ANNUAL REPORT

2017

VICORE PHARMA HOLDING AB (PUBL)

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2017 SUMMARY

New strategy focused on fibrotic diseases with orphan drug designation	A new strategy was developed to focus on and further develop the company's lead candidate, C21, to address the large unmet need for effective treatments for fibrotic diseases. With considerble research and commercial interest, as well as few competitors, this is a long-term strategy with significant potential.
Strong safety data for C21 in Phase I programme	Our application to start a clinical phase IIa study in patients with IPF was submitted in december 2017. Approval is estimated during Q2. C21 will then be one step closer to potentially offering an effective treatment, combined with a favourable side effect profile, against the fatal lung disease, IPF.
Strengthened organisation adding new expertise	We made three key recruitments during the year. This has secured necessary expertise within the company ahead of further clinical development.
Further development of C21 for additional fibrotic diseases	A second indication is currently being carefully evaluated, with the aim to present a development plan during 2018.
New collaboration with CRO ahead of continued development program	Parexel has been contracted to carry out the clinical phase IIa study for C21 in IPF, with Dr Joanne Porter, University College of London (UCL), as the study's principal investigator.

FINANCIAL DATA (GROUP)

KSEK	2017	2016	2015	2014
Operating profit/loss	-12 793	-6 649	-4 543	-5 340
Profit/Loss after financial items	-12 855	-6 652	-4 570	13 687
Earnings per share, SEK	-1,40	-0,54	-0,37	0,20
Total equity as of 31 December	112 968	75 597	81 930	53 696
Cash flow from operating activities	-7 704	-7 251	-3 682	-2 825
Cash flow from investing activities	-22 779	-13 977	-5 657	-2 390
Cash and cash equivalents at year end	24 019	4 266	25 175	1 710

ABOUT VICORE PHARMA

Vicore Pharma focuses on fibrotic diseases with orphan drug designation

Vicore Pharma has the goal to offer more effective treatments for patients suffering from rare fibrotic diseases. The company is developing drug compounds that stimulate the AT2 receptor. The vision is to establish AT2R agonists as a new and effective class of medicines to treat serious fibrotic diseases.

Within the company's lead indication, idiopathic pulmonary fibrosis (IPF), an estimated 108,000 pople are diagnosed annually in the seven largest markets. For a rare disease, this is considered to be a large patient population, who currently do not receive adequate treatment.

Currently available IPF treatments can slow the progression of the deterioration of lung function, if the patient can cope with the many side effects. However, no drugs have been able to show improved survival or quality of life for affected patients, who currently die within two to five years after diagnosis.

Vicore Pharma's lead drug candidate, C21, for IPF demonstrated in preclinical studies a multi-modal efficacy that can combat diseases where there is a need for organ and tissue-protective characteristics, which can help heal damage in the lungs caused by IPF. The strong safety data from the clinical phase I study indicates a promising future for the first-in-class candidate, which has also attracted large interest from researchers.

The strategy Vicore Pharma is taking is to prioritise and accelerate the clinical development of C21 within IPF and, at the same time, identify our next fibrosis indication with orphan drug designation. In parallel, development work is ongoing to identify new molecules based on C21 that, with new patents, could be developed for other non-orphan indications.

At an optimal development level, Vicore Pharma aims to seek development and licensing collaborations with pharmaceutical companies who have the possibility to accelerate the development and maximise the opportunities for the company's portfolio.

Vicore Pharma at a glance

- Developing a new and effective class of medicine for serious fibrotic disease with orpohan drug designation.
- Expecting approval to start phase IIa study in IPF with C21 during Q2.
- Swedish biotechnology company located in Mölndal, Västra Götaland.
- Has orphan drug designation for C21 in IPF in USA and EU.
- Listed on the Nasdaq First North stock exchange since December 2015 with the ticker (VICO).
- Vicore Pharma Holding's ownership in associate company, I-Tech AB is 21.2%.

CEO COMMENTS

Dear shareholder,

During the autumn 2017, we took an important decision on our future strategic direction. Since then, we have tirelessly concentrated Vicore Pharma's activities on drug development focused on fibrotic indications with orphan drug designation. A key underlying reason for this focus is that, for a number of years now, this area has attracted significant interest, both on the research side and from a commercial perspective. This is mainly because of the large unmet need for effective treatments, as well as the strong preclinical results we have achieved with our technology in fibrosis models. We are looking forward to take the next step in the clinical development program and to start a clinical phase IIa study in idiopathic pulmonary fibrosis (IPF) with our drug candidate C21, when the approval is at hand.

2017 was an important and interesting year for us in many respects. First and foremost, since we have taken the necessary steps to become a clinical stage company. These include adapting to new regulatory requirements expected of a company in clinical development, as well as having a drug technology that can be tested for several diseases based on the documentation we have built up over the years. Through two directed share issues during the first quarter with total proceeds amounting to SEK 56 million before issue costs, we secured financing to accelerate the development of C21 in IPF and to start the clinical study.

We were also granted orphan drug designation for C21 from the US FDA in January 2017. C21 holds the corresponding orphan drug status in the EU since August 2016. This will help us to accelerate the development time of C21 to market if the expected study results are achieved. Our dedicated work has resulted in us secure a strong position in the area, and we will maintain this momentum during 2018.

SAFETY DATA FOR C21 SUPPORTS THE CLINICAL PROGRAM

Our research focus during the year has been focused on strengthening the documentation relating to C21. During the first quarter, a phase I extension study was started on a risk group of overweight men to evaluate the effects on biomarkers for clinical effects on metabolism. The results showed that C21 was safe and well tolerated also in this risk group. Beneficial metabolic effects were also shown on cholesterol. In addition, a BioMAP® study was conducted to evaluate the anti-fibrotic properties for C21 in human lung

cells. The survey showed that C21 has positive anti-fibrotic effects and that it exerted stronger effects compared to two other approved IPF drugs. In April, a three-month toxicity study was started and was concluded during the autumn. Since financing was secured during the first quarter 2017, work has focused on the regulatory preparations for the clinical study on IPF. The application was submitted at the end of the year. We have received approval from the British Medicines Agency, MHRA, which is one of two instances that needs to approve the study. The second instance, the ethics committee, has requested a clarification, which will be submitted shortly, and an approval is expected in Q2. We are very much looking forward to getting a step closer to potentially be able to offer an effective treatment for IPF with a satisfactory side effect profile.

THE AT2 RECEPTOR AND FIBROTIC DISEASES

Organ fibrosis, whether through known or unknown causes, often gives rise to serious disease conditions which are difficult to master with current drugs. For a long time, fibrosis was seen as an end state that was difficult to influence favourably. However, modern research has mapped the fibrotic processer in detail and, thereby, it has been possible to develop new and more focused drug concepts. AT2R activation and C21 have in that respect been shown to influence many of the fibrotic processes. The concept has the potential to play a key role in treating diseases where the fibrotic process is a central component. At Vicore Pharma, we are therefore convinced that our drug has an important role to play moving forward.

STRENGTHENED ORGANISATION

To build the company for intensified research and development activities, as well as for financial operations, we strengthened our organisation with three key recruitments. Hans Jeppsson came in as our Chief Financial Officer (CFO), Ulrike Steckelings is Chief Scientific Officer (CSO) and Kicki Johansson is Head of Drug Development. All three have quickly found their roles in the organisation and are making a postivie impact. The board was extended with a new board member, Göran Arvidson, and we now have a new chairman, Leif Darner, who was voted in at the AGM in 2017. We were saddened to receive the news of the passing in November of our board member, Göran Arvidson. He was an appreciated and competent member of the board.

RESEARCHERS INTERESTED IN OUR AT2 RECEPTOR TECHNOLOGY

In April, a groundbreaking article was published in the prestigious publication, Nature. The article describes the crystallisation of the AT2 receptor, whereby the receptor's appearance and function can be mapped on a fundamental level. At Vicore Pharma, we are interpreting the initiative to crystallise the AT2 receptor as an expression that it is now an established drug receptor, even for the large pharmaceutical companies. If we allow ourselves some credit, we believe that the positive results with C21 have provided some inspiration for this initiative.

FURTHER DEVELOPMENT OF C21 FOR ADDITIONAL FIBROTIC DISEASES

Following our strategy decision during the autumn, we also started work to identify a second indication to follow IPF. within the cardio pulmonary area during 2018. In parallel, development work is ongoing to identify new molecules based on C21 that, with new patents, could be developed for larger, non-orphan diseases. One such patent application was submitted during the first quarter and we are continuing the development program to find additional possibilities with new molecules.

INCREASED HOLDING IN ASSOCIATE COMPANY, I-TECH

During the fourth quarter, we participated in a share issue in our associate company, I-Tech AB, where we increased our holding from 16.5% till 21%. After the end of the period, we acquired additional shares from an existing shareholder in I-Tech. As such, our holding amounted to 26.5%. In March 2018, I-Tech issued shares for non-cash consideration to a new shareholder, Cambrex Karlskoga AB. As a result, I-Tech will control the complete supply chain for its product. Vicore Pharma Holding's holding is consequently 21.2%.

COMPLETED AND PLANNED ACTIVITIES

During the year and the first quarter 2018, we have participated in a number of international and national conferences to present Vicore Pharma to pharmaceutical companies and investors. Our learnings from these are twofold: (i) the disease areas that the company is engaged in are of considerable interest; (ii) the company's technology attracted attention from both pharma companies and financial institutions connected to life science. Henceforth, we will participate in the "Aktiespararnas småbolagsdag" on 11 June 2018 in Stockholm and hope to see some of you there!

