



**INTERIM REPORT
APRIL 1- JUNE 30, 2017**

VICORE PHARMA HOLDING AB (PUBL)

SUMMARY OF THE PERIOD

IMPORTANT EVENTS DURING THE SECOND QUARTER 2017

- 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 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 authorisation 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 Proteom Wessman AB.
- In June, Vicore Pharma Holding entered into an agreement with Erik Penser Bank regarding the service as Certified Adviser.
- In June, the Company announced three new key recruitments; Hans Jeppsson (CFO), Ulrike Steckelings (CSO) and Kicki Johansson (Head of Drug Development).

IMPORTANT EVENTS AFTER THE PERIOD

- In August, positive results from the phase I extension study were published showing safety and tolerability, and indicating effects on lipid metabolism.

SELECTED PUBLISHED STUDIES WITH C21

During and after the period

- The first presentation of data from the Phase I programme took place at The European Hypertension meeting in Milano in June. C21 is well tolerated even in high doses. *Steckelings, U.; Lindblad, L.; Leisvuori, A. et al. [pp.02.17] Successful completion of a phase I, randomized, double-blind, placebo controlled, single ascending dose trial for the first in class angiotensin at2-receptor agonist. Journal of Hypertension 35:e105-e106, September 2017. [Link to article](#)*
- C21 has positive long-term effects in stroke even in aged rats. *Bennion DM, Isenberg JD, Harmel AT, DeMars K, Dang AN, Jones CH, Pignataro ME, Graham JT, Steckelings UM, Alexander JC, Febo M, Krause EG, de Kloet AD, Candelario-Jalil E, Sumners C Post-stroke angiotensin II type 2 receptor activation provides long-term neuroprotection in aged rats. PLoS One. 2017 Jul 3;12(7):e0180738. doi: 10.1371/journal.pone.0180738. eCollection 2017. [Link to article](#)*

HALF-YEAR FINANCIAL REPORT JANUARY-JUNE 2017 COMPARED TO SAME PERIOD PREVIOUS YEAR (GROUP)

- Profit/Loss after financial items amounted to -4 886 KSEK (-3 262).
- Operating profit/loss amounted to -4 827 KSEK (-3 260).
- Cash flow from operating activities amounted to -6 691 KSEK (-6 463).
- Equity amounted to 121 244 KSEK (78 986), as per 30 June.
- Cash and cash equivalents as per 30 June amounted to 40 224 KSEK (13 038).
- Earnings per share amounted to -0.31 (-0.26), as of 30 June
- On 30 June, the total number of shares in was 15 868 504.

QUARTERLY FINANCIAL REPORT APRIL- JUNE 2017 COMPARED TO SAME PERIOD PREVIOUS YEAR (GROUP)

- Profit/Loss after financial items amounted to -2 301 KSEK (-1 341).
- Operating profit/loss amounted to -2 300 KSEK (-1 341).
- Cash flow from operating activities amounted to -4 217 KSEK (-2 495).

CEO COMMENTS

Dear shareholders,

Vicore Pharma's main focus during the second quarter has been to prepare the Company for the upcoming Phase II a study in Idiopathic Pulmonary Fibrosis (IPF). Benefiting from the SEK 56 million capital injection from share issues during the spring, we have been able to accelerate the preparatory phases ahead of upcoming studies. For example, during the period, we started a 3-month toxicity study which will enable a longer treatment with C21 in patients when the results are available at the end of the year. We have also been able to strengthen our organisation with strategic recruitments in clinical development, business development and financial planning. Our financial situation has also made it possible for the management team to deeper analyse additional clinical opportunities, besides IPF, focused on orphan drug designations. The management team's goal for the autumn is to formulate a development plan for other diseases within this area. We will provide more details on this in coming reports.

In parallel, development work on new AT2-selective drug molecules is also proceeding in collaboration with the Company's development partner, Emeriti Bio.

