Interim report Jan 1- Mar 31, 2021

Vicore Pharma Holding AB (publ)

vicorepharma.com

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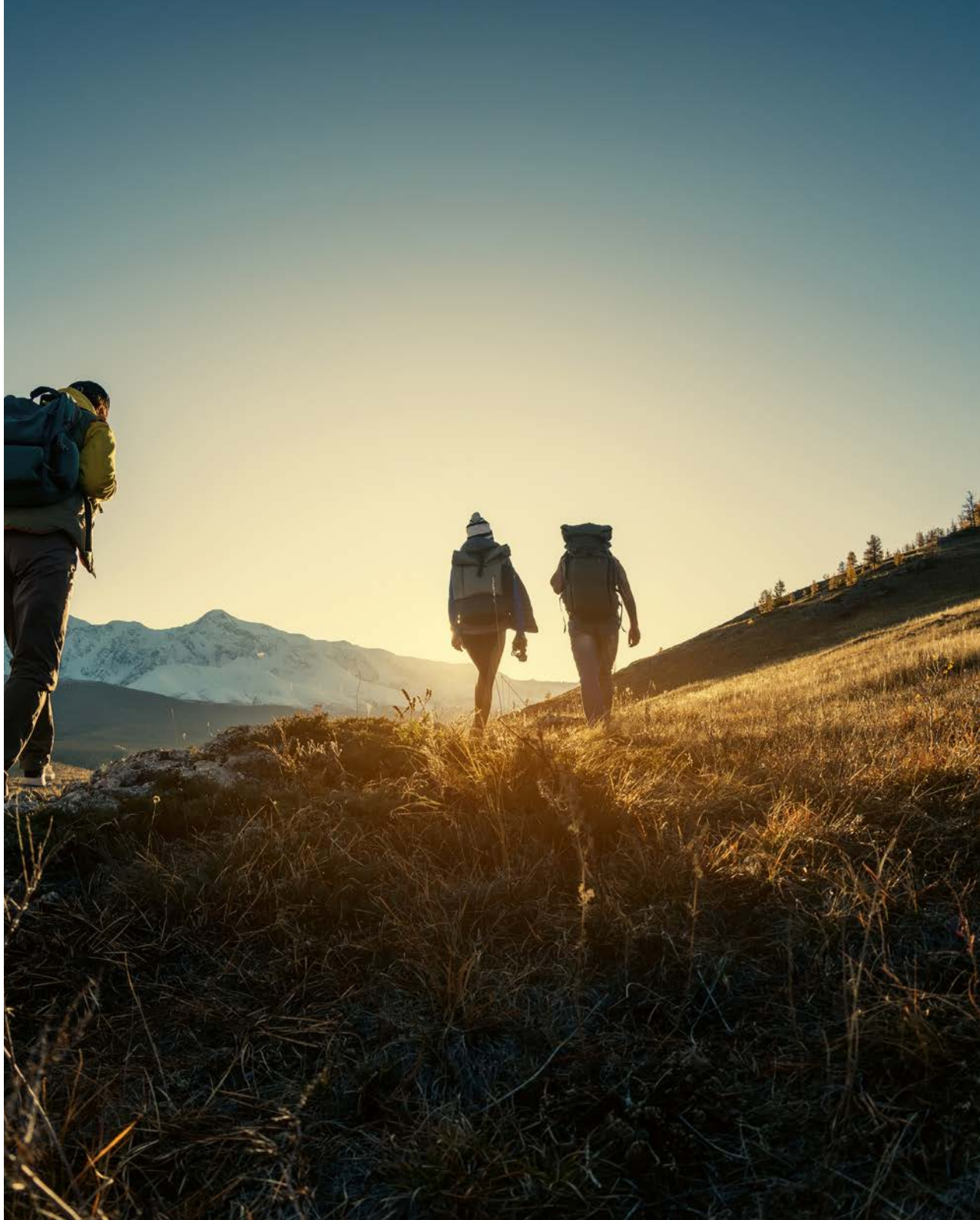


Summary of the Period

Important events during the first quarter

- In February, Vicore completed a directed share issue raising 336 MSEK. The share issue was approved at an Extraordinary General Meeting in March.
- In March, Vicore reported top-line data from the mechanistic phase II study in systemic sclerosis and Raynaud's phenomenon (SSc) showing that C21 increased blood-flow in fibrotic tissue.

Important events after the period

- In May, Vicore announced that it has entered into a collaboration agreement with Alex Therapeutics for the development of a digital therapeutic (DTx) for patients living with idiopathic pulmonary fibrosis (IPF).

Financial overview for the period

January 1 - March 31, 2021

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -47.5 MSEK (-28.8)
- Loss for the period amounted to -48.1 MSEK (-28.4)
- Loss per share, before and after dilution, was -0.76 SEK (-0.56)
- On March 31, 2021, cash and cash equivalents and short-term investments amounted to 589.9 MSEK (318.7 MSEK as of December 31, 2020)

The group consists of the parent company, Vicore Pharma Holding AB (publ) ("Vicore"), and the subsidiaries Vicore Pharma AB ("Vicore Pharma") and INIM Pharma AB ("INIM Pharma").

Financial summary of the group

Amounts in MSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Net sales	0.0	0.0	0.0
Operating loss	-47.5	-28.8	-149.5
Loss for the period	-48.1	-28.4	-146.9
Loss per share, before/after dilution (SEK)[1]	-0.76	-0.56	-2.71
Research and development costs/ operating costs (%)[2]	88.7	83.6	84.7
Equity at the end of the period	629.1	296.3	354.5
Cash flow from operating activities	-47.7	-29.3	-119.9
Cash and cash equivalents and short-term investments at the end of the period	589.9	238.0	318.7

[1] There is no dilution effect for potential ordinary shares for periods where earnings have been negative.

[2] Alternative performance measure (APM). Defined on page 20.

CEO Comments

The first quarter of 2021 has been very productive for Vicore continuing to build on the clinical success achieved with C21 in 2020.

In the beginning of February, the company raised 336 MSEK (approx. 40 MUSD) in a directed share issue that attracted Swedish and international institutional investors, including existing shareholders. The strengthened financial position allows Vicore to fund operations well into 2023.

The fundraising followed results of Vicore's phase II COVID-19 trial ATTRACT. The data, published on the online preprint server medRxiv at the beginning of January, showed that C21, Vicore's angiotensin type 2 receptor agonist, spares the need for oxygen supplementation and clearly restores respiratory function in hospitalized COVID-19 patients. Following the successful phase II trial, Vicore's plans for a multinational, placebo-controlled phase III trial of C21 for COVID-19 are well advanced. The phase III trial is scheduled to start in the summer of 2021 once we receive the FDA approval to initiate the study.

Vicore's clinical program in idiopathic pulmonary fibrosis (IPF) remains on track. Recruitment for the phase II international AIR study with C21 is on schedule in India, Ukraine, UK and Russia after the first patient was recruited in November 2020. Readout from the AIR study is anticipated for the end of 2022.