To conclude a very meaningful 2017, we would like to thank all our shareholders for their support during the past year. We look forward to an exciting 2018 together.

Per Jansson, CEO

7 QUESTIONS TO DR. JOANNA PORTER

PRINCIPAL INVESTIGATOR FOR THE COMING PHASE IIA STUDY IN VICORE PHARMA

Why have you dedicated your professional life to respiratory disease?
Because of the huge unmet need. I started off as an intensivist, but I missed the long-term interaction with patients. I worked in Rwanda during the genocide in 1994. There were a lot of infectious diseases, but there was also a lot of respiratory disease in these very resource-poor settings. So, although I thought I wanted to do tropical medicine, I actually saw that respiratory medicine was more practical and of more benefit.

How do you describe pulmonary fibrosis and interstitial lung diseases (ILDs)?
The ILD umbrella covers around 200 different diseases that affect the area of the lung where gas exchange takes place. Part of the skill of a clinician is working out which disease your patient has because they can look very similar clinically. Idiopathic pulmonary disease (IPF) is the most severe form of ILD and, in most cases, the fibrosis can't be reversed. The only thing we can do is stop the scarring getting worse. The drugs we currently have merely slow down the rate of fibrosis, but most patients will still become increasingly short of breath and eventually die of the disease.

Why has it proven so difficult to effectively treat these diseases?
Some patients do much better than others. Nobody really understands why that is. Even in one patient, you can have areas of the lung that are more affected than others. As a result, clinical trials are very hard because there are no really good endpoints for drug efficacy. In pulmonary fibrosis, the only indication that a drug is working is whether it slows down the decline in lung function compared to if the patient hadn't been on the drug. This can take a long time and involve a lot of patients to be really sure.

What challenges remain?
The two currently licensed drugs both have limiting side effects. Although patients live longer, there is no evidence that they improve the patient's quality of life. We really need better treatments. Other challenges are equal access for patients to treatments and increased awareness of the disease amongst GPs and other respiratory physicians, so patients get seen earlier and diagnosed more quickly.

What difference could C21 potentially make?
What is really interesting about C21 is that the receptor for it appears to be upregulated in damaged tissue that is regenerating. We have certainly shown that the receptor is expressed in the IPF lung. Which makes you think that it will just have an effect in patients that have upregulated the receptor for the drug, i.e. exactly the patients that we want to treat. C21 has a very clear mechanism of action, which suggests that, if it has an effect, it may be a very selective drug, which is always a good thing.

What quantum leaps do you foresee for the treatments of ILDs for the future?
Picking patients up earlier. And with a blood test, refining a very precision treatment package for them using a combination of anti-fibrotics or in some cases other drugs – as a very personalized package for that particular patient. The thing about these patients is that they are such a mixed bunch. Based on their genetics, their exposures and other diseases, they all behave differently. At the moment, they all get the same treatment. Some patients benefit more than others.

Any other key points?
It's important to emphasise that IPF is a disease of mainly late middle-aged men and isn't related to smoking. Often people think respiratory or lung diseases are a sort of punishment for having smoked, but no one can claim that for IPF andnumerous fit, healthy, middle-aged men. It is a disease clearly on the increase. Nobody really knows why that is.

Dr. Joanna Porter is a Consultant in Respiratory and General Medicine at UCLH and a Reader in the Department of Medicine at UCL. Joanna studied Medicine and Pharmacology at Cambridge University, followed by clinical studies at Oxford University Medical School. She went on to train in respiratory and intensive care medicine at the Brompton, St George's, and St Thomas' Hospitals, before completing her respiratory training at UCLH. Joanna was awarded a PhD for her work in inflammation at UCL as an MRC Clinical Fellow and went on to be awarded a Wellcome Postdoctoral Clinical Fellowship at UCL. Her clinical interest is in interstitial lung disease, in particular pulmonary fibrosis and interstitial lung disease in the context of autoimmune disorders. Joanna started the UCLH ILD service in 2009 and has developed it into an NHS England national referral centre for ILDs, as of 2013.

Research interests
- Interstitial lung disease
- Idiopathic pulmonary fibrosis
- Rheumatological lung disease
- Autoimmune lung disease
- General respiratory medicine

Location: University College London Hospital
Specialities: Respiratory Medicine

BUSINESS AND FOCUS AREAS

Vicore Pharma Holding AB (publ) has been listed on the Nasdaq First North stock market since December 2015 and is the parent company of a group whose main business is the wholly owned subsidiary, Vicore Pharma AB. For more than ten years, Vicore Pharma AB has been developing a new type of pharmaceutical compounds, known as AT2R agonists, to stimulate the AT2 receptor within the Renin-Angiotensin systemet (RAS).

Vicore Pharma's lead drug candidate, C21, is the first small molecule compound in its class. It has received significant research interest and is the subject for more than 100 scientific papers, mainly relating to its effects in preclinical disease models. The results from these extensive, preclinical studies demonstrate general anti-inflammatory, antifibrotic and anti-proliferative properties, which in combination, combat fibrotic diseases affecting organs and tissues.

Several indication areas have been evaluated with the aim to identify an area where there is significant commercial potential and prerequisites to conduct clinical studies at a reasonable cost. Vicore Pharma has selected idiopathic pulmonary fibrosis (IPF) as the lead indication for the clinical development of CS1. IPF is a chronic, ultimately fatal, lung disease that currently lacks effective treatment with a favourable side effect profile. IPF is designated by medicines agencies as an orphan drug disease. Vicore Pharma has been granted Orphan Drug Designation (ODD) for IPF in the EU and USA.

Besides Vicore Pharma AB, Vicore Pharma Holding AB owns 21.2% of its associate company, I-Tech AB, and wholly owned ITIN Holding AB (dormant company).

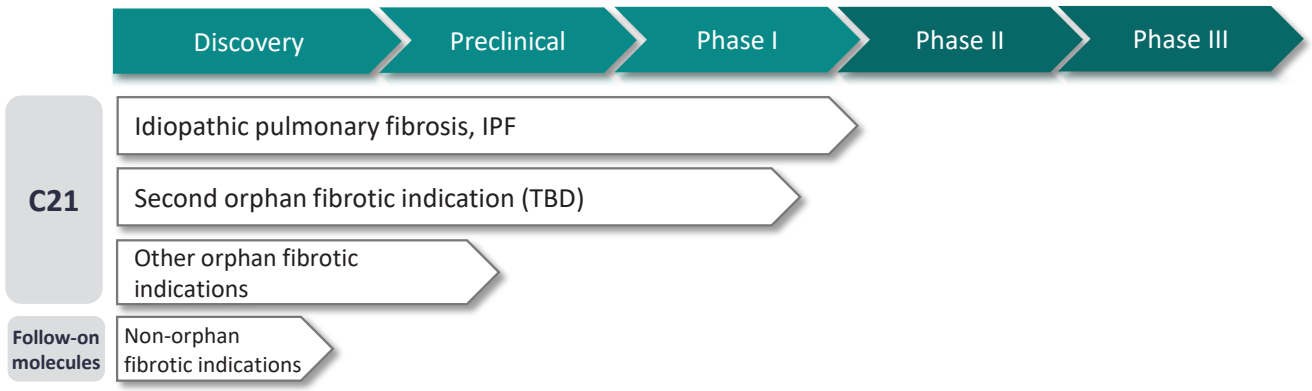
BUSINESS STRATEGY

During the autumn 2017, the board and management conducted a strategic analysis of the company's technology to support future development. An in-depth analysis of documented preclinical data for drug candidate C21 indicates that C21 has demonstrated consistent anti-fibrotic effects in several animal models for fibrotic conditions in lungs, kidneys, heart, blood vessels and skin. This provides positive support for continued clinical development within fibrotic diseases. The main strategy is therefore to focus on fibrotic diseases in the orphan drug class.

The company's main goal is to prioritze and accelerate the clinical development of C21 within IPF, and at the same time identify our next fibrosis indication within the orphan drug area.

Thanks to the considerable focus on research within the company, an extensive knowledge of the AT2 receptor has been built up internally. A clear indication of the scientific eminence in Vicore Pharma's research and drug development are the numerous publications relating to this research that can be found in scientific journals.

PIPELINE



C21'S UNIQUE MULTIMODAL EFFECT

Several competiting projects that have failed have, in many cases, only been focused on one single mechanism. For example, anti-inflammatory and immunosupressive drug projects targeting IL-4 and/or IL-13 have not been able to influence disease progression in IPF. Novartis QAX-576 and AstraZeneca's tralokinumab, which are both targeting IL-13, indicate that the anti-inflammatory component is not sufficient to give a clinical effect in patients in phase II studies. During 2017, Sanofi also reported that their bispecific antibody (SAR156597) targeting IL-4/IL-13 had failed in a phase II study. There are several potential mechanisms involved in anti-fibrotic activity through AT2-receptor stimulation based on the effects of C21.

