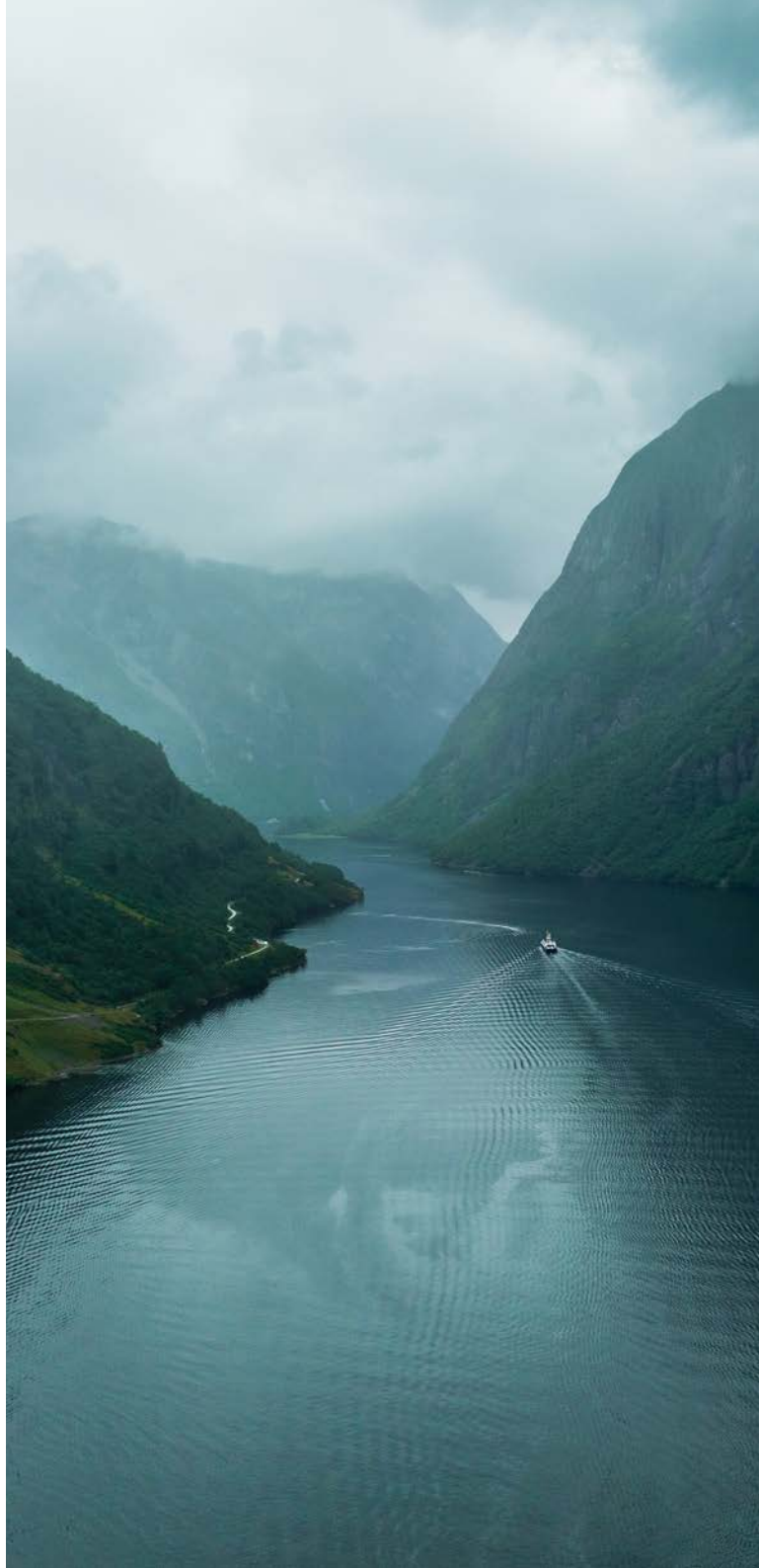
Annual report 2023

Vicore Pharma Holding AB (publ)

vicorepharma.com

Table of contents

ESEF (European Single Electronic Format) is the official version of the annual report. All other versions are copies.



Vicore in brief

Vicore is an innovative clinical-stage pharmaceutical company unlocking the potential of a new class of drugs with disease-modifying potential. The company is establishing therapies in respiratory diseases, including idiopathic pulmonary fibrosis (IPF).

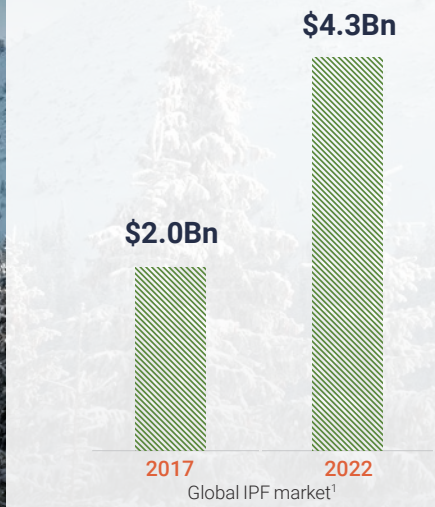
C21 is a first-in-class orally available small molecule angiotensin II type 2 receptor agonist (ATRAG) currently in Phase 2a development for IPF.

Almee™ (an investigational medical device in clinical development) is a digital therapeutic leveraging cognitive behavioral therapy created to address the psychological impact of living with pulmonary fibrosis.

Using its unique expertise in ATRAG chemistry and biology, Vicore is fueling its pipeline with several new candidate therapies across additional potential indications.

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

IPF - Strong market growth despite Standard of Care (SoC) shortcomings



Global IPF market[1]

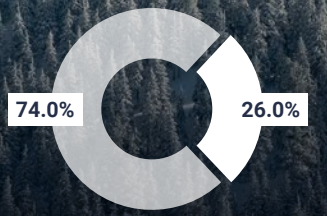
Growth driven by increased diagnosis and treatment rate

Limitations of current SoC - slows disease progression, but significant side effects and does not improve quality of life[1,2]

Population in US and Europe
~250,000

Average duration of treatment:
10 months

Only ~26% of U.S patients initiate treatment[3]



[1] Evaluate Pharma. Note: Combined sales of marketed drugs Ofev and Esbriet where Ofev sales since 2019 includes the indication SSc-ILD

[2] Pulmonary Fibrosis Foundation, Resp Res. 21, Article no: 48 (2020)

[3] Dempsey et al. Ann Am Thorac Soc 2021

Vicore pipeline

Molecular Therapies

Compound	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Comments	Partnerships
C21	IPF					Final Phase 2a study (NCT04533022) data 1H 2024 Phase 2b study start 1H 2024	Japan: NIPPON SHINYAKU CO., LTD.
	PAH*						
New ATRAGs**	Multiple indications					Preclinical studies	

Digital Therapies

Compound	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Comments	Partnerships
Almee™ DTx	PF Anxiety					Pivotal study (NCT05330312) completed	

* PAH - Pulmonary arterial hypertension

** ATRAG - Angiotensin II type 2 receptor agonists

Year in brief

The Company's main focus is the development of C21 for idiopathic pulmonary fibrosis (IPF). In 2023, the last patients were enrolled in the Phase 2a AIR study and the design of the Phase 2b ASPIRE study has been finalized to support initiation of the study in 2024. ASPIRE is a 52-week randomized, double-blind, placebo-controlled 270 patient study.

Positive effects with 36 weeks of treatment in the Phase 2a study of C21 in IPF

In May 2023, the Company disclosed interim data from the Phase 2a AIR study showing sustained efficacy at 36 weeks of treatment with an increase in FVC (forced vital capacity) to 350 mL compared to baseline values, representing 530 mL above the expected trajectory in untreated patients (n=19; p=0.001). The dataset showed a stabilization of lung capacity at week 6 and a subsequent increase in FVC from week 16 through 36. C21 remained safe and well tolerated with no treatment-related serious adverse events observed in the study.

Recruitment in the Phase 2a AIR study was completed in May 2023 with 51 patients included and final results are expected to be published in the first half of this year.

Preparations for the next step in the development, the phase 2b ASPIRE study, have been finalized. The ASPIRE study is planned to be a 52-week randomized, double-blind, placebo-controlled study including 270 participants.

The COMPANION study of the digital therapy, Almee™, achieved the primary endpoint and showed significantly reduced anxiety in patients with pulmonary fibrosis

In early 2024, Vicore announced the results from the COMPANION pivotal study. The study met its primary endpoint, change in GAD-7 anxiety scale from baseline, with a statistically significant improvement in anxiety symptoms of 2.7 points in the group treated with Almee™ compared to the control group. A change in the GAD-7 of more than 1.8 points is considered clinically meaningful.[1] The GAD-7 scale is used in clinical practice as a tool for assessing anxiety symptoms and that ranges from 0 to 21 with four levels spanning from minimal anxiety (0 to 4) to severe (15 to 21). The observed improvement of 2.7 points reflects a promising effect in reducing the level of anxiety and offering tangible relief of such symptoms in people with pulmonary fibrosis

The COMPANION study included 108 participants from across the United States in a randomized, controlled, parallel-group study and evaluated the effect of Almee™ on the psychological symptom burden in adults diagnosed with pulmonary fibrosis. The purpose of Almee™ is to provide personalized and accessible psychological support to these patients.

In March, 2024, Vicore announced FDA breakthrough device designation for Almee™.

The Company aims to further develop Almee™ in collaboration with partners developing or marketing molecular therapies for PF.

Financial overview for 2023

Net sales amounted to SEK 0.0 million and SEK 0.0 million for the year ended December 31, 2023 and 2022, respectively.

Operating loss amounted to SEK 321.5 million and SEK 290.7 million for the year ended December 31, 2023 and 2022, respectively.

Loss amounted to SEK 310.9 million and SEK 288.4 million for the year ended December 31, 2023 and 2022, respectively and the corresponding loss per share before and after dilution amounted to SEK 3.22 and SEK 3.99, respectively.

Cash, cash equivalents and short-term investments as of December 31, 2023 amounted to SEK 482.7 million equivalent to USD 48.1 million (SEK 261.7 million as of December 31, 2022).

Financial calendar

May 3, 2024	Interim report, Q1 2024
May 7, 2024	Annual General Meeting 2024
August 22, 2024	Interim report, Q2 2024
November 5, 2024	Interim report, Q3 2024
February 27, 2025	Year-end report 2024

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

Evaluation of new AT2 receptor agonists (ATRAGs) and indications to complement the development of C21 in IPF is ongoing.

In October, Vicore announced the results from the Phase 1 study of C106. The development in this program will be discontinued due to a transient increase in blood pressure, which has been observed at doses believed to be within the clinically effective range. The development of C21 continues as planned and no effects on blood pressure have been observed in the clinical studies conducted with C21.

An ongoing review of the project portfolio was initiated in the latter part of 2023 to identify the best ATRAG molecules and indications for further development. Activation of the AT2 receptor with C21 and other ATRAGs represents a powerful protective mechanism with great potential beyond IPF. Vicore is now reviewing a number of indications where we believe this mechanism may have a disease-modifying effect and be well suited for treatment with our various ATRAG molecules.

Inconclusive results from an exploratory study to assess the effect of ATRAGs on endothelial dysfunction

In August, Vicore announced that the results from the study investigating the EndoPAT® technology as a tool to assess the effect of C21 on endothelial function. The results were inconclusive due high intra-individual variability. The study was a single-dose, placebo-controlled, exploratory cross-over study to compare C21 with placebo in eleven patients with type 2 diabetes. The aim was to evaluate the usefulness of the EndoPAT® technology to investigate pharmacological vasodilation. The intra-individual variability of the EndoPAT® measurements, including measurements between placebo and baseline values for the primary endpoint, reactive hyperemia index, was high, resulting in inconclusive data.

IMiD program discontinued to focus on C21 in IPF

In January, Vicore announced the discontinuation of the preclinical IMiD program, inhaled thalidomide for the treatment of IPF cough, in order to focus efforts on the development of C21 in IPF and bringing new ATRAG molecules forward.

Vicore and Nippon Shinyaku entered into an exclusive license agreement for the development and commercialization of C21 in Japan

In February, 2024, Vicore announced that it entered into an exclusive license agreement with Nippon Shinyaku Co. Ltd, a leading Japanese pharmaceutical company, to develop and commercialize Vicore's drug candidate C21 in Japan.

Under the terms of the agreement, Vicore received an initial payment of USD 10 million and is entitled to potential development and commercial milestone payments up to a total of USD 275 million. Vicore is also eligible

to receive incremental royalties ranging up to the low 20s based on annual net sales of C21 in Japan. Nippon Shinyaku receives the exclusive right to develop and commercialize C21 in Japan, with an initial focus on the treatment of idiopathic pulmonary fibrosis (IPF). They are operationally and financially responsible for the development of C21 in Japan and will at its expense contribute Japanese patients and clinicians to the global development of late-stage C21. Vicore retains all rights to C21 in the rest of the world.

Ahmed Mousa is appointed new CEO of Vicore and Bertil Lindmark is appointed new Chief Medical Officer

In July, Vicore announced that Ahmed Mousa will take over as the new CEO of the company starting in September. The appointment is a first step in establishing Vicore's presence in the US. Ahmed has held senior positions in biotech companies and has deep knowledge and experience in business and corporate development spanning multiple therapeutic areas including respiratory diseases. He joins Vicore from Pieris Pharmaceuticals where he most recently held the position of Chief Business Officer.

In December, Vicore announced that Bertil Lindmark, prominent in the development of drugs for respiratory diseases, is appointed Chief Medical Officer of Vicore. Dr. Lindmark has extensive experience in late-stage clinical drug development and has led the development of Symbicort and other global brands for the treatment of lung diseases.

Enhanced patent protection for C21 in the US and Europe

In May, Vicore announced that a patent relating to an improved formulation of C21, so-called "enteric coating", has been issued in the United States and Europe. The patent relates to a new invention that improves C21 uptake through enteric coated tablets that dissolve only when reaching the small intestine. The patent protects all forms of enteric coating of C21 and is expected to provide protection until at least 2041. Similar patents have been filed in the rest of the world, including China and Japan.

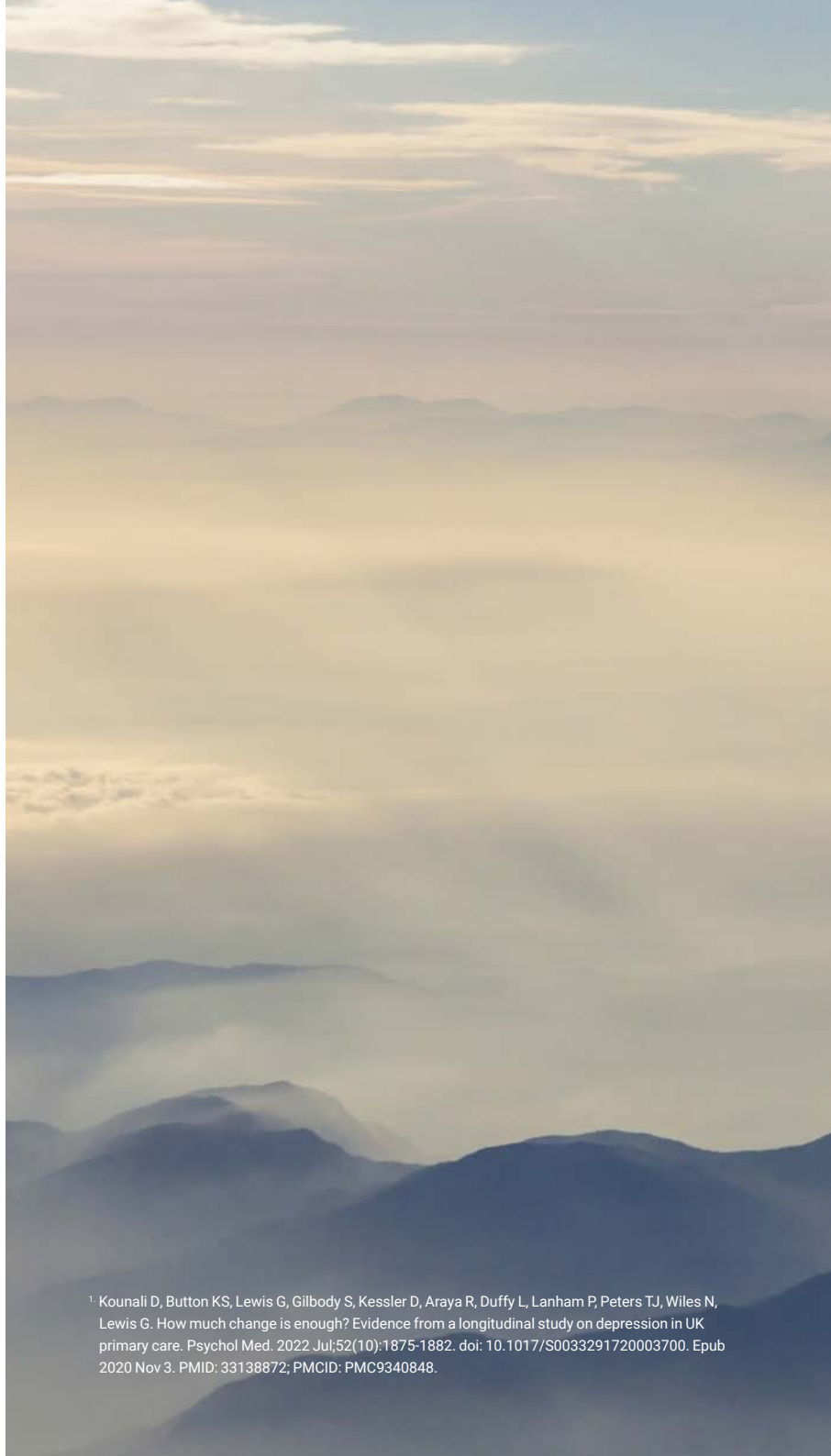
Increased presence at important medical conferences in 2023

In 2023, Vicore presented several scientific posters and presentations at medical conferences in the US and Europe. At the ATS (American Thoracic Society) congress in May 2023, Vicore presented updated interim results from the AIR study in addition to several poster presentations. With ATS as host, Vicore was also selected to present at the Respiratory Innovation Summit in connection with the ATS congress.

In September, Vicore presented two poster presentations at ERS (European Respiratory Summit).

Strengthened financial position after equity financing during the summer

Vicore completed a financing which raised approximately SEK 500 million (46 million USD) before issue costs. Significant Swedish and international healthcare specialists participated in the financing.



[1] Kounali D, Button KS, Lewis G, Gilbody S, Kessler D, Araya R, Duffy L, Lanham P, Peters TJ, Wiles N, Lewis G. How much change is enough? Evidence from a longitudinal study on depression in UK primary care. Psychol Med. 2022 Jul;52(10):1875-1882. doi: 10.1017/S0033291720003700. Epub 2020 Nov 3. PMID: 33138872; PMCID: PMC9340848.

CEO-comments

With recruitment of the AIR study successfully completed, we eagerly anticipate the publication of final results in the first half of this year.
Looking ahead, we are excited to embark on the next phase of our journey with the initiation of the Phase 2b ASPIRE study. This study represents a critical step forward in advancing the development of C21 and bringing us closer to offering a transformative treatment option for IPF patients worldwide.

I am pleased to have the opportunity to reflect on the significant achievements and strategic milestones that Vicore has attained in 2023 and in the year to date. It has been an incredibly rewarding journey since I joined the company in September 2023. I am grateful for the support of the Vicore team, clinician community, IPF patients and patient groups, as well as our investors and shareholders, whose dedication to having a meaningful impact on this devastating disease continue to drive our success.

With recruitment of the phase 2a study (AIR) with C21 in IPF successfully completed, we eagerly anticipate the publication of the final results in the first half of this year. The promising interim results, last presented in May, showed a stabilization and a subsequent improvement in lung function as measured by FVC (Forced Vital Capacity) over 36 weeks, demonstrate the disease-modifying transformative potential of C21 and give us confidence for a continued positive outcome.