In August, we were able to present the results from the Phase I extension study. The study, initiated in January 2017, was performed on a group of overweight men (BMI 30-35) and with a hip-to-waist ratio below 0.9 but otherwise healthy. In total 16 volunteers participated, whereof 8 were given 100 mg C21 and 8 were given placebo during a period of 8 days. The aim of the study was to evaluate safety and tolerability of C21 in a group with a potentially compromised metabolic situation and to investigate if markers of metabolic dysfunction could be affected by C21 during the short treatment period. The results from the study verified that C21 is well tolerated and safe also in this metabolic risk group. In addition, the group receiving C21 demonstrated a tendency to lowering of plasma LDL (low density lipoprotein), the harmful form of cholesterol. Further detailed analysis of the outcome are ongoing. The outcome from the extension study adds to the safety profile of C21 and is important for the upcoming Phase IIa study where C21 will be tested on patients suffering from IPF.

During the period, the Company has also strengthened the organisation with three new, key recruitments. Ulrike Steckelings, Chief Scientific Officer (CSO), has been involved with Vicore Pharma and the company's preclinical endeavors for more than 10 years. She has been instrumental in the academic efficacy research on Vicore Pharma's lead compound C21. Kicki Johansson, Head of Drug Development, has extensive experience as a senior drug development project leader from AstraZeneca. Hans



Jeppsson is appointed Chief Financial Officer (CFO). Hans is a finance professional with a cross-disciplinary background in finance and medicine in both academic and industry settings. At the Annual General Meeting on 10 May, Leif Darner was elected as the new Chairman of the Board and Göran Arvidsson was elected as a board member. Leif Darner, former member of Group Management in AkzoNobel, has been active as a board member since 2016. He has a great ability to run successful projects in both small and large companies on a global basis. Göran Arvidsson is CEO in Hansa Medical AB, which is a successful drug development company listed on Nasdaq Stockholm. We are very happy to with our new recruits to the Company and the board. They are very welcome and will undoubtedly contribute to the development of the Company.

During the period, we participated in several events and conferences in Sweden and internationally. In June, Vicore Pharma participated at the Jefferies Healthcare Conference in New York, where we presented the company to American asset managers. At the BIO International Convention in San Diego in June, we met representatives from the pharmaceutical industry, as well as venture capital companies.

We see that the interest in the development of orphan drugs is significant. Our technology attracts attention that we will continue to tap into. We would like to thank our shareholders for their confidence in us. We look forward to a fruitful autumn and winter.

Per Jansson, CEO

OTHER INFORMATION

PERSONNEL

As of June 30, the group had seven employees. During the period, three new employees were recruited. In addition, the company hires consultants for specialist tasks.

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 June 30, the total number of shares was 12,368,504. The Company's shares are issued in one class of shares and each share carries one vote at the General Meeting.

WARRANTS

Vicore Pharma Holding has issued 570,000 warrants to key employees and key researchers. Due date for these is January 3, 2020.

LARGEST SHAREHOLDERS

As per of June 30 2017

Shareholder	Nr of shares	%
Protem Wessman incl. Private	2 348 382	14,8%
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%
Eriksam Invest AB incl. Private	600 010	3,8%
Unionen	600 000	3,8%
AFA Försäkring	585 000	3,7%
Mikael Lönn	448 859	2,8%
BD Medical consulting AB	340 000	2,1%
Other (approx. 1000 shareholders)	6 221 945	39,2%
Total number of shares	15 868 504	100%

CERTIFIED ADVISER

Vicore Pharma Holding has engaged Erik Penser bank as the Certified Adviser on Nasdaq First North.

I-TECH, FINANCIAL ASSET

Besides Vicore Pharma AB, Vicore Pharma Holding owns 16.52 percent in I-Tech AB who commercializes Selektepe®, a substance that prevents fouling of boat and ship hulls and marine installations. Selektepe is used in antifouling paints, and the first commercial paint containing Selektepe was launched in Japan in spring 2015. Since then, two additional antifouling paints containing Selektepe have been launched internationally. Sales of Selektepe in 2016 amounted to 17 027 KSEK (5 124) according to I-Tech's annual report.

RISK FACTOR

Vicore Pharma Holding AB (publ) leads and supports activities and operations in the subsidiary Vicore Pharma. Besides the subsidiary, Vicore Pharma Holding owns 16.52 % of the shares in I-Tech AB.