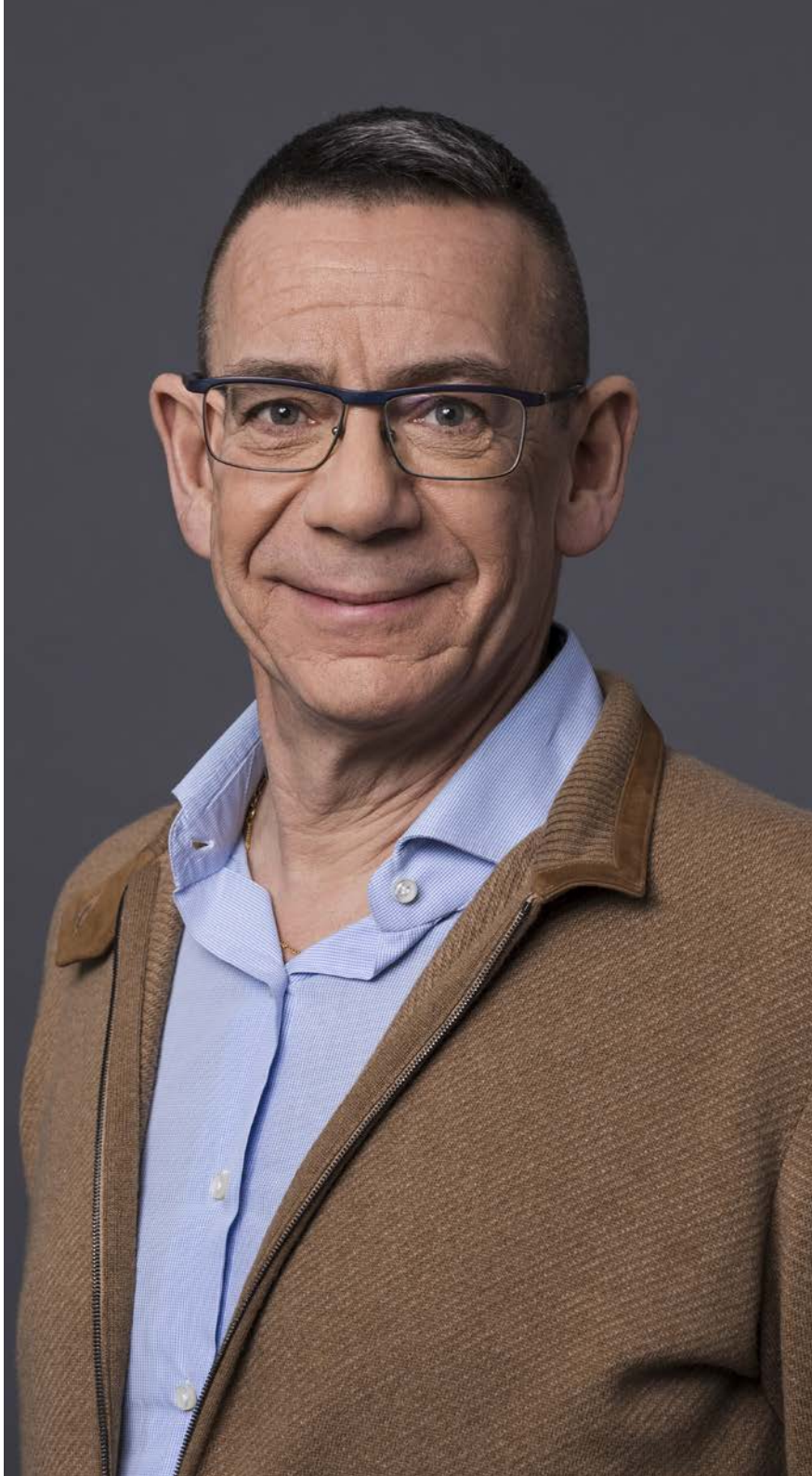
Vicore also expects to submit a Clinical Trial Application by the end of 2021 for VP02, Vicore's inhaled formulation of thalidomide for treating IPF and IPF cough.

In March, Vicore also published top line data from our phase II study in systemic sclerosis and Raynaud's phenomenon (SSc) showing that C21 can increase blood flow in fibrotic tissue, a result that further differentiates C21 from its competitors in pulmonary fibrosis, and we anticipate will demonstrate cross-over benefits for patients with IPF.

As part of our continuing commitment to the global community of IPF patients, we have initiated, in collaboration with Alex Therapeutics, an evidence-based digital therapeutic provider, the development of a digital therapeutic (DTx) that will be proprietary to Vicore. The product will be designed to provide cognitive behavioral therapy that IPF patients can use to address the psychological aspect of their disease and to improve patient outcome. The addition of this program, VP04, allows Vicore to offer a comprehensive care package which also includes the highly promising VP01 and VP02 programs targeting the underlying causes and major symptoms of IPF.

The Vicore team continues to respond to challenging and somewhat unforeseen events during the pandemic with great commitment. I would like to thank all our employees for their contributions, and our shareholders for continuing to support our work as we seek to take a whole-patient approach to alleviate the pain and suffering caused by fibrotic lung disease.

Carl-Johan Dalsgaard, CEO



Business and Focus Areas

Vicore is a rare disease pharmaceutical company focused on fibrotic lung disease and related indications. The company currently has four development programs, VP01, VP02, VP03 and VP04 in IPF and other related indications.The goal is to build significant value by generating strong clinical data and thereby creating the prerequisites for future financing and commercial collaborations.

Further down the road, our goal is to obtain regulatory approval and launch orphan drugs to help patients suffering from fibrotic lung disease. Orphan indications, such as IPF, offer companies the opportunity for commercialisation with targeted marketing and reimbursement. Fibrotic lung disease is an area where there is great need for new and effective treatments, attracting considerable interest from large pharmaceutical companies for commercial partnerships

Patient focus

Vicore has a patient-centered focus and works with patient groups in severe lung diseases, non-profit organizations started by patients, caregivers, family members or healthcare professionals, to understand their experiences and needs. Vicore is also a sponsor of the EU-IPFF, the European charity and patient organization for IPF.

Vicore's shares are listed on Nasdaq Stockholm main market.

"Vicore is a rare disease company focused on fibrotic lung disease and related indications."

Goal

Vicore's goal is to establish itself as a leading company in fibrotic lung disease and related indications. Through clinical studies, Vicore will document the therapeutic properties of VP01 (C21), VP02 (the IMiD-technology) and VP03 (new AT2R agonists) and VP04 (digital therapeutics) in IPF and other indications. By generating strong clinical data, Vicore will build significant value in the company and thereby create the prerequisites for future financing and commercial collaborations. The company's long-term goal is to obtain regulatory approval and launch medicines to help patients suffering from fibrotic lung disease.

Vision

Vicore's vision is to remove the pain and suffering caused by fibrotic lung disease. As a company, we pride ourselves on our collaborative approach to science and are committed to working closely with the patient community, scientific experts and clinicians to find innovative solutions that meet their needs.