Looking ahead, we are excited to embark on the next phase of our journey with the initiation of the Phase 2b ASPIRE study. This study represents a critical step forward in advancing the development of C21 and bringing us closer to offering a transformative treatment option for IPF patients worldwide.

We successfully strengthened our patent portfolio in the summer with the approval of an enteric coating formulation of C21 in the United States and Europe. The formulation improves the uptake of C21 and the patent protects all forms of enteric coatings of C21 up until at least year 2041.

In the year to date, we achieved two further milestones reflecting our ability to put in place and execute a strategy to drive value for our stakeholders.

First, we reported positive results from the pivotal study of Almee™, our digital therapeutic, designed to address anxiety in pulmonary fibrosis patients. This study, COMPANION, demonstrated a statistically significant improvement

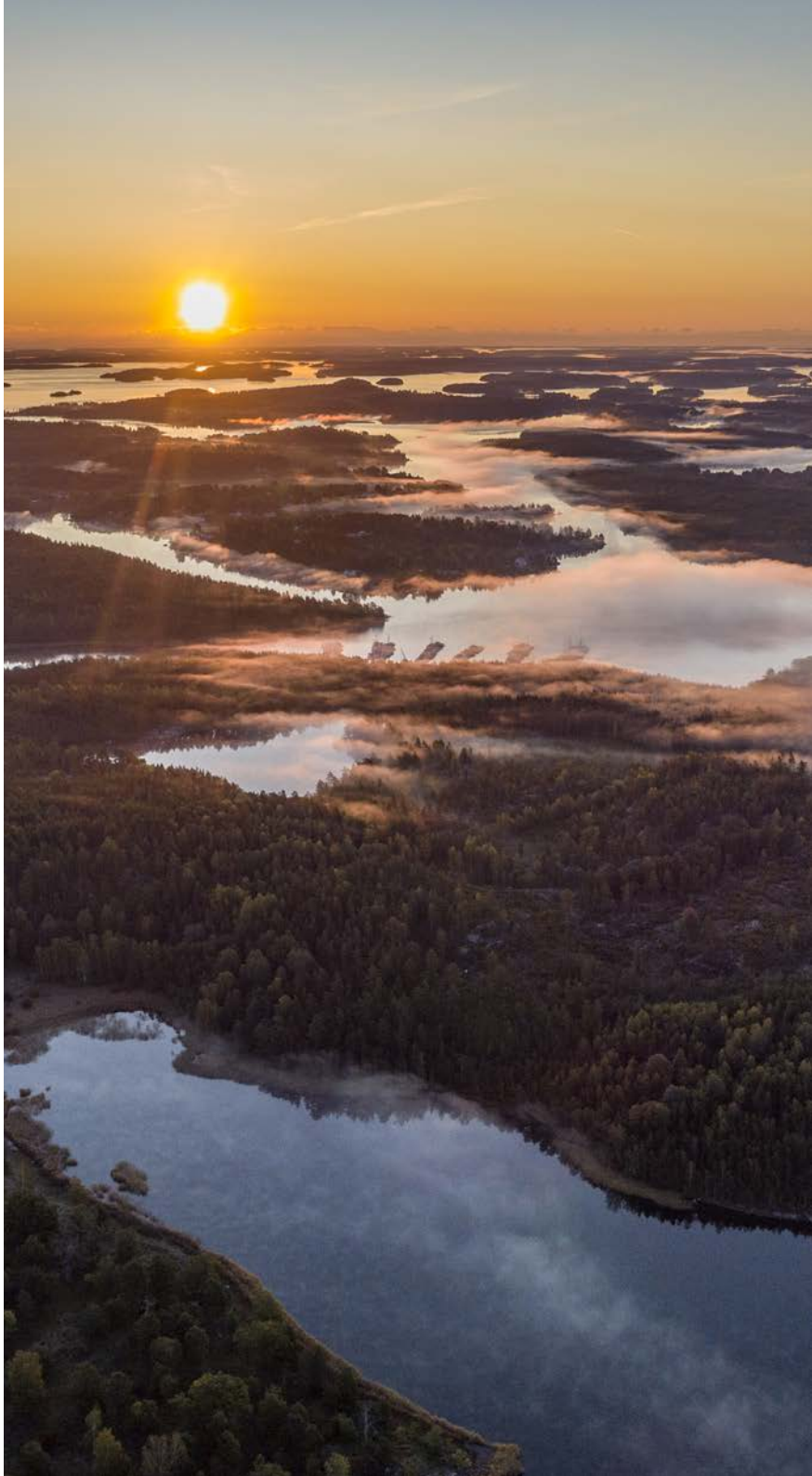
in anxiety symptoms, underscoring our commitment to improving the holistic well-being of patients affected by respiratory diseases. In addition, In addition, Vicore received FDA breakthrough device designation status for Almee™. The FDA's breakthrough device program covers medical devices that are deemed to offer a more effective treatment for life-threatening or irreversibly debilitating diseases and sets Almee™ apart as an innovative and effective tool for PF patients.

And second, we entered into partnership with Nippon Shinyaku Co. Ltd. for the development and commercialization of C21 in Japan. This partnership not only strengthens our financial position, but also reinforces our commitment to expanding the global reach of C21 and delivering innovative treatments to patients worldwide.

In line with our commitment to prioritizing our research and development efforts, we made the strategic decision to discontinue our preclinical IMiD program. This strategic realignment allows us to focus our resources on advancing C21, maximizing our impact in addressing the unmet needs of patients with IPF. In addition to advancement of our current priorities, our strategic review of the early-stage molecules and potential additional indications where we believe AT2 agonism can play a meaningful role is ongoing.

I want to extend my sincere appreciation to our shareholders, employees, and partners for their continued support and dedication. Together, we are poised to achieve even greater success in the pursuit of our mission to improve the lives of patients worldwide.

Ahmed Mousa



Vicore ambition and strategic priorities

Vicore is an innovative clinical-stage pharmaceutical company unlocking the potential of a new class of drugs with disease-modifying potential.

Vicore has built unique expertise in modulation of the angiotensin pathway and has generated clinical safety and efficacy data in IPF with C21, a first-in- class angiotensin II type 2 receptor agonist (ATRAG).

Our history of collaboration with leading scientists has led to a wealth of preclinical data demonstrating the potential of AT2 receptor modulation. With our deep expertise in the AT2 receptor biology and the extensive chemistry program generating novel ATRAGs, we are in a unique position to exploit opportunities to bring novel therapies to patient populations with large unmet medical need.

Patients motivate us to explore this protective resolution and repair system to address unmet medical needs and create value across multiple indications.

Our near-term priorities include advancing C21 to late-stage development in IPF, firstly by initiating the global phase 2b ASPIRE trial. Vicore also seeks to find partners that can realize the full potential of the digital product Almee™, which has demonstrated effective reduction of anxiety in patients with pulmonary fibrosis.

Advance pipeline

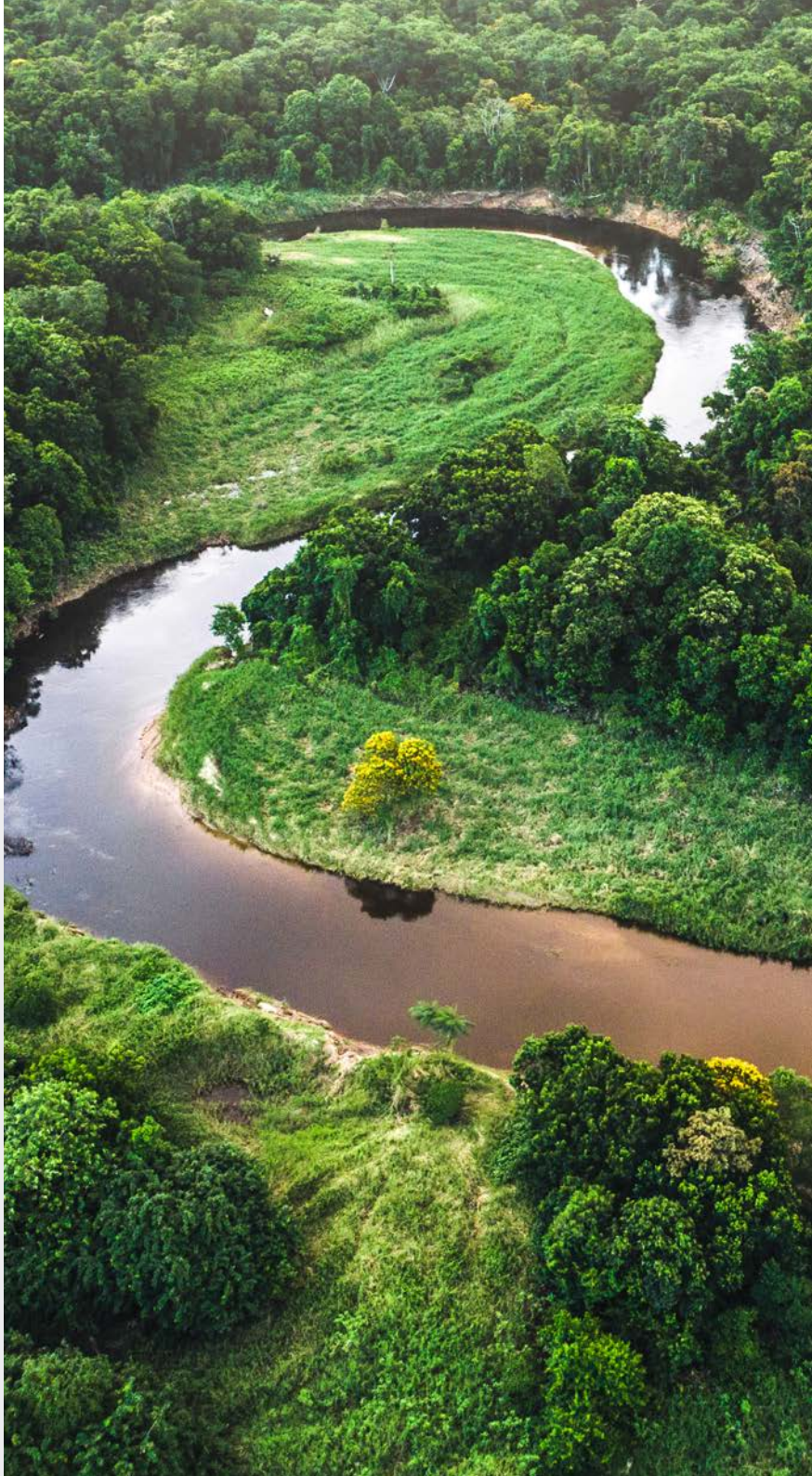
- Advance C21 to late-stage development in IPF
- Progress additional ATRAGs through preclinical development and into clinical phase
- Select follow-on indications and new AT2 receptor agonists based on strategic fit

Build and expand

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

Partner

- Establish partnerships in select programs to co-develop and commercialize innovative treatments
- Collaborate with the scientific community, patient organizations and other companies to build portfolio value



Market overview

Global medicine spending was estimated to reach $1.1 tn in 2023, with an expected annual growth rate of 3 to 6% through 2027 to about $1.9 tn. Growth in developed economies continues at relatively steady rates with new products and existing branded products offset by patent expiries.
US market growth, on a net price basis, is forecast to grow by 2% per year through 2027, down from 4% growth rate per year for the past five years. The impact of exclusivity losses will increase, including significant biosimilar introductions. New brand spending in the US is projected to be higher than the last five years but will be a smaller share of total spending. Key elements of the Inflation Reduction Act (IRA) are expected to impact medicine pricing and cost sharing among stakeholders, even though the specific impact is yet to be determined.[1]

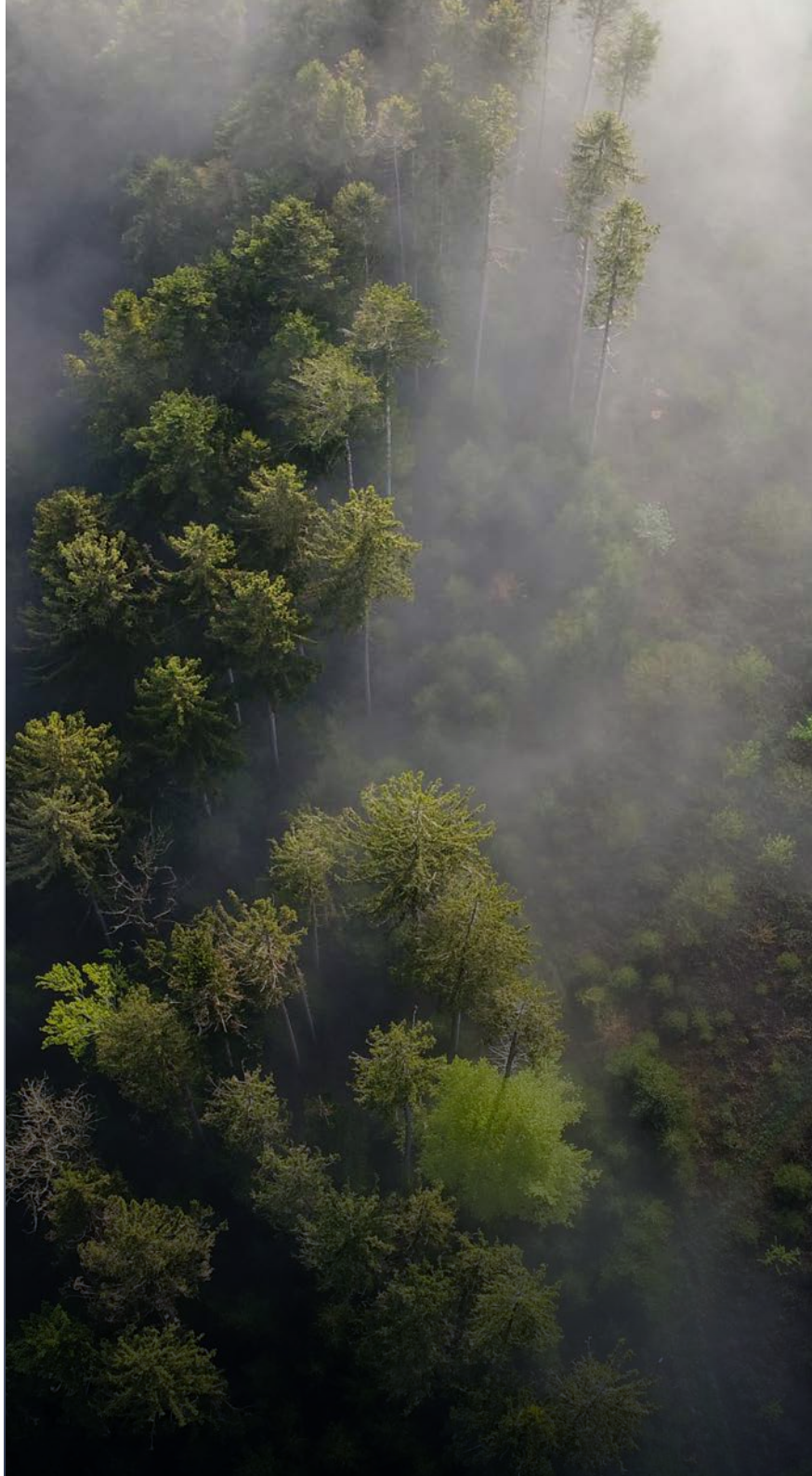
Medicines targeting rare diseases with Orphan Drug Designation continue being a significant part of the pharmaceutical market, making up about 13% of the total market in 2022 and expected to grow at almost double the rate compared to the overall market, about 11% annually until 2028.[2]

IPF – the unmet medical need increases

Idiopathic pulmonary fibrosis (IPF) is a chronic and fatal interstitial lung disease. 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 to 4.5 per 10,000.[3]

To date, no therapy has demonstrated the ability to halt or reverse the declining lung function seen in IPF, nor to improve symptoms or reduce mortality. Available antifibrotic therapies are 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 many as 43% of patients in the US discontinue their antifibrotic treatment.[4]

Several trials in IPF have failed during recent years and many clinical trials fail to recruit enough participants or suffer high dropout rates.[6] With a growing patient population and limited treatment options, the unmet medical need increases. Not only for improved disease modifying therapies, but also for clinical trials better adapted to meet patients' and caregivers' needs.



The changing landscape 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 32% annually in the coming 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 reached ~$1.3 bn in 2022, after having peaked in 2021.[10,11] In 2023, the investment landscape has been more challenging in line with the healthcare sector in general.[12]

Many major pharmaceutical 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, the Biogen-MedRhythms licensing deal for a multiple sclerosis DTx, and the expanded alliance between Boehringer Ingelheim and Click Therapeutics for a schizophrenia DTx.

1. IQVIA Dec 2023 (https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-2024-outlook-to-2028)
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. Desai M. Recruitment and retention of participants in clinical studies: Critical issues and challenges. Perspect Clin Res. 2020 Apr-Jun;11(2):51-53. doi: 10.4103/picr.PICR_6_20.
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. IQVIA – Digital Health Trends 2021 (July 2022)
10. https://allis.health/on-the-pulse/where-do-investments-go-digital-therapeutics-dtx-market as
11. Dealroom.co - Digital Therapeutics – medical intervention beyond the pill. (December 2022, accessed February 2023)
12. https://dtxalliance.org/2023/12/21/year-in-review-digital-therapeutics-in-2023-and-beyond

Driving repair by activating the AT2 receptor

The renin-angiotensin system regulates several important physiological processes. The AT1 receptor is a well-established drug target with ARBs (angiotensin receptor blockers) and angiotensin converting enzyme (ACE) inhibitors, which together have revolutionized the treatment of hypertension.

The expression of the AT2 receptor 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 role of the AT2 receptor in several serious diseases related to tissue fibrosis, and vascular dysfunction.

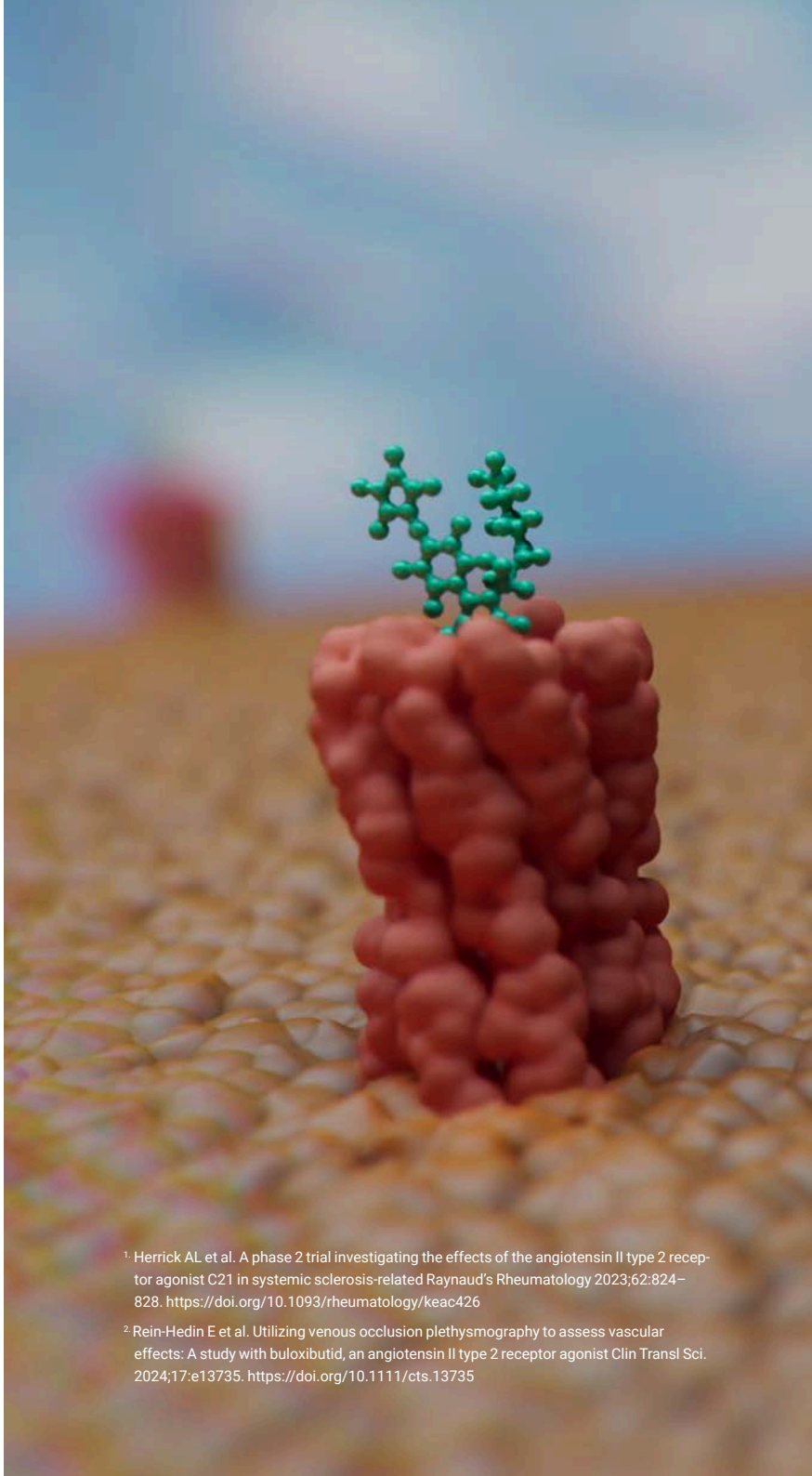
In the lung, the AT2 receptor is highly expressed on alveolar epithelial cells type 2, acting as progenitor cells critical for surfactant production and maintaining alveolar function and structure. When damaged, these cells release TGFβ1, considered an important driver of pulmonary fibrosis. Moreover, dysfunctional alveolar epithelial cells type 2 can transition into myofibroblasts producing excess collagen.