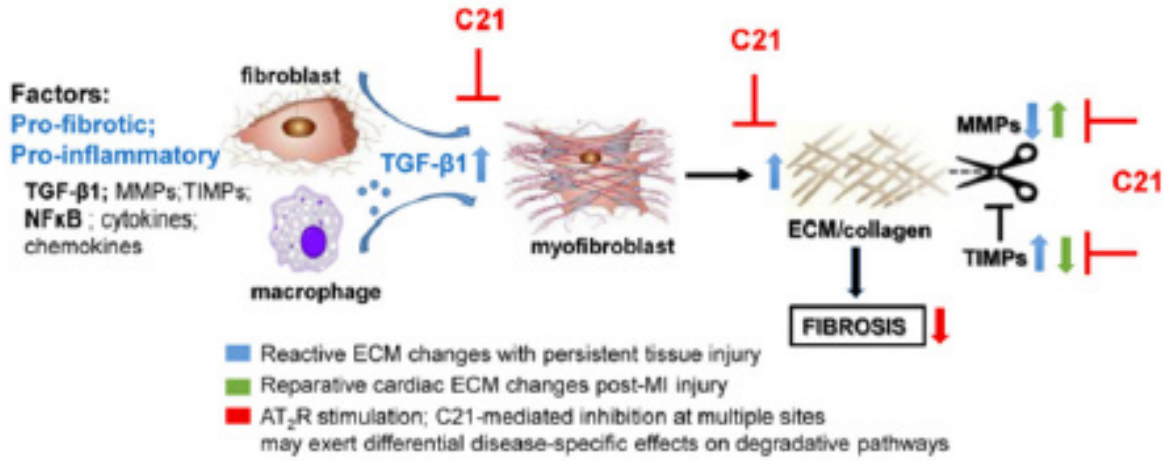
Preclinical studies demonstrate that C21 is associated with anti-inflammatory, antifibrotic and anti-proliferative properties, which in combination, combat fibrotic diseases affecting organs and tissues.

This multimodal effect (see Figure below) is something we believe differentiates C21 from several of the competitors, and which can provide the effective treatment that patients with fibrotic diseases are currently lacking.

SIGNIFICANT POTENTIAL

By stimulating the AT2 receptor, our vision is to address fibrotic diseases in several different organs. Since many fibrotic diseases which attack individual organs are orphan drug designated, as, for example, IPF, this is a first step. There are however many other orphan fibrotic diseases that also attack other organs, such as kidneys, heart, lever and skin. Vicore Pharma sees a significant potential with C21 to investigate the effects in several such diseases and to design the strategy to reflect this.

In parallel, development work is ongoing to identfy new molecules that could be developed for larger, non-orphan diseases. This work is taking place in collaboration with our research partner, Emeriti Bio.



Potential mechanisms involved in antifibroc activity through AT2-receptorstimulation based on effects from C21. Source: Wang, Y. et al. 2017. Frontiers in Pharmacology 8, pp. 1-7.

IDIOPATIC PULMONARY FIBROS (IPF)

Fibrosis means that fibrous tissue is formed in one or more organs as a result of injury, inflammation or unknown causes. Fibrosis can affect almost all organs and is often an important cause of morbidity and mortality. This disease means that the small airways in the lungs (alveoli) and lung tissue adjacent to the alveoli are damaged. The disease is exacerbated by the fact that the healing process goes wrong, causing thickening and damage to the walls of the alveoli, as well as the formation of fibrosis (scarring) in the alveoli and lung tissue. Scarring occurs progressively and gradually degrades lung function. The disease is unfortunately fatal and survival after diagnosis is only about two to five years. This relatively rare disease usually affects people between the ages of 60 and 70 and more often men than women. According to US statistics, prevalence is up to 40 cases per 100,000 inhabitants. IPF has an attractive large, addressable patient population to be an orphan disease, with an occurrence of nearly 108,000 diagnosed cases in the seven largest markets. There are currently two approved drugs that can slow down the course of worsening of lung function. The drugs are associated with strong side effects such as vomiting and diarrhea, and have not yet shown that they can improve survival or quality of life for the affected patients, which means that many patients discontinue treatment

MARKET OVERVIEW

THE MARKET FOR IPF DRUGS

Despite the limited effect and unfavourable side effect profiles, the two approved drugs for IPF, pirfenidone and nintedanib, together sold for around USD 1.8 billion during 2017. This is an increase of around 22% from 2016 when these drugs sold for a combined USD 1.47 billion. The healthcare business information provider, Globaldata, projects that annual sales of IPF drugs will reach USD 3.2 billion in 2025, more than a doubling of sales from 2016.

LARGE UNMET NEED

There is significant commercial interest in IPF as an indication. It is now the main priority for several of the world's leading pharmaceutical companies within respiratory diseases. The large unmet medical need is not least due to an under-penetrated market. According to the American Thoracic Society, on average 60-70% of patients with mild to moderate IPF are not being treated. The reasons for this are not tolerating the treatment or not wanting exposure to the known side-effects associated with the drugs. Consequently, there is a large unmet need for new drugs with a better side effect profile, and which can extend survival or quality of life for affected patients.

LICENSING AND ACQUISITIONS IN FIBROSIS AND IPF

The market for IPF drugs has attracted a significant interest from the pharmaceutical industry in recent years. This is due to the large unmet need and since several successful licensing and acquisiton deals have been done in this area (see table below). These include Roche who in 2014 acquired the IPF company, InterMune, for USD 8.3 billion. Several large licensing and option deals have also featured upfront payments, on the scale of USD 100 million for phase Ib projects and USD 150 million for phase II projects. In 2014, a licensing deal was made by Bristol-Myers Squibb (BMS) to acquire the rights to Galecto Biotech's IPF project for USD 444 million. In 2015, BMS entered into another licensing deal, this time with Promedior, for a value of USD 1 250 million for their IPF project.

In 2016, BMS acquired the global rights to Nitto Denko's antifibrotic siRNA therapy, a project that went through phase Ib studies for the treatment of fibrosis caused NASH or hepatitis C virus (HCV). Nitto received USD 100 million at signing, which according to Biocentury, is one of the top ten biggest upfront payments that has been made in a licensing deal for a phase I candidate since 2009. The lack of projects with anti-fibrotic properties was named as a reason for the large upfront payment.

ACQUISITIONS AND LICENSING DEALS IN ANTI-FIBROSIS AND/OR IPF

Year	Licensor	Licensee	Type of deal	Development phase at time of deal	Total value (MUSD)
2016	Nitto Denko	BMS	License	Phase Ib	Undisclosed
2016	Afferent Pharmaceuticals	Merck	Aquisition	Phase IIb	1 250
2015	Promedior	BMS	Option	Phase II	1 250
2014	Intermune	Roche	Aquisition	Approved (EU and Canada), Under registration (USA)	8 300
2014	Galecto Biotech	BMS	Option	Phase I/IIa	444
2012	Stromedix	Biogen Idec	Aquisition	Phase II	562,5
2011	Amira Pharmaceuticals	BMS	Aquisition	Phase I	475
2011	Arresto BioSciences	Gilead Sciences	Aquisition	Phase I	Undisclosed

MARKET TRENDS AND COMPETITION

In the next five years, patent protection expires for pirfenidone, at the same time as new, improved therapies could potentially reach the market. The global IPF pipeline includes few projects in late development. Our competitors include large pharmaceutical companies and smaller companies such as Fibrogen, Galapagos, Prometic Life Sciences and Promedior.

A sign of the interest in IPF was demonstrated during the year when two companies, Fibrogen and Galapagos, reported promising data from their respective phase II studies in IPF. When Fibrogen reported data from their 48-week study in 103 patients, their market value increased by more than USD 1.1 billion. In comparison, when Galapagos reported positive data from their phase IIa study over 12 weeks in 23 patients, their market value increased by more than USD 400 million.

THE ORPHAN DRUG MARKET

The global market for orphan drugs is expected to have a high market growth in the coming years. According to the commercial intelligence company, EvaluatePharma, sales of orphan drugs are calculated to increase to amount to USD 209 billion in 2022 (CAGR 2017 to 2022: +11,1%). This is around double the market growth rate for regular prescription drugs. Indeed, orphan drugs are predicted to make up 21.4% of the total sales of prescription drugs (excluding generics) by year 2022.

C21's lead indication is idiopathic pulmonary fibrosis (IPF), for which the company has orphan drug designation both in the USA and Europe. Orphan drug designation provides a number of important advantages, including market exclusivity (irrespective of patent time) for 7 years in the USA and 10 years in Europe and Japan, smaller/fewer clinical studies, support from authorities and considerably higher product prices. The average cost for an orphan drug in 2016 was 5.5 times higher compared to non-orphan drugs. The two approved drugs for IPF, pirfenidone and nintedanib, cost around USD 96 000 - 98 000 per patient and year in the USA. Orphan drug projects have, according to a 2014 study in Nature Biotechnology, a higher chance of succeeding. The success rate fron phase I to registration is around 52% for orphan drugs compared with around 12% for standard drugs.

ORPHAN DRUGS

A drug designed to treat a rare disease is classified as an orphan drug. In the USA and Europe, around 60 million people are estimated to suffer from one of the 7000 identified rare diseases. Since historically the pharmaceutical industry has not prioritised the development of a drug that will only be used by a limited patient population, different forms of regulation have been designed to increase the industry's motivation in this area. USA was first in 1983 to introduce special regulatory framework for this type of disease. Since then, the FDA has approved for sale more than 500 drugs under this framework and given orphan drug designation to over 3 300 projects. The success of the American program led to Japan (1993) and then also Europe (2000) following up with their own frameworks. The definition of a rare disease is as foolws in the different markets:

- USA: <200 000 patients per indication
- Japan: <50 000 patients per indication
- Europe:<5 per 10 000 (around 250 000 patients per indication)

Financial motivations include:

- Market exclusivity, which blocks similar products if they do not show clinical superiority (a mix of efficacy and aside effects)
  - USA: 7 years from approval
  - EU and Japan: 10 years from approval

Other advantages with orphan drug designation differ between regions. For example,

- USA:
  - 50% tax credit on R&D costs
  - FDA fee discounts
- EU and Japan:
  - Assistance with drug development
  - Reduced fee to the European medicines regulatory authority, EMA.