Program Overview

Pipeline

Ongoing Finalized

Program	Indication	Explorative	Preclinical	Phase I	Phase II	Phase III
VP01 (C21)	Idiopathic pulmonary fibrosis (IPF)					
	COVID-19					*
VP02 (IMiD)	Idiopathic pulmonary fibrosis (IPF)					
VP03 (New AT2R agonists)	Multiple indications					

Program	Indication	Technical Development and testing	Regulatory approval	Clinical trial	Launch
VP04 (Digital Therapeutic, DTx)	Cognitive Behavioural Therapy (CBT) for idiopathic pulmonary fibrosis (IPF)				

* Phase III preparations ongoing

VP01 - AT2 receptor agonist - first in class

Vicore's drug candidate C21 (VP01 program) originates from extensive research on the Renin-Angiotensin System (RAS). RAS is a hormone system that regulates several important physiological processes. In the RAS cascade, the circulating hormone precursor angiotensinogen is converted to Angiotensin I by the enzyme renin released from the kidneys when blood pressure drops. Angiotensin I is then converted to Angiotensin II by angiotensin-converting enzyme (ACE). Ang II acts via two specific receptors, the angiotensin II type 1 receptor (AT1R) and the angiotensin II type 2 receptor (AT2R).

The AT1R is widespread and continuously active. The expression of the AT2R, on the other hand, is normally low in adult tissues but can be upregulated during repair and regeneration. Interestingly, the AT2R is relatively highly expressed in type II alveolar epithelial cells in the normal lung where these cells play an important role in maintaining normal alveolar function. These cells are also known to contribute to pulmonary fibrosis when they loose their normal function, for example following excessive exposure to inhaled toxic materials and microorganisms.

The AT1R is mainly involved in blood pressure regulation though several different mechanism related to constriction of blood vessels and fluid retention, but also contributes to innate immunity through pro-inflammatory actions. The vasoconstrictive effect of the AT1R arm of the RAS is an important rescue mechanism following hypotension due to trauma and blood loss. However, when this system "over-shoots", it can also contribute to the pathogenesis of diseases such as hypertension, myocardial infarction and different fibrotic conditions including pulmonary fibrosis and chronic kidney disease.

The AT2R is on the other hand an inducible system that can be seen as a mechanism responsible for resolution and regeneration following the defensive immune and vascular reactions to injury. Natural ligands/agonists of AT2R such as Ang 1-9 and Ang 1-7 are fragments of Angiotensin I and II cleaved by angiotensin-converting enzyme 2 (ACE2).

Vicore's candidate drug C21 is an AT2R agonist, i.e. it binds to and activates AT2R.

Vicore has shown pronounced effects with C21 in a gold-standard preclinical model considered predictive of human pulmonary hypertension, the so called Sugen-Hypoxia-induced pulmonary hypertension (PH) model. Pulmonary hypertension is a common and serious complication of interstitial lung disease, including IPF, and is not addressed with currently available therapies.

C21 has also shown robust effects in idiopathic pulmonary fibrosis (IPF) lung tissue. Human IPF lung tissue harvested from a patient during lung transplantation showed stable expression of AT2R, the C21 target, and treatment with clinically relevant concentrations of C21 caused a dose-dependent decrease of TGFβ1, a key growth factor in fibrosis development.

C21 has previously shown very good

effects in animal models with pulmonary fibrosis and is now being evaluated in a phase II study in patients with IPF and has finalized a phase II study in COVID-19.

Vicore has received orphan drug designation for C21 in IPF which e.g. provides for up to ten years of market exclusivity (from the date of registration of an approved drug) in Europe and seven years in the United States.

Program status VP01

Idiopathic pulmonary fibrosis (IPF)

The phase II study in IPF (AIR) has been designed in collaboration with international clinical experts in IPF and will investigate both safety and lung function. The study aims to support the decision to initiate a confirmatory phase IIb/III study. The study is performed in UK, India, Ukraine and Russia.

The study is an open-label six month study in approximately 60 patients and we will also give the patient the opportunity to continue treatment for an additional three months. The ambition is to perform the best possible study to answer the question if C21 can significantly slow the decline in lung function in patients with IPF.

The first patient was dosed in India in November 2020. The study is estimated to read-out at the end of 2022.

COVID-19

During 2020, Vicore has conducted a phase II study with C21 in 106 patients with COVID-19 (ATTRACT). At the end of July, the first patient was dosed in India and on October 1, the company reported that the study was fully recruited. Top-line data was published in December 2020.

The results from the study were positive and showed that C21 can restore lung function in COVID-19 suggesting that C21 can prevent disease progression.

Summarized, the study showed that the risk for patients needing oxygen supplementation in the C21 group was decreased by 58% (p=0.026) at day 8 after start of treatment. At day 14 there was only one patient in the C21 group in need of oxygen supplementation compared to eleven patients in the placebo group (p=0.003), a reduction of more than 90%.

In the subgroup of patients needing oxygen supplementation (about 30 patients per treatment group), C21 produced a more distinct reduction of CRP (C-reactive protein). There was also a clear trend for C21 reducing the number of patients needing mechanical ventilation and a trend for C21 reducing mortality. The treatment was reported safe and well tolerated.

The study was a randomized, double blind, placebo-controlled study in 106 COVID-19 patients with a moderately severe disease, requiring basic respiratory support, but not mechanical ventilation. It investigated the efficacy on respiratory failure and other functional outcomes.

Preparations to start a phase III study in a larger population and in several countries are ongoing.

Vicore has been awarded a 1.5 GBP million grant from the UK-based self-funded medical research charity LifeArc for co-funding of the COVID-19 phase II study.

Systemic sclerosis (SSc)

In March 2021, Vicore reported the results from the mechanistic phase II study in twelve patients with systemic sclerosis (SSc) and Raynaud's phenomenon. The patients receieved a single-dose of C21 and the aim of the study was to shed light on the angiotensin II type 2 receptors (AT2R) role in acute improvement of blood flow in affected tissues.

The result from the study showed a statistically significant temperature recovery (p=0.04) as a result of dilation of peripheral vessels suggesting that C21 can increase blood flow in fibrotic tissue. The temperature recovery continued after the study measurement period. This vasodilatory effect is believed to be a benefit in the treatment of IPF.

VP02 – Targeting IPF and IPF-related cough

VP02 is a novel formulation of thalidomide which is an existing immunomodulatory drug (IMiD) that can be administered locally to the lung by loading the drug molecules into inhalable amorphous microparticles. It is thought that the actions of thalidomide suppress pathways involved in the cough reflex together with antifibrotic effects.

Many IPF patients suffer from a chronic intractable cough which considerably affects the patients' quality of life due to sleep disturbances, difficulties at work and stress incontinence[1]. Currently, there is no established therapy for IPF-related cough and standard cough medications have little or no effect on the disease. The anti-cough mechanism of VP02 in IPF is unknown, but the cough is thought to be due to structural changes in the lungs, increased sensitivity of the cough reflex, airway inflammation and/or changes in mucus production and clearance[2].

Using IMiDs to treat IPF-related cough is a breakthrough finding which has been shown to have clinical validity. IMiDs have documented antifibrotic and anti-inflammatory attributes and may therefore be well suited for treatment of a number of interstitial lung diseases. In a clinical study, an IMiD given orally demonstrated a significant positive effect on patients with IPF, reducing the cough and dramatically improving quality of life which is not seen in interventional clinical trials[3].