Vicore is focusing on activating the protective arm of the renin-angiotensin system by stimulating the AT2 receptor. The therapeutic benefit of AT2 receptor stimulation has been demonstrated in more than 100 preclinical studies, and clinical evidence is accumulating, validating the preclinical results.

Vicore's lead candidate drug, C21, is the first-in-class oral, selective AT2-receptor agonist, driving an upstream pathway that improves alveolar epithelial type 2 cell function, triggering a cascade of reparatory activity resolving disease-associated fibrosis and vascular remodeling.

Vascular effects of C21, has been demonstrated in systemic sclerosis patients with severe vasculopathy and fibrosis.[1] The pharmacodynamic vascular effects were also demonstrated in healthy volunteers, where ascending doses of C21 increased forearm blood flow without clinically relevant changes in arterial blood pressure, indicating that C21 may be effective in conditions associated with endothelial dysfunction.[2]

Interim data from the ongoing phase 2a AIR trial in IPF indicates that patients treated with C21 can regain lung function, as demonstrated by a stabilization, and increase in FVC (forced vital capacity).



[1] Herrick AL et al. A phase 2 trial investigating the effects of the angiotensin II type 2 receptor agonist C21 in systemic sclerosis-related Raynaud's Rheumatology 2023;62:824–828. https://doi.org/10.1093/rheumatology/keac426

[2] Rein-Hedin E et al. Utilizing venous occlusion plethysmography to assess vascular effects: A study with buloxibutid, an angiotensin II type 2 receptor agonist Clin Transl Sci. 2024;17:e13735. https://doi.org/10.1111/cts.13735

Pipeline overview

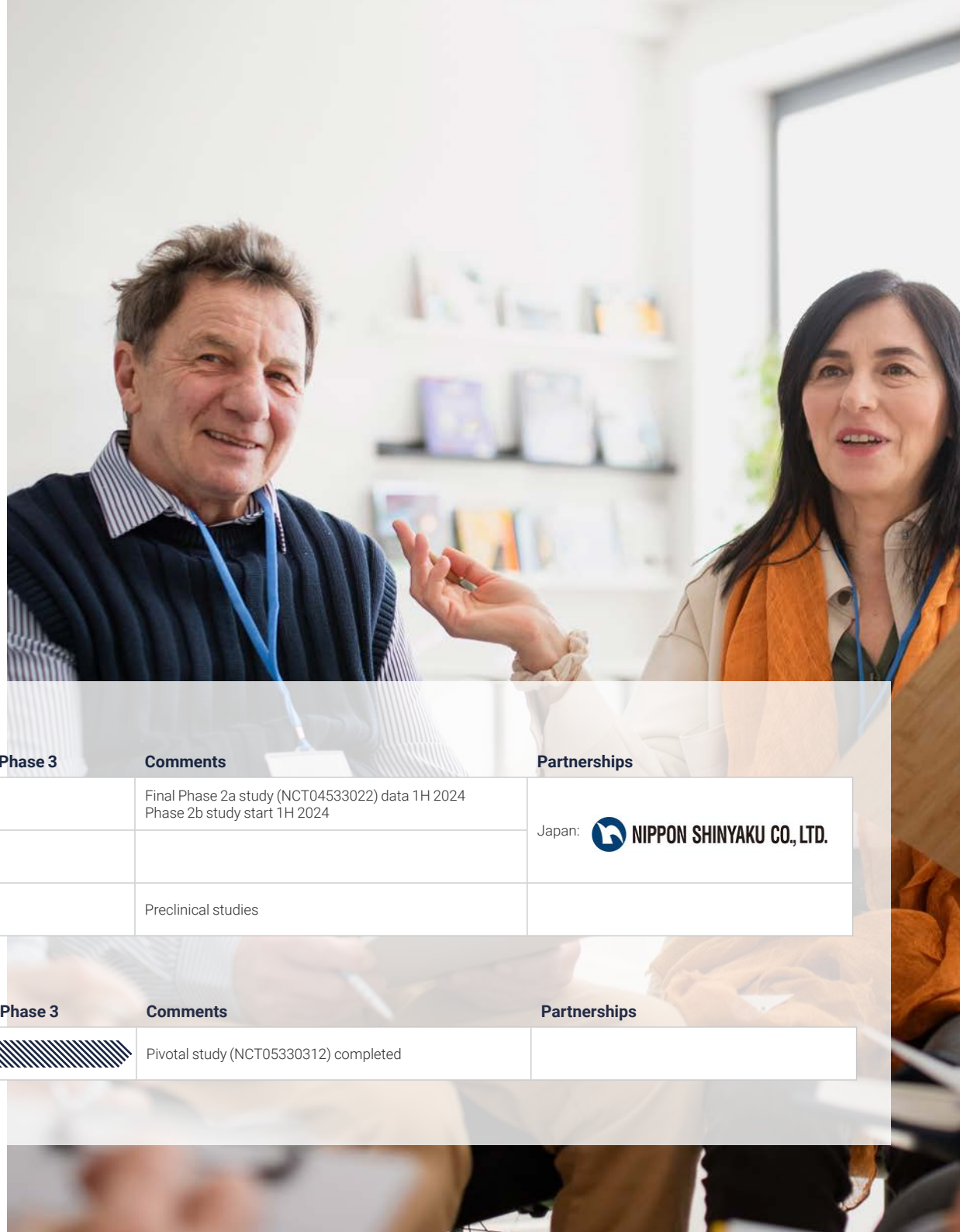
ASPIRE – a patient-focused Phase 2b trial to investigate the disease modifying potential of C21 in IPF

The unmet medical need in idiopathic pulmonary fibrosis (IPF) remains monumental with multiple recent clinical trials failing. To date, no therapy has been shown to halt the progressively declining lung function associated with disease and available therapies are poorly tolerated.

Additionally, participation in clinical trials can place strain on patients and many clinical trials fail to recruit enough participants or suffer high dropout rates, increasing the hurdles for developing new and effective therapies.[1]

Vicore recognizes that to meet patients' needs and priorities, and to ensure that trial participation is attractive and convenient, increased patient involvement in trial design and set-up is required. Recent findings of a survey including IPF patients identified several barriers to trial participation, which led to the recommendation of patient-friendly changes.[2]

To increase the probability of success of ASPIRE, Vicore has established an advisory panel with six IPF patients and



Vicore pipeline

Molecular Therapies

Compound	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Comments	Partnerships
C21	IPF					Final Phase 2a study (NCT04533022) data 1H 2024 Phase 2b study start 1H 2024	Japan: NIPPON SHINYAKU CO., LTD.
	PAH*						
New ATRAGs**	Multiple indications					Preclinical studies	

Digital Therapies

Compound	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Comments	Partnerships
Almee™ DTx	PF Anxiety					Pivotal study (NCT05330312) completed	

* PAH - Pulmonary arterial hypertension

** ATRAG - Angiotensin II type 2 receptor agonists

two caregivers from the United States and United Kingdom. Qualitative insights from the patient and caregiver panel have guided the design of the ASPIRE trial by minimizing site visits, adding virtual visits and optimizing patient information material. In addition, means to ensure continued participant feedback during trial has been developed.

The ASPIRE trial is a 52-week randomized, double-blind, placebo-controlled, parallel-group, multicentre trial of 2 doses of C21. The aim is to include 270 participants (90/treatment arm) with IPF, either not treated with antifibrotics or on stable nintedanib therapy. The primary endpoint will be change from baseline in FVC (forced vital capacity).

The ASPIRE trial seeks to maximise trial attractiveness through continuous feedback from patients and caregivers to guide the conduct and reporting of ASPIRE through empowered trial participants.

Development of new ATRAGs to complement the product portfolio

Vicore is developing novel proprietary angiotensin II type 2 receptor agonists (ATRAGs) for the treatment of a variety of diseases where the AT2 receptor plays a central role. In Vicore's research program, the collaboration with Emeriti Bio and HaLaCore Pharma continues to design and synthesize new ATRAGs. New drug candidates are evaluated with initial screening followed by more extensive testing including efficacy, toxicology and safety pharmacology studies. An ongoing review of the project portfolio was initiated in the latter part of 2023 in light of identifying the best ATRAG molecules and indications for further development. Activation of the angiotensin II type 2 receptor with C21 and other ATRAGs represents a powerful protective mechanism with great potential beyond IPF and the company is now reviewing a number of indications where we believe this mechanism may have a disease-modifying effect and be well suited for treatment with our various ATRAG molecules.

Our goal is to have several drug candidates in different development phases and to be a leader in the development of ATRAGs as a new drug class.

Almee™ DTx in pulmonary fibrosis (PF) anxiety

Almee™ is a medical device and the first digital therapy designed to address the psychological challenges associated with living with pulmonary fibrosis. The pivotal COMPANION study, which closed in January 2024, included 108 participants in the United States and was a randomized, controlled, parallel group study evaluating the impact of the product on anxiety and quality of life in adults diagnosed with pulmonary fibrosis. Living with a fatal disease for which there is currently no curative treatment has a negative impact on mental health and quality of life. The goal of Almee™ is to provide personalized and accessible psychological support to these patients. For further development of Almee™, the company will seek collaboration with pharmaceutical companies that already have approved drugs for pulmonary fibrosis, or that are in late-stage development, and that can take the innovation forward for an improved treatment with digital molecular combination therapies.

[1] Desai M. Recruitment and retention of participants in clinical studies: Critical issues and challenges. Perspect Clin Res. 2020 Apr-Jun;11(2):51-53. doi: 10.4103/picr.PICR_6_20. Epub 2020 May 6. PMID: 32670827; PMCID: PMC7342339.

[2] Jones S, Flewett M, Flewett R, et al. Clinical trial simulations in pulmonary fibrosis: patient-focused insights and adaptations. ERJ Open Res 2023; in press (https://doi.org/10.1183/23120541.00602-2022).

Environmental, social and governance

Introduction

Our highest priority is to develop safe and effective treatments for patients in areas with high unmet medical need to improve the quality of life for these patients and their families. This strategy also requires that we do our work in a sustainable way. For our organization and business operations this means that we empower our employees to ensure they enjoy working for Vicore, have sustainable external collaborations, run our business in a compliant way and act as a responsible part of and for society and the environment.

Vicore is a participant in the UN Global Compact as part of our efforts to improve and expand our compliance and efforts to drive long-term value creation while contributing positively to society and minimizing our environmental footprint

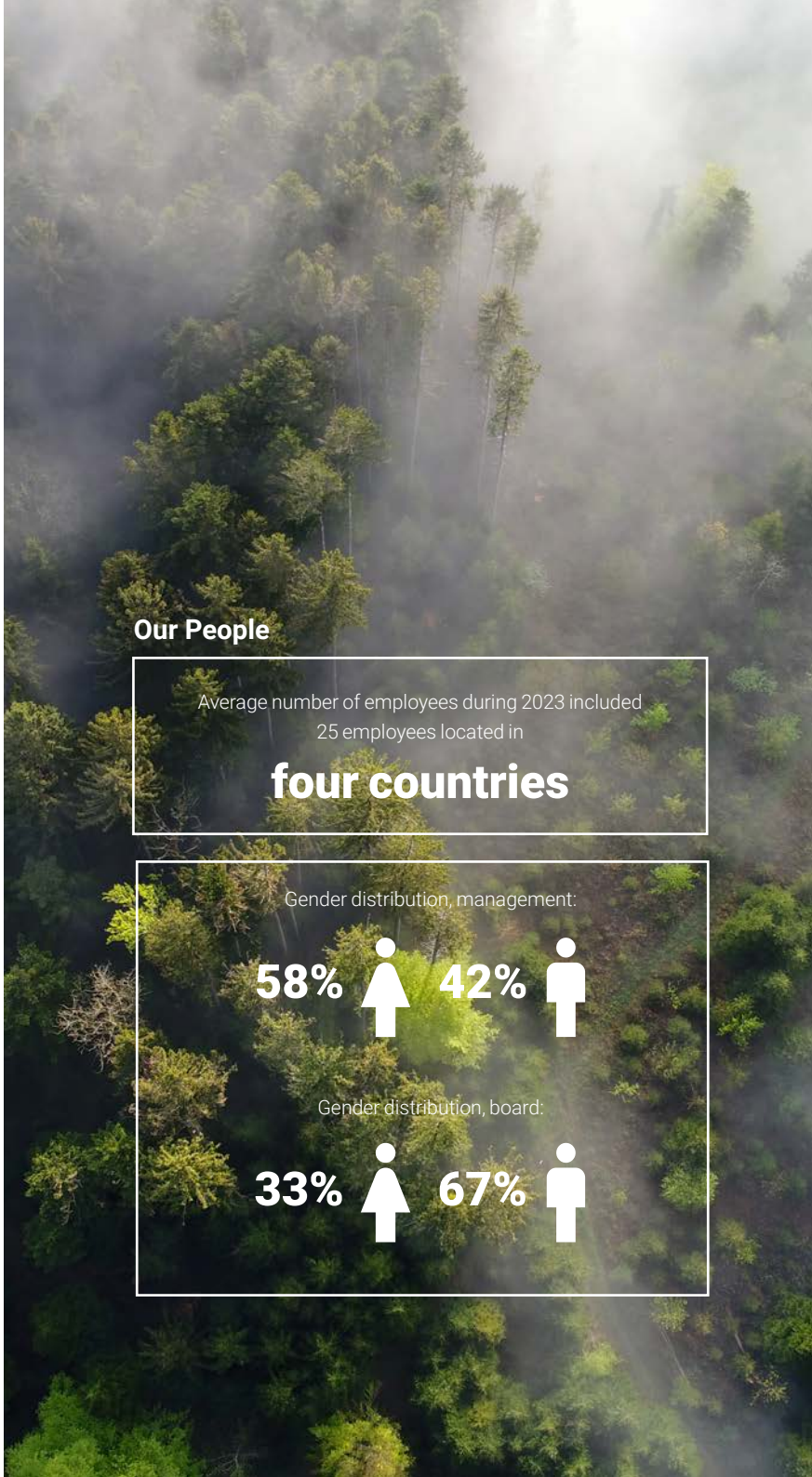
Sustainable use of resources

As a small pharmaceutical company, we recognize the importance of minimizing our environmental impact and promoting sustainability in our operations. Our sustainability initiatives include;

- Sustainability in our day-to-day work: We prioritize resource efficiency to minimize waste and conserve natural resources. We avoid disposable materials in our offices and where possible meetings are held virtually to avoid unnecessary environmental impact. The Company's headquarters is centrally located in Stockholm and easily accessible through local commuting options, bike and walk. Train is the preferred choice when travelling within the Nordic countries.
- Environmental compliance: By staying informed about applicable environmental laws and regulations, we strive to mitigate potential environmental risks and maintain the integrity of our operations while demonstrating our commitment to environmental stewardship.

Social responsibility

- Coworker well-being: We prioritize the health, safety, and well-being of our employees. Through various wellness initiatives, flexible working hours and opportunities to work from home we foster a supportive work environment that promotes employee engagement, productivity, and work-life balance. Additionally, we offer ongoing training and professional development opportunities to empower our workforce and foster a culture of continuous learning. A coworker satisfaction survey is conducted on an annual basis and employees are encouraged to take initiatives for coworkers well-being improvement activities. For the comfort of all coworkers and the ability to confidentially report misconducts in Vicore, we have implemented an externally managed whistle blowing function through www.visslan.se.
- Diversity and inclusion: Vicore has zero tolerance toward all forms of harassment and discrimination. We are committed to fostering a diverse and inclusive workplace that values and celebrates differences.



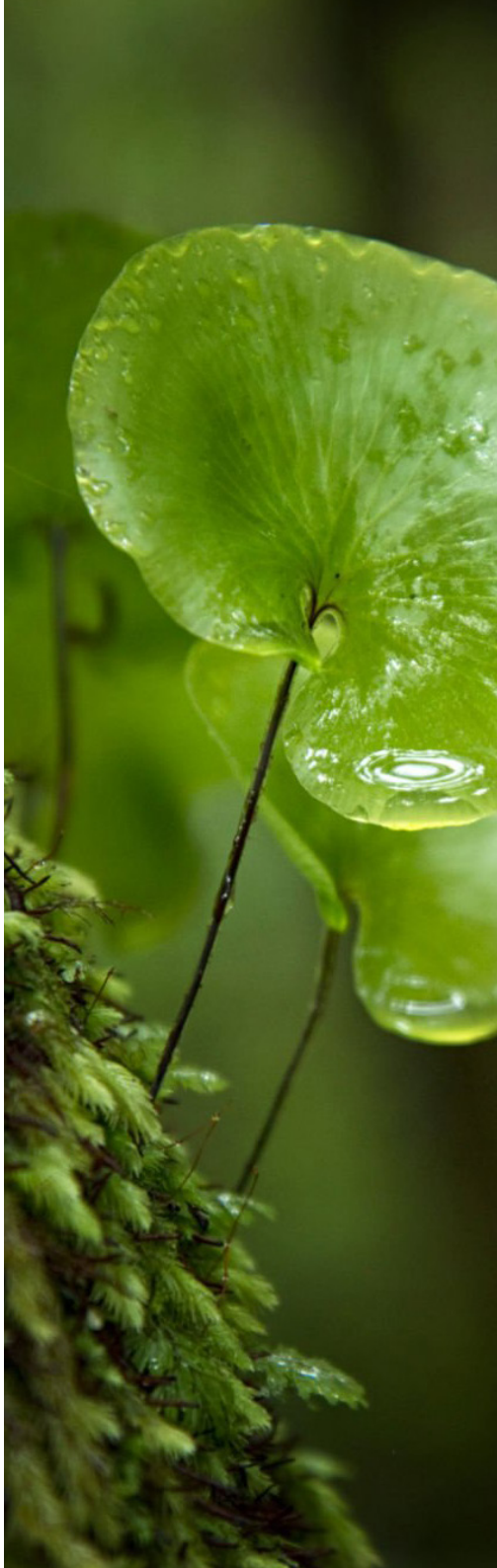
- Equality: Vicore is committed to providing equal pay and opportunities for career progression and professional development. We are implementing compensation assesments to ensure we are competetive in relation to peer companies.
- Community: We provide, support or sponsor patient organizations in the areas we operate within.

