

INTERIM REPORT

JANUARY-SEPTEMBER 2021

THIRD QUARTER, JULY-SEPTEMBER 2021

- Net sales amounted to MSEK 0.0 (0.1)
- Operating loss (EBIT) amounted to MSEK -3.7 (-0.8)
- Loss after net financial items and tax amounted to MSEK -4.3 (-0.8)
- Cash flow amounted to MSEK 20.1 (-0.2)
- Earnings per share -0.42 (-0.08) SEK

JANUARY-SEPTEMBER 2021

- Net sales amounted to MSEK 0.1 (0.2)
- Operating loss (EBIT) amounted to MSEK -10.9 (-3.0)
- Loss after net financial items and tax amounted to MSEK -13.3 (-3.0)
- Cash flow amounted to MSEK 23.4 (1.8)
- Earnings per share SEK -1.29 (-0.30)
- Emplicure was listed on Nasdaq First North Growth Market

Emplicure is building a strong team and a foundation for growth.

FINANCIAL SUMMARY

Amounts in KSEK	Jul-Sep		Jan-Sep		Full Year
	2021	2020	2021	2020	2020
Net Revenue	4	107	80	160	290
Operating Profit (Loss) (EBIT)	-3 711	-835	-10 939	-3 043	-4 609
Profit (Loss) before Tax (EBT)	-4 321	-835	-13 312	-3 043	-4 609
Equity Ratio (%)	93,57	82,49	93,57	82,49	66,01
Total Capital Employed	28 397	2 652	28 397	2 652	3 668
Basic Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45
Diluted Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45
Cash & Cash Equivalents	26 634	2 652	26 634	2 652	3 245

Definitions of Key Ratios

Equity Ratio: Adjusted Equity as a percentage of total assets

COMMENTS BY THE CEO

Following this summer's new share issue and subsequent IPO, we are well equipped. The focus of the third quarter has been on shifting up and driving the development of the company's two main projects; Empli03, our drug candidate for chronic pain, and our oral tobacco-free nicotine product in the form of dry, white nicotine pouches as a consumer product. Both projects are developed on our own bioceramic and patented technologies and platforms.

The period has been defined by high activity with many external contacts with potential partners in, among other things, contract manufacturing of Empli03. The internal work of taking Empli03 into clinical phase is in full progress. We are very satisfied with the chemical formulation we now are ready to transfer to a contract manufacturer for the manufacture of drugs for clinical trials. Another positive result of the ongoing development work is that we see more and more examples of the scalability and versatility of our bioceramic platforms. We also see that the release profile of Empli03 can fill a great medical need. The tablet provides an immediate release of active substance to make the patient pain-free and then a significantly lower, but constant and stable release over time for the patient to remain pain-free.

Anna Franzén has been recruited as Sr Manager Clinical Projects. Anna holds a PhD in Pharmaceutical Life Sciences. Her recruitment is part of the plan to have an effective clinical interface at an early stage in our development phase. Anna will initially focus on the clinical work ahead with Empli03.

Our wholly owned subsidiary Amplicon is in discussions with several international nicotine companies. At the same time, we drive product development further to load our offer with both increased value and a higher price tag. As a result, at the time of writing, we are recruiting

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The focus of the third quarter has been on shifting up and driving the development of Emplicure's two main projects.



a development person to work on our nicotine projects full time. We have also expanded our premises with another laboratory to be able to work separately and efficiently with the various substances in our main projects.

Despite times of pandemics and new outbreaks, we believe that we are well equipped. We have a strong and diversified pipeline with both pharmaceuticals and consumer products under development to balance changes in our environment and still be able to continue our growth journey.

I look forward to entering the next phase in the development of our products and platforms and to clinically test them for the first time. It will be an exciting new step and I look forward to leading this work and to being able to report new and positive data from there.

In the meantime, I would like to wish everyone who reads this a really nice end to the fall and a wonderful winter.