However, the high risk of severe side effects such as peripheral neuropathy, constipation and sedation due to systemic IMiD exposure has limited their use. Vicore's VP02 program aims to eliminate the negative aspects of systemic exposure by developing VP02 for local administration to the lungs.

Program status VP02

The inhaled formulation for local delivery of thalidomide to treat IPF-related cough is in a preclinical development phase, finetuning the formulation and preparing for the toxicological studies. In order to manufacture the product for the first clinical trial, Vicore has entered into an agreement with Nanologica AB for tech transfer to the UK manufacturer Sterling Ltd.

A clinical trial application (CTA) to start a phase I study with VP02 is planned to be submitted by the end of 2021.

VP03 – New AT2R agonists

Within this program, Vicore develops new patentable AT2R agonists. The objective is to develop competitive pharmaceutical products also for broader indications where it is not possible to obtain orphan drug status.

In November, Vicore strengthened its portfolio of new chemical entities for the VP03 project by aquiring the intellectual property rights (IPR) of a series of novel AT2R agonists from HaLaCore Pharma.

The VP03 program, which is in the preclinical phase, has developed well. The development work is done in collaboration with Emeriti Bio and HaLaCore Pharma.

The aim is to have a candidate drug by year-end and start a phase I study during the first six months 2022.

VP04 – Digital Therapeutics a broader perspective

The VP04-program develops a digital therapeutic (DTx) based on cognitive behavioral therapy (CBT) for patients with IPF. Vicore collaborates with Alex Therapeutics for the development. Alex Therapeutics is a Swedish medtech company specializing in designing and developing Software-as-a-Medical-Device (SaMD) with expertise in technology and psychology.

The development in this program will be evaluated through clinical trials and regulatory approvals similar to drug development.

In 2021, the focus will be on the technical development of the applicaton and software and the aim is to enter a clinical study in 2022.

1. Saini et al 2011 2. Vigeland et al 2017 3. Horton et al 2012

Financial Information

Operating income

Net sales for the first quarter amounted to 0.0 MSEK (0.0).

Operating expenses

Operating expenses for the first quarter amounted to -47.7 MSEK (-28.8). The increase in operating expenses is mainly attributable to increasing research and development expenses.

Administrative expenses

Administrative expenses for the first quarter amounted to -4.5 MSEK (-4.6). The costs for share-based incentive programs related to administrative staff amounted to +0.4 MSEK (0.0) for the first quarter.

Research and development expenses

Research and development expenses for the first quarter amounted to -42.3 MSEK (-24.1). Research and development expenses for the first quarter are mainly related to costs for clinical trials for VP01. The costs for share-based incentive programs related to research and development staff amounted to -0.2 MSEK (-0.1) for the first quarter. Research and development expenses relative to operating expenses, which is one of the company's alternative performance measures, for the first quarter was 88.7 percent (83.6 percent).

Other operating income and expenses

Other operating income and expenses for the first quarter amounted to -0.7 MSEK (-0.1). Other operating income and expenses mainly consist of exchange rate differences on supplier invoices.

Costs for share-based incentive programs

The cost for social contributions for share-based incentive programs varies from quarter to quarter due to the change in the underlying share price. Associated provisions are reported as other provisions under non-current and current liabilities. The total costs for the share-based incentive programs for the first quarter amounted to +0.3 MSEK (-0.1). Of the +0.3 MSEK (-0.1) for the first quarter, -0.9 MSEK (-0.5) consists of IFRS 2 classified salary costs and +1.2 MSEK (+0.4) provisions for social security contributions. These costs have had no cash flow impact.

Result

The operating loss for the first quarter amounted to -47.5 MSEK (-28.8). The result from financial items amounted to -0.7 MSEK (0.3) for the first quarter. This is mainly attributable to changes in the value of the company's long-term investment (I-Tech). The result after financial items for the first quarter amounted to -48.2 MSEK (-28.5).

Tax for the first quarter amounted to 0.1 MSEK (0.1). Tax is related to a change in deferred tax liability attributable to acquired intangible assets. The group's accumulated tax loss carryforwards according to the Annual Report for 2020 amounted to 413.2 MSEK. The group's tax loss carryforwards have not been valued and are not recognized as a deferred tax asset. These tax loss carryforwards will be accounted for only when the group has established a level of earnings which management with confidence estimates will lead to taxable profits.

The loss for the first quarter amounted to -48.1 MSEK (-28.4). Earnings per share before and after dilution amounted to -0.76 SEK (-0.56) for the first quarter.

Financial calendar

May 11, 2021	Annual General Meeting
August 26, 2021	Interim report, Q2
November 4, 2021	Interim report, Q3
February 25, 2022	Year-end report 2021

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

Cash flow, investments and financial position

Cash flow from operating activities for the first quarter amounted to -47.7 MSEK (-29.3). Adjustment for items not included in the cash flow for the first quarter amounted to 1.8 MSEK (1.4) and mainly comprised IFRS 2 classified salary costs for share-based incentive programs and amortization of acquired intangible assets.

Cash flow from investing activities amounted to -77.0 MSEK (0.0) for the first quarter. The difference compared with the previous year is mainly attributable to the acquisition of short-term interest-bearing investments.

Cash flow from financing activities amounted to 318.7 MSEK (2.5) for the first quarter. On February 2, 2021, the company completed a directed share issue of 336 MSEK before transaction costs amounting to approximately 17.2 MSEK. The directed share issue was approved at an Extraordinary General Meeting in March 2021.

As of March 31, 2021, cash and cash equivalents amounted to 442.7 MSEK (248.6 MSEK as of December 31, 2020) and short-term investments amounted to 147.3 MSEK (77.1 MSEK as of December 31, 2020). Accordingly, cash, cash equivalents and short-term investments amounted in total to 589.9 MSEK (318.7 MSEK as of December 31, 2020).