Vicore Pharma is a development company conducting clinical studies. These involve an inherent level of risk.

There is a risk that the two holdings do not reach their respective financial goals. This scenario could lead to negative financial implications for Vicore Pharma Holding in the future.

AUDIT REVIEW

The interim report has not been subject to audit.

UPCOMING FINANCIAL REPORTS

19 Oct 2017	Interim report, third quarter
21 Feb 2018	Year-end report
12 Apr 2018	Annual Report 2017
8 May 2018	Interim report, first quarter

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



IDIOPATHIC PULMONARY FIBROSIS (IPF)

Vicore Pharma's leading indication. This disease is characterized by the alveoli (the small air bubbles in the lungs), and lung tissue adjacent to the alveoli, being damaged. The disease is aggravated by an incorrect healing process, causing thickening and damage to the walls of the alveoli, and that fibrosis (scarring) of the alveoli and lung tissue occurs. Scarring occurs progressively and gradually impairs lung function. The disease is fatal and the survival is 2-3 years from diagnosis.

This relatively rare disease usually affects people aged 60 to 70 years. According to US statistics, the prevalence is up to 40 cases per 100,000. More men than women are affected, and the disease is increasing. Until a few years ago, there were no specific drugs for IPF registered, but in 2010 Pirfenidone was registered in Europe and four years later in the US. Also in 2014, Nintedanib was registered in the EU and the US. Both drugs have shown that they can slow the progression of the deterioration of lung function

compared with untreated patients. They have not yet been able to show that they have improved survival or quality of life of affected patients.

In 2016, these drugs sold for a total of about 1.2 billion US dollars, and sales are increasing. The market for IPF preparations in recent years has attracted quite a lot of interest from the pharmaceutical industry due to the large treatment need and that there have been several successful licensing and acquisition deals. These include Roche who in 2014 acquired the IPF company, InterMune, for 8 300 MUSD. In 2014, a licensing deal was made by Bristol-Myers Squibb (BMS) to acquire the rights to Galecto Biotech's IPF project for 444 MUSD. In 2015, BMS entered into another licensing deal, this time with Promedior, for a value of 1 250 MUSD for their IPF project.

FINANCIAL INFORMATION

OPERATING PROFIT/LOSS

The operating profit/loss for the second quarter amounted to -2 300 KSEK (-1 341). **Profit/Loss after financial items** amounted to -2 301 KSEK (-1 341).

Operating costs increased during the period. This is mainly due to increased costs for personnel through new recruitments, consultants and travel expenses.

CASH FLOW

The cash flow for operating activities for the second quarter amounted to -6 684 KSEK (-2 495). The company's cash and bank current assets amounted to 40 224 KSEK (13 038) as of June 30.

EQUITY

Equity amounted to 121 244 (78 986) as of June 30. This corresponds to 7.64 SEK (6.39) per share.

FINANCIAL REPORTS (GROUP)

SUMMARY INCOME STATEMENT (GROUP)

Consolidated KSEK	Jan-June 2017	April-June 2017	Jan-June 2016	April-June 2016	Jan-Dec 2016
Operating income etc					
Net turnover	495	248	388	212	852
Own work capitalized	1 235	569	499	248	1 221
Other operating income	21	19	49	3	60
	1 751	836	936	463	2 133
Operating expenses					
Other external expenses	-3 233	-1 737	-2 328	-1 046	-5 006
Personell costs	-2 720	-1 397	-1 865	-757	-3 770
Depreciation and write-down of tangible assets	-4	-2	-3	-1	-6
Depreciation and write-down of intangible assets	-621	0	0	0	0
	-6 578	-3 136	-4 196	-1 804	-8 782
Operating profit/loss	-4 827	-2 300	-3 260	-1 341	-6 649
Profit/loss from financial items					
Interest income from group companies	0	0	0	0	0
Interest expense to group companies	-59	-1	-2	0	-3
	-59	-1	-2	0	-3
Profit/loss after financial items	-4 886	-2 301	-3 262	-1 341	-6 652
Tax	0	0		0	0
Profit/loss for the period	-4 886	-2 301	-3 262	-1 341	-6 652