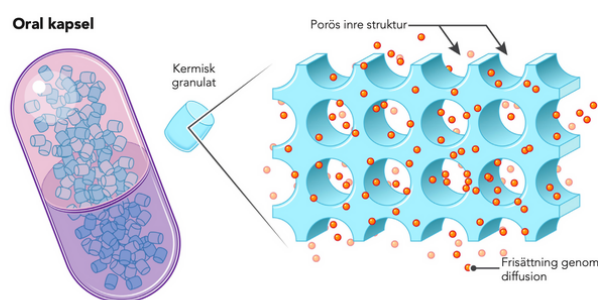
Torbjörn Walker Larsson
CEO

EMPLICURE

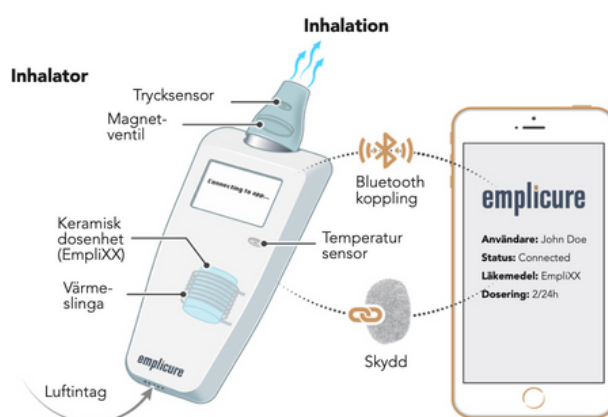
Emplicure is an innovative company that combines pharmaceutical development and materials science. We develop products and new areas of use by combining active and approved substances with our patented bioceramic platforms. The fact that the substances are already approved means shorter development time, more efficient projects with reduced risk and time to registration will be significantly shorter. Our vision "Introducing a new generation of products for a better tomorrow" is to create a better future for people by introducing new products with better accuracy when it comes to effect, duration and precision in dose delivery.

We have three different bioceramic platforms to administer drugs on; *Emplior* for the development of tablets, capsules and medicines for oral uptake, *Empliderm* for the development of transdermal dosage of medicines e.g. plasters, *Emplihale* for the development of inhalation of active substances. Combining different substances with bioceramics offers endless possibilities to create products with tailored properties. Our first product candidate is for chronic pain, Empli03 and it will enter the clinical documentation phase at the beginning of next year, 2022. This will be the first time we evaluate the technology platform in clinic.

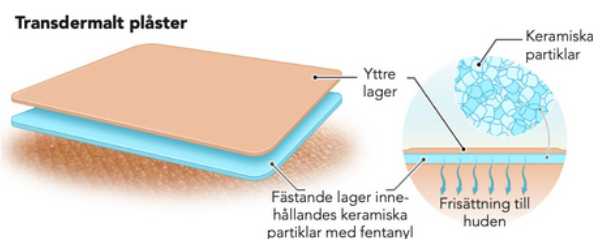
Empli03 is a pain medicine in the form of an oral, buccal tablet, with properties that counteract the abuse of the product. The product is being developed in the Emplior platform.



Oral administration - Emplior



Administration genom inhalation - Emplihale



Transdermal administration - Empliderm

AMPLICON

Our wholly owned subsidiary Amplicon develops new and innovative products for the consumer market. The products are developed on the same bioceramic platforms that Emplicure uses, which enables completely new solutions. Amplicon's first product is aimed at the large and growing global market for tobacco-free nicotine, and we have ongoing discussions with several major international companies.

Amp01 is an oral tobacco-free nicotine product in the form of dry, white nicotine pouches for consumers.



FINANCIAL POSITION

Result

The company has no net sales during the period. Operating loss for the third quarter amounted to kSEK -3.711 (-835 kSEK). Operating loss for the period January to September amounted to kSEK -10.939 (-3.043 kSEK). The company's research activities have continued to develop and costs have thus increased according to plan. The number of employees has also increased to develop current and future research projects.

Cash flow and Investments

Cash flow from operating activities for the third quarter of the year amounted to kSEK -5.608 (-1.057 kSEK). In total for the period January to September, the corresponding cash flow amounted to kSEK -13.306 (-2.910 kSEK).

Cash flow from investment activities amounted to kSEK -397 thousand (0 kSEK) in the third quarter and consists mainly of capital injections to the subsidiary Amplicon AB. In total for the period January to September this cashflow amounted to kSEK -719 (0 kSEK).

Cash flow from financing activities amounted to kSEK 26.114 (864 kSEK) for the third quarter and kSEK 37.414 (4.719 kSEK) for the January-September period, which is explained by the company's listing on Nasdaq First North Growth Market during the second quarter.

Personnel

The number of employees at the end of the period amounted to 5 (2).

Liquidity

As of September 30, the company's cash and cash equivalents amounted to kSEK 26.634 (2.563 kSEK). Receipt of payment from the broker for the listing took place in July.