Despite the limited patient populations in rare disseases, several large companies have been founded only focusing on orphan drugs. The U.S. companies Alexion Pharmaceuticals, Biomarin, Celgene and Genzyme are propbably the most known examples. Genzyme was acquired in 2010 by Sanofi for just under USD 19 billion. Alexion Pharmaceuticals, Biomarin and Celgene have market values of 25, 14 respective 64 billion US dollars.

OTHER PROJECTS

The Company's main focus is on the continued development of C21 for IPF. However, there are several other indications withing the orphan drug area that are of interest and for which preclinical studies have shown highly interesting results. We currently support some preclinical research in these areas, mainly through regulatory support and compound access. The listed diseases and conditions are very serious and lack effective treatments. We are investigating the potential to develop a second indication area.

In parallel, the Company is developing a new generation of molecules targeting the AT2 receptor for larger indications.

This work is being done in collaboration with our partner, Emeriti Bio. These new molecules could potentially result in new compound patents, leading to the Company being able to consider larger indications outside the orphan drug area, such as diabetes, rheumatoid arthritis and heart failure, where C21 has shown promising data in pre-clinical studies, but where potential licensees require longer patent protection than C21 can currently offer.

I-TECH AB, ASSOCIATE COMPANY

Besides Vicore Pharma AB, the Company owns 21.2% of the shares in I-Tech AB, a company that commercialises a biocide, Selektope®, which prevents fouling of boat and ship hulls, and marine installations.

Selektope® is used in antifouling coatings and the first commercial coating containing Selektope® was launched in Korea in the spring 2015 (outfitting coating). In the autumn 2015, Selektope® received the final approval from the EU body for biocide products (BPR).

The EU approval was a key milestone and a seal of quality that Selektope® fulfills the EU's tough requirements for biocide products. Outside the EU, Selektope® is also approved in China, Japan and South Korea, which together covers more than 90% of the commercial markets for anti-fouling coatings for ships and marine installations.

In 2016, Selektope sales increased dramatically as the Company's first customer, Chugoku Marine Paints launched a commercial antifouling coating for the international market, as well as two products for the Japanese market. During 2017, Chugoku Marine Paints launched another antifouling coating on the international market. In addition, a new customer, Hempel, launched its first Selektope-based anti-fouling coating on the outfitting market, i.e. in coatings that hulls are painted with while the ship is finished at dockside.

In 2018, I-Tech have signed a significant long-term supply agreement with Chugoku Marine Paints including the largest order so far for Selektope®. This came after an incresed demand for Selektope® and also contains an option to increase the order value as necessary. Sales of Selektope in 2016 amounted to 17 027 KSEK (5 124) as stated in I-Tech's annual report.

THE SHARE AND SHAREHOLDER STRUCTURE

THE SHARE

Vicore Pharma Holding's shares were listed on Nasdaq First North on December 10, 2015, with the ticker VICO and ISIN SE0007577895. As of December 31, the total number of shares were 15 868 504 and, as of 29 December, the market capitalisaton amounted to 301 502 KSEK. The Company's shares are issued in one class of shares and each share carries one vote at the General Meeting.

INCENTIVE PROGRAM

On 8 January 2016, Vicore Pharma Holding issued 570 000 warrants to key employees and key researchers. For each warrant, the owner is entitled to subscribe for one new share in Vicore Pharma Holding AB. The due date for the warrants is January 3, 2020. The warrants have been sold to key employees and key researchers on market terms at a price (premium) determined on the basis of a calculated market value for the warrants using the Black & Scholes valuation model. The increase in the company's share capital in full exercise of the warrants will amount to 285 KSEK, which corresponds to a dilution of 3.5 percent of the total number of shares and of the total number of votes in the company.

CERTIFIED ADVISER

Vicore Pharma Holding has engaged Erik Penser Bank as the Certified Advisor on Nasdaq First North.

SHARE ISSUES

Vicore Pharma Holding AB completed two directed share issues during 2017. The share issues were directed to international specialist healthcare investors, as well as several well known Swedish institutional investors. In total, Vicore Pharma Holding received SEK 56 million before issue costs to accelerate the clinical development of lead candidate C21 for IPF.

PROPOSAL FOR THE DISTRIBUTION OF RESULTS

The Board of Directors will propose that no dividend be paid for the year 2017.

THE LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2017

Shareholder	No of shares	%
Protem Wessman AB incl. private	2 525 137	15,9%
Swedbank Robur	1 570 000	9,9%
HBM Healthcare Investments (Cayman) Ltd	1 200 000	7,6%
Kjell Stenberg	1 148 478	7,2%
Pomona-gruppen AB	805 830	5,1%
Unionen	600 000	3,8%
Eriksam Invest AB incl. private	591 285	3,7%
AFA Försäkring	585 000	3,7%
Mikael Lönn	448 859	2,8%
Other (ca 1000 shareholders)	6 567 870	41,4%
Total no of shares	15 868 504	100%

SHARE CAPITAL DEVELOPMENT

Year	Event	Quota Value	Increase in number of shares	Increase in share capital	Total number of shares	Total share capital
2005	Formation	100	1 000	100 000,00	1 000	100 000
2008	Bonus Issue	100	4 601	460 100,00	5 601	560 100
2008	Breakdown of shares 1:2000	0,05	11 196 399	-	11 202 000	560 100
2008	Share issue	0,05	688	34,4	11 202 688	560 134
2010	Share issue	0,05	5 601 344	280 067,20	16 804 032	840 202
2010	Share issue	0,05	5 601 344	280 067,20	22 405 376	1 120 269
2010	Set-off issue	0,05	1 000 000	50 000,00	23 405 376	1 170 269
2011	Share issue	0,05	10 402 389	520 119,45	33 807 765	1 690 388
2012	Set-off issue	0,05	474 498	23 724,90	34 282 263	1 714 113
2013	Share issue	0,05	34 282 263	1 714 113,15	68 564 526	3 428 226
2015	Share issue	0,05	12 639 073	631 953,65	81 203 599	4 060 180
2015	Reversed split 1:10	0,50	-73 083 239	-	8 120 360	4 060 180
2015	Share issue/IPO	0,50	3 248 144	1 624 072	12 368 504	5 684 252
2017	Share issue	0,50	2 000 000	1 000 000	14 368 504	7 184 252
2017	Share issue	0,50	1 500 000	750 000	15 868 504	7 934 252

ANNUAL GENERAL MEETING AND FINANCIAL CALENDAR

ANNUAL GENERAL MEETING

8 May 2018	Annual general meeting

FINANCIAL REPORTS

12 April 2018	Annual report 2017
8 May 2018	Interim report, quarter 1
24 August 2018	Interim report, quarter 2
19 October 2018	Interim report, quarter 3

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

BOARD, MANAGEMENT AND AUDITOR

LEIF DARNER
Chairman since 2017
Born: 1952
Holdings in the Company: 130,000 shares (private and companies)
Leif Darner has an economics degree and MBA from the School of Business, Econmics and Law at the University of Gothenburg. He is the owner of consulting firm Darner Asset Management AB. Prior to this, he was an Executive Director on the Board of Management at AkzoNobel, where he was responsible for Performance Coatings from 2008 and for Chemicals from 2004.
Other assignments: Board member of Flowserve Corporation, Dallas, US, LKAB AB, Sweden, and I-Tech AB.

KJELL STENBERG
Board member since 2010.
Born: 1946
Holdings in the Company: 1,148,478 shares
Kjell has extensive board experience in a large number of companies that are active across a range of industries.
Other assignments: Board member of WntResearch AB, Kjell Stenberg AB and CN Stenberg AB.

PETER STRÖM
Board member since 2015.
Born: 1952
Holdings in the Company: 84,000 shares
Peter Ström has an MBA from the Stockholm School of Economics. He has held senior positions at companies including KabiPharmacia UK (CEO) and IMSHealth Europe (VP).
Other assignments: Chairman of WntResearch AB. Board member of Stockholm Corporate Finance AB, Dentosystem Scandinavia AB. Deputy board member of Comtax Support Limited.

GÖRAN WESSMAN
Board member since 2017.
Born: 1948
Holdings in the Company: 2 525 137 shares (incl. companies and related parties)
Göran trained in biomedicine and chemistry at Uppsala and Gothenburg universities. He has over twenty years' experience in management positions in pharmaceutical and medical device companies, as well as from the CRO business area of clinical research. Göran has held senior leadership positions at Nobel Biocare, Boule Group and Carmel Pharma.
Other assignments: Chairman of Vicore Pharma AB, I-Tech AB and Protem Wessman AB. Board member of ITIN Holding AB and Protem Företagsförvaltning AB.

PER JANSON
CEO since 2013. Also CEO of Vicore Pharma AB.
Born: 1956
Holdings in the Company: 155,097 shares. 150, 000 share option rights
Per is a trained dentist and has more than 20 years' business experience in the life science sector. Nobel Biocare is one of many companies that he has worked for, and for some years he was CEO of a venture-funded medical device company which was successfully sold to a major American company. Since 2004, Per has been linked to the group that evolved into Vicore Pharma Holding, and Per also led operations in I-Tech until 2013. Since 2007, he has held the position of Managing Director of Vicore Pharma.
Other assignments: Chairman of the Board in Taurys Energy AB

AUDITOR

The company´s auditor is Ernst & Young AB, Parkgatan 49, 401 82 Gothenburg. Auditor in charge is Mr Stefan Kylebäck, chartered accountant.