Governance and ethics

- CoWorkers responsibility: The Code of Conduct "The Vicore Code" outlines the requirements expected of all Vicore Coworkers. All Coworkers are expected to behave correctly, politely, and respectfully towards all parties in business relationships, with fellow Coworkers, and other individuals encountered when working on behalf of Vicore. The Vicore Code contains policies covering fraud, bribery, corruption and politics. It also contains policies related to prevention of anticompetitive behaviour and conflicts of interest as well as ethical practice in our research and development work. As a public company listed on NASDAQ Stockholm, we take a serious responsibility to provide our shareholders and the public with the complete and accurate information about our financial condition and our operations. Vicore conducts annual trainings in The Vicore Code for all employees and new employees sign The Vicore Code as part of the employment agreement.
- Ethical research practices: Ethical considerations are fundamental to our research and development activities. We adhere to strict ethical guidelines and regulatory standards to ensure the humane treatment of research subjects, protect patient privacy, and uphold the integrity of our scientific research.
- Board diversity and accountability: Our board of directors is composed of individuals with diverse backgrounds and expertise, fostering effective oversight and strategic decision-making. We prioritize gender diversity on our board and within senior leadership positions to ensure diverse perspectives and experiences are represented at the highest levels of governance.
- Transparency and integrity: We maintain transparent communication with stakeholders and adhere to high standards of integrity and accountability in all our business dealings. For our clinical research studies, we ensure data transparency through adherence to clinical trial disclosure and data transparency requirements as well as good publication practices. Our governance framework includes robust compliance mechanisms, internal controls, and ethical conduct policies to prevent misconduct and safeguard against reputational risks.
- Patient safety and quality: The core of our business is the development of safe and efficient products meeting all applicable quality standards and regulations. We regularly monitor and evaluate our suppliers and our internal compliance with procedures as well as applicable legislation, and the need for any improvements are discussed and actioned via governance structures which involve the executive management team.
- Scientific integrity and oversight: Our governance framework prioritizes scientific integrity and rigorous oversight of research and development activities. We have established independent scientific advisory boards comprising leading experts in relevant fields to provide objective guidance and ensure the quality and credibility of our scientific endeavors.
- Risk management and compliance: We maintain robust risk management processes and compliance mechanisms to identify, assess, and mitigate risks associated with our operations. Our quality and compliance programs encompass regulatory compliance, data privacy, intellectual property protection, and cybersecurity, among other areas, to safeguard against potential liabilities and uphold the trust of stakeholders.
- Tax compliance: Vicore complies with all applicable tax laws, regulations, and tax compliance requirements. Vicore regularly reviews its tax filing requirements and those of its subsidiaries and discloses income and non-income taxes paid in our publicly filed financial statements.

Summary

In summary, Vicore is committed to advancing ESG principles to create long-term value for all stakeholders. By integrating environmental sustainability, social responsibility, governance, ethics, and gender diversity into our business strategy and operations, we aim to address global challenges, drive innovation, and contribute to a more inclusive and sustainable future. We remain dedicated to continuous improvement and transparency in our ESG performance, recognizing the importance of collaboration and stakeholder engagement in achieving our shared goals.



Intellectual property

C21 is protected by different types of patents, including those directed to new formulations and methods of use. Moreover, Vicore relies on orphan drug designation 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 marketing 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 new ATRAGs

Project	Country	Application date (priority)	Status	Expiry year (planned)
ATRAG	National	20.09.2019	Pending	2040
ATRAG	National	19.03.2020	Pending	2041
ATRAG	National	20.03.2020	Pending	2041
ATRAG	National	01.09.2020	Pending	2041
ATRAG	National	23.03.2021	Pending	2042
ATRAG	National	23.03.2021	Pending	2042
ATRAG	National	23.03.2021	Pending	2042
ATRAG	National	09.07.2021	Pending	2042
ATRAG	International	09.01.2023	Pending	2044

Table B – Other patents related to C21

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

Shareholder information

The share

Vicore's shares are listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of December 31, 2023, the total number of shares amounted to 111,722,979 and the market capitalization was SEK 1,584 million. The number of shareholders amounted to 8,403. The company's shares are issued in one class and each share carries one vote.

Capital supply

On June 9, 2023, Vicore successfully completed a directed share issue of 29,875,000 shares at a subscription price of SEK 16.75 per share, raising SEK 500 million before transaction costs.

Share price development

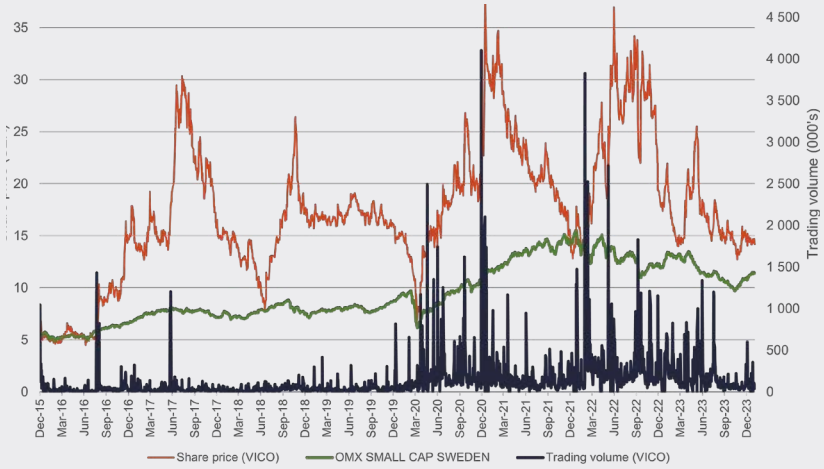
At the end of 2023, the share price was 14.18 SEK. The highest price paid for the share during the year was 25.50 SEK on May 17 and the lowest price paid was 12.72 SEK on November 1.

Analyst coverage

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

- ABG Sundal Collier, Alexander Krämer
- Bryan Garnier, Alex Cogut
- Carnegie, Arvid Necander and Erik Hultgård
- DNB Bank ASA, Patrik Ling
- Kempen & Co, Sushila Hernandez
- Nordea, Viktor Sundberg
- Pareto, Dan Akschuti

Development of the share



Largest shareholders

Largest shareholders in Vicore as of December 31, 2023:

Shareholder	No. of shares	%
HealthCap VII L.P.	18,427,774	16.5%
Fourth Swedish National Pension Fund	10,960,399	9.8%
HBM Healthcare Investments (Cayman) Ltd.	10,874,727	9.7%
Third Swedish National Pension Fund	4,184,779	3.7%
Protem	4,000,340	3.6%
Unionen	3,782,539	3.4%
Avanza Pension	3,431,740	3.1%
C WorldWide Asset Management	3,350,000	3.0%
Jesper Lyckeus	2,697,000	2.4%
Swedbank Robur Funds	2,407,163	2.2%
The Invus Group*	2,227,200	2.0%
Handelsbanken Funds	2,050,728	1.8%
Kjell Stenberg	1,623,303	1.5%
Karl Perlhagen	1,373,861	1.2%
SEB Funds	981,542	0.9%
Nordnet Pension	721,715	0.6%
Second Swedish National Pension Fund	528,754	0.5%
Max Mitteregger	525,000	0.5%
Carl-Johan Dalsgaard	477,981	0.4%
Other	37,096,434	33.2%
Total number of shares	**111,722,979**	**100.0%**

* As of May 11, 2023
Source: Monitor by Modular Finance as of December 31, 2023

Share capital development

Year	Event	Quota value	Increase in number of shares	Increase in share capital	Total no. of shares	Total share capital
2023	Share issue	0.5	29,875,000	14,937,500	111,722,979	55,861,489
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, 2023:

Country	Number of shares	% of capital
Sweden	75,341,922	67.47%
Switzerland	11,238,027	10.06%
Denmark	3,523,403	3.15%
Other	6,987,731	6.99%
Unknown	14,631,896	12.33%
Total	**111,722,979**	**100.00%**

Shareholder types	Number of shares	% of capital
Swedish institutional shareholders	41,014,815	36.73%
International institutional shareholders	17,178,200	16.11%
Swedish retail investors	21,779,107	19.51%
Other	16,417,608	14.70%
Anonymous holdings	15,333,249	12.95%
Total	**111,722,979**	**100.00%**

Ownership distribution by holding

Ownership distribution in Vicore as of December 31, 2023

Size categories	Number of known shareholders	Number of shares	% of capital
1 - 10,000	8,051	7,504,003	6.73%
10,001 - 50,000	267	5,943,907	5.33%
50,001 - 100,000	36	2,592,657	2.34%
100,001 - 500,000	31	6,902,852	6.18%
500,001 - 1,000,000	4	2,757,011	2.47%
1,000,001 - 5,000,000	11	31,128,653	28.59%
5,000,001 -	3	40,262,900	36.04%
Anonymous holdings	0	14,630,996	12.33%
Total	**8,403**	**111,722,979**	**100.00%**

Annual report 2023
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, corporate governance report and consolidated financial statements for the 2023 fiscal year.

Vicore's operations

Vicore is an innovative clinical-stage pharmaceutical company unlocking the potential of a new class of drugs with disease-modifying potential. The company is establishing therapies in respiratory diseases, including idiopathic pulmonary fibrosis (IPF).

C21 is a first-in-class orally available small molecule angiotensin II type 2 receptor agonist (ATRAG) currently in Phase 2a development for IPF.

Almee™ (an investigational medical device in clinical development) is a digital therapeutic leveraging cognitive behavioral therapy created to address the psychological impact of living with pulmonary fibrosis. Using its unique expertise in ATRAG chemistry and biology, Vicore is fueling its pipeline with several new therapies across additional potential indications.

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

Important events during 2023

- In January, Vicore sold its entire holding of 91,829 shares in I-Tech AB (publ) and received proceeds of SEK 4.6 million after transaction costs.
- In March, Vicore announced that the company was awarded Innovation Passport status by the UK Medicines and Healthcare products Regulatory Agency (MHRA) for C21 in idiopathic pulmonary fibrosis (IPF).
- In May, Vicore announced new 36-week interim results from the phase 2a study (AIR) in idiopathic pulmonary fibrosis (IPF). The results showed continued disease stabilization and increased lung function in IPF patients.
- In May, Vicore announced that the first patient was dosed with C21 in an exploratory study on endothelial dysfunction.
- In May, two new Board members, Dr. Elisabeth Björk and Dr. Michael Buschle, were elected to Vicore's Board of Directors.
- In May and June, Vicore granted patent protection for an improved formulation, so-called "enteric coating", of C21 in the US and Europe.
- In June, Vicore carried out a directed share issue of a total of -29,875,000 shares at a subscription price of SEK 16.75 per share, raising SEK 500 million before transaction costs.
- In July, Vicore announced that Ahmed Mousa has been recruited as the new Chief Executive Officer of Vicore starting from September 9
- In July, Vicore established a wholly owned subsidiary in the US, Vicore Pharma US Inc.
- In August, Vicore announced the completion of the study investigating the EndoPAT® technology as a tool to assess the effect of C21 on endothelial function. The results were inconclusive due to a high intra-individual variability.
- In September, Vicore announced that two posters regarding the lead drug candidate C21 would be presented at the European Respiratory Society (ERS) International Congress in Milan, Italy.
- In October, Vicore announced the results from the phase 1 study with C106. Development in this program has subsequently been discontinued due to a transient increase in blood pressure, which was observed at doses believed to be within the clinically effective range. The development of C21 continues as planned and no effects on blood pressure have been observed in the clinical studies conducted with C21.
- In December, Vicore announced that Dr. Bertil Lindmark has been recruited as the new Chief Medical Officer.

Important events after the year-end

- In January, Vicore announced that the preclinical IMiD program will be discontinued to focus resources on advancing C21 in IPF. An impairment of intangible assets amounting to SEK 50.5 million impacted research and development costs during the fourth quarter, but has no impact on cash flow.
- In January, Vicore reported positive results in the pivotal study of Almee™, a digital therapeutic for the treatment of anxiety in pulmonary fibrosis.
- In February, Vicore announced an exclusive license agreement with Nippon Shinyaku Co. Ltd. for the development and commercialization of C21 for idiopathic pulmonary fibrosis (IPF) in Japan. Vicore will receive an upfront payment of USD 10 million and, in addition, is entitled to up to USD 275 million in milestones. Vicore is also eligible to receive incremental royalties ranging up to the low 20s based on annual net sales of C21 in Japan.
- In March, Vicore announced FDA breakthrough device designation for Almee™.

Revenue

Net sales amounted to SEK 0.0 million and SEK 0.0 million for the year ended December 31, 2023 and 2022, respectively.

Operating expenses

For the year ended December 31, 2023 and 2022, operating expenses amounted to SEK 323.7 million and SEK 292.3 million, respectively. The increase compared to the previous year is mainly attributable to an impairment of intangible assets amounting to a total of SEK 62.5 million for the full year 2023, which has had no impact on the cash flow.

Administrative expenses amounted to SEK 36.9 million and SEK 28.4 million for the year ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2023 and 2022, costs for share-based incentive programs related to administrative staff amounted to SEK 3.6 million and SEK 1.1 million, respectively.

Marketing and distribution expenses amounted to SEK 7.7 million and SEK 9.1 million for the year ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2023 and 2022, costs for share-based incentive programs related to staff within marketing and distribution amounted to SEK 0.4 million and SEK 0.3 million, respectively.

Research and development expenses amounted to SEK 276.3 million and SEK 250.0 million for the year ended December 31, 2023 and 2022, respectively. The research and development expenses mainly consisted of expenses related to the clinical studies with C21 and preparations for the phase 2b study in IPF. During 2023, an assessment has been made regarding impairment of intangible assets attributable to the IMiD program (SEK 50.5 million) and to the drug candidate C106 (SEK 12 million). These impairments have impacted research and development expenses, but has no impact on cash flow. For the year ended December 31, 2023 and 2022, the costs for share-based incentive programs related to research and development staff amounted to SEK 2.9 million and SEK 3.4 million, respectively.

Other operating income/(expenses), net amounted to (SEK 0.6 million) and (SEK 3.2 million) for the year ended December 31, 2023 and 2022, respectively.

The total costs for the share-based incentive programs amounted to SEK 6.7 million and SEK 4.9 million for the year ended December 31, 2023 and 2022, respectively. These costs have had no cash flow impact.

Result

The operating loss amounted to SEK 321.5 million and SEK 290.7 million for the year ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2023 and 2022, the net financial income/(expenses) amounted to SEK 10.2 million and SEK 1.9 million, respectively. Tax amounted to SEK 0.4 million and SEK 0.4 million for the year ended December 31, 2023 and 2022, respectively. 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, 2023, amounted to SEK 1,295.8 million. The group's tax loss carryforwards have not been valued 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 that management estimates with confidence will lead to taxable profits. Loss amounted to SEK 310.9 million and SEK 288.4 million for the year ended December 31, 2023 and 2022, respectively and the corresponding loss per share before and after dilution amounted to SEK 3.22 and SEK 3.99, respectively.

Cash flow, investments and financial position

Cash flow from/(used in) operating activities amounted to (SEK 249.6 million) and (SEK 299.9 million) for the year ended December 31, 2023 and 2022, respectively.

For the year ended December 31, 2023 and 2022, cash flow from/(used in) investing activities amounted to (SEK 144.5 million) and SEK 74.0 million, respectively. The difference compared with the previous year is mainly attributable to the acquisition and sale of short-term interest-bearing investments.

Cash flow from/(used in) financing activities amounted to SEK 470.9 million and SEK 187.3 million for the year ended December 31, 2023 and 2022, respectively. On June 9, 2023, Vicore carried out a share issue of in total 29,875,000 shares at a subscription price of SEK 16.75 per share, raising SEK 500 million (USD 46 million) before transaction costs. The share issuances were subscribed for by both new and existing Swedish and international investors.

As of December 31, 2023, cash and cash equivalents amounted to SEK 333.6 million (SEK 256.8 million as of December 31, 2022) and short-term investments amounted to SEK 149.1 million (SEK 4.9 million as of December 31, 2022). Accordingly, cash, cash equivalents, and short-term investments amounted in total to SEK 482.8 million equivalent to USD 48.1 million (SEK 261.7 million as of December 31, 2022). The company's equity ratio as of December 31, 2023 and 2022, was 91.8 percent and 85.5 percent, respectively. Equity as of December 31, 2023 and 2022, amounted to SEK 455.4 million and SEK 289.1 million, respectively. For the year ended December 31, 2023 and 2022, total equity and liabilities amounted to SEK 497.8 million and SEK 338.0 million, respectively.

Parent company

The group ("Vicore") consists of the parent company, Vicore Pharma Holding AB (publ) and the subsidiaries Vicore Pharma AB, Vicore Pharma US Inc and INIM Pharma AB. The parent company's operations mainly consist of providing management and administrative services for the group's operating companies. The research and development operations are conducted in the wholly owned subsidiaries Vicore Pharma AB and INIM Pharma AB. In Vicore Pharma US Inc, intra-group services are conducted within research and development, management and administration. Net sales for the parent company amounted to SEK 55.7 million and SEK 30.4 million for the year ended December 31, 2023 and 2022, respectively. Net sales mainly consists of management fees from group companies. For the year ended December 31, 2023 and 2022, administrative expenses amounted to SEK 35.5 million and SEK 27.8 million, respectively. The operating loss amounted to SEK 16.6 million and SEK 0.7 million for the year ended December 31, 2023 and 2022, respectively. Profit/(loss) from participation in group companies amounted to (SEK 115.1 million) and SEK 0 million for the year ended December 31, 2023 and 2022, respectively. Profit/(loss) from participation in group companies are fully attributable to the impairment of the value of shares in the subsidiary INIM Pharma AB following discontinuation of the IMiD program. For the year ended December 31, 2023 and 2022, the profit/(loss) amounted to (SEK 85.7 million) and SEK 1.3 million, respectively.

Personnel

As of December 31, 2023, the group had 24 employees, of whom 18 were women and 6 men. Of the employees, 20 are active within R&D. The group also engages consultants for specialist tasks and assignments on a frequent basis.

Shareholders and the share

As of December 31, 2023, Vicore had 8,403 shareholders and the total number of shares amounted to 111,722,9799 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.

As of December 31, 2023, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 18,427,774 shares, corresponding to 16.5 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 18-19 in the 2023 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 five active programs that include the management team, employees and 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 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").

At the Annual General Meeting on May 11, 2023, it was resolved to implement two new incentive programs: a maximum of 5,000,000 employee stock options to senior leaders and key persons ("Co-worker LTIP 2023"), and a maximum of 120,000 share awards to the board members ("Board LTIP 2023").

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

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

Guidelines for executive remuneration 2023

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 percent 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 percent 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 percent 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 percent 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 proposed guidelines for 2024 and how shareholders' views have been taken into account

Minor changes have been made to the proposed guidelines for 2024 compared to previously adopted guidelines.
No shareholders have provided any comments.

Nomination committee for the 2024 Annual General Meeting

Vicore's nomination committee for the 2024 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.

Research and development and the dependency of three programs

Vicore's business consists mainly of three programs (C21, new ATRAGs and AlmeeTM). 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. Significant external events 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, and Almee™, work is being performed to identify and develop new selective AT2 receptor agonist 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 several 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, 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 designation

In addition to the company's patents, Vicore has received orphan drug designation 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 constitutes 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.

IT Security

The company's ability to efficiently and securely manage its operations is dependent on the security, reliability, functionality, maintenance and operation of IT systems. Interruptions or disruptions in IT systems, including sabotage, computer viruses, operator errors or software errors, can have a negative impact on the business in the form of disruptions in the business and increased costs.

Tax loss carryforwards

As a result of the business having generated significant loss, Vicore has large accumulated tax loss carryforwards. As of December 31, 2023, Vicore's tax loss carryforwards amounted to SEK 1,295.8 million. 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 2023 financial year

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

Share premium reserve	1,644,990,133
Profit/(loss) brought forward	(30,580,827)
Profit/(loss) for the year	(85,651,783)
	1 528 757 523

The Board of Directors proposes that SEK 1,528,757,523 are to be carried forward.