Options program

The company has active option programs for key employees and the Board of Directors. A summary of these can be found under Note 3.

Risks and uncertainties

Management and the Board continuously evaluate risks and uncertainties related to the business. For an account of the risks associated with the company's operations, please refer to the Company's Annual Reports. These can be found on the company's website, www.emplicure.com, under the investor relations/financial reports tab.

SIGNIFICANT EVENTS

During the period

Anna Franzén has been recruited as Sr. Manager Clinical Projects.

THE SHARE

The Emplicure share (EMPLI) was listed at Nasdaq First North Growth Market on June 24, 2021. The Company has since June 30 gained approximately 300 new shareholders, and had as of September 30 more than 600 shareholders.

SHAREHOLDERS

This list shows the shareholders as of September 30, 2021 (and any known changes thereafter).

Shareholder	Name	Position	Number of Shares	Percent of share/vote
Lundqvist, Thomas	Thomas Lundqvist	Chairman of the Board	4 201 662	20,44%
Bredenberg, Susanne	Susanne Bredenberg	Shareholder	2 102 000	10,22%
Aduro Material AB	Håkan Engqvist	Member of the Board	2 045 855	9,95%
Pournouri, Peyman	Peyman Pournouri	Shareholder	1 067 247	5,19%
Monesi Förvaltning AB	Henrik Didner	Shareholder	1 044 108	5,08%
Nordnet Pensionsförsäkring AB		Shareholder	826 098	4,02%
Olle Olsson Holding AB	Ombud Leif Eriksson	Shareholder	783 000	3,81%
Mangold Fondkommission AB		Shareholder	747 731	3,64%
Deseven Capital Aktiebolag	Johan Wieslander	Member of the Board	415 662	2,02%
Punar, Cihan		Shareholder	356 153	1,73%
10 largest shareholders, total			13 589 516	66,10%
Other shareholders			6 968 484	33,90%
Total			20 558 000	100,00%

Introducing a new generation of products for a better tomorrow



INCOME STATEMENT

KSEK	2021-07-01	2020-07-01	2021-01-01	2020-01-01	2020-01-01
	2021-09-30	2020-09-30	2021-09-30	2020-09-30	2020-12-31
Operating Income					
Net Revenue	4	107	80	160	290
Other Operating Revenue	0	0	1	326	330
Total Operating Income	4	107	81	485	621
Operating Cost					
Other External Cost	-1 079	-480	-5 069	-1 579	-3 246
Employee Cost	-2 627	-462	-5 925	-1 949	-1 984
Depreciation/Amortisation	-5	0	-7	0	0
Other Operating Cost	-3	0	-20	0	0
Total Operating Cost	-3 715	-942	-11 021	-3 528	-5 230
Operating Profit (Loss)	-3 711	-835	-10 939	-3 043	-4 609
Profit (Loss) from Financial Items					
Profit (Loss) from shares in group companies	-610	0	-610	0	0
Financial Income	0	0	-1 762	1	1
Financial Costs	0	0	0	-1	0
Total Profit (Loss) from Financial Items	-610	0	-2 373	0	1
Profit (Loss) after Financial items	-4 321	-835	-13 312	-3 043	-4 609
Profit (Loss) before tax	-4 321	-835	-13 312	-3 043	-4 609
Tax					
Tax	0	0	0	0	0
Profit (Loss) after Tax	-4 321	-835	-13 312	-3 043	-4 609
Basic Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45
Diluted Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45

Enhancing preciseness in effect and duration.

BALANCE SHEET

KSEK	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed Assets			
Tangible Assets			
Equipment, tools and installations	102	0	0
Total Tangible Assets	102	0	0
Financial Assets			
Share in Group companies	25	0	25
Total Financial Assets	25	0	25
Total Fixed Assets	127	0	25
Current Assets			
Current Receivables			
Accounts Receivable	0	0	141
Other Receivables	1 370	0	181
Prepaid Expenses and Accrued Income	266	89	76
Total Current Receivables	1 636	89	398
Cash and Cash Equivalents			
Liquid Assets	26 634	2 563	3 245
Total Cash and Cash Equivalents	26 634	2 563	3 245
Total Current Assets	28 270	2 652	3 643
TOTAL ASSETS	28 397	2 652	3 668

Almost 1,6 billion people are affected by chronic pain.