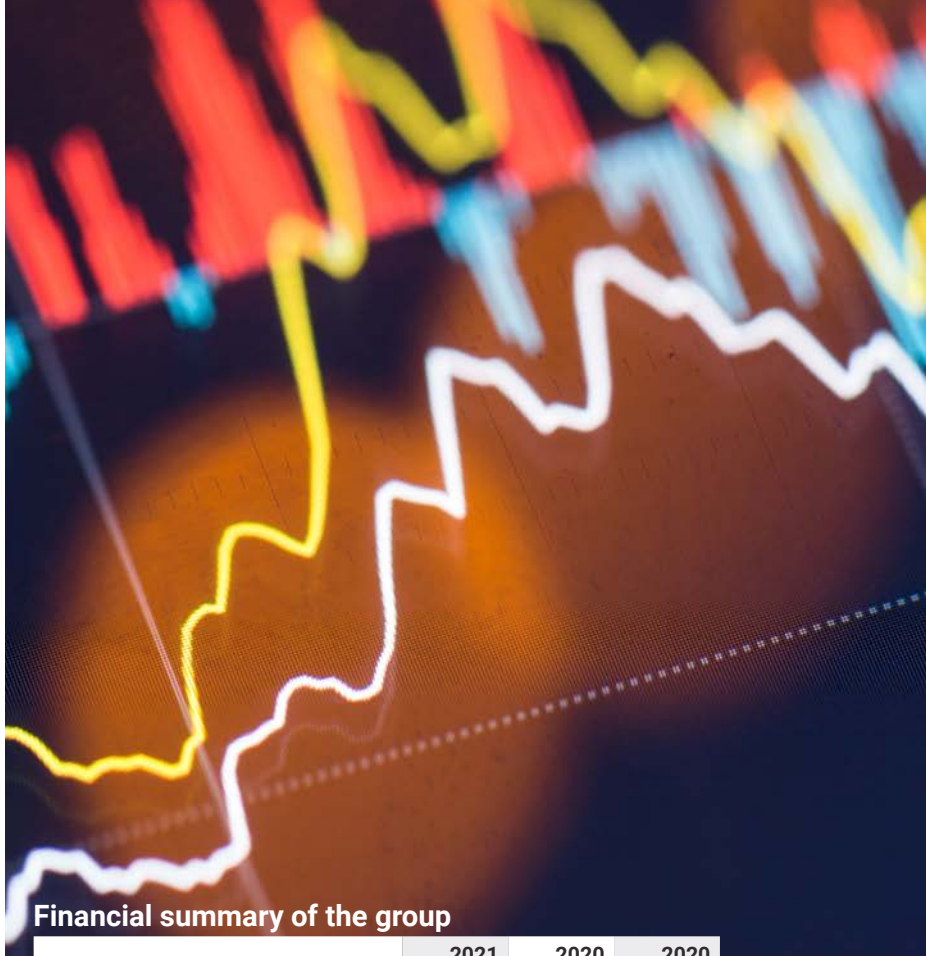
Equity

Equity as of March 31, 2021, amounted to 629.1 MSEK (296.3), corresponding to 8.77 SEK (5.88) per share. The company's equity ratio at the end of the period, which is one of the company's alternative performance measures, was 93.4 percent (94.4 percent). The company believes that this key ratio provides investors with useful information of the company's capital structure.

Parent company

During the first quarter, net sales for the parent company amounted to 0.9 MSEK (0.9). Net sales mainly consisted of management fees from group companies. Administrative expenses for the first quarter amounted to -4.4 MSEK (-4.4). The operating loss for the first quarter amounted to -4.0 MSEK (-3.9). The loss for the first quarter amounted to -3.8 MSEK (-3.7).

The group consists of the parent company, Vicore Pharma Holding AB (publ) ("Vicore"), and the subsidiaries Vicore Pharma AB ("Vicore Pharma") and INIM Pharma AB ("INIM Pharma").



Financial summary of the group

Amounts in MSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Net sales	0.0	0.0	0.0
Operating loss	-47.5	-28.8	-149.5
Loss for the period	-48.1	-28.4	-146.9
Loss per share, before/after dilution (SEK)[1]	-0.76	-0.56	-2.71
Research and development costs/ operating costs (%)[2]	88.7	83.6	84.7
Equity at the end of the period	629.1	296.3	354.5
Cash flow from operating activities	-47.7	-29.3	-119.9
Cash and cash equivalents and short-term investments at the end of the period	589.9	238.0	318.7

[1] There is no dilution effect for potential ordinary shares for periods were earnings have been negative.

[2] Alternative performance measure (APM). Defined on page 20.

Other Information

Personnel

As of March 31, 2021, the group had 13 employees, of whom eight were women and five men. Eight of the employees are active in R&D. The group also engages consultants for specialist tasks and assignments on a frequent basis.

The share

Vicore's shares are listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of March 31, 2021, the total number of shares amounted to 71,760,293 and the market capitalization was 1,902 MSEK. The company's shares are issued in one class and each share carries one vote.

The Annual General Meeting in May 2020 resolved to, in accordance with the board of directors' proposal, authorize the board of directors, at one or several occasions, with or without deviation from the shareholders' preferential rights and for the period up until the next Annual General Meeting, to increase the company's share capital by issuing new shares. The number of shares that may be issued under the authorization may not exceed a dilution effect of more than 20 percent of the number of shares and votes outstanding in the company at the 2020 Annual General Meeting.

On July 3, 2020, Vicore completed a directed share issue of 10,000,000 shares at a subscription price of SEK 18.5 per share, raising 185 MSEK before transaction costs. The company has thereby utilized most of the authorization from the 2020 Annual General Meeting.

In November, Vicore acquired novel AT2R agonists from HaLaCore Pharma and decided on an issue in kind of 142,054 shares as part of the payment, which was registered at the Swedish Companies Registration Office during the first quarter of 2021.

On February 10, 2021, Vicore completed a directed share issue of 11,200,000 shares at a subscription price of SEK 30,0 per share, raising 336 MSEK before transaction costs. The directed share issue was approved at an Extraordinary General Meeting in March 2021. The subscription price in the directed share issue was determined through an accelerated bookbuilding procedure and corresponded to a premium of approximately 0.6 percent to the 10-day volume weighted average share price of Vicore's share, as traded on Nasdaq Stockholm. The directed share issue entailed a dilution of approximately 15.6 percent.

Largest shareholders

Largest shareholders in Vicore as of March 31, 2021:

Shareholder	No. of shares	%
HealthCap VII L.P.	15,929,908	22.2%
Swedbank Robur	7,118,685	9.9%
Fourth Swedish National Pension Fund	6,632,041	9.2%
Göran Wessman[1]	4,030,340	5.6%
Handelsbanken Funds	3,923,696	5.5%
HBM Healthcare Investments (Cayman) Ltd.	2,862,977	4.0%
Third Swedish National Pension Fund	1,891,425	2.6%
Länsförsäkringar Funds	1,880,662	2.6%
Unionen	1,663,990	2.3%
Kjell Stenberg	1,531,303	2.1%
Second Swedish National Pension Fund	1,050,000	1.5%
Alfred Berg Funds	1,049,414	1.5%
Other	22,195,852	30.9%
Total number of shares	**71,760,293**	**100.0%**

[1] Shareholdings privately and through Protem Wessman AB where Göran Wessman controls 40 percent of votes/capital.

Share-based incentive programs

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

At the Extraordinary General Meeting on August 13, 2018, it was resolved to implement two new incentive programs: a maximum of 2,000,000 options to senior leaders and key persons ("Co-worker LTIP 2018"); and a maximum of 475,000 share awards to board members ("Board LTIP 2018").

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

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

For further information about these programs, see the Annual Report 2020, the minutes of the Extraordinary General Meeting, held on August 13, 2018, and the minutes of the Annual General Meeting, held on May 20, 2020, which are published on the company's website, www.vicorepharma.com. The increase in the company's share capital, assuming full utilization and maximum goal achievement of both incentive programs, amounts to a maximum of SEK 1,500,000, corresponding to a dilution of 4.0 percent of the total number of shares.