Dividend policy and proposed dividend

Vicore will continue to focus on further developing and expanding the company's project portfolio. Available financial resources and recognized profit will therefore be reinvested in the operations to finance the company's long-term business. Any future dividends will be determined based on the company's long-term growth, earnings performance, and capital requirements. Insofar as dividends are proposed, they will be considered with respect to the company's objectives, scope, and risk. Consequently, the Board of Directors does not intend to propose any dividend to shareholders until such time as the company generates sustainable profitability.

The Board of Directors proposes that the Annual General Meeting resolves that no dividend shall be paid for the financial year.

Corporate governance report

The corporate governance report for 2023 is available on pages 58-69.

Multi-year overview

Multi-year overview, group

(SEK in thousands or as otherwise indicated)	2023	2022	2021	2020	2019
Net sales	0	0	0	0	0
Profit/(loss) after financial items	(311,326)	(288,806)	(296,735)	(147,315)	(93,329)
Total assets	497,838	338,007	451,168	406,515	341,108
Equity ratio (%)	91.8	85.5	85.0	87.2	94.3
Average number of employees	25	21	16	13	8

Multi-year overview, parent company

(SEK in thousands or as otherwise indicated)	2023	2022	2021	2020	2019
Net sales	55,675	30,402	38,730	3,672	3,092
Profit/(loss) after financial items	(85,652)	1,325	17,709	(21,826)	(24,803)
Total assets	1,593,384	1,203,141	1,075,894	669,514	503,959
Equity ratio (%)	99.4	99.1	92.6	97.7	98.4
Average number of employees	5	5	4	4	3

Financial reports
Group

Consolidated statement of comprehensive income

(SEK in thousands, except per share amount or as oterwise indicated)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Net sales		0	0
Gross profit		**0**	**0**
Administrative expenses	4, 5	(36,923)	(28,380)
Marketing and distribution expenses	4	(7,672)	(9,149)
Research and development expenses	4	(276,294)	(249,965)
Other operating income and expenses	4, 9, 10	(617)	(3,231)
Profit/(loss) from operations		**(321,506)**	**(290,725)**
Financial income	11	10,538	2,395
Financial expenses	12	(358)	(476)
Net financial income/expense		**10,180**	**1,919**
Profit/(loss) after financial items		**(311,326)**	**(288,806)**
Tax	13	384	384
Profit/(loss) for the year attributable to the parent company´s shareholders		**(310,942)**	**(288,422)**
Other comprehensive income			
Other comprehensive income		(668)	0
Other comprehensive income for the year, net of tax		**(668)**	**0**
Total comprehensive income attributable to the parent company´s shareholders		**(311,610)**	**(288,422)**
Earnings per share, before and after dilution	14	**(3.22)**	**(3.99)**

Consolidated statement of financial position

(SEK in thousands)	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Patents, licenses and similar rights	15	2,218	68,100
Equipment	16	25	54
Contract asset	6	0	63
Long-term investments	17,18	0	0
Total fixed assets		**2,243**	**68,217**
Current Assets			
Other receivables		3,130	2,180
Prepaid expenses and accrued income	20	9,699	5,867
Short-term investments	21	149,146	4,940
Cash and cash equivalents	22	333,620	256,803
Total current assets		**495,595**	**269,790**
TOTAL ASSETS		**497,838**	**338,007**
EQUITY AND LIABILITIES			
EQUITY	24		
Share capital		55,861	40,924
Other contributed capital		1,673,790	1,210,811
Retained earnings (including profit/(loss) for the period)		(1,274,262)	(962,652)
Total equity attributable to the parent company's shareholders		**455,389**	**289,083**
LIABILITIES			
Non-current liabilities			
Other provisions	25	898	1,600
Deferred tax liability	13	593	905
Total non-current liabilities		**1,491**	**2,505**
Current liabilities			
Contract liability	6	0	65
Trade payables	18,19	17,916	23,495
Current tax liability		1,132	760
Other liabilities		5,088	3,751
Other provisions	25	2,177	127
Accrued expenses and deferred income	26	14,645	18,221
Total current liabilities		**40,958**	**46,419**
TOTAL LIABILITIES		**42,449**	**48,924**
TOTAL EQUITY AND LIABILITIES		**497,838**	**338,007**

Consolidated statement of changes in shareholders´ equity

	Shareholders' equity attributable to the parent company			
(SEK in thousands)	Share capital	Other contributed capital	Retained earnings including profit (loss) for the period	Total
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**
Equity Jan 1, 2023	**40,924**	**1,210,811**	**(962,652)**	**289,083**
Profit/(loss) for the year	0	0	(310,942)	(310,942)
Other comprehensive income for the year	0	0	(668)	(668)
Total comprehensive income for the year	**0**	**0**	**(311,610)**	**(311,610)**
Transactions with owners:				
Issue of new shares and issue in kind	14,937	485,469	0	500,406
Issue costs	0	(29,488)	0	(29,488)
Long-term incentive program	0	6,998	0	6,998
Total transactions with owners	**14,937**	**462,979**	**0**	**477,916**
Equity Dec 31, 2023	**55,861**	**1,673,790**	**(1,274,262)**	**455,389**

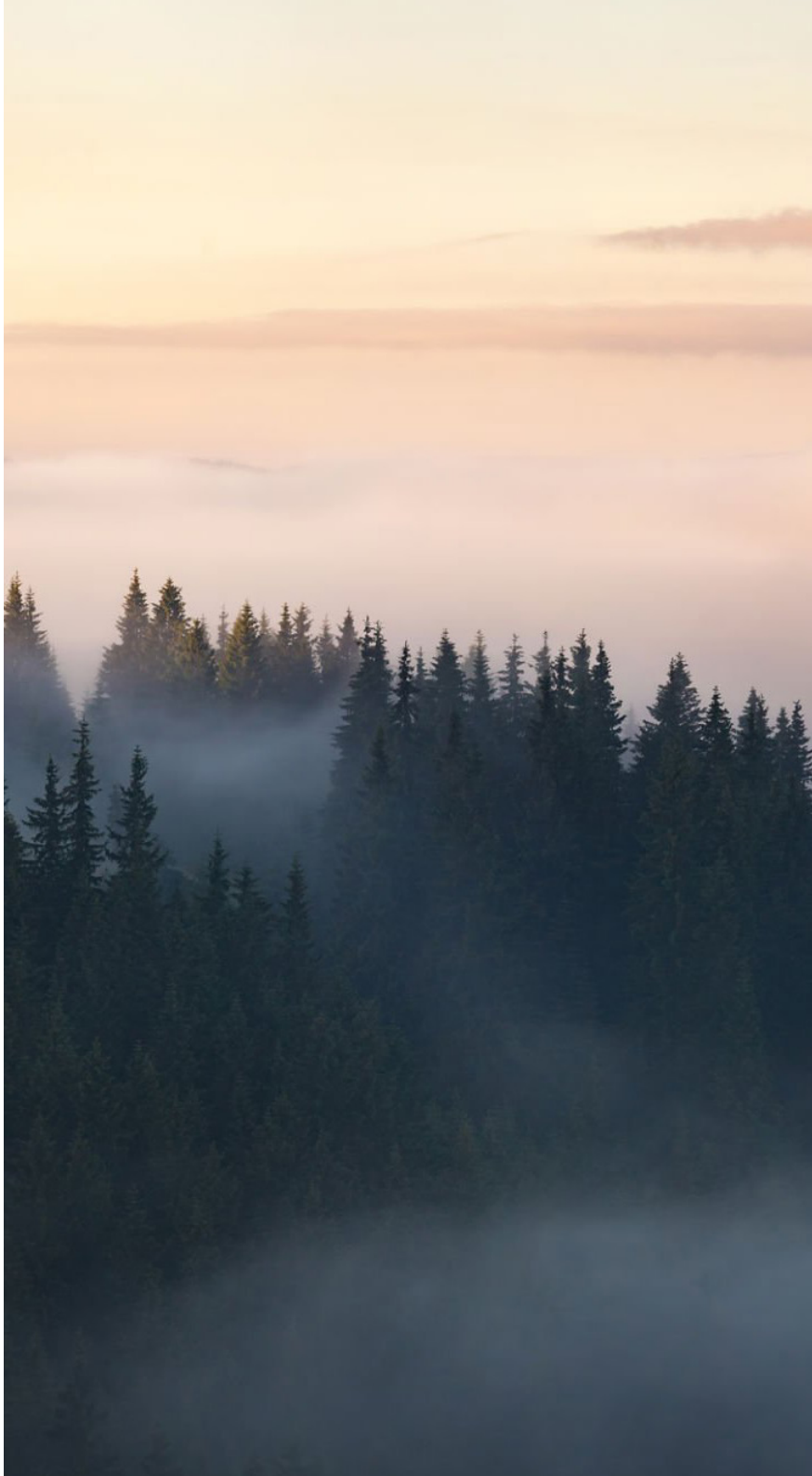
Consolidated statement of cash flow

(SEK in thousands)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating activities			
Operating profit/(loss)		(321,506)	(290,725)
Adjustment for items not included in the cash flow	27	72,140	10,560
Interest received		10,431	1,194
Interest paid		(2)	(8)
Cash flow from operating activities before changes in working capital		**(238,937)**	**(278,979)**
Cash flow from changes in working capital			
Change in operating receivables		(4,284)	(1,598)
Change in operating payables		(6,362)	(19,342)
Cash flow from operating activities		**(249,583)**	**(299,919)**
Investing activities			
Acquisition of intangible assets	29	0	(3,000)
Acquisition of financial assets	21	(199,039)	0
Sale of financial assets	21	54,584	77,000
Cash flow from investing activities		**(144,455)**	**74,000**
Financing activities			
Amortization contract liability		(63)	(252)
Issue of new shares		500,406	200,000
Issue costs		(29,488)	(12,708)
Cash flow from financing activities		**470,855**	**187,040**
Cash flow for the year		**76,817**	**(38,879)**
Cash and cash equivalents at the beginning of the year		**256,803**	**294,199**
Foreign exchange difference in cash and cash equivalents	11,12	**0**	**1,483**
Cash and cash equivalents at year-end	22	**333,620**	**256,803**

Financial reports
Parent company

Parent company's income statement

(SEK in thousands)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Net sales	2	55,675	30,402
Gross profit		**55,675**	**30,402**
Administrative expenses	3, 4, 5, 6	(35,484)	(27,759)
Research and development expenses	3	(3,470)	(1,936)
Other operating income and expenses	3	(150)	(53)
Profit/loss from operations		**16,571**	**654**
Profit/(loss) from participation in group companies	7	(115,140)	0
Interest income and similar profit items	8	12,917	676
Interest expenses and similar loss items	9	0	(5)
Net financial income/(expense)		**(102,223)**	**671**
Profit/(loss) after financial items		**(85,652)**	**1,325**
Tax	10	0	0
Profit/(loss) for the year		**(85,652)**	**1,325**
Other comprehensive income			
Other comprehensive income		0	0
Other comprehensive income for the year		**0**	**0**
Comprehensive income for the year		**(85,652)**	**1,325**



Parent company's balance sheet

(SEK in thousands)	Note	2023-12-31	2022-12-31
ASSETS			
Financial assets			
Participations in group companies	11	1,197,625	1,049,433
Long-term investments	12	0	0
Total financial assets		**1,197,625**	**1,049,433**
Total fixed assets		**1,197,625**	**1,049,433**
Current assets	13		
Receivables			
Receivables from group companies		38,175	13,000
Other receivables		444	918
Prepaid expenses and accrued income	14	822	633
		39,441	**14,551**
Short-term investments	15	149,146	565
Cash and cash equivalents	16	207,172	138,592
Total current assets		**395,759**	**153,708**
TOTAL ASSETS		**1,593,384**	**1,203,141**

Parent company's balance sheet

(SEK in thousands)	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
EQUITY	17		
Restricted equity			
Share capital		55,861	40,924
Total restricted equity		**55,861**	**40,924**
Non-restricted equity			
Share premium reserve		1,644,990	1,189,010
Accumulated profit or loss		(30,581)	(38,904)
Profit/(loss) for the year		(85,652)	1,325
Total non-restricted equity		**1,528,757**	**1,151,431**
TOTAL EQUITY		**1,584,618**	**1,192,355**
LIABILITIES			
Provisions			
Other provisions	18	2,263	744
Deferred tax liability	10	337	264
Total provisions		**2,600**	**1,008**
Non-current liabilities			
Liabilities to group companies	19	0	0
Total non-current liabilities		**0**	**0**
Current liabilities			
Trade payables		895	5,352
Liabilities to group companies	19	0	0
Current tax liability		215	0
Other liabilities		2,577	1,935
Accrued expenses and deferred income	20	2,479	2,491
Total current liabilities		**6,166**	**9,778**
TOTAL LIABILITIES		**8,766**	**10,786**
TOTAL EQUITY AND LIABILITIES		**1,593,384**	**1,203,141**

The parent company's report of changes in equity

(SEK in thousands)	Share capital	Share premium reserve	Loss brought forward	Profit/ (loss) for the year	Total
Equity Jan 1, 2022	**35,880**	**1,003,762**	**(60,379)**	**17,578**	**996,841**
Transfer of previous year's loss	0	0	17,578	(17,578)	0
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**
Equity Jan 1, 2023	**40,924**	**1,189,010**	**(38,904)**	**1,325**	**1,192,355**
Transfer of previous year's loss	0	0	1,325	(1,325)	0
Loss for the year	0	0	0	(85,652)	(85,652)
Other comprehensive income for the year	0	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**1,325**	**(86,977)**	**(85,652)**
Transactions with owners:					
Issue of new shares	14,937	485,468	0	0	500,405
Issue costs	0	(29,488)	0	0	(29,488)
Incentive programs	0	0	6,998	0	6,998
Total transaction with owners	**14,937**	**455,980**	**6,998**	**0**	**477,915**
Equity Dec 31, 2023	**55,861**	**1,644,990**	**(30,581)**	**(85,652)**	**1,584,618**

The parent company's cash flow statement

(SEK in thousands)	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating activities			
Operating profit/(loss)		16,571	654
Adjustments for items not included in the cash flow	21	5,258	1,170
Interest received		7,510	957
Interest paid		0	(5)
Cash flow from operating activities before changes in working capital		**29,339**	**2,776**
Cash flow from changes in working capital			
Change in operating receivables		(24,890)	18,712
Change in operating payables		(3,612)	(65,584)
Cash flow from operating activities		**837**	**(44,096)**
Investing activities			
Shareholder contributions to group companies		(260,000)	(250,000)
Acquisition of financial assets	15	(199,149)	0
Sale of financial assets	15	55,975	77,000
Cash flow from investing activities		**(403,174)**	**(173,000)**
Financing activities			
Issue of new shares		500,405	200,000
Issue costs		(29,488)	(12,708)
Cash flow from financing activities		**470,917**	**187,292**
The cash flow for the year		**68,580**	**(29,804)**
Cash and cash equivalents at the beginning of the year		**138,592**	**168,396**
Cash and cash equivalents at the end of the year	16	**207,172**	**138,592**

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 Vicore Pharma AB, Vicore Pharma US Inc and INIM Pharma AB. The parent company is a limited liability company with its registered office in Stockholm, 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 March 26, 2024, 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 7, 2024.

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".

New and amended standards and interpretations of existing standards

The revised IAS 1 standard has been implemented to disclose significant accounting policies, and an assessment has been conducted to evaluate that the disclosed policies are significant.

New accounting policies from 2024 onwards

New and amended accounting standards and interpretations published and effective from 2024 onwards have not been applied in the preparation of this financial report and are assessed not to have a significant impact on the group's financial statements.

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

Exchange rate differences that arise are recognized in the profit/loss for the year. Exchange rate gains and exchange rate losses on operating receivables and operating liabilities are reported in operating results, while exchange rate gains and exchange rate losses on financial receivables and liabilities are reported as financial items. Exchange rate gains and exchange rate losses attributable to the conversion of Vicore Pharma US Inc's assets, equity, and liabilities to the group's reporting currency are recognized in other comprehensive income

Operating segments

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.

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 has exclusively entered into leasing agreements with lease terms shorter than 12 months, primarily consisting of leases for premises.

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. Leasing payments have been discounted with the group's marginal loan interest rate. Leasing agreements with lease terms shorter than 12 months and leasing agreements where the underlying asset has a lower value are excluded.

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 two types of share-based incentive programs in the group: an option programs for employees, and a share awards programs for 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 is expensed over the periods during which the services are performed. This cost is calculated using the same valuation model that was used when the options were issued. The provision made is 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.

Deferred tax asset/tax liability

The group's deferred tax liability is mainly related to the depreciation of acquired intangible assets. .

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

Acquired intangible assets held by the group consist of patents, licenses and similar rights.

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

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. Judgements and accounting estimates are presented in Note 2, while impairments of non-financial assets are specified in Note 15 and 16.

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.

Uppskattningarna och antagandena utvärderas löpande. Ändringar av uppskattningar redovisas i den period ändringen görs om ändringen endast påverkat denna period, eller i den period ändringen görs och framtida perioder om ändringen påverkar både aktuell period och framtida perioder.

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, expected market penetration, expected development-, marketing and distribution 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 five 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 recorded 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:

	2023	2022
Other external expenses	176,600	224,713
Personnel expenses	78,313	59,169
Depreciation and amortization	3,421	3,612
Impairments	62,555	0
Other operating expenses	2,774	4,784
Total	**323,663**	**292,278**

Note 5 Audit fees

Ernst & Young AB	**2023**	**2022**
Audit fees*	599	435
Other audit related services	6	170
Tax consultancy services	0	0
Other services	17	0
Total	**622**	**605**

* 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

	2023-12-31	2022-12-31
Contract assets		
Properties	0	63
Total	**0**	**63**
Contract liabilities		
Long-term	0	0
Short-term	0	65
Total	**0**	**65**

The following amounts related to leasing contracts are reported in the consolidated statement of comprehensive income:	**2023**	**2022**
Leasing fees, short-term	1,598	1,184
Depreciation		
Premises	63	255
Interest	0	4
Total	**1,661**	**1,443**

The total cash flow related to leasing agreements SEK 65 thousand and SEK 259 thousand for the year ended December 31, 2023 and 2022, respectively. For information on the maturity of leases, see Note 19 "Financial risks".

Note 7 Employees and personnel costs

Average number of employees	**2023**		**2022**	
	No. of employees	**of which men/ women**	**No. of employees**	**of which men/ women**
Parent company	5	62%/38%	5	60%/40%
Subsidiaries	19	12%/88%	16	19%/81%
Group total	**25**	**23%/77%**	**21**	**29%/71%**

Personnel costs for the Board of Directors, senior executives and other employees	2023	2022
Group		
The Board and other senior executives		
Salaries and other remuneration	37,898	25,393
Social security contributions	6,089	6,336
Pension costs	5,036	4,527
	49,023	**36,256**
Group		
Other employees		
Salaries and other remuneration	21,066	15,406
Social security contributions	1,767	3,529
Pension costs	3,082	2,181
	25,915	**21,116**
Group		
Other personnel costs	3,375	1,797
	3,375	**1,797**
Total personnel costs	**78,313**	**59,169**
Parent company		
The Board and other senior executives		
Salaries and other remuneration	16,422	12,063
Social security contributions	3,095	3,339
Pension costs	2,424	2,210
	21,941	**17,612**
Parent company		
Other employees		
Salaries and other remuneration	1,655	874
Social security contributions	409	262
Pension costs	375	143
	2,439	**1,279**
Parent company		
Other personnel costs	1,708	779
	1,708	**779**
Total personnel costs	**26,088**	**19,670**

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 amounted to SEK 6,758 thousand and SEK 4,872 thousand for the year ended December 31, 2023 and 2022, respectively. For a decomposition of the total cost of the incentive programs, see Note 8 "Share-based incentive programs".