EQUITY AND LIABILITIES

KSEK	2021-07-01	2020-07-01	2021-01-01	2020-01-01	2020-01-01
	2021-09-30	2020-09-30	2021-09-30	2020-09-30	2020-12-31
Operating Income					
Net Revenue	4	107	80	160	290
Other Operating Revenue	0	0	1	326	330
Total Operating Income	4	107	81	485	621
Operating Cost					
Other External Cost	-1 079	-480	-5 069	-1 579	-3 246
Employee Cost	-2 627	-462	-5 925	-1 949	-1 984
Depreciation/Amortisation	-5	0	-7	0	0
Other Operating Cost	-3	0	-20	0	0
Total Operating Cost	-3 715	-942	-11 021	-3 528	-5 230
Operating Profit (Loss)	-3 711	-835	-10 939	-3 043	-4 609
Profit (Loss) from Financial Items					
Profit (Loss) from shares in group companies	-610	0	-610	0	0
Financial Income	0	0	-1 762	1	1
Financial Costs	0	0	0	-1	0
Total Profit (Loss) from Financial Items	-610	0	-2 373	0	1
Profit (Loss) after Financial items	-4 321	-835	-13 312	-3 043	-4 609
Profit (Loss) before tax	-4 321	-835	-13 312	-3 043	-4 609
Tax					
Tax	0	0	0	0	0
Profit (Loss) after Tax	-4 321	-835	-13 312	-3 043	-4 609
Basic Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45
Diluted Earnings per Share (SEK)	-0,42	-0,08	-1,29	-0,30	-0,45

STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Jul-Sep		Jan-Sep		Full Year
	2021	2020	2021	2020	2020
	Share	Share	Other	Retained	Total Equity
	Capital	Premium	Reserves	Earnings	
		Account			
Opening Balance on January 1, 2021	110	6 509	411	-4 609	2 421
<i>Appropriation in accordance with AGM decision:</i>		-6 509	1 901	4 609	0
Bonus Issue	438	0	-438		0
New Shares Issue	480	39 360			39 840
Cost attributable to Listing		-2 588			-2 588
Warrants			162		162
Employee Stock Options			50		50
Profit (Loss) for the Period			0	-13 312	-13 312
Closing Balance on September 30, 2021	1 028	36 772	2 086	-13 312	26 574

STATEMENTS OF CASH FLOW

KSEK	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2021-01-01 2021-09-30	2020-01-01 2020-09-30	2020-01-01 2020-12-31
Operating Activities					
Operating Profit (Loss)	-3 711	-835	-10 939	-3 043	-4 609
Adjustments for items not included in the cash flow	35	0	56	0	0
Interest received	0	0	0	1	1
Interest paid	0	0	-1 763	-1	0
Paid Taxes	-18	-14	-63	-49	-21
Cashflow from operating activities before changes in working capital	-3 694	-849	-12 708	-3 092	-4 629
Cashflow from changes in working capital					
Decrease(+)/increase(-) in accounts receivable	0	0	141	33	-108
Decrease(+)/increase(-) in operating receivables	-288	30	-1 379	347	179
Decrease(+)/increase(-) in accounts payable	-640	0	-30	-121	290
Decrease(+)/increase(-) in operating payables	-986	-237	670	-76	266
Cash flow from operating activities	-5 608	-1 057	-13 306	-2 910	-4 003
Investing activities					
Investment in equipment, tools and installations	-67	0	-109	0	0
Investment in subsidiary	-330	0	-610	0	0
Acquisition of subsidiary	0	0	0	0	-25
Cash flow from investing activities	-397	0	-719	0	-25 000
Financing activities					
New share issue	26 114	864	37 414	4 719	6 519
Cash flow from financing activities	26 114	864	37 414	4 719	6 519
Change in Cash and Cash Equivalents	20 109	-193	23 389	1 809	2 491
Cash and Cash Equivalents at the beginning of the period	6 525	2 755	3 245	753	753
Cash and Cash Equivalents at the end of the period	26 634	2 563	26 634	2 563	3 245

NOTES

Accounting principles

The interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and consolidated accounts (K3). The same accounting principles and calculation methods have been used in the interim report as in the most recent annual report.

Review by auditor

The company's auditor is Leonard Daun, PWC. The interim report has not been subject to review by the company's auditor.

Related transactions

Companies related to the CFO and several members of the board have during the period had agreements on consulting services with the company. Transactions with related parties are on market terms.

