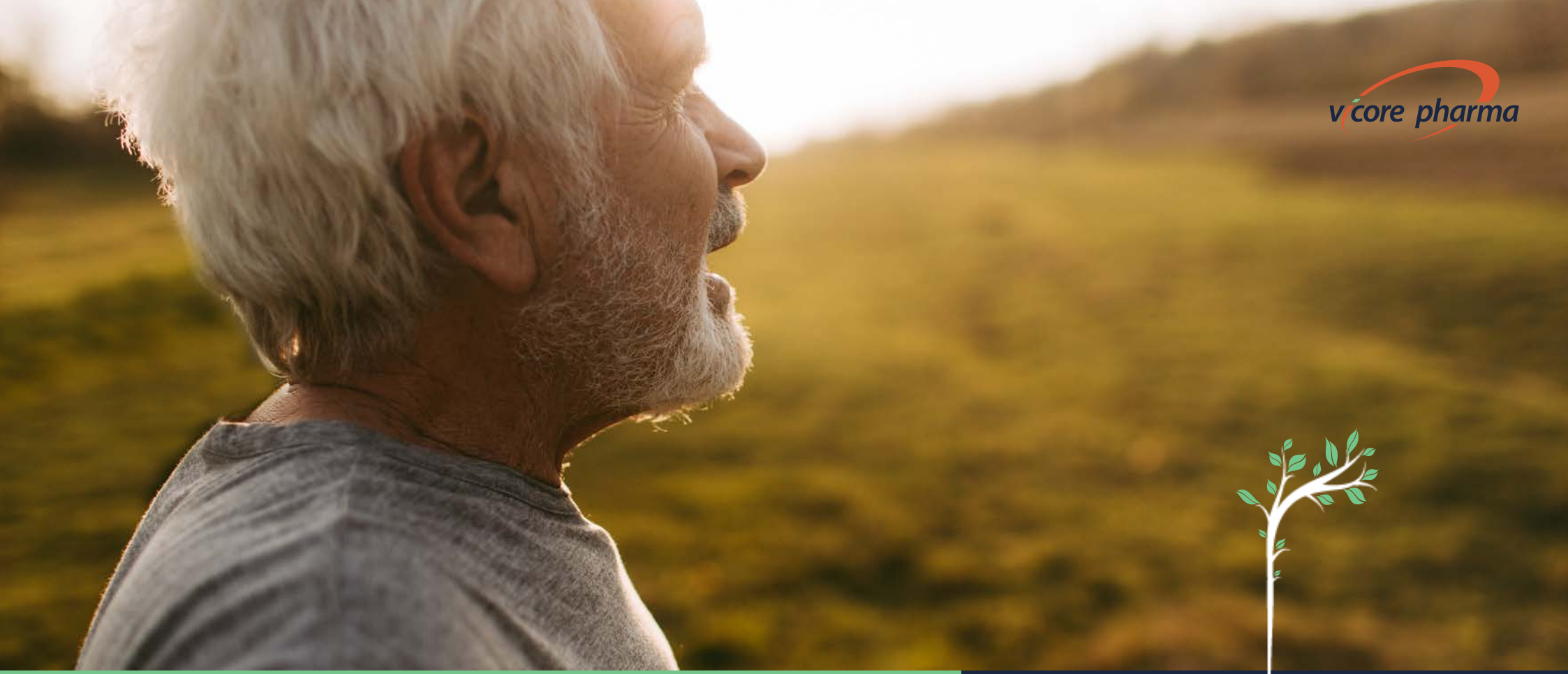
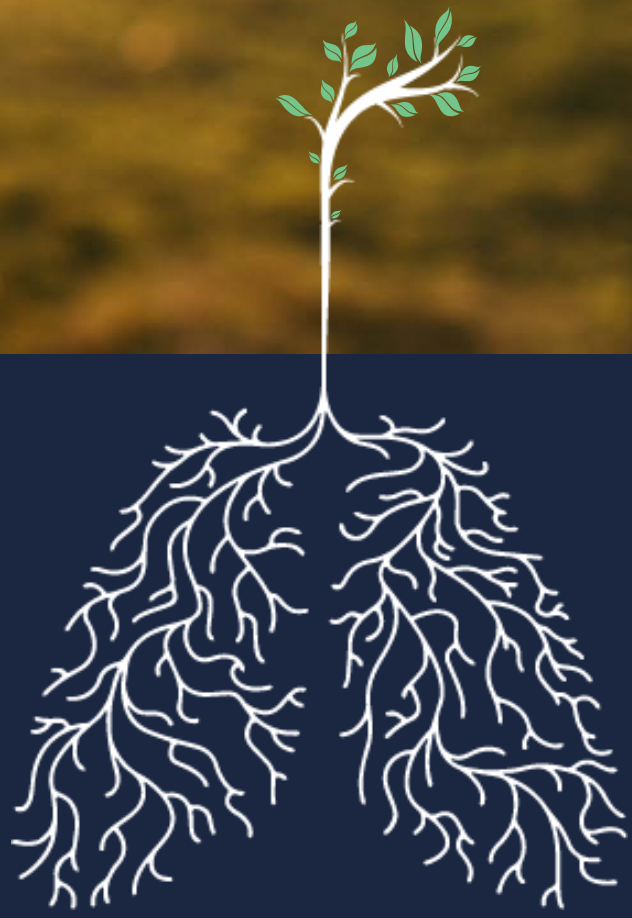


Interim report Apr 1 - Jun 30, 2020

Vicore Pharma Holding AB (publ)



vicorepharma.com

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Summary of the Period

Important events during the second quarter

- In April, Vicore Pharma gained approval from the UK regulatory agency MHRA, to start the phase II study with VP01 on patients with COVID-19. The ATTRACT study is a randomized, double blind, placebo controlled study in approximately 100 COVID-19 patients with a moderately severe disease, treated with basic respiratory care, but not on mechanical ventilation. The study will investigate the efficacy on respiratory failure and functional outcomes.
- In May, Vicore Pharma received approval from the UK regulatory agency MHRA, to start the phase II study with VP01 in patients with idiopathic pulmonary fibrosis (IPF).
- In May, Vicore Pharma was awarded a grant of 1.5 GBP million from the UK charity LifeArc for the ATTRACT study in patients with COVID-19.
- In June, Vicore Pharma announced positive results with VP01 in a preclinical model considered predictive of human pulmonary hypertension.
- In June, Vicore Pharma announced that the ATTRACT study with VP01 on COVID-19 will expand to India in order to accelerate patient enrolment. A clinical trial application was submitted and approved by the health authorities in India.