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 2017

BOARD OF DIRECTORS REPORT

The annual accounts are prepared in KSEK.

BUSINESS CONCEPT & OVERVIEW

Vicore Pharma Holding AB (publ), corporate identity number 556680-3804, is the parent company of the Group. The group's operations are conducted primarily in the subsidiary Vicore Pharma AB and consists of drug development. The parent company's operations consist primarily of finance and administration. Vicore Pharma Holding's profit for the year amounted to SEK-3.9 million (-2.2). The parent company's liquid assets at the end of the period amounted to SEK 22.9 million (3.1). The equity of the parent company at year end was 124.5 million (78.2) and the equity ratio was 98.60% (97.71%).

Vicore Pharma Holding AB (publ) has today three holdings, the wholly owned subsidiaries Vicore Pharma AB (100%) and ITIN Holding Ltd (100%) which is a dormant company and a financial asset, I-Tech AB (21.2%)

The company's registered office is Västra Götaland Mölndal.

SHORT DESCRIPTION OF VICORE PHARMA

Vicore Pharma Holding AB (publ) has been listed on the Nasdaq First North stock market since December 2015 and is the parent company of a group whose main business is the wholly owned subsidiary, Vicore Pharma AB. For more than ten years, Vicore Pharma AB has been developing a new type of pharmaceutical compound, known as AT2R agonists, to stimulate the AT2 receptor within the Renin-Angiotensin systemet (RAS). Vicore Pharma's lead drug candidate, C21, is the first small molecule compound in its class. It has received significant research interest and is the subject for more than 100 scientific papers, mainly relating to its effects in preclinical disease models. The results from these extensive, preclinical studies demonstrate general anti-inflammatory, antifibrotic and anti-proliferative properties, which in combination, combat fibrotic diseases affecting organs and tissues. Several indication areas have been evaluated with the aim to identify an area where there is significant commercial potential and prerequisites to conduct clinical studies at a reasonable cost. Vicore Pharma has selected idiopathic pulmonary fibrosis (IPF) as the lead indication for the clinical development of CS1. IPF is a chronic, ultimately fatal, lung disease that currently lacks effective treatment with a favourable side effect profile. IPF is designated by medical authorities as an orphan drug disease. This means that the technology will receive exclusive marketing rights for a number of years, regardless of patents; that the company is supported by the authorities for the development of clinical protocols and only limited clinical studies are needed to demonstrate clinical efficacy. Vicore Pharma has been granted Orphan Drug Designation (ODD) for IPF in the EU and USA.

NEW DRUG MOLECULES

To expand its portfolio, Vicore Pharma is evaluating novel drug molecules based on their lead candidate C21. The new drug molecules may supplement C21 for diseases outside the orphan drug designation where the company has strong preclinical data with C21, e.g. in heart/cardiovascular medicine, diabetes and nephrology. By applying the new molecules exhibiting similar biological properties to C21, much of the results that were previously demonstrated are expected for the newly developed drug molecules. A patent application was filed in January 2017 and we continue the development work to discover additional drug candidates.

ONGOING AND UPCOMING CLINICAL STUDIES

In 2016, Vicore Pharma carried out the first studies in humans in collaboration with the Åbo, Finland based clinical CRO company, CRST. The first two investigations were safety studies, where increasing doses of C21 were given to healthy subjects, first in single doses and then in repeated doses. The aim was to ensure that the C21 is safe and well tolerated. To prepare for future clinical studies, the concentration of C21 in the blood was also measured at different times, as well as how C21 is broken down and excreted. The conclusions of the first two studies show that the C21 has been well tolerated with no serious side effects and with an acceptable degradation profile.

During the summer 2017, a phase I extension study with C21 was performed on a group of overweight volunteers. The aim of the study was to evaluate if biomarkers in the blood could be affected by C21 during the short treatment period. The biomarkers may be of interest for future studies in metabolism and diabetes. They do not have any direct connection to idiopathic pulmonary fibrosis (IPF), which is currently the Company's lead indication. In October, the Company presented data from the in-depth analysis of the extension study which verified previously published data that C21 has beneficial metabolic effects. It is the first time a pharmacodynamic effect of C21 and AT2 receptor stimulation has been been shown in man.

In December, the Company submitted an application to the UK medical authorities to start a phase II study with C21 in patients with idiopathic pulmonary fibrosis (IPF). An approval is estimated during Q2.

PATENT SITUATION

Patents and patent applications in Vicore Pharma's patent portfolio currently consist of seven patent families, substance and user families. The assessment is that it has a strong patent protection for the development plan which the company follows.

BRIEF DESCRIPTION OF I-TECH AB

Besides Vicore Pharma AB, the Company owns 21.2% of the shares in I-Tech AB, a company that commercialises a biocide, Selektope®, which prevents fouling of boat and ship hulls, and marine installations. Selektope® is used in antifouling paints, and the first commercial paint containing Selektope® was launched in Japan the spring of 2015. In autumn 2015, Selektope® received the final approval from EU's body for biocide products (BPR). The EU approval was an important milestone and a seal of quality that Selektope meets EU's tough requirements for biocidal products. In addition, Selektope® is also approved in China, Japan and South Korea, which markets together cover more than 90% of the global commercial markets for fouling paints for ships and marine installations.

In 2016, sales of Selektope® grew markedly when the company's first customer Chugoku Marine Paints launched two commercial so called antifouling paints for the international market, as well as two domestic products for Japan. During 2017, Chugoku Marine Paints launched another antifouling coating on the international market. In addition, a new customer, Hempel, launched its first Selektope®-based antifouling coating on the outfitting market, i.e. in coatings that hulls are painted with while the ship is finished at dockside.

OWNERSHIP CONDITIONS

The major shareholders of Vicore Pharma Holding on December 31, 2017, were Protem Wessman AB (15.9%), Swedbank Robur (9.9%), HBM Healthcare Investments (7.6%), Kjell Stenberg (7,2%) and Pomona-gruppen AB (5.1%).

IMPORTANT EVENTS DURING THE FINANCIAL YEAR

- In January, Vicore Pharma received Orphan Drug Designation (ODD) from the US Food and Drug Administraton (FDA), for Idiopathic Pulmonary Fibrosis (IPF).
- A patent application for new drug molecules based on C21 was submitted in January.
- A loan agreement with Recall Capital that facilitated extra working capital was entered into in January 2017. The deal raised 2.4 MSEK and has since then been repaid in shares.
- In February, 56 MSEK was raised through two directed share issues.
- In March, a BioMap® report was published comparing C21 with two IPF-approved drugs. The study demonstrated positive and competitive results for C21.
- In May, the Annual General Meeting (AGM) of Vicore Pharma Holding elected Leif Darner as the new Chairman of the Board of Directors and Göran Arvidsson as a new member of the Board of Directors.
- In May, the AGM authorised the Board of Directors to decide on the issuing of new shares up to a maximum of 4 million shares. The authorisaton may be used in one or more issues, and is valid up to and including the AGM 2018.
- In May, the Chairman of the Board of Directors, Leif Darner, increased his shareholding in the Company with 100 000 shares.
- In May, Recall Capital AB returned 250 000 borrowed shares to Protem Wessman AB.
- In June, Vicore Pharma Holding entered into an agreement with Erik Penser Bank regarding the service as Certfed Adviser.
- In June, the Company announced three new key recruitments; Hans Jeppsson (CFO), Ulrike Steckelings (CSO) and Kicki Johansson (Head of Drug Development).
- In October, results from the in-depth analysis of the phase I extension study were presented. These verified previously published data showing that C21 has beneficial metabolic effects. It is the first demonstration of pharmacodynamic effects in man for C21 and indeed for AT2 receptor stimulation.
- In November, Vicore Pharma's board member, Göran Arvidson, passed away.
- In December, Vicore Pharma Holding increased its holding in its associate company, I-Tech AB, through a share issue.
- In December, Vicore Pharma submitted an application to the UK authority, MHRA, to start a phase II study with patients suffering from IPF.

IMPORTANT EVENTS AFTER THE PERIOD END

- In February, Vicore Pharma Holding acquired additional shares from an existing shareholder in I-Tech. As such, our holding amounted to 26.5%. In March, I-Tech issued shares to a new shareholder, Cambrex Karlskoga AB. Vicore Pharma Holding's holding is consequently 21.2%.

INCENTIVE PROGRAM

On 8 January 2016, Vicore Pharma Holding issued 570 000 warrants to key employees and key researchers. For each warrant, the owner is enttled to subscribe for one new share in Vicore Pharma Holding AB. The due date for the warrants is January 3, 2020. The warrants have been sold to key employees and key researchers on market terms at a price (premium) determined on the basis of a calculated market value for the warrants using the Black & Schoules valuaton model. The increase in the company's share capital in full exercise of the warrants will amount to 285 KSEK, which corresponds to a diluton of 3.5 percent of the total number of shares and of the total number of votes in the company.

THE SHARE

Vicore Pharma Holding's shares were listed on Nasdaq First North on December 10, 2015, with the ticker VICO and ISIN SE0007577895. As of December 31, the total number of shares was 15 868 504 and, as of 29 December, the market capitalisaton amounted to 301 502 KSEK. The Company's shares are issued in one class of shares and each share carries one vote at the General Meeting.