As of March 31, 2021, a total of 475,000 share awards have been granted in the Board LTIP 2018 program, 525,000 share awards have been granted in the Board LTIP 2020 program, and options corresponding to 1,325,800 shares have been granted in the Co-worker LTIP 2018 program.

Other financial asset

Vicore holds 91,829 shares in I-Tech AB (publ), which are classified as a financial asset. As of March 31, 2021, the value of the financial asset was 6.7 MSEK.

Audit review

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

The Board of Directors and the CEO provide their assurance that the interim report provides a fair and true overview of the parent company's and the group's operations, financial position and results, and describes material risks and uncertainties faced by the parent company and the companies in the group.

Gothenburg, May 5, 2021

Michael Wolff-Jensen *Chairman*	Sara Malcus *Board member*	Maarten Kraan *Board member*
Hans Schikan *Board member*	Jacob Gunterberg *Board member*	Carl-Johan Dalsgaard *CEO*
Peter Ström *Board member*	Heidi Hunter *Board member*	

Financial reports
Group

Group statement of comprehensive income in summary

KSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Net sales	0	0	0
Gross profit	**0**	**0**	**0**
Administrative expenses	-4,524	-4,569	-24,986
Research and development expenses	-42,300	-24,084	-142,021
Other operating income and expenses	-709	-129	17,469
Profit/loss from operations	**-47,533**	**-28,782**	**-149,538**
Financial income	139	292	2,229
Financial expenses	-826	-1	-6
Net financial income/expense	**-687**	**291**	**2,223**
Profit/loss before tax	**-48,220**	**-28,491**	**-147,315**
Tax	114	117	453
Loss for the period attributable to the parent company´s shareholders	**-48,106**	**-28,374**	**-146,862**
Other comprehensive income			
Other comprehensive income	0	0	0
Other comprehensive income for the period, net of net of tax	**0**	**0**	**0**
Total comprehensive income attributable to the parent company´s shareholders	**-48,106**	**-28,374**	**-146,862**
Earnings per share, before and after dilution (SEK)	**-0.76**	**-0.56**	**-2.71**

Consolidated statement of financial position in summary

KSEK	2021 Mar 31	2020 Mar 31	2020 Dec 31
ASSETS			
Fixed assets			
Patent, licenses and similar rights	69,923	67,250	70,755
Equipment	105	135	113
Contract asset	70	154	139
Long-term investments	6,704	6,226	7,530
Deferred tax asset	148	84	131
Total fixed assets	**76,950**	**73,849**	**78,668**
Current Assets			
Other receivables	2,385	1,586	5,354
Prepaid expenses and accrued income	4,364	407	3,757
Short-term investments	147,258	77,211	70,118
Cash and cash equivalents	442,663	160,813	248,618
Total current assets	**596,670**	**240,017**	**327,847**
TOTAL ASSETS	**673,620**	**313,866**	**406,515**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	**629,149**	**296,262**	**354,513**
LIABILITIES			
Non-current liabilities			
Contract liability	0	155	0
Other provisions	2,378	186	2,385
Deferred tax liability	1,451	1,776	1,531
Total non-current liabilities	**3,829**	**2,117**	**3,916**
Current liabilities			
Contract liability	70	0	140
Trade payables	26,335	9,684	10,943
Current tax liability	241	400	553
Other liabilities	558	971	3,132
Other provisions	2,615	0	3,792
Accrued expenses and deferred income	10,823	4,432	29,526
Total current liabilities	**40,642**	**15,487**	**48,086**
TOTAL LIABILITIES	**44,471**	**17,604**	**52,002**
TOTAL EQUITY AND LIABILITIES	**673,620**	**313,866**	**406,515**

Consolidated statement of changes in shareholders' equity in summary

KSEK	Shareholders' equity attributable to the parent company 2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Equity at the beginning of the period	**354,513**	**321,597**	**321,597**
Profit for the period	-48,106	-28,374	-146,862
Other comprehensive income for the period	0	0	0
Total comprehensive income for the period	**-48,106**	**-28,374**	**-146,862**
Transactions with owners:			
Issue in kind	3,000	0	0
Issue of new shares	336,000	2,550	187,550
Issue costs	-17,192	0	-10,404
Long-term incentive program	934	489	2,632
Total transactions with owners	**322,742**	**3,039**	**179,778**
Equity at the end of the period	**629,149**	**296,262**	**354,513**

Consolidated statement of cash flow

KSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Operating activities			
Operating profit	-47,533	-28,782	-149,538
Adjustment for items not included in the cash flow	1,843	1,395	6,202
Interest received	0	0	726
Interest paid	0	-1	-6
Cash flow from operating activities before changes in working capital	**-45,690**	**-27,388**	**-142,616**
Cash flow from changes in working capital			
Change in operating receivables	-637	-92	-3,867
Change in operating payables	-1,366	-1,808	26,548
Cash flow from operating activities	**-47,693**	**-29,288**	**-119,935**
Investing activities			
Acquisition of intangible assets	0	0	-3,000
Acquisition of short-term investments	-77,000	0	-70,000
Sale of short-term investments	0	0	77,000
Cash flow from investing activities	**-77,000**	**0**	**4,000**
Financing activities			
Amortization contract liability	-70	-35	-179
Issue of new shares	336,000	2,550	187,550
Issue costs	-17,192	0	-10,404
Cash flow from financing activities	**318,738**	**2,515**	**176,967**
Cash flow for the period	**194,045**	**-26,773**	**61,032**
Cash and cash equivalents at the beginning of the period	**248,618**	**187,586**	**187,586**
Cash and cash equivalents at the end of the period	**442,663**	**160,813**	**248,618**

Financial reports
Parent company

Parent company's income statement

KSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Net sales	918	918	3,672
Gross profit	**918**	**918**	**3,672**
Administrative expenses	-4,444	-4,397	-24,663
Research and development expenses	-414	-415	-1,658
Other operating income and expenses	-24	0	44
Profit/loss from operations	**-3,964**	**-3,894**	**-22,605**
Interest income and similar profit items	140	182	817
Interest expenses and similar loss items	0	0	-38
Net financial income/expense	**140**	**182**	**779**
Result after financial items	**-3,824**	**-3,712**	**-21,826**
Tax	18	21	69
The result for the period	**-3,806**	**-3,691**	**-21,757**

Parent company's statement of comprehensive income

KSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
The result for the period	-3,806	-3,691	-21,757
Other comprehensive income	0	0	0
Total comprehensive income for the period	**-3,806**	**-3,691**	**-21,757**

Parent company's balance sheet

KSEK	2021 Mar 31	2020 Mar 31	2020 Dec 31
ASSETS			
Fixed assets			
Patent, licenses and similar rights	0	0	6,000
Participations in group companies	415,292	276,410	396,303
Long-term investments	565	565	565
Deferred tax asset	149	84	131
Total fixed assets	**416,006**	**277,059**	**402,999**
Current assets			
Receivables			
Other receivables	388	196	305
Prepaid expenses and accrued income	690	240	270
	1,078	**436**	**575**
Short-term investments	147,258	77,211	70,118
Cash and cash equivalents	420,645	145,900	195,822
Total current assets	**568,981**	**223,547**	**266,515**
TOTAL ASSETS	**984,987**	**500,606**	**669,514**