Pensions

All pension plans in the group are defined contribution plans. The group's total cost for defined contribution plans amounted to SEK 8,118 thousand and SEK 6,709 thousand for the year ended December 31, 2023 and 2022, respectively.

Gender breakdown among senior executives	2023-12-31	2022-12-31
Group		
Proportion of women on the Board	33%	40%
Proportion of men on the Board	67%	60%
Proportion of women among other senior executives	58%	50%
Proportion of men among other senior executives	42%	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 of Directors and other senior executives

2023	Basic salary, board fee*	Pension costs	Variable remunera-tion	Share-based payments	Other remunera-tion	Total
Chairman of the Board						
Jacob Gunterberg	450	0	0	236	200	886
Members of the Board						
Hans Schikan	200	0	0	150	100	450
Maarten Kraan	200	0	0	150	100	450
Elisabeth Björk	200	0	0	105	100	405
Heidi Hunter	200	0	0	219	100	519
Michael Buschle	200	0	0	105	100	405
Senior executives						
CEO Ahmed Mousa**	1,491	83	721	743	0	3,038
Former CEO Carl-Johan Dalsgaard***	2,316	852	749	651	0	4,568
Other senior executives****	19,834	4,101	4,875	2,867	0	31,677
Total	**25,091**	**5,036**	**6,345**	**5,226**	**700**	**42,398**

* Board fees as resolved at the AGM, excluding social security contributions and remuneration of board committee work for the May 2023 to May 2024 financial year. Other remuneration include remuneration for board committee work.
** For the period September 9, 2023, to December 31, 2023.
*** For the period January 1, 2023, to September 8, 2023.
**** For more information, see ""Remuneration for senior executives"" below.

2022	Basic salary, board fee*	Pension costs	Variable remunera-tion	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 Carl-Johan Dalsgaard	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.
** 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, 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, 2022, other senior executives refer to the Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, VP Clinical Development, Program Director, early development, Chief Administrative Officer, Head of Digital Health, Chief Commercial Officer, and Head of Business Development.

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, 2023, Vicore has five active incentive programs that include the management team, other employees and the board members. Assuming full utilization of all granted employee stock options and share awards as of December 31, 2023, corresponding to 3,877,124 shares, would entail a dilution of 3.4 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, 2023, amounts to 7.4 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"). A maximum of 2,000,000 options may be allotted to participants under the program. The increase in the company's share capital in full utilization amounts to a maximum of approximately SEK 1,000,000, corresponding to a dilution of approximately 1.7 percent of the total number of shares. The options and share awards 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 2021-2023. For further information related to inputs to the the model, see the Annual Reports for the years 2018-2020.

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 two 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. During the second quarter of 2023, Board LTIP 2020 expired. As the share price increased by less than 50 percent during the measurement period, no share awards were earned. The program is now closed.

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 2.5 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 2022 amounts to SEK 8.44 per option and to SEK 6.08 per option for allocations during 2023. The following inputs have been used in the model:

	2023		2022	
Underlying share price	15.30	SEK	22.00	SEK
Excercise price	19.53	SEK	28.75	SEK
Expected volatility	50.00	%	50.00	%
Option life	5	years	5	years
Expected dividends	0	SEK	0	SEK
Risk-free interest rate	3.09	%	2.56	%

Long-term incentive programs 2023

The Annual General Meeting in Vicore Pharma Holding AB held on May 11, 2023, resolved to implement a long-term incentive program for senior management and key persons in the company ("Co-worker LTIP 2023") and to implement a long-term performance-based incentive program for the board members in the company ("Board LTIP 2023"). A maximum of 3,000,000 options (Co-worker LTIP 2023) and 79,931 share awards (Board LTIP 2023) 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 2,539,967, corresponding to a maximum dilution of approximately 4.0 percent.

Board LTIP 2023

Board LTIP 2023 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting that entitle to 79,931 shares 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 to the Board of Directors. The Nomination Committee is of the opinion that Board LTIP 2023 will increase and strengthen the particapants' dedication to the company's operations, improve company loyalty and that Board LTIP 2023 will be beneficial to both the shareholders and the company.

The share awards shall vest over approximately one year corresponding to up to the date of, whichever is earliest, (i) the Annual General Meeting 2024 or (ii) June 1, 2024 ("Vesting Date"). Thus, the vesting period is shorter than three years. The Nomination Committee considers that a vesting period of approximately one year is more appropriate than a longer vesting period since the Board of Directors' term is at the longest from an Annual General Meeting to the next Annual General Meeting.

The earliest point in time at which vested share awards may be exercised shall be the day falling immediately after the Vesting Date. The latest point in time at which vested share awards can be exercised shall be the earlier of (i) 90 days after the last day of service as a member of the Board of Directors, or (ii) June 1, 2029. The nomination committee desires that each board member holds these share awards, or shares received (net after tax) as a result of the share awards, as long as he or she remains being a board member.

Co-worker LTIP 2023

Co-worker LTIP 2023 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 5,000,000 shares in the company in total.

The Board of Directors of the company believes that Co-worker LTIP 2023 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2023 is adapted to the current position and needs of the company. The Board of Directors is of the opinion that Co-worker LTIP 2023 will increase and strengthen the participants' dedication to the company's operations, improve company loyalty and that Co-worker LTIP 2023 will be beneficial to both the shareholders and the company.

The options shall be granted free of charge to the participants. The Board of Directors may on one or several occasions annually resolve upon the allocation of options no later than the day falling three years after the Annual General Meeting 2023 (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 Grant Date. 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 (including retirement and permanent incapacity to work due to illness or accident), 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 2023 amounts to SEK 6.08 per option. The following inputs have been used in the model:

	2023	
Underlying share price	15.30	SEK
Excercise price	19.53	SEK
Expected volatility	50.00	%
Option life	5	years
Expected dividends	0	SEK
Risk-free interest rate	3.09	%

Summary of issued share awards and options

	2023		2022	
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	233,333	0	525,000
Forfeited/expired during the year	0	(233,333)	0	(291,667)
At December 31	0	0	0	233,333

Issued share awards (Board LTIP 2021)	2023 Average exercise price per share award	2023 Number of share awards	2022 Average exercise price per share award	2022 Number of share awards
Per 1 januari	0	61,773	0	61,773
Forfeited/expired during the year	0	(6,864)	0	0
Per 31 december	0	54,909	0	61,773

Issued share awards (Board LTIP 2023)	2023 Average exercise price per share award	2023 Number of share awards
At January 1	0	0
Granted during the year	0	79,931
At December 31	0	79,931

Issued options (Co-worker LTIP 2018)	2023 Average exercise price per option	2023 Number of options	2022 Average exercise price per option	2022 Number of options
At January 1	27.99	939,600	27.48	1,239,600
Forfeited/expired during the year	25.38	(407,933)	25.49	(300,000)
At December 31	26.26	531,667	27.99	939,600

Issued options (Co-worker LTIP 2021)	2023 Average exercise price per option	2023 Number of options	2022 Average exercise price per option	2022 Number of options
At January 1	27.64	1,753,783	26.26	807,600
Granted during the year	19.53	1,155,000	28.72	987,850
Forfeited/expired during the year	24.66	(310,833)	27.84	(41,667)
At December 31	24.45	2,597,950	27.64	1,753,783

Issued options (Co-worker LTIP 2023)	2023 Average exercise price per option	2023 Number of options
At January 1	0	0
Granted during the year	19.53	718,084
Forfeited during the year	19.53	(105,417)
At December 31	19.53	612,667

Outstanding share awards and options at year-end

Program per year	Date of expiration	Exercise price	Dec 31, 2023 Share awards / options	Dec 31, 2023 Vested (%)	Dec 31, 2022 Share awards / options	Dec 31, 2022 Vested (%)
Program share awards (Board LTIP 2020)	Annual General Meeting 2023	0	-	-	233,333	88%
Program share awards (Board LTIP 2021)	Annual General Meeting 2024	0	54,909	95%	61,773	75%
Program share awards (Board LTIP 2023)	Annual General Meeting 2024	0	79,931	54%	-	-
Program 2019 options (Co-worker LTIP 2018)	September 27, 2023	25.26	-	-	396,267	100%
Program 2020 options (Co-worker LTIP 2018)	September 24, 2024	29.31	531,667	100%	543,333	92%
Program 2021 options (Co-worker LTIP 2021)	September 16, 2026	26.48	738,617	92%	765,933	68%
Program 2022 options (Co-worker LTIP 2022)	September 27, 2027	28.75	829,333	68%	987,850	16%
Program 2023 options (Co-worker LTIP 2021)	September 29, 2028	19.53	1,030,000	15%	-	-
Program 2023 options (Co-worker LTIP 2023)	September 29, 2028	19.53	612,667	15%	-	-

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 SEK 26,001 thousand in 2023 (SEK 18,967 thousand in 2022). 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

	2023	2022
IFRS 2-classified payroll expenses	6,998	3,897
Provisions for social security contributions	(240)	975
Total	**6,758**	**4,872**

Summary of allotted options and share awards

	2023			2022		
Program 2020 share awards (Board LTIP 2020)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**	**Number outstanding at Jan 1, 2022**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2022**
Chairman of the Board Michael Wolff Jensen	116,667	(116,667)	0	350,000	(233,333)	116,667
Member of the Board Heidi Hunter	116,667	(116,667)	0	175,000	(58,333)	116,667
Total	**233,333**	**(233,333)**	**0**	**525,000**	**(291,667)**	**233,333**

	2023			2021		
Program 2021 share awards (Board LTIP 2021)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**	**Number outstanding at Jan 1, 2022**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2022**
Member of the Board Hans Schikan	20,591	0	20,591	20,591	0	20,591
Member of the Board Maarten Kraan	20,591	0	20,591	20,591	0	20,591
Member of the Board Sara Malcus	20,591	(6,864)	13,727	20,591	0	20,591
Total	**61,773**	**(6,864)**	**54,909**	**61,773**	**0**	**61,773**

	2023		
Program 2021 share awards (Board LTIP 2023)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**
Chairman of the Board Jacob Gunterberg	0	24,806	24,806
Member of the Board Heidi Hunter	0	11,025	11,025
Member of the Board Maarten Kraan	0	11,025	11,025
Member of the Board Hans Schikan	0	11,025	11,025
Member of the Board Elisabeth Björk	0	11,025	11,025
Member of the Board Michael Buschle	0	11,025	11,025
Total	**0**	**79,931**	**79,931**

	2023			2022		
Program 2018, 2019 and 2020 options (Co-worker LTIP 2018)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**	**Number outstanding at Jan 1, 2022**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2022**
Former CEO Carl-Johan Dalsgaard	200,000	(100,000)	100,000	300,000	(100,000)	200,000
Other senior executives	553,750	(258,750)	295,000	703,750	(150,000)	553,750
Other employees	185,850	(49,183)	136,667	235,850	(50,000)	185,850
Total	**939,600**	**(407,933)**	**531,667**	**1,239,600**	**(300,000)**	**939,600**

	2023			2022		
Program 2021 options (Co-worker LTIP 2021)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**	**Number outstanding at Jan 1, 2022**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2022**
Former CEO Carl-Johan Dalsgaard	200,000	0	200,000	100,000	100,000	200,000
CEO Ahmed Mousa	0	400,000	400,000	0	0	0
Other senior executives	916,000	293,334	1,209,334	436,000	480,000	916,000
Other employees	637,783	150,833	788,616	229,933	407,850	637,783
Total	**1,753,783**	**844,167**	**2,597,950**	**765,933**	**987,850**	**1,753,783**

	2023		
Program 2023 options (Co-worker LTIP 2023)	**Number outstanding at Jan 1, 2023**	**Granted/ forfeited**	**Number outstanding at Dec 31, 2023**
CEO Ahmed Mousa	0	400,000	400,000
Other senior executives	0	0	0
Other employees	0	212,667	212,667
Total	**0**	**612,667**	**612,667**

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

Note 9 Other operating income

	2023	2022
Exchange rate gains	2,157	1,553
Total other operating income	**2,157**	**1,553**

Note 10 Other operating expenses

	2023	2022
Exchange rate losses	2,774	4,784
Total other operating expenses	**2,774**	**4,784**

Note 11 Financial income

	2023	2022
Financial assets measured at fair value through profit and loss		
Exchange rate gains currency accounts	0	1,482
Total	**0**	**1,482**
Financial assets measured at amortized cost		
Interest income short-term investments	10,538	913
Total interest income calculated using the effective interest method	**10,538**	**913**
Total disclosed in net financial income/expenses	**10,538**	**2,395**

Note 12 Financial expenses

	2023	2022
Financial assets measured at fair value through profit and loss		
Change in value for long-term investments	0	(468)
Loss on sale of securities	(356)	0
Total	**(356)**	**(468)**
Financial liabilities measured at amortized cost		
Interest expenses other financial liabilities	(2)	(8)
Total interest expenses calculated using the effective interest method	**(2)**	**(8)**
Total disclosed in net financial income/expenses	**(358)**	**(476)**

Not 13 Tax

	2023	2022
Current tax	0	0
Change in deferred tax regarding temporary differences	384	384
Recognized tax	**384**	**384**

Reconciliation of effective tax rates	**2023**	**2022**
Loss before tax	(311,326)	(288,806)
Tax according to applicable tax rate for parent company 20.6% (20.6%)	64,133	59,494
Tax effect non-deductable expenses	(26,430)	(682)
Tax effect non-taxable income	504	0
Tax effect unrecognized tax assets	(37,823)	(58,428)
Change in deferred tax	384	384
Recognized tax	**384**	**384**
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	**2023-12-31**	**2022-12-31**
Intangible assets	256	641
Tax provision for pension premium	337	264
Carrying amount	**593**	**905**

Tax loss carryforwards

Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounted to SEK 1 295 801 thousand and SEK 1 023 731 thousand for the year ended December 31, 2023 and 2022, respectively. 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	**2023**	**2022**
Profit/(loss) for the year attributable to shareholders of the parent company	(310,941,059)	(288,423,230)
Average number of ordinary shares	96,558,831	72,214,440
Earnings per share before and after dilution	**(3.22)**	**(3.99)**

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 board members. 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

	2023-12-31	2022-12-31
Opening cost	79,192	75,192
Additions for the year	0	6,000
Disposals	0	(2,000)
Closing accumulated cost	**79,192**	**79,192**
Opening amortizations	(11,092)	(7,765)
Amortizations for the year	(3,327)	(3,327)
Closing accumulated amortizations	**(14,419)**	**(11,092)**
Opening impairments	0	0
Impairments for the year	(62,555)	0
Closing accumulated impairments	**(62,555)**	**0**
Closing carrying amount	**2,218**	**68,100**

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.

Impairments/disposals

During 2023, there has been an impairment assessment of the intangible assets attributable to the IMiD program (amounting to SEK 50.6 million) and the drug candidate C106 (amounting to SEK 12 million). This has had an impact on research and development costs, but has had no impact on cash flow.

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 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 12 years for the US and 15 years for the EU and Japan. In the US, C21 is protected by orphan drug protection for a period of 7 years after launch. In the EU and Japan, C21 is protected by orphan drug protection over 10 years after launch.
- 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 36.4% (25.6%).
- 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, 2023, 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

	2023-12-31	2022-12-31
Opening cost	147	147
Additions for the year	0	0
Sales/disposals	0	0
Closing accumulated cost	**147**	**147**
Opening depreciations	(93)	(63)
Depreciations for the year	(29)	(30)
Sales/disposals	0	0
Closing accumulated depreciations	**(122)**	**(93)**
Closing carrying amount	**25**	**54**

Note 17 Long-term investments

	2023-12-31	2022-12-31
Opening carrying amount	0	5,409
Change in value in profit	0	(469)
Reclassification to short-term investments	0	(4,940)
Closing carrying amount	**0**	**0**

Note 18 Financial assets and liabilities

Financial assets and liabilities at December 31, 2023

	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	2,054	2,054
Short-term investments	0	149,146	149,146
Cash and cash equivalents	0	333,620	333,620
Total	**0**	**484,820**	**484,820**
Financial liablilities			
Trade payables	0	17,916	17,916
Other current liabilities	0	7	7
Accrued expenses	0	8,520	8,520
Total	**0**	**26,443**	**26,443**

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, 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 current 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.

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 expenses and income 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.

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 are to a large extent 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.

Foreign exchange exposure 2023 (%)	Operating income	Operating expenses
GBP	-	15%
EUR	-	32%
DKK	-	6%
USD	-	13%
SEK	-	34%

Foreign exchange exposure 2022 (%)		
GBP	-	8%
EUR	-	53%
DKK	-	3%
USD	-	5%
SEK	-	31%

Operating expenses in the table above are excluded from payroll costs

As indicated in the table above, the group's main transaction exposure consists of EUR (EUR in 2022). A 10% stronger EUR against SEK would have a negative impact on the profit after tax and shareholders' equity by approximately SEK 5,790 thousand and SEK 13,914 thousand for the year ended December 31, 2023 and 2022, respectively.

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. Currently, the group is financed by shareholders' equity and is therefore not exposed to risks related to external loan financing. The main risks therefore entail the inability to obtain further equity investments from Vicore's shareholders.

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 and executive management manage liquidity risk by continuously following up and also by anticipating future 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 invested in interest-bearing current accounts. At the balance sheet date, Vicore had short-term investments of SEK 149,146 thousand and SEK 4,940 thousand for the year ended December 31, 2023 and 2022, respectively. In addition to this, Vicore had bank deposits of SEK 333,620 thousand and SEK 256,803 thousand as of December 31, 2023 and 2022, respectively.

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.

	2023-12-31		
Maturity analysis	**<1 month**	**1-3 months**	**>3 months**
Trade payables	17,859	57	0
Other current liabilities	7	0	0
Accrued expenses	621	2,050	5,849
Total	**18,487**	**2,107**	**5,849**

	2022-12-31		
Maturity analysis	**<1 month**	**1-3 months**	**>3 months**
Contract liability	21	43	0
Trade payables	23,446	49	0
Other current liabilities	70	0	0
Accrued expenses	4,856	5,194	4,331
Total	**28,393**	**5,286**	**4,331**

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

	2023-12-31	2022-12-31
Prepaid rental charges	87	109
Prepaid insurances	809	626
Prepaid research and development expenses	7,911	4,538
Other prepaid expenses	892	594
Total	**9,699**	**5,867**

Note 21 Short-term investments

	2023-12-31	2022-12-31
Accrued interest income	107	0
Interest-bearing investments	149,039	0
Reclassification from long-term investments (I-Tech AB)	0	4,940
Total	**149,146**	**4,940**

Note 22 Cash and cash equivalents

Available balances	**2023-12-31**	**2022-12-31**
SEK	324,938	256,799
USD	8,678	0
EUR	4	4
Total	**333,620**	**256,803**

Note 23 Group companies

		Share of equity and voting rights	
Company	**Principal activity**	**2023-12-31**	**2022-12-31**
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%
Vicore US Inc	Intra-group services in research and development, management and administration	100%	-

Note 24 Shareholders' equity

Share capital and other contributed capital

SEK	Number of ordinary shares	Share capital	Other contributed capital
At January 1, 2022	**71,760,293**	**35,880,146**	**1,021,665,516**
New share issue of warrants, June 28, 2022	87,686	43,843	2,956,157
New share issue, December 28, 2022	10,000,000	5,000,000	182,292,382
Share-based payments	0	0	3,897,141
At December 31, 2020	**81,847,979**	**40,923,989**	**1,210,811,196**
At January 1, 2023	**81,847,979**	**40,923,989**	**1,210,811,196**
New share issue, June 9, 2023, registered June 9, 2023	9,200,000	4,600,000	140,418,985
New share issue, June 9, 2023, registered July 10, 2023	20,675,000	10,337,500	315,562,082
Share-based payments	0	0	6,997,962
At December 31, 2021	**111,722,979**	**55,861,489**	**1,673,790,225**

Share capital

At December 31, 2023, the registered share capital encompassed 111,722,979 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, 2023, Vicore has five active incentive programs that include the management team, other employees and board members. For more information, see Note 8 "Share-based payments".