THE COMPANY'S FUTURE DEVELOPMENT

Vicore Pharma's drug candidate C21 has a significant market potential. The product has gone through a phase I study and phase I extension study with positive end data. The prerequisites are therefore in place for the company to perform a phase IIa study. The group has no income and is, until C21 starts to generate income, dependent on external financing to secure future operations.Besides Vicore Pharma, the group owns 21% of the associate company, I-Tech AB. The group's long-term aim is to divest the holding in I-Tech AB at an appropriate time, which could generate income for the group. During the year, two directed share issues were carried out which generated SEK 56 million before issue costs. At the end of the financial year, the group had SEK 24 million in liquid assets. Current funding is estimated to be sufficient throughout the year and to run the Phase IIa study in IPF. In order to initiate a second indication, additional funding is needed

RESEARCH AND DEVELOPMENT

In 2017, the company conducted pharmaceutical development activities through its wholly owned subsidiary Vicore Pharma AB. This is done through the purchase of services, approximately 19,116 KSEK. Patent costs have been capitalised with 1,085 KSEK.

PERSONNEL

As of December 31, 2017, the number of employees amounted to 3 people in the parent company. The subsidiary Vicore Pharma had at the end of the year 3 employees. In addition, consultants were hired by Vicore Pharma for specific tasks during the year.

CORPORATE GOVERNANCE

Vicore Pharma Holding's governing bodies consist of the General Meeting, the Board, CEO and auditors, and is based on Swedish law, internal rules and regulations, Articles of Association and the Nasdaq Stockholm First North's rules for issuers. Since Vicore Pharma Holding's stock is traded on Nasdaq Stockholm First North, there is no obligation for the company to apply the Swedish Code of Corporate Governance.

THE BOARD

The Board held 18 minuted meetings during the fiscal year 2017. Issues that were discussed include strategy, investment issues, financing, financial statements and interim reports, warrants, information and communication. The Board receives regular reports on its financial position. During the year, Leif Darner was appointed new Chairman and Göran Arvidsson as a new board member (passed away in November 2017).

RISK FAKTORS RELATED TO THE COMPANY AND THE INDUSTRY

Financing and capital

Vicore Pharma Holding's expansion and development activities will result in increased costs. It is likely that the company in the future may need to raise additional capital.

Profitability

Until today, Vicore Pharma Holding has not generated any significant revenues. There is a risk that the company may never reach a positive cash flow, which would mean the continued financing and the associated risks and consequences, see the paragraph above.

Key individuals and employees

Key people at Vicore Pharma Holding and its wholly owned subsidiary, Vicore Pharma AB, possess high competence and long experience in their respective fields of activity. The loss of one or more of these key personnel could have negative implications for the company's operations and performance in terms of delays in the execution of the business plan and loss of income.

Development costs

Vicore Pharma Holding plans to continue to develop C21. Time and cost aspects of drug development are difficult to determine in advance with accuracy. This entails the risk that a proposed development will be more costly than expected, which could result in additional financing needs and delayed or lost revenue.

Patent

Vicore Pharma Holding has a number of patents within its field. Patents may always be questioned by others, and there is a risk that these patents will not constitute an adequate commercial protection in the future. The term

"adequate" here refers to the protection that makes it impossible for competitors to any way infringe on Vicore's intellectual property rights. If the commercial protection in the future does not appear to be adequate, it can lead to lower or completely lost revenues.

Furthermore, there is a risk that the patent applications currently pending approval will not be approved and thereby impair the prerequisites for the company to reach an adequate commercial protection.

There is a risk that Vicore Pharma's existing patents are subject to patent infringement from other players. If Vicore Pharma is forced to defend its patent rights, this can lead to significant legal expenses. Furthermore, there is a risk that if Vicore Pharma unknowingly was to use methods or substances that are patented by another player, the owner of these patents may accuse the company of patent infringement. This can lead to delays in the company's business plan and, at worst, damage claims against the company.

Competitors

Some of Vicore Pharma Holding's competitors are large pharmaceutical companies, biotech companies and academic institutions. Two of Vicore Pharma Holding's competitors currently have an approved, fully developed drug in the same or related applications as Vicore Pharma Holding focuses on. There is a risk that a competitor manages to develop a similar and/or a more secure product than Vicore Pharma. If this product is manufactured and marketed effectively, it can have significant negative effects on Vicore Pharma's sales and earnings.

Clinical trials

Obtaining regulatory approval of a drug does mean several successful trials in different phases. These phases include implementation of preclinical and clinical trials in order to determine the drug's safety and efficacy. There is a risk that clinical trials on humans are not consistent with results from preclinical trials. Furthermore, the results obtained in early clinical trials in humans cannot always predict what results will be achieved in later stage clinical trials. There is a risk that clinical trials will show that Vicore Pharma Holding's compounds are not sufficiently safe or efficacious for obtaining a regulatory approval. If the substance would not obtain such approval, it would mean lost revenue opportunities for Vicore Pharma, which would lead to significant negative financial impact on the company.

The holding in I-Tech

Vicore Pharma Holding's long-term objective is to sell the holding in I-Tech. There is a risk that a sale of the shares in I-Tech cannot be done in the coming years, or that a sale cannot take place at an attractive price. Although I-Tech currently has a strong financial position, there is a risk that I-Tech in the future may require additional capital. There is a risk that a future capitalisation of In-Tech is made to conditions that are not favourable to Vicore Pharma Holding. If Vicore Pharma Holding doesn't have the opportunity to participate in the capitalisation of In-Tech, there is a risk that the company's holding is diluted significantly.

Multi-year comparison*, group

	2017	2016	2015	2014	2013
Net sales	932	852	840	851	2 585
Profit/loss after financial items	-12 855	-6 652	-4 570	13 687	-1 603
Balance sheet total	119 527	81 650	89 225	59 368	50 980
Equity-assets ratio (%)	94,51	92,58	91,82	90,44	78,50

*For definitions of key ratios, please see notes

Multi-year comparison* parent

	2017	2016	2015	2014	2013
Net sales	2 974	2 804	2 299	2 292	4 080
Profit/loss after financial items	-3 876	-2 231	-1 967	3 110	185
Balance sheet total	126 309	80 017	85 267	52 873	54 853
Equity-assets ratio (%)	98,60	97,71	93,93	93,16	84,10

*For definitions of key ratios, please see notes

Changes in equity, group

	Share capital	Other restricted equity	Other non-restricted equity	Non-controlling interests	Total non-restricted equity
Opening amount	6 184	76 625	-7 212	0	75 597
Change in group structure	0	-10	0	0	-10
New issue	1 750	48 486	0	0	50 236
Profit/losst for the year			-12 855	0	-12 855
Closing amount	7 934	125 101	-20 067	0	112 968

Changes in equity, parent

	Share capital	Other restricted equity	Other non-restricted equity	Profit/loss for the year	Total non-restricted equity
Opening amount	6 184	0	74 232	-2 231	72 001
New issue	1 750	0	48 486	0	48 486
Appropriation of profit as resolved by the Annual General Meeting:			-2 231	2 231	0
Loss for the year				-3 876	-3 876
Closing amount	7 934	0	120 487	-3 876	116 611

Proposed treatment of the company's profit

At the disposal of the general meeting:	
profit brought forward	4 088 200
share premium reserve	116 399 491
loss for the year	-3 875 869
	116 611 822
The board of directors proposes the following:	
to be carried forward	116 611 822
	116 611 822

For information about the company's earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.

INCOME STATEMENT

		Group		Parent Company	
		2017-01-01	**2016-01-01**	**2017-01-01**	**2016-01-01**
	Note	**2017-12-31**	**2016-12-31**	**2017-12-31**	**2016-12-31**
Operating income etc.					
Net turnover	2	932	852	2 974	2 804
Own work capitalised		2 645	1 221	0	0
Other operating income		97	60	8	5
		3 674	2 133	2 982	2 809
Operating expenses					
Other external expenses	3, 4	-5 431	-5 006	-3 879	-3 332
Personnel costs	5	-6 209	-3 770	-3 530	-2 444
Depreciation and write-down of tangible and intangible assets		-7	-6	-7	-6
Other operating expenses		-4 410	0	0	0
Share of associated companies result in the group	6	-410	0	0	0
		-16 467	-8 782	-7 416	-5 782
Operating profit/loss		-12 793	-6 649	-4 434	-2 973
Profit/loss from financial items					
Interest income from group companies		0	0	616	745
Interest expense and similar profit/loss items		-62	-3	-58	-3
Interest expense to group companies		0	0	0	0
		-62	-3	558	742
Profit/loss after financial items		-12 855	-6 652	-3 876	-2 231
Profit/loss for the year		**-12 855**	**-6 652**	**-3 876**	**-2 231**

BALANCE SHEET

	Note	Group 2017-12-31	Group 2016-12-31	Parent Company 2017-12-31	Parent Company 2016-12-31
ASSETS					
Fixed assets					
Intangible assets					
Capitalised expenditure for development and similar work	7	55 306	36 190	0	0
Concessions, patents, licenses, trademarks etc.	8	16 723	20 049	0	0
		72 029	56 239	0	0
Tangible assets					
Equipment, tools, fixtures and fittings	9	28	2	28	2
		28	2	28	2
Financial assets					
Participations in group companies	10	0	0	73 643	42 243
Receivables from group companies	11	0	0	19 930	26 936
Participations in associated companies and jointly controlled companies	12	22 745	0	9 526	0
Other securities held as fixed assets	13	0	20 610	0	6 981
		22 745	20 610	103 099	76 160
Total fixed assets		94 802	76 851	103 127	76 162
Current assets					
Current receivables					
Trade receivables		206	122	206	101
Receivables from group companies		0	0	0	431
Other receivables		337	223	1	29
Prepaid expenses and accrued income	14	163	188	73	175
		706	533	280	736
Cash and bank					
Cash and bank		24 019	4 266	22 902	3 119
		24 019	4 266	22 902	3 119
Total current assets		24 725	4 799	23 182	3 855
TOTAL ASSETS		**119 527**	**81 650**	**126 309**	**80 017**