Parent company's balance sheet

KSEK	2021 Mar 31	2020 Mar 31	2020 Dec 31
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	35,880	25,209	30,209
Total restricted equity	**35,880**	**25,209**	**30,209**
Non-restricted equity			
Share premium reserve	1,004,148	518,416	688,011
Accumulated profit or loss	-63,306	-44,628	-42,483
Profit (loss) for the period	-3,806	-3,691	-21,757
Total non-restricted equity	**937,036**	**470,097**	**623,771**
TOTAL EQUITY	**972,916**	**495,306**	**653,980**
LIABILITIES			
Provisions			
Other provisions	4,212	153	5,312
Deferred tax liability	136	77	120
Total provisions	**4,348**	**230**	**5,432**
Non-current liabilities			
Liabilities to group companies	0	0	0
Total non-current liabilities	**0**	**0**	**0**
Current liabilities			
Trade payables	4,987	966	764
Liabilities to group companies	0	400	0
Current tax liability	142	283	385
Other liabilities	370	806	1,725
Accrued expenses and deferred income	2,224	2,615	7,228
Total current liabilities	**7,723**	**5,070**	**10,102**
TOTAL LIABILITIES	**12,071**	**5,300**	**15,534**
TOTAL EQUITY AND LIABILITIES	**984,987**	**500,606**	**669,514**

Notes

Note 1 General information

This report covers the Swedish parent company Vicore Pharma Holding AB (publ), corporate registration number 556680-3804, and its subsidiaries. The parent company is a limited liability company with its registered office in Gothenburg, Sweden. The address of the main office is Kronhusgatan 11, 411 05 Gothenburg, Sweden. The main operation of the group is research and development of pharmaceutical products.

The interim report for the first quarter 2021 was approved for publication on May 5, 2021, in accordance with a board decision on May 4, 2021.

Note 2 Accounting principles

Vicore's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations from the IFRS Interpretation Committee (IFRS IC) as adopted by the European Union (EU). Furthermore, the group also applies the Annual Accounts Act (1995: 1554) and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups." Relevant accounting and valuation principles could be found on pages 42-45 of the Annual Report for 2020.

The interim report for the first quarter has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Disclosures in accordance with IAS 34.16A are provided both in the notes as well as elsewhere in the interim report.

Vicore applies ESMA:s (European Securities and Markets Authority) guidelines on alternative performance measures.

The accounting principles and calculation methods remain unchanged from those applied in the Annual Report for the financial year January 1 - December 31, 2020.

Note 3 Related-party transactions

During the period, remuneration to the group's senior executives has been paid in accordance with current policies. The following intra-group transactions took place for the first quarter:

Vicore Pharma AB invoiced INIM Pharma AB approximately 0.7 MSEK for the first quarter for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary Vicore Pharma AB approximately 0.7 MSEK for the first quarter for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary INIM Pharma AB approximately 0.2 MSEK for the first quarter for management fee.

No other related party transactions have taken place during the period than previously stated.

Note 4 Risks and uncertainties in the group and the parent company

Operational risks

Vicore is engaged in research and development operations through its subsidiary Vicore Pharma. Research and development involve a significant inherent level of risk and is a capital-intensive process. The majority of initiated projects in the drug development industry will never reach market registration due to technological risks, including the risk for insufficient efficacy, intolerable side effects or manufacturing problems. Up until today, Vicore has not yet generated significant revenue. Vicore's expansion and development related to VP01 and VP02 may be delayed and/or incur greater costs and capital need than expected. Delays can occur for a variety of reasons, including difficulties in reaching agreements with clinics about participation in clinical studies under acceptable conditions, problems in identifying patients for studies, patients not completing a study, or not returning for follow-up.

Patents that the company has applied for may not be granted and granted patents may be challenged leading to loss of patent protection. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profiles, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by decisions from public authorities, including decisions related to approvals, reimbursement and price changes.

Financial risks

Through its operations, Vicore is exposed to various types of financial risk; credit risks, market risks (foreign exchange risk, interest rate risk and other price risks) and liquidity risks including refinancing risk. The main refinancing risk relates to the risk of not receiving additional investments from shareholders and other investors. The group's overall risk management objective focuses on the unpredictability of financial markets and strives to minimize potentially unfavorable consequences for the group's financial position and performance.

For more information about operational and financial risks as well as other risk factors, see the Annual Report 2020, which can be downloaded from the company's website, www.vicorepharma.com.

COVID-19-pandemic

The outbreak of the COVID-19 pandemic throughout the world has led to major disruptions in the economies of many countries, including the group's ability to carry out clinical studies. The duration and expected development of the COVID-19 pandemic is unknown, and no predictions can be made in relation to the length of present and further measures that different countries and others may take in response to the crisis. However, any prolongation or worsening of the virus outbreak may lead to e.g. the following:

- the availability and recruitment of potential trial participants in clinical studies as well as their possibility of carrying out non-essential hospital visits is negatively affected. This could lead to delays of the studies, incurring greater costs and capital need than expected,

- important suppliers or contract research organisations are experiencing financial distress,
- impairments of intangible assets, and/or
- further disruption of financial markets, which can impact the company's refinancing abilities.

Given the evolving nature of the crisis, the above list is by no means exhaustive, but each of these events, or any combination of them, could amplify the negative impact of the crisis on the group's financial performance and have material adverse effect on the group's business, financial development and shareholder value.

During the first quarter, the company has evaluated the effects from the COVID-19 outbreak on the accounting principles applied as the pandemic is an event and indication that assets may be impaired. The accounting models applied and the assumptions used have been reviewed to ensure that the risks and uncertainties connected to the macroeconomic development are reflected. Some of the main areas considered are the going concern assumption, write-downs of non-financial assets, and expected credit losses. The company's assessment is that there are no indications that assets may have decreased in value.

Note 5 Financial instruments

Vicore's financial assets and liabilities comprise cash, cash equivalents, long-term investments (I-Tech AB), short-term investments, trade payables, contract liabilities and accrued expenses. The fair value of all financial instruments is materially equal to their carrying amounts. The financial instruments reported at fair value in the balance sheet are comprised of the group's holding of shares in I-Tech AB, which are listed on Nasdaq First North Growth Market. The shares are valued at level 1 in the fair value hierarchy.

Note 6. Depreciation and amortization

Allocation by function

KSEK	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Administrative expenses	0	0	0
Research and development expenses	-909	-874	-3,537
Total	**-909**	**-874**	**-3,537**

Amortization attributable to research and development expenses mainly relates to the amortization of acquired intangible assets. This consists of a patent portfolio related to C21, whose main patent expires in the US in September 2024. Amortization began in September 2019 and is amortized over its estimated useful life, which is the remaining patent period. Amortization has not yet begun for the group's other intangible assets.

Key Performance Measures

Vicore applies the guidelines issued by ESMA (European Securities and Markets Authority) for alternative performance measures. Alternative performance measures are financial measurements of historical or future earnings, financial position, financial results or cash flows that are not defined or specified in the applicable financial reporting rules and which are central to the understanding and evaluation of Vicore's operations.