Dividend

At the Annual General Meeting in May 2024, no dividend will be proposed for the financial year 2023.

Note 25 Other provisions

	2023-12-31	2022-12-31
Social security contributions related to share-based incentive programs		
Opening amount	1,727	752
Provisions for the year	(240)	975
Severance pay		
Opening amount	0	0
Provisions for the year	1,588	0
Total	**3,075**	**1,727**

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

Note 26 Accrued expenses and deferred income

	2023-12-31	2022-12-31
Accrued personnel-related expenses	5,671	3,582
Accrued expenses, research and development	8,425	13,166
Accrued expenses, other	549	1,473
Total	**14,645**	**18,221**

Note 27 Supplementary information to the cash flow statement

Adjustment for items not included in the cash flow	2023-12-31	2022-12-31
Depreciations	3,423	3,612
Loss on disposals of intangible assets	0	2,000
Impairments	62,554	0
Incentive programs, payroll expenses	6,998	3,897
Incentive programs, social security contributions	(240)	975
Provision for payroll tax, pension premium	73	76
Other	(668)	0
Total	**72,140**	**10,560**

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 Pledged assets and contingent liabilities

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

Agreement with Emeriti Bio AB and HaLaCore Pharma AB

Vicore Pharma AB ("Vicore Pharma") entered into a cooperation 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 cooperation and development agreement in connection with the acquisition of a number of new intellectual proporty 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 SEK 49.5 million. In 2020, a milestone payment of SEK 1 million 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 SEK 6 million in 2020, divided between SEK 3 million in cash and 142,054 newly issued shares in Vicore, corresponding to approximately SEK 3 million. In June 2022, a milestone payment of approximately SEK 6 million 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. Maximum remaining exposure amounts to SEK 36.5 million.

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 announced that the preclinical IMiD program will be discontinued to focus resources on advancing C21 in IPF. An impairment of intangible assets amounting to SEK 50.5 million impacted research and development costs during the fourth quarter, but has no impact on cash flow.
- In January, Vicore reported positive results in the pivotal study of Almee™, a digital therapeutic for the treatment of anxiety in pulmonary fibrosis.
- In February, Vicore announced an exclusive license agreement with Nippon Shinyaku Co. Ltd. for the development and commercialization of C21 for idiopathic pulmonary fibrosis (IPF) in Japan. Vicore will receive an upfront payment of USD 10 million and, in addition, is entitled to up to USD 275 million in milestones.
- In March, Vicore announced FDA breakthrough device designation for Almee™.

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. When there is an indication that the value of shares in subsidiary companies has decreased, a calculation of the recoverable amount is performed. If this amount is lower than the carrying value, an impairment is recognized. Impairments of shares in subsidiary companies are reported under the line item Profit/(loss) from participation in group companies.

Financial assets and liabilities

Due to the relation between accounting and tax, the rules pertaining to the financial instruments in IFRS9 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, in accordance with the exception provided in RFR 2, 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 reinvoiced costs and 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:

	2023	2022
Other external expenses	12,866	10,025
Personnel expenses	26,088	19,670
Depreciation and amortization	0	0
Other operating expenses	179	60
Total	**39,133**	**29,755**

Note 4 Audit fees

Ernst & Young AB	2023	2022
Audit fees	474	310
Other audit related services	102	170
Tax consultancy services	0	0
Other services	23	0
Total	**599**	**480**

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

Note 5 Leases

Operating leasing costs concerning operating leases mainly comprise rent for premises and office equipment and amounts to SEK 783 thousand and SEK 1,184 thousand for the year ended December 31, 2023 and 2022, respectively.

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

Future minimum lease payments	2023	2022
No later than 1 year	0	358
Total	**0**	**358**

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.

Not 7 Profit/(loss) from participation in group companies

	2023	2022
Impairment of the value of shares in subsidiaries	(115,140)	0
Total	**(115,140)**	**0**

Profit/(loss) from participation in group companies is fully attributable to the impairment of the value of shares in the subsidiary INIM Pharma AB following discontinuation of the IMiD program.

Note 8 Interest income and similar profit items

	2023	2022
Financial assets measured at amortized cost		
Profit from sale of short-term investment	4,019	0
Interest income from other financial assets	8,898	676
Total interest income according to the effective interest method	**12,917**	**676**
Total in profit or loss from financial items	**12,917**	**676**

Note 9 Interest expenses and similar loss items

	2023	2022
Financial liabilities measured at amortized cost		
Interest expenses other financial liabilities	0	(5)
Total interest expenses calculated using the effective interest method	**0**	**(5)**
Total in profit or loss from financial items	**0**	**(5)**

Note 10 Tax on profit for the year

	2023	2022
Current tax	0	0
Change in deferred tax assets	0	0
Recognized tax	**0**	**0**

Reconciliation of effective tax rates	**2023**	**2022**
Loss before tax	(85,652)	1,325
Tax according to applicable tax rate for parent company 20.6% (20.6%)	17,644	(273)
Tax effect non-deductible expenses	(24,290)	(347)
Tax effect non-deductible income	414	0
Tax effect unrecognized deferred tax assets	6,232	620
Recognized tax	**0**	**0**
Effective tax rate	**0%**	**0%**

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

Information about deferred tax liabilities

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

Deferred tax liability	**2023-12-31**	**2022-12-31**
Intangible assets	256	641
Tax provision for pension premium	337	264
Carrying amount	**593**	**905**

Tax loss carryforwards

Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounted to SEK 116,769 thousand and SEK 117,530 thousand as of December 31, 2023 and 2022, respectively. 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 11 Participations in group companies

Company	No. of shares	Proportion of equity	Share of voting power	Carrying amount 2023-12-31	Carrying amount 2022-12-31
Vicore Pharma AB	10,000	100%	100%	1,171,953	918,621
INIM Pharma AB	50,000	100%	100%	15,672	130,812
Vicore Pharma US Inc	1,000	100%	100%	10,000	0
				1,197,625	**1,049,433**

	Corp. Reg. No.	Domicile of the entity	Equity	Profit/(loss) for the year
Vicore Pharma AB	556607-0743	Stockholm	43,752	(281,842)
INIM Pharma AB	559156-8471	Stockholm	15,672	(943)
Vicore Pharma US Inc	EIN 93-2558456	State of Delaware	8,029	(1,233)

	2023-12-31	2022-12-31
Opening cost	1,049,433	796,389
Acquisitions for the year	263,332	253,044
Closing accumulated cost	**1,312,765**	**1,049,433**
Opening impairments	0	0
Impairments for the year	(115,140)	0
Closing accumulated impairments	**(115,140)**	**0**
Closing carrying amount	**1,197,625**	**1,049,433**

Note 12 Long-term investments

	2023-12-31	2022-12-31
Opening cost	0	565
Reclassifications	0	(565)
Closing carrying amount	**0**	**0**

Note 13 Financial assets and liabilities

Financial assets and liabilities at December 31, 2023	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	38,175	38,175
Other current receivables	0	22	22
Short-term investments	0	149,146	149,146
Cash and cash equivalents	0	207,172	207,172
Total	**0**	**394,515**	**394,515**
Financial liablilities			
Trade payables	0	895	895
Accrued expenses	0	45	45
Total	**0**	**940**	**940**

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, 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
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.

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 14 Prepaid expenses and accrued income

	2023-12-31	2022-12-31
Prepaid rental charges	0	109
Prepaid insurances	317	188
Other prepaid expenses	505	336
Total	**822**	**633**

Note 15 Short-term investments

	2023-12-31	2022-12-31
Interest-bearing investments	149,146	0
Reclassifications	0	565
Total	**149,146**	**565**

Note 1 Cash and cash equivalents

	2023-12-31	2022-12-31
Available balances	207,172	138,592
Total	**207,172**	**138,592**

Note 17 Shareholders' equity

At December 31, 2021, the registered share capital comprised 111,722,979 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 18 Other provisions

	2023-12-31	2022-12-31
Social security contributions related to share-based incentive programs		
Opening amount	744	507
Provisions for the year	(68)	237
Severance pay		
Opening amount	0	0
Provisions for the year	1,587	0
Total	**2,263**	**744**

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

Note 19 Non-current liabilities to group companies

Non-current liabilities	2023-12-31	2022-12-31
Opening cost	0	0
Closing carrying amount	**0**	**0**

Current liabilities	2023-12-31	2022-12-31
Opening cost	0	75,000
Deduction	0	(75,000)
Closing carrying amount	**0**	**0**

Note 20 Accrued expenses and deferred income

	2023-12-31	2022-12-31
Accrued personnel-related expenses	2,115	1,867
Accrued consulting fees	45	425
Other	319	199
Total	**2,479**	**2,491**

Note 21 Supplementary information to the cash flow statement

Adjustment for items not included in the cash flow	2023-12-31	2022-12-31
Incentive programs, salary costs	3,666	853
Incentive programs, social security contributions*	(68)	237
Provision payroll tax, pension premium	73	80
Other	1,587	0
Total	**5,258**	**1,170**

Note 22 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 23 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					
2023	55,026	0	649	38,175	0
2022	30,402	0	0	13,000	0

Sales of goods or services relate mainly to management fee. Other in the table above relates to reinvoiced costs.

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.

Göteborg den 26 mars 2024

Jacob Gunterberg
Chairman

Hans Schikan
Board member

Elisabeth Björk
Board member

Michael Buschle
Board member

Maarten Kraan
Board member

Heidi Hunter
Board member

Ahmed Mousa
CEO

Our audit report was submitted on March 26, 2024
Ernst & Young AB

Linda Sallander
Authorized Public Accountant

Auditors-report

To the general meeting of the shareholders of Vicore Pharma Holding AB, 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 2023. The annual accounts and consolidated accounts of the company are included on pages 20-54 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Reporting Standards), 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.

Description	*How our audit addressed this key audit matter*
As of December 31, 2023, 0,4% or SEK 2.2 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"). During the financial year, impairments totaling SEK 62.6 million were recognized in the income statement as a result of changed conditions attributable to research results and allocation of the company's resources. The carrying amount of the assets has during the financial year been significant. In addition, impairment tests are sensitive to changes in assumptions and are therefore a particularly important area in 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 accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19 and 58-73. 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 2023 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 2023.

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 ISQM 1 Quality Management 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 2023. Vicore Pharma Holding AB (publ) has been a Public Interest Entity since the the 27st september 2019.

Gothenburg the 26st of March 2024

Ernst & Young AB

Linda Sallander

Authorized Public Accountant

Corporate Governance report 2023

Introduction

The Board of Directors of Vicore Pharma Holding AB (publ), company reg. no. 556680-3804 ("Vicore" or the "company") hereby submits the 2023 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 2023.

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"), Vicore Pharma US Inc ("Vicore Pharma US Inc") and INIM Pharma AB ("INIM Pharma"). The company's research and development operations are conducted in Vicore Pharma and INIM Pharma.

The company reports the following deviation from point 1.3 (requirement for the Board of Directors physical presence at the AGM to be considered quorate) of the Code in 2023: Two out of five of the board members, including the chairman of the board, attended the AGM in 2023. Three of the board members attended virtually via Teams as they were not able to attend physically.

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, CEO and management team. 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 2023, Vicore had 7,638 shareholders and the number of shares was 111,722,979 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, 2023, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 18,427,774 shares, corresponding to 16.5 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 18-19 in the 2023 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.

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).

2023 AGM

The Annual General Meeting 2023 was held on May 11, 2023. At the AGM, approximately 55 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, Hans Schikan and Heidi Hunter were re-elected as board members. Michael Buschle and Elisabeth Björk were elected as new board members. Jacob Gunterberg was elected Chairman of the Board.
- Ernst & Young AB with principal auditor Linda Sallander was re-elected as auditor.
- Remuneration to the Chairman of the Board and the Board's members, elected by the Annual General Meeting and the auditor were established.
- Authorization to issue new shares corresponding to not more than 20 percent of the number of outstanding shares and votes at the time of the AGM.
- Decision to implement a share-based incentive program for members of the Board of Directors of the company. A maximum of 120,000 warrants to be issued.
- Decision to implement a long-term incentive program for the company's senior management and key persons. A maximum of 5,000,000 warrants to be issued.
- Decision to adopt a new articles of association with change of headquarter to Stockholm and enabling of postal voting and collection of power of attorneys.
- Resolution on adoption of remuneration report 2022.
- Resolution on adoption of balance sheet and income statement.
- No dividend to be paid for year 2022 and the company's earnings to be carried forward.
- Discharge from liability of the Board of Directors and CEO for the financial year 2022.

2023 EGM

The Extraordinary General Meeting was held on July 5, 2023. At the EGM, approximately 56 percent of the total votes were represented. Rikard Lindahl, Vinge law firm, was elected chairman of the meeting.

At the EGM the following principal resolutions were passed:

- Decision to approve the Board of Director's proposal on a directed share issue of no more than 20,675,000 new shares.

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

AGM 2024

The 2024 Annual General Meeting will be held on May 7, 2024, in Stockholm. Information on the decisions made at the Annual General Meeting will be published on May 7, 2024, 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).

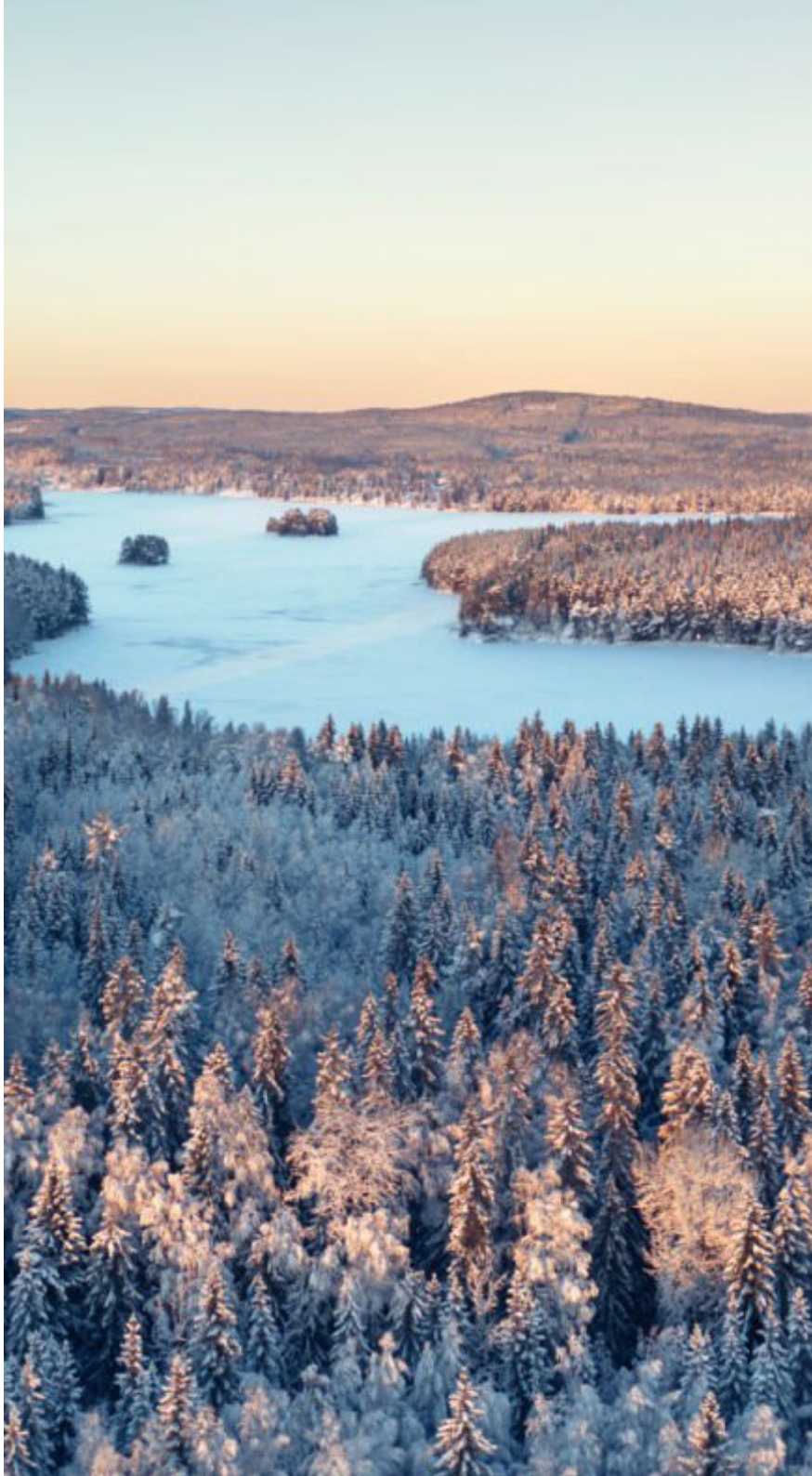
Nomination Committee

The Nomination Committee for the AGM 2024 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 2024.

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 which also includes the presence of the CEO and other senior executives.

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 2023 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. The removal of board members occurs at the AGM or an EGM.

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 pages 65-66 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, 2023. Ownership in the company includes personal and / or related parties' holdings.

Board of Directors' work 2023

During 2023, the Board of Directors held twelve board meetings, including the inaugural meeting, of which seven through digital channels. In addition, the Board of Directors has made decisions per capsulam on four occasions during 2023. The issues that the Board of Directors dealt with in 2023 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 2023, 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, 2023

			Independent in relation to		Remuneration, (SEK in thousands)[1]					Attendance[2]			
Board member	Function	Elected	The company and its management	Major shareholders	Board fees	Remuneration Committee	Audit Committee	Scientific Committee	Total	Board of Directors[3]	Remuneration Committee	Audit Committee	Scientific Committee
Jacob Gunterberg	Chairman	2018	Yes	Yes	450	-	50	-	500	11/12	-	6/6	2/9[4]
Heidi Hunter	Board member	2020	Yes	Yes	200	25	100	-	325	12/12	2/3[5]	6/6	2/9[6]
Hans Schikan	Board member	2018	Yes	Yes	200	50	50	-	300	12/12	3/3	6/6	-
Maarten Kraan	Board member	2018	Yes	Yes	200	25	-	50	275	12/12	3/3	-	9/9
Elisabeth Björk[7]	Board member	2023	Yes	Yes	200	-	-	25	225	7/12	-	-	7/9[8]
Michael Buschle[9]	Board member	2023	Yes	Yes	200	-	-	25	225	7/12	-	-	7/9[10]
Sara Malcus[11]	Board member	2018	Yes	Yes	-	-	-	-	-	5/12	1/3[12]	-	-

1) Fee set by the AGM, excluding social security contributions, for the May 2023 to May 2024 financial year

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

3) Excluding per capsulam meetings

4) Exited the Scientific Committee in May 2023

5) Elected to the Remuneration Committee in May 2023

6) Exited the Scientific Committee in May 2023

7) Elected to the Board of Directors in May 2023

8) Elected to the Scientific Committee in May 2023

9) Elected to the Board of Directors in May 2023

10) Elected to the Scientific Committee in May 2023

11) Exited the Board of Directors in May 2023

12) Exited the Remuneration Committee in May 2023

Board Committees

Remuneration Committee

The Remuneration Committee is appointed by the company's Board of Directors and consists of three members: Hans Schikan (Chairman), Heidi Hunter 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 2023, the Remuneration Committee held three meetings.

Audit Committee

The Audit Committee is appointed by the Board of Directors and consists of Heidi Hunter (Chair), Jacob Gunterberg 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 2023, 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), Elisabeth Björk and Michael Buschle.

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 2023, the Scientific Committee held nine meetings.

Remuneration

Remuneration to the Board of Directors

At the Annual General Meeting on May 11, 2023, 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 450,000 SEK to the Chairman of the Board and 200,000 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. The table on page 4, shows the fees paid to members elected by the AGM in 2023.

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 2023 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 2023.