Consolidation

No consolidated accounts have been prepared, as there has been no operations in the subsidiary, all in accordance with the relief rules for smaller groups in ÅRL. This will be prepared in connection with the annual accounts 2021-12-31

Disclosure of individual items

Note 1 Average number of employees	2021-09-30	2020-12-31
Average number of employees were	4	2

Note 2 Shares in Group companies	2021-09-30	2020-12-31		
Company, Organisation Number	Domicile	No./Cap. Share %	Book Value	Book Value
Amplicon AB, 559282-6431	Uppsala	25 000 100,00%	25 000	25 000
			25 000	25 000
Information about equity and result			Equity	Result
Amplicon AB			25 000	0

Note 3 Disclosure of share capital and option programs

	Number of shares	Nominal amount per share
Number/Value at the beginning of the period	10 958	10,00
Split	10 000 000	0,05
Bonus Issue	947 042	0,05
New Shares Issue	9 600 000	0,05
Number/Value at the end of the period	20 558 000	0,05

Note 4 Definition of Key Ratios

Equity Ratio

Adjusted Equity as a percentage of total assets

OPTION PROGRAMS

Warrants

Program	Number of warrants acquired at the beginning of the period	Number of warrants acquired during the period	Number of warrants exercised during the period	Number of warrants at the end of the period	Terms	Subscription price
2019/2022	325	0	0	325	One warrant entitles the holder to subscribe for 1,000 shares	15
<i>Subscription period July 1, 2022 until December 31, 2022</i>						
2021/2024	0	363 249	0	363 249	One warrant entitles the holder to subscribe for one share	9,58
<i>Subscription period April 6, 2024 until July 6, 2024</i>						
TO1 (issued as part of the units issued in connection with the company's listing on Nasdaq First North)	0	9 600 000	0	9 600 000	One warrant entitles the holder to subscribe for one share	70 percent of the volume-weighted average price of the company's share on Nasdaq First North during the period from April 12, 2022 until April 27, 2022, but with a minimum of SEK 0.05 and a maximum of SEK 6.23 per share
<i>Subscription period April 29, 2022 to May 13, 2022</i>						

Employee Share Options

Program	Number of warrants acquired at the beginning of the period	Number of warrants acquired during the period	Number of warrants exercised during the period	Number of warrants at the end of the period	Terms	Subscription price
2019/2023 (qualified)	0	0	0	0	-	-
<i>Subscription period July 1, 2022 until June 30, 2023</i>						
Please note that 100 warrants of series 2019/2023 have been issued to secure the company's delivery of shares. These are not reported in the table above regarding warrants.						
2021/2024 (non qualified)	0	108 975	0	108 975	Each employee stock option entitles the participant to either (i) acquire a new share in the company at a subscription price of SEK 9.58, or (ii) receive a cash compensation corresponding to the difference between the market value of the company's share at the time of exercise and the subscription price of SEK 9.58	See terms
<i>The employee share options may be exercised no earlier than three years and no later than three years and three months after the participant has signed the share options agreement. Please note that warrants of series 2021/2025 * have been issued to secure the company's delivery of shares. These are not reported in the table above regarding warrants.</i>						
2021/2025 (qualified)	0	423 790	0	423 790	Each employee share option gives the right to acquire one new share in the company	9,58

The employee share options may be exercised for share subscription no earlier than three years after the participant has signed the option agreement

Please note that warrants of series 2021/2025 * have been issued to secure the company's delivery of shares. These are not reported in the table above regarding warrants.

Please note further that there is a pot of 181,624 qualified employee share options for new employees. If all are granted, the program comprises a total of 605,414 qualified employee share options.

*Warrants of series 2021/2025 comprise a total of 714,389 warrants.

THE BOARD'S DECLARATION

The Board of Directors and the CEO assure that this report provides a fair overview of the company's operations, position and results.

Uppsala November 18, 2021

Thomas Lundqvist
Chairman of the Board

Torbjörn Walker Larsson
CEO

Gunilla Ekström
Member of the Board

Håkan Engqvist
Member of the Board

Ingemar Kihlström
Member of the Board

Johan Wieslander
Member of the Board

OTHER INFORMATION

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Financial calendar for 2021:
Year-end report 2021, February 22, 2022

This report has been translated from the Swedish original report. In case of discrepancies between the two versions, the Swedish version shall prevail.