In this report, Vicore presents certain key performance measures, including two alternative performance measures that are not defined under IFRS, namely equity ratio and research and development expenses/operating expenses. The company believes that these key performance measures are useful for readers of the financial reports as a complement to other key performance measures, as it enables a better evaluation of the company's financial trends. These alternative performance measures should not be viewed in isolation or be considered to replace the performance indicators that have been prepared in accordance with IFRS. In addition, such performance measures, as the company has defined them, should not be compared with other performance measures with similar names used by other companies. This is because the above-mentioned performance measures are not always defined in the same manner, and other companies may calculate them differently.

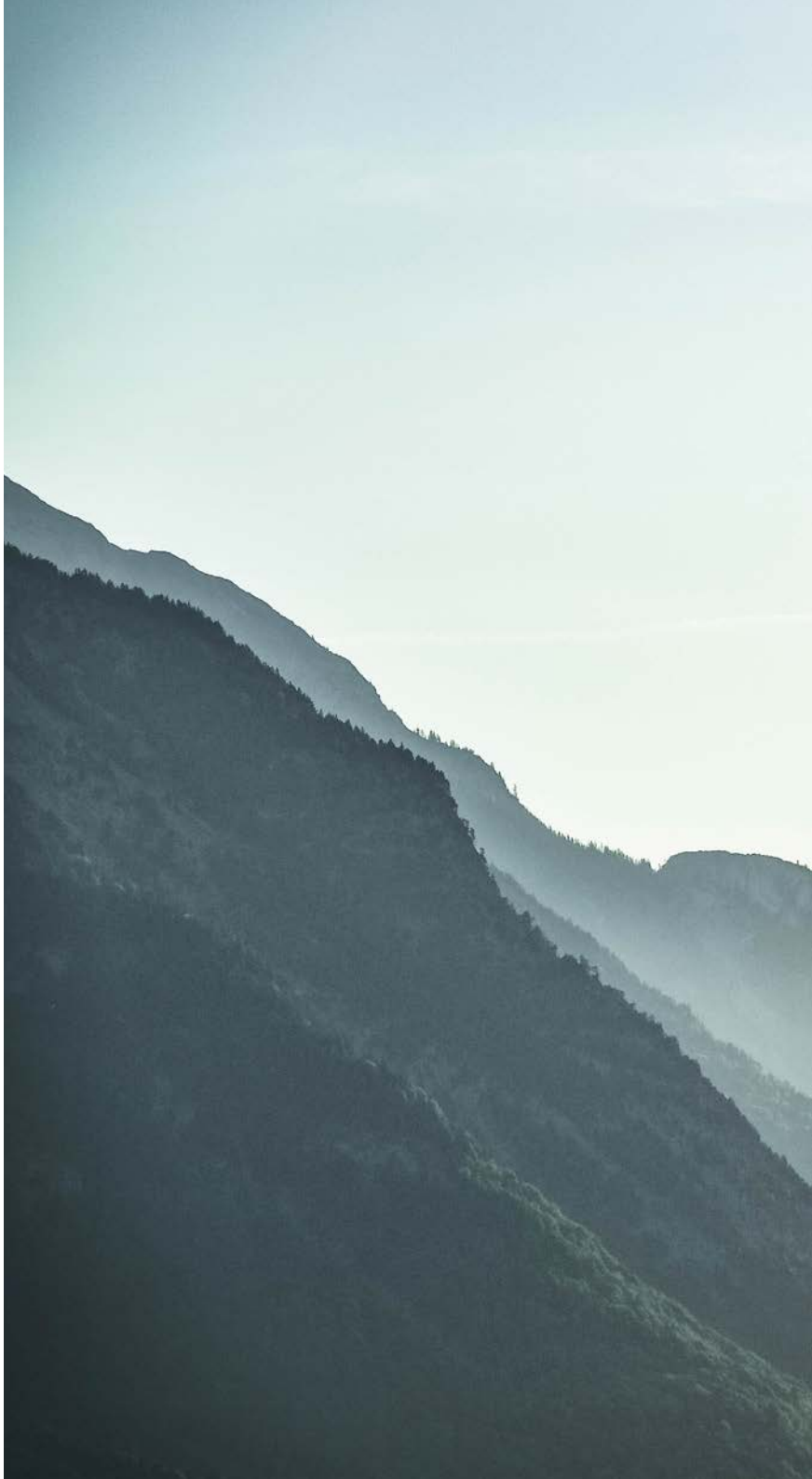
Key performance measures

	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Share capital at the end of period (KSEK)	35,880	25,209	30,209
Total registered shares at the beginning of period	60,418,239	50,174,714	50,174,714
Total registered shares at the end of period	71,760,293	50,418,239	60,418,239
Average number of ordinary shares	63,245,834	50,399,298	54,249,185
Total number of shares allocated options and share awards may entitle to	2,325,800	1,240,800	2,325,800
Profit for the period attributable to shareholders of the parent company (KSEK)	-48,106	-28,374	-146,862
Earnings per share before and after dilution (SEK)[1]	-0.76	-0.56	-2.71
Equity ratio at the end of the period (%)[2]	93.4	94.4	87.2
Research and development expenses/operating expenses (%)[3]	88.7	83.6	84.7

[1] Earnings per share before (after) dilution are calculated by dividing earnings attributable to shareholders of the parent company by a weighted average number of outstanding shares before (after) dilution during the period. The average number of outstanding shares has been adjusted for bonus shares in new stock issued targeted towards existing shareholders. There is no dilution effect for potential ordinary shares for periods were earnings have been negative.

[2] Equity ratio is the company's alternative performance measure (APM) and is defined on the next page.

[3] Research and development expenses/operating expenses (%) is the company's alternative performance measure (APM) and is defined on the next page.



Definitions and reconciliation of alternative performance measures

Alternative performance measures	Definition	Justification
Equity ratio	Total shareholders' equity divided by total assets	The company believes that this key ratio provides investors with useful information of the company's capital structure
Research and development expenses/operating expenses (%)	Research and development expenses divided by operating expenses. Operating expenses consist of the items administrative expenses, research and development expenses and other operating expenses	The company believes that the research and development expenses/operating expenses ratio is an important complement because it allows for a better evaluation of the company's economic trends and the proportion of its expenses that are attributable to the company's core business

Derivation

	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Equity ratio at the end of the period (%)			
Total shareholders' equity at the end of the period (KSEK)	629,149	296,262	354,513
Total assets at the end of the period (KSEK)	673,620	313,866	406,515
Equity ratio at the end of the period (%)	93.4	94.4	87.2
Research and development expenses/operating expenses (%)			
Research and development expenses (KSEK)	-42,300	-24,084	-142,021
Administrative expenses (KSEK)	-4,524	-4,569	-24,986
Other operating expenses (KSEK)	-841	-169	-721
Operating expenses (KSEK)	-47,665	-28,822	-167,728
Research and development expenses/operating expenses (%)	88.7	83.6	84.7

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This information was submitted for publication on May 5, 2021 at 08:00 CET.

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