SUMMARY BALANCE SHEET (GROUP)

Consolidated KSEK	June 30 2017	June 30 2016	Dec 31 2016
Assets			
Fixed assets			
Intangible assets	63 477	48 753	56 201
Tangible assets	32	5	2
Financial assets	20 610	20 110	20 610
Total fixed assets	84 119	68 868	76 813
Current assets			
Current receivables			
Customer receivables	116	73	122
Other receivables	252	273	223
Prepaid expenses and accrued income	220	82	188
Cash and bank	40 224	13 038	4 266
Total current assets	40 812	13 466	4 799
Total assets	124 931	82 334	81 612
EQUITY AND LIABILITIES			
Equity, group			
Restricted equity	20 331	6 184	18 581
Non-restricted equity	100 913	72 802	57 016
Total equity, group company	121 244	78 986	75 597
Provisions			
Deferred tax liability	1 978	1 978	1 978
Current liabilities			
Trade payables	519	213	2 146
Current tax liability	11	0	86
Other liabilities	0	144	188
Accrued expenses	1 179	1 013	1 617
	1 709	1 370	4 037
TOTAL EQUITY AND LIABILITIES	124 931	82 334	81 612

SUMMARY CASH FLOW (GROUP)

KSEK

	01-jan-17 30-jun-17	01-apr-17 30-jun-17	01-jan-16 31-dec-16	01-jan-16 30-jun-16	01-apr-16 30-jun-16
Operating activities					
Operating profit/loss	-4 827	-2 371	-6 649	-3 260	-1 341
Adjustments for non-cash items, etc.	624	2	6	3	1
Interest received etc	0	0	0	0	0
Interest paid	-59	-1	-3	-2	0
Income tax paid	0	0	0	-126	5
Cash flow from operating activities before changes in working capital	-4 262	-2 370	-6 646	-3 385	-1 335
Cash flow from changes in working capital					
Decrease(+)/increase(-) in accounts receivable	6	25	24	73	4
Decrease(+)/increase(-) in receivables	-94	458	614	670	60
Decrease(-)/increase(+) in accounts payable	-1 665	-2 053	-166	-2 099	-807
Decrease(-)/increase(+) in current liabilities	-676	-277	-1 115	-1 722	-417
Cash flow from operating activities	-6 691	-4 217	-7 289	-6 463	-2 495
Investing activities					
Acquisition of capitalised expenditure for research etc.	-7 375	-4 147	-12 397	-5 233	-2 364
Acquisition of concessions, patents, licences etc.	-484	-132	-1 043	-759	-524
Acquisition of equipment, tools, fixtures and fittings	-34	-1	0	0	0
Sale of long-terms valuable document	0	0	-500	0	0
Acquisition of group companies	0	0	0	0	0
Amortisation payments during the year from group companies	0	0	0	0	0
Loans granted during the year to group companies	0	0	0	0	0
Cash flow from investing activities	-7 893	-4 280	-13 940	-5 992	-2 888
Financing activities					
New issue for the year	50 542	21 697	319	318	0
Cash flow from financing activities	50 542	21 697	319	318	0
Change in cash and cash equivalents	35 958	13 200	-20 910	-12 137	-5 383
Cash and cash equivalents at beginning of year	4 266	27 024	25 175	25 175	18 421
Cash and cash equivalents at end of period	40 224	40 224	4 265	13 038	13 038

FINANCIAL REPORTS (PARENT COMPANY)

SUMMARY INCOME STATEMENT (PARENT COMPANY)

Parent company	Jan-June	April-June	Jan-June	April-June	Jan-Dec
KSEK	2017	2017	2016	2016	2016
Operating income etc					
Net turnover	1 490	753	1 072	536	2 175
Other operating income	3	3	36	36	633
	1 493	756	1 108	572	2 808
Operating expenses					
Other external expenses	-2 479	-1 477	-1 612	-622	-3 332
Personell costs	-1 530	-803	-1 235	-591	-2 443
Depreciation and write-down of tangible and intangible assets	-2	-2	-3	-1	-6
	-4 011	-2 282	-2 850	-1 214	-5 781
Operating profit/loss	-2 518	-1 526	-1 742	-642	-2 973
Profit/loss from financial items					
Profit/loss from financial items	302	79	306	171	745
Other interest income from group companies	0	0	0	0	0
Interest expense and similar profit/loss items	-58	0	-2	0	-3
	244	79	304	171	742
Profit/loss after financial items	-2 274	-1 447	-1 438	-471	-2 231
Tax					
Profit loss for the period	-2 274	-1 447	-1 438	-471	-2 231