Guidelines on remuneration to senior executives and Board of Directors 2023

This is a summary of the guidelines for executive remuneration. The complete guidelines are available in the Annual Report 2023 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 2023, Vicore has five active programs that include the company's management and staff, and board members. In 2018, a long-term incentive program , "Co-worker LTIP 2018", was set up. In 2021, two long-term incentive programs were set up: "Co-worker LTIP 2021" and "Board LTIP 2021". In 2023, two long-term incentive programs were set up: "Co-worker LTIP 2023" and "Board LTIP 2023".

Assuming full utilization and maximum goal achievement of all granted employee stock options and share awards as of December 31, 2023, corresponding to 3,877,124 shares, would entail a dilution of approximately 3.4 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, 2023, amounts to approximately 7.4 percent.

Below is a description of the various programs. For other information about the incentive programs, see Note 8 in the Annual Report 2023.

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 maximum dilution of approximately 1.7 percent. 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. During the second quarter of 2023, Board LTIP 2020 expired. Since the share price increased by less than 50 percent during the measurement period no share awards were earned. The program is now closed.

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 maximum dilution of approximately 2.5 percent.

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 61,773 shares in the company. 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 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 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.

Long-term incentive programs 2023

The Annual General Meeting in Vicore Pharma Holding AB held on May 11, 2023, resolved to implement a long-term incentive program for senior management and key persons in the company ("Co-worker LTIP 2023") and to implement a long-term performance-based incentive program for the board members in the company ("Board LTIP 2023"). A maximum of 3,000,000 options (Co-worker LTIP 2023) and 79,931 share awards (Board LTIP 2023) 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 2,539,966, corresponding to a maximum dilution of approximately 4.0 percent.

Board LTIP 2023

Board LTIP 2023 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting that entitle to 79,931 shares in the company. 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.

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 to the Board of Directors. The Nomination Committee is of the opinion that Board LTIP 2023 will increase and strengthen the particapants' dedication to the company's operations, improve company loyalty and that Board LTIP 2023 will be beneficial to both the shareholders and the company.

Co-worker LTIP 2023

Co-worker LTIP 2023 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 5,000,000 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 Co-worker LTIP 2023 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2023 is adapted to the current position and needs of the company. The Board of Directors is of the opinion that Co-worker LTIP 2023 will increase and strengthen the participants' dedication to the company's operations, improve company loyalty and that Co-worker LTIP 2023 will be beneficial to both the shareholders and the company.

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 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 twelve people:

- CEO
- Chief Financial Officer
- Chief Medical Officer
- Chief Scientific Officer
- VP Clinical Development
- Program Director, early development
- VP Operations and Corporate Strategy
- Chief Administrative Officer
- Chief Commercial Officer
- VP Business Development
- Head of CMC
- Director of Digital Health

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 twelve individuals; CEO Ahmed Mousa, Chief Financial Officer Hans Jeppsson, Chief Medical Officer Bertil Lindmark, Chief Scientific Officer Johan Raud, VP Clinical Development Elin Rosendahl, Program Director, early development Johanna Gräns, VP Operations and Corporate Strategy Mikael Nygård, Chief Administrative Officer Nina Carlén, Chief Commercial Officer Åsa Magnusson, VP Business Development Jimmie Hofman, Head of CMC Sophie Bertilsson and Director of Digital Health 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, 2023, see pages 67-69.

Board of Directors and management

Board of Directors

Jacob Gunterberg
Chairman since 2022. Board member since 2018

Jacob is a former partner at HealthCap and has extensive experience in venture capital investments and investment banking related to 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 and CFO in Purpose Pharma AB, Board member in Aurelia Invest AB, Disruptive Pharma Holding AB, EllAug AB, Tova Skrenen Stockholm AB and Twiceme Technology 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: 24,806 share awards in the framework of the company's incentive program and 6,400 shares.

Jacob is a member of Vicore's Audit Committee.

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

Hans Schikan
Board member since 2018

Hans is former CEO of Prosensa (acquired by BioMarin). His previous assignments include leadership roles at Genzyme and Organon. He served on the boards of Hansa Biopharma, Wilson Therapeutics (acquired by Alexion), Sobi, Asceneuron, InteRNA, Therachon (acquired by Pfizer) and VectivBio (acquired by Ironwood).

Born: 1958

Education: PharmD from the University of Utrecht.

Other assignments: Chairman of Microbiotica Ltd and Complix NV, Board member of Pharvaris NV and Organon NV. TopTeam member of 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, Board member of Sobi, Therachon and VectivBio.

Holdings in the company: 31,616 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 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 Bavarian Nordic, IO Biotech and Sutro Biopharma.

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

Holdings in the company: 11,025 share awards in the framework of the company's incentive program and 5,000 shares.

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

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

Maarten Kraan
Board member since 2018

Maarten 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: 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: CMO of AM-Pharma, R&D Director of Pierre-Fabre SA.

Holdings in the company: 31,616 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.

Elisabeth Björk
Board member since 2023

Elisabeth is an endocrinologist by training and an associate professor of medicine at Uppsala University, Sweden. Elisabeth Björk has been the Senior Vice President, Head of Late-stage Development, Cardiovascular, Renal and Metabolism (CVRM), BioPharmaceuticals R&D at AstraZeneca leading the global development of medicines within this area since 2012. Throughout her career at AstraZeneca, she has gained broad drug development experience covering clinical development phase I-IV, large outcomes programs, major global filings and health authority interactions (FDA, EMA, Japan) and commercial strategy/implementation.

Born: 1961

Education: MD, Karolinska Institute and Ph.D. in Endocrinology, Uppsala University.

Other assignments: AstraZeneca Gothenburg site lead. Board member of Calliditas Therapeutics AB, Pharvaris N.V., Agiana Pharma AS, Rocket Pharmaceuticals, Inc., Chalmers University of Technology and Betula Consulting AB

Previous assignments for the past five years: Served on the Swedish Government's strategic innovation partnership program for life science. Board member of Chalmers Ventures AB 2018-2023.

Holdings in the company: 11,025 share awards in the framework of the company's incentive program .

Elisabeth is a member of Vicore's Scientific Committee.

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

Michael Buschle
Board member since 2023

Michael has more than 25 years' experience in basic research as well as from biotech and pharma R&D. Dr Buschle has held C-level positions at mid-size Pharma and biotech companies. Among others, Dr Buschle was a co-founder of vaccine company Intercell AG (merged with Vivalis to create Valneva in 2012) and President Biologics and Chief Scientific Officer at Glenmark Pharmaceuticals.

Born: 1960

Education: Ph.D. from the University of London

Other assignments: Consultant of HBM Partners AG

Previous assignments for the past five years: Board member of Y-mAbs Therapeutics, Inc., Board observer of Hookipa Pharma Inc. and Werewolf Therapeutics Inc.

Holdings in the company: 11,025 share awards in the framework of the company's incentive program .

Michael is a member of Vicore's Scientific Committee.

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

Management

Ahmed Mousa
Chief Executive Officer since 2023

Ahmed has an extensive background in business and corporate development, portfolio strategy, and entrepreneurial experience in the life sciences industry. Prior to joining Vicore, Ahmed was the Chief Business Officer & General Counsel of Pieris Pharmaceuticals where he played a key role in development of the company's pipeline and execution of strategic collaborations with a range of pharmaceutical companies. Ahmed previously was an attorney representing biopharmaceutical companies in a range of matters at Covington & Burling and Kirkland & Ellis.

Born: 1984

Education: Undergraduate degrees in molecular biology and government from Cornell University and a master's degree in biotechnology from Johns Hopkins University. Juris Doctor from Georgetown Law with honors.

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

Holdings in the company: 800,000 options within the framework of the company's incentive program.

Hans Jeppsson
Chief Financial Officer since 2017

Hans has a cross-disciplinary background in finance and biomedicine. 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 and post-doc experience from Haas School of Business at the UC Berkeley. 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 240,000 options within the framework of the company's incentive program.

Elin Rosendahl
VP Clinical Development since 2020

Elin 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: 200,000 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 200,000 options within the framework of the company's incentive program.

Bertil Lindmark
Chief Medical Officer since 2024

Bertil has a long career within the pharmaceutical industry with expertise within respiratory and inflammatory diseases. Bertil has held global roles within AstraZeneca, leading the development of global brands like Pulmicort and Symbicort. He was the Head of Research and Development at Almirall, leading the development of the second to market inhaled long acting antimuscarinic, aclidinium bromide. Bertil also held CMO roles in biotech companies, among others Galecto where his leadership played a crucial role in driving innovation and advancing IPF directed therapies.

Education: MD PhD from Lund University, Sweden.

Other assignments: Chairman of the scientific committee of ALK and Chairman of the Board at Aqilion.

Holdings in the company: None.

Johan Raud
Chief Scientific Officer since 2018

Johan has more than 20 years of experience of medical science, pharmaceutical R&D and patenting from his work as physician, different roles within big and small pharma, co-founding and managing startup companies, as well as venture capital investment.

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

Other assignments: None.

Holdings in the company: 238,991 shares and 190,000 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 HR, 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.

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

Jessica Shull
Head of Digital Health 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: 150,000 options within the framework of the company's incentive program.

Mikael Nygård
VP Operations and Corporate Strategy 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 141,000 options within the framework of the company's incentive program.

Sophie Bertilsson
Interim Head of CMC since 2024

Sophie has extensive experience in pharmaceutical development and regulatory CMC from the life science industry. She has also worked as a regulator at the Swedish Medical Products Agency.

Education: MSc, Chemistry and PhD Organic chemistry from Uppsala University.

Other assignments: Senior consultant with RegSmart LifeScience, Sweden.

Holdings in the company: None.

Jimmie Hofman
VP Business Development since 2024

Jimmie is an experienced deal maker in the life science industry, with extensive experience in business development, corporate strategy, and financial modeling. Prior to joining Vicore, Jimmie was Senior Director, Business Development at Pieris Pharmaceuticals, where he was responsible for business development activities, and part of establishing strategic partnerships with multiple pharmaceutical companies, including AstraZeneca, Roche/Genentech, Seagen, Servier, and Boston Pharmaceuticals.

Education: B.Sc. Bioengineering, M.Sc. Entrepreneurship & Business Design, Intellectual Capital Management from Chalmers University of Technology.

Other assignments: None.

Holdings in the company: None.

Auditor's report on the Corporate Governance Report

To the Annual General Meeting of Vicore Pharma Holding AB, reg. no. No. 556680-3804

Assignment and division of responsibilities

A Corporate Governance Report has been prepared and is included on the pages 58-69 in the Annual report. The Board of Directors is responsible for the Corporate Governance Report for 2023 and that it has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and a significantly narrower scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides us with a sufficient basis for our statements.

Statement

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6. Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7. The second paragraph of Section 31 of the same Act is consistent with the annual accounts and consolidated accounts and is in accordance with the Annual Accounts Act.

Gothenburg, March 26, 2024

Ernst & Young AB

Linda Sallander

Authorized Public Accountant

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.

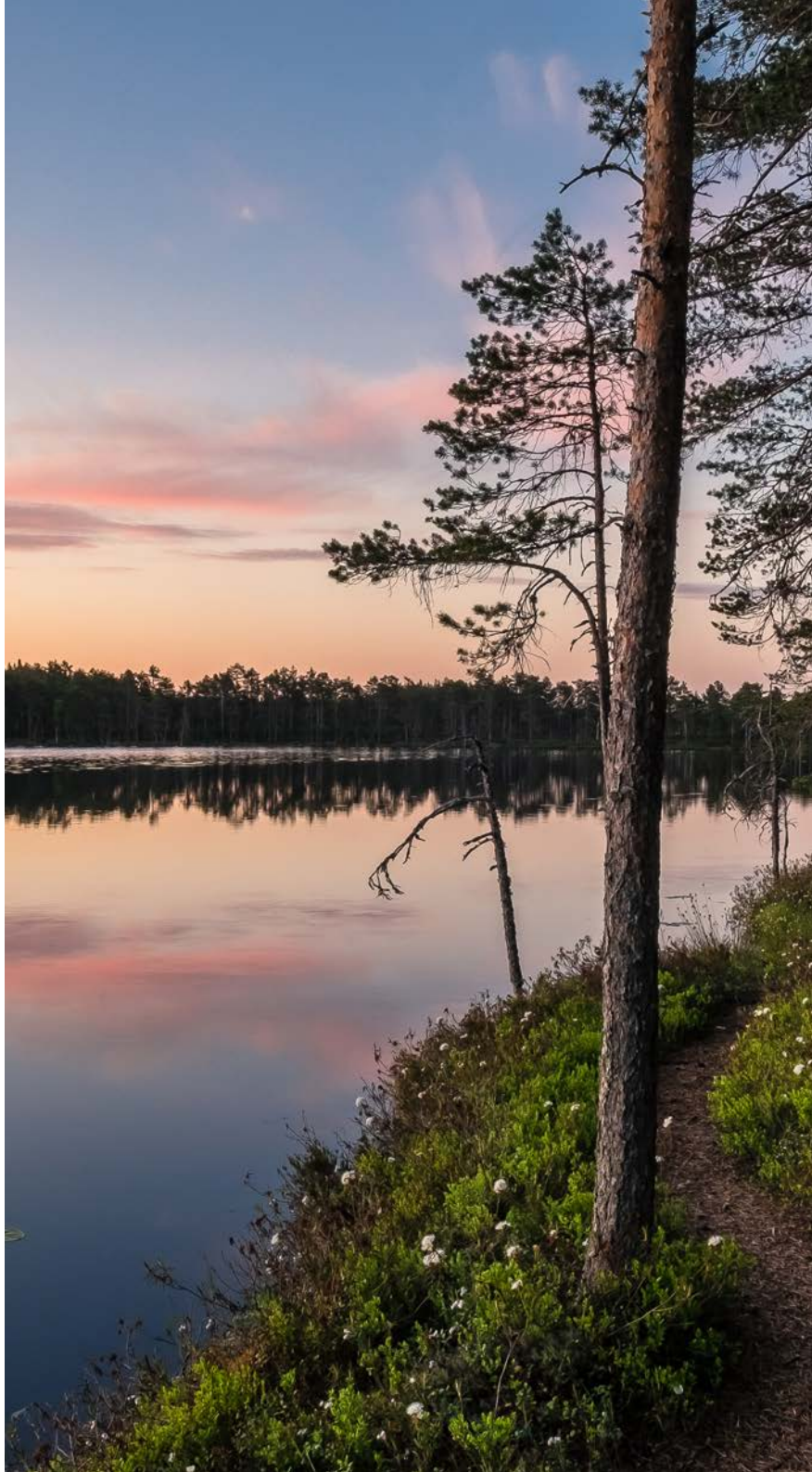
Clinical studies

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.

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.

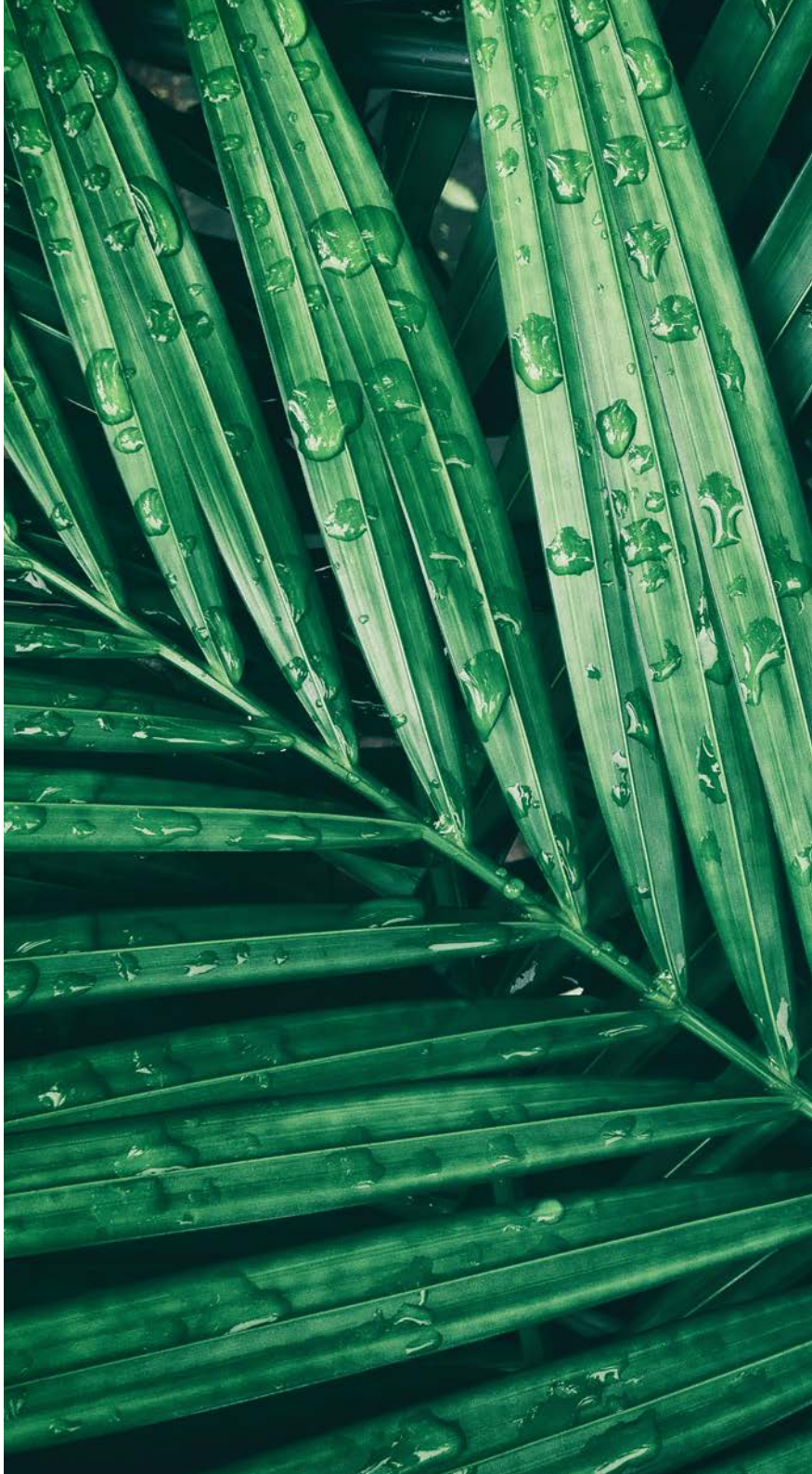
In the US and Europe, about 60 million people are estimated to suffer from one of the 7,000 identified rare diseases. In total, some 350 million people around the world are estimated to suffer from one of the rare diseases identified.

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).



Contact information

Address

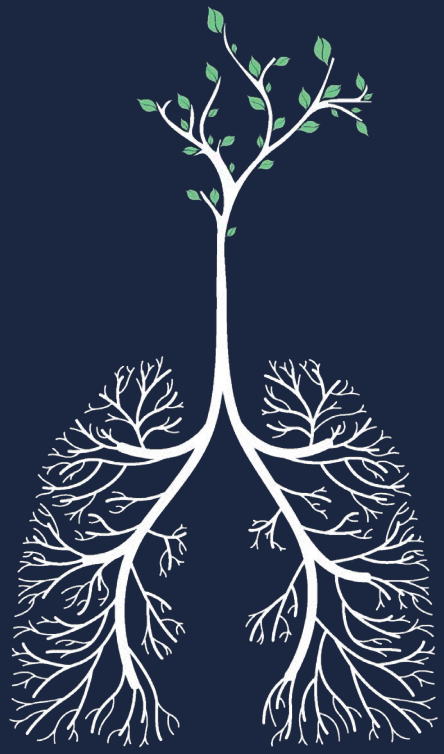
Vicore Pharma Holding AB
Kornhamnstorg 53
SE-111 27 Stockholm, Sweden

Tel: +46 31 788 05 60
Org.no.: 556680-3804
www.vicorepharma.com

Contacts

Ahmed Mousa, CEO
Tel: +1 (607) 437-0235
ahmed.mousa@vicorepharma.com

Hans Jeppsson, CFO
Tel: +46 70 553 14 65
hans.jeppsson@vicorepharma.com



vicore pharma