BALANCE SHEET

	Note	Group 2017-12-31	Group 2016-12-31	Parent Company 2017-12-31	Parent Company 2016-12-31
EQUITY AND LIABILITIES					
Equity, group					
Share capital		7 934	6 184		
Other contributed capital		125 101	76 625		
Other capital incl profit/loss for the year		-20 067	-7 212		
Total equity, Group		112 968	75 597		
Equity, parent company					
Restricted equity					
Share capital	15			7 934	6 184
				7 934	6 184
Non-restricted equity					
Share premium reserve				116 399	67 913
Profit or loss carried forward				4 088	6 319
Profit/loss for the year				-3 876	-2 231
				116 611	72 001
Total equity, parent company				124 545	78 185
Provisions	16				
Deferred tax liability		1 978	1 978	0	0
Total provisions		1 978	1 978	0	0
Long-term liabilities					
Liabilities to group companies		0	0	400	400
Total long-term liabilities		0	0	400	400
Current liabilities					
Trade payables		2 780	2 184	404	318
Current tax liability		143	86	69	64
Other liabilities		250	188	143	90
Accrued expenses and deferred income	18	1 408	1 617	748	960
Total current liabilities		4 581	4 075	1 364	1 432
TOTAL EQUITY AND LIABILITIES		**119 527**	**81 650**	**126 309**	**80 017**

CASH FLOW ANALYSIS

	Note	2017-01-01 2017-12-31	2016-01-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating activities					
Operating profit/loss		-12 793	-6 649	-4 434	-2 973
Adjustments for non-cash items, etc.	19	4 827	6	7	6
Interest received etc		0	0	616	745
Interest paid		-62	-3	-58	-3
Income tax paid		47	0	5	0
Cash flow from operating activities before changes in working capital		-7 981	-6 646	-3 864	-2 225
Cash flow from changes in working capital					
Decrease(+)/increase(-) in accounts receivable		-84	24	326	286
Decrease(+)/increase(-) in receivables		-90	614	130	375
Decrease(-)/increase(+) in accounts payable		596	-128	86	-1 665
Decrease(-)/increase(+) in current liabilities		-146	-1 115	-159	-1 673
Cash flow from operating activities		-7 705	-7 251	-3 481	-4 902
Investing activities					
Acquisition of capitalised expenditure for research	7	-19 116	-12 397	0	0
Acquisition of concessions, patents, licences etc.	8	-1 084	-1 080	0	0
Acquisition of equipment, tools, fixtures and fittings	9	-33	0	-33	0
Acquisition of group companies	10	0	0	-31 400	0
Loans granted during the year to group companies	11	0	0	-24 394	-16 781
Amortisation payments during the year from group companies	11	0	0	31 400	0
Acquisition of long-terms securities	13	-2 545	-500	-2 545	-500
Cash flow from investing activities		-22 778	-13 977	-26 972	-17 281
Financing activities					
New issue for the year		50 236	319	50 236	319
Cash flow from financing activities		50 236	319	50 236	319
Change in cash and cash equivalents		19 753	-20 909	19 783	-21 864
Cash and cash equivalents at beginning of year		4 266	25 175	3 119	24 983
Cash and cash equivalents at year-end		**24 019**	**4 266**	**22 902**	**3 119**

NOTES

Note 1 Accounting policies

The annual report has been prepared in accordance with the Annual Accounts Act and general advice from the Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

Receivables
Receivables are recorded in the amounts at which they are expected to be received.

Other assets, provisions and liabilities
Other assets, provisions and liabilities are recorded at cost of acquisition unless otherwise stated below.

Revenue recognition
Revenue is recorded at fair value of what has been received or will be received. Consequently the company records revenue at nominal value (invoice amount) if the payment is received in cash or cash equivalents directly on delivery. Deduction is made for discounts given..

Services
Revenues from consulting services are recognised in revenue when the services are rendered

Tangible fixed assets
Tangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs. The assets are depreciated on a straight-line basis over the estimated useful life, apart from land, which is not depreciated. The useful life is reviewed as at every balance sheet date. The following useful lives are applied:

	Number of years
Equipment, tools and machinery	5

Intangible fixed assets
Intangible fixed assets are recorded at cost of acquisition less accumulated depreciation and any write-downs. The assets are depreciated on a straight-line basis over the estimated useful life. The useful life is reviewed as at every balance sheet date. Ongoing projects are not depreciated but are tested for impairment annually. The impairment test shows that there is no need to write down.

Capitalisation of internally generated intangible fixed assets
Capitalisation model
All costs arising during the research phase are recognised as they are incurred. All costs incurred during the development phase are capitalised when the following criteria are met; the company intends to complete the intangible asset and to use it or sell it and the company is able to use or sell the asset, it is technically feasible for the company to complete the intangible asset so that it can be used or sold and there are adequate technical, financial and other resources to complete the development and to use or sell the asset, it is probable that the intangible asset will generate future economic benefits and the company can reliably measure the expenditure attributable to the asset during its development.

The cost of acquisition includes personnel costs incurred in the development work together with an appropriate share of relevant overheads and borrowing costs.

Leasing
A finance lease is a lease that transfers substantially all the financial risks and rewards incidental to ownership of an asset from the lessor to the lessee. An operating lease is a lease that is not a finance lease.

Lessee
Operating leases are recognised as an expense on a straight-line basis over the lease term.

Rights and obligations under financial leases are recognised as assets and liabilities in the balance sheet. The asset or liability is recognised at the lower of fair value of the asset and the present value of the minimum lease payments, determined at the inception of the lease. The lease payments are allocated between interest and amortisation of the liability according to the effective interest method. Variable lease payments are recognised as expenses in the financial year in which they arise.

All leases are recognised as an expense on a straight-line basis over the lease term.

Income tax
Current tax is income tax for the current financial year that refers to the year's taxable earnings and the as yet unreported part of previous financial years' income tax.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the balance sheet date.

Deferred tax is income tax for taxable earnings referring to future financial years due to previous transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax base. Temporary differences are not taken into account in differences referring to investments in subsidiaries, branches, associated companies or joint ventures if the company can control the timing for the reversal of the temporary differences and it is probable that the reversal will not occur in the foreseeable future. Differences arising from initial recognition of goodwill or at initial recognition of an asset or liability, other than in a business combination which, at the time of the transaction, does not affect accounting profit or taxable profit, do not either constitute temporary differences.

Deferred tax assets referring to loss carry forwards or other unused tax credits are recognised to the extent it is probable that there will be sufficient future taxable profit against which the loss or credit carry forward can be utilised.

Consolidated accounts
Subsidiaries
Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means the right to design a company's financial and operational strategies in order to obtain financial benefits. The acquisition of business combinations is based on the entity's view. This means that the acquisition analysis is prepared at the time when the acquirer has a controlling influence. From this point of view, the acquirer and the acquired entity can be seen as an accounting unit. The application of unit audits means that all assets (including goodwill) and liabilities, as well as revenues and expenses are included in full, also for part-owned subsidiaries.

The acquisition value of subsidiaries is calculated at the sum of value at the acquisition date of assets acquired plus accrued and assumed liabilities and issued equity instruments, expenses directly attributable to the business combination and any additional purchase price. In the acquisition analysis, the fair value, with some exceptions, is determined at acquisition date of acquired

identifiable assets and liabilities assumed and minority interest. Minority interests are valued at fair value at acquisition date. From the acquisition date, the consolidated accounts include the acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill or negative goodwill arising

Associated companies
Shareholdings in associated companies, in which the group has at least 20% and no more than 50% of the votes or otherwise has a significant influence over the operational and financial management, are reported in accordance with the equity method. The equity method means that the value of shares in associated companies recognized in the Group is equal to the Group's share in the associated companies' equity, any residual values of Group surplus and undervalued values, including goodwill and negative goodwill reduced by any internal gains. In the consolidated income statement, "Share in associated companies 'income" is reported as the Group's share of associated companies' profit after tax adjusted for any depreciation or dissolution of acquired over and under values, including depreciation of goodwill / dissolution of negative goodwill. Dividends received from associated companies reduce the carrying amount. Wage earners earned after acquisition of associated companies that have not yet been realized through dividends are allocated to the equity fund.

Elimination of transactions between group companies and associated companies
Intra-Group receivables and liabilities, income and expenses and unrealized gains or losses arising from transactions between Group companies are eliminated in their entirety. Unrealized gains arising from transactions with associated companies are eliminated to the extent that corresponds to the Group's ownership interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only insofar as there is no indication of any impairment loss.

Note 2 Intra-group purchases and sales

	Group		Parent company	
	2017	2016	2017	2016
Percentage of sales relating to group companies			2 160	1 440

Note 3 Leases - operating lease lessee

	Group		Parent company	
	2017	2016	2017	2016
During the year the company's lease payments amounted to	419	360	361	360
Future minimum lease payments for non-cancellable leases, falling due for payment as follows:				
Within 1 year	385	68	330	68
Between 2 and 5 years	367	135	307	135
	752	203	637	203

Note 4 Remuneration to auditors

	Group		Parent company	
	2017	2016	2017	2016
Ernst & Young AB				
Audit engagement	189	191	135	191
	189	191	135	191

Audit engagement refers to the work of auditors for the statutory audit and audit business refers to different types of quality assurance services. Other services are services not included in audit engagements, audit business or tax advisory services.