SUMMARY BALANCE SHEET (PARENT COMPANY)

Parent company KSEK	June 30 2017	June 30 2016	Dec 31 2016
Assets			
Fixed assets			
Intangible assets			
Tangible assets	32	5	2
Financial assets	80 624	48 724	49 224
Receivables from group companies	8 815	19 170	26 936
Total fixed assets	89 471	67 899	76 162
Current assets			
Current receivables			
Trade receivables	95	73	101
Receivables from Vicore Pharma AB	334	0	431
Other receivables	265	61	29
Prepaid expenses and accrued income	112	82	175
Cash and bank	37 639	12 290	3 119
Total current assets	38 445	12 506	3 855
TOTAL ASSETS	127 916	80 405	80 017
EQUITY AND LIABILITIES			
Equity			
Restricted equity	7 934	6 184	6 184
Non-restricted equity	118 520	72 794	72 002
Total equity	126 454	78 978	78 186
Long-term liabilities			
Liabilities to group companies	400	400	400
Current liabilities			
Trade payables	176	17	318
Current tax liability	10	66	64
Other liabilities	1	92	89
Accrued expenses and deferred income	875	852	960
	1062	1 027	1 431
TOTAL EQUITY AND LIABILITIES	127 916	80 405	80 017

SUMMARY CASH FLOW (PARENT COMPANY)

KSEK	01-jan-17 30-jun-17	01-apr-17 30-jun-17	01-jan-16 31-dec-16	01-jan-16 30-jun-16	01-apr-16 30-jun-16
Operating activities					
Operating profit/loss	-2 518	-1 597	-2 973	-1 742	-642
Adjustments for non-cash items, etc.	4	2	6	3	1
Interest received etc	302	79	745	306	171
Interest paid	-58	0	-3	-2	0
Income tax paid	-54	-54	-58	-28	-28
Cash flow from operating activities before changes in working capital	-2 324	-1 570	-2 283	-1 463	-498
Cash flow from changes in working capital					
Decrease(+)/increase(-) in accounts receivable	103	139	286	745	4
Decrease(+)/increase(-) in receivables	-173	401	375	435	47
Decrease(-)/increase(+) in accounts payable	-142	-308	-1 665	-1 965	-238
Decrease(-)/increase(+) in current liabilities	-173	-166	-1 615	-1 750	-280
Cash flow from operating activities	-2 709	-1 504	-4 902	-3 998	-965
Investing activities					
Acquisition of capitalised expenditure for research etc.	0	0	0	0	0
Acquisition of concessions, patents, licences etc.	0	0	0	0	0
Acquisition of equipment, tools, fixtures and fittings	-34	-1	0	0	0
Sale of long-terms valuable document	0	0	-500	0	0
Acquisition of group companies	-31 400	0	0	0	0
Amortisation payments during the year from group companies	18 121	-898	0	0	0
Loans granted during the year to group companies	0	0	-16 781	-9 014	-3 694
Cash flow from investing activities	-13 313	-899	-17 281	-9 014	-3 694
Financing activities					
New issue for the year	50 542	21 697	319	318	0
Cash flow from financing activities	50 542	21 697	319	318	0
Change in cash and cash equivalents	34 520	19 294	-21 864	-12 694	-4 659
Cash and cash equivalents at beginning of year	3 119	18 345	24 983	24 983	16 948
Cash and cash equivalents at end of period	37 639	37 639	3 119	12 289	12 289

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Company's operations.

Möln dal, 24 August 2017

Leif Darner, Chairman of the Board
Göran Wessman, Board Member
Kjell Stenberg, Board Member
Peter Ström, Board Member
Göran Arvidson, Board Member

Per Jansson, Chief Executive Officer

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