Note 5 Personnel

	Group		Parent company	
	2017	2016	2017	2016
Average number of employees				
The average number of employees is based on hours worked related to normal working hours paid for by the company.				
The average number of employees was	5,00	3,00	2,00	2,00
of whom women	4,00	2,00	1,00	1,00
of whom men	1,00	1,00	1,00	1,00
Wages/salaries, remuneration etc.				
Wages/salaries, remuneration, social security costs and pension costs have been paid as follows:				
Wages/salaries and remuneration	3 904	2 508	2 054	1 498
Pensions	790	354	539	286
Social security costs	1 351	796	864	598
Total	6 045	3 658	3 457	2 379

Note 6 Results from participations in associated companies and jointly controlled companies

	Group		Parent company	
	2017	2016	2017	2016
Share of profits	-157	0	0	0
Depreciation goodwill	-253	0	0	0
	-410	0	0	0

Note 7 Capitalised expenditure for development and similar work

	Group		Parent company	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Opening cost of acquisition	36 190	23 793		
Purchases	19 116	12 397	0	0
Closing accumulated cost of acquisition	55 306	36 190	0	0
Closing carrying amount	55 306	36 190	0	0

Note 8 Concessions, patents, licenses, trademarks etc.

	Group		Parent company	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Opening cost of acquisition	20 049	18 969	0	0
Purchases	1 084	1 080	0	0
Sales/retirements	-4 410	0	0	0
Closing accumulated cost of acquisition	16 723	20 049	0	0
Closing carrying amount	16 723	20 049	0	0

Note 9 Equipment, tools, fixtures and fittings

	Group		Parent company	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Opening cost of acquisition	60	60	60	60
Purchases	33	0	33	0
Closing accumulated cost of acquisition	93	60	93	60
Opening depreciation	-58	-52	-58	-52
Depreciation for the year	-7	-6	-7	-6
Closing accumulated depreciation	-65	-58	-65	-58
Closing carrying amount	28	2	28	2

Note 10 Participations in group companies

Parent company

			2017-12-31	2016-12-31
Company				
Corporate identity number	**Registered Office**	**Number/Share of equity, %**	**Book value**	**Book value**
Vicore Pharma AB		10 000	73 143	41 743
556607-0743	Mölndal	100,00%		
ITIN Holding AB		500 000	500	500
556989-2143	Mölndal	100,00%		
			73 643	42 243

Disclosures on equity and profit/loss	**Shareholders´ equity**	**Profit/loss**
Vicore Pharma AB	41 367	-8 563
ITIN Holding AB	466	-7

Note 11 Receivables from group companies

	Group		Parent company	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Opening cost of acquisition	0	0	26 936	10 155
Additional	0	0	24 394	16 781
Terminated	0	0	-31 400	0
Closing accumulated cost of acquisition	0	0	19 930	26 936
Closing carrying amount	0	0	19 930	26 936

Note 12 **Participations in associated companies and jointly controlled companies**

Group

Company Corporate identity number	Registered Office	Number /Share Of equity%	2017-12-31 Carrying amount	2016-12-31 Carrying amount
I-Tech AB		33 258 375	22 745	0
556585-9682	Mölndal	21,23%		
			22 745	0

Disclosures on equity and profit/loss	Equity	Profit/loss
I-Tech AB	36 955	-8 418

I-Tech AB		
Opening cost of acquisition	0	0
Reclassifikactions	23 155	0
of which goodwill	15 152	0
Share of profits	-157	0
Closing accumulated cost of acquisition	22 998	0
Depreciation of goodwill	-253	0
Closing accumulated depreciation goodwill	-253	0
Closing carrying amount	22 745	0

Parent company

Company Corporate identity number	Registered Office	Number/Share equity, %	2017-12-31 Book value	2016-12-31 Book value
I-Tech AB		33 258 375	22 745	0
556585-9682	Mölndal	21,23%		
			22 745	0

I-Tech AB		
Opening cost of acquisition	0	0
Reclassifications	9 526	0
Closing accumulated cost of acquisition	9 526	0
Closing carrying amount	9 526	0

Note 13 **Other securities held as fixed assets**

Group			2017-12-31		2016-12-31
Securities	**Nominal value**	**Number**		**Number**	
I-Tech AB'		0	0	10 122 194	20 610
			0		20 610
Opening cost of acquisition			20 610		20 110
Purchases			2 545		500
Reclassifications			-23 155		0
Closing accumulated cost of acquisition			0		20 610
Closing carrying amount			0		20 610

Parent company			2017-12-31		2016-12-31
Securities		**Number**		**Number**	
I-Tech AB'		0	0	10 122 194	6 981
			0		6 981
Opening cost of acquisition			6 981		6 481
Purchases			2 545		500
Reclassifications			-9 526		0
Closing accumulated cost of acquisition			0		6 981
Closing carrying amount			0		6 981

Note 14 **Prepaid expenses and accrued income**

	Group		Parent company	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
First elevated lease	32	68	32	68
Other prepaid expenses	131	120	41	107
	163	188	73	175

Note 15 **Disclosures on share capital**

	Number of shares	**Quotient value per share**
Number/value at opening of year	12 368 504	0,50
New issue	3 500 000	0,50
Number/value at closing of year	15 868 504	0,50

Note 16 **Provisions**

	Group		Parent company	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
Deferred tax liability	1 978	1 978	0	0
	1 978	1 978	0	0

Note 17 Long-term liabilities

	Group		Parent company	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
Repayment within 2 to 5 years	0	0	400	400
	0	0	400	400

Note 18 Accrued expenses and deferred income

	Group		Parent company	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
Personnel costs	789	834	570	591
Accrued interest	103	103	103	103
Consulting fees	516	634	75	220
Other accrued expenses	0	46	0	46
	1 408	1 617	748	960

Note 19 Adjustment for non-cash items

	Group		Parent company	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
Depreciation	7	6	7	6
Loss on sale of intangible fixed assets	4 410	0	0	0
Depreciation goodwill	253	0	0	0
Share of profit, associated companies	157	0	0	0
	4 827	6	7	6

Note 20 Important events after the end of the financial year

In February, Vicore Pharma Holding further increased its holding in I-Tech AB to 26.5% through an acquisition from an existing shareholder in I-Tech. In March, I-Tech issued shares to a new shareholder, Cambrex, and Vicore Pharma Holding's ownership share is thereafter 21,2%.

In April, Vicore Pharma is granted permission from the UK authority and the ethics committé to start a phase IIa study on idiopathic pulmonary fibrosis (IPF).

Note 21 Definitions of business and financial ratios

Equity - assets
Adjusted equity as a percentage of total assets

GLOSSARY

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

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. Stimulation of the AT1 receptor (AT1R) via Angiotensin II provides inter alia a contraction of the blood vessels and increases the blood pressure.

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.

AT2-RECEPTORN (AT2R)
The Angiotensin II type 2 receptor or AT2R is regarded as the "protective" receptor of the renin-angiotensin system. Many effects seen after stimulation of the ATR counteracts effects mediated via the AT1 receptor thus counteracting cytokines and growth factors. The AT2R belongs to a family of G protein coupled receptors. 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 I is the first time that the drug is tested on humans. This is usually done on a small group (5-9 people) of healthy volunteers with normal weight who are always 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 II 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 III is carried out in a very 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 IV 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.

IDIOPATHIC PULMONARY FIBROSIS (IPF)
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. IPF usually occurs in adult individuals of between 50 and 70 years of age, and affects more men than women.

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, 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 recognises 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, or biocide registration.

Mölndal 2018-04-12

Kjell Stenberg

Leif Darner

Per Jansson
Verkställande direktör

Göran Wessman

Peter Ström

Vår revisionsberättelse har lämnats den 12 april 2018

Ernst & Young AB

Stefan Kylebäck
Auktoriserad revisor

Building a better working world

IN SWEDISH ONLY

Revisionsberättelse

Till bolagsstämman i Vicore Pharma Holding AB (publ), org.nr 556680-3804

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Vicore Pharma Holding AB (publ) för räkenskapsåret 2017. Bolagets årsredovisning och koncernredovisning ingår på sidorna 17-38 i detta dokument.

Enligt vår uppfattning har årsredovisningen och koncernredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets och koncernens finansiella ställning per den 31 december 2017 och av dessas finansiella resultat och kassaflöden för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för moderbolaget och koncernen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-16. Det är styrelsen och verkställande direktören som har ansvaret för den andra informationen.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller fel och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen och koncernredovisningen, vare sig dessa beror på oegentligheter eller på fel, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på fel, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

Building a better working world

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen och koncernredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets och koncernens förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen och koncernredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen och koncernredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag och en koncern inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen och koncernredovisningen, däribland upplysningarna, och om årsredovisningen och koncernredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.
- inhämtar vi tillräckliga och ändamålsenliga revisionsbevis avseende den finansiella informationen för enheterna eller affärsaktiviteterna inom koncernen för att göra ett uttalande avseende koncernredovisningen. Vi ansvarar för styrning, övervakning och utförande av koncernrevisionen. Vi är ensamt ansvariga för våra uttalanden.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Vicore Pharma Holding AB (publ) för räkenskapsåret 2017 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

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Auktoriserad revisor

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