Important events after the period

- In July, Vicore completed a directed share issue resulting in proceeds of 185 MSEK before transaction costs. Pro forma, including the directed share issue, cash and cash equivalents and short-term investments per June 30, 2020, amounted to 397.4 MSEK.
- In July, Vicore Pharma announced that the first patient with COVID-19 had been dosed in the ATTRACT study in India.
- In August, Vicore Pharma announced that the study with VP01 in patients with systemic sclerosis had restarted after the pause caused by the COVID-19 pandemic.

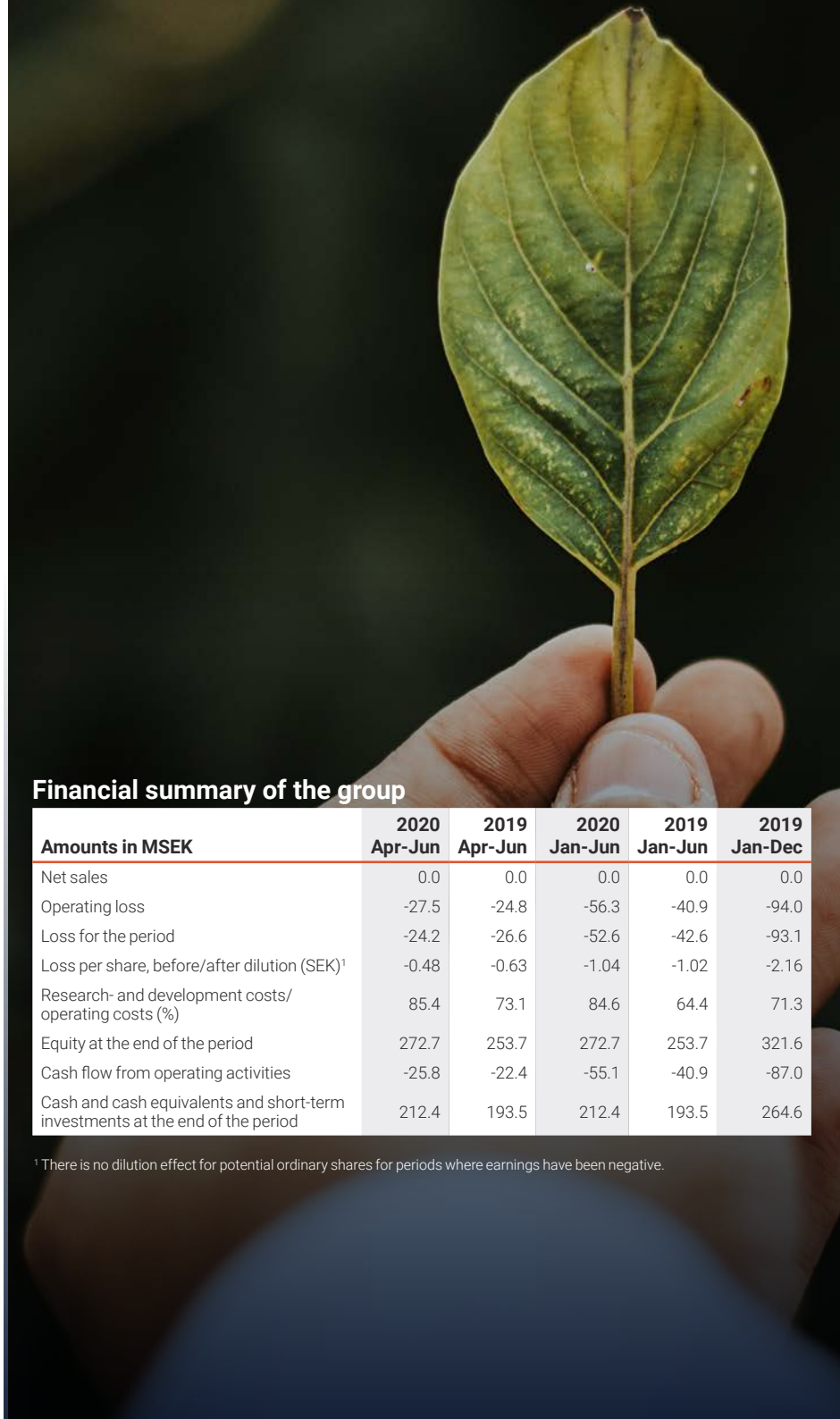
Financial overview for the period

April 1 - June 30, 2020

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -27.5 MSEK (-24.8)
- Loss for the period amounted to -24.2 MSEK (-26.6)
- Loss per share, before and after dilution, was -0.48 SEK (-0.63)
- On June 30, 2020, cash and cash equivalents and short-term investments amounted to 212.4 MSEK (264.6 MSEK as of December 31, 2019)

January 1 - June 30, 2020

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -56.3 MSEK (-40.9)
- Loss for the period amounted to -52.6 MSEK (-42.6)
- Loss per share, before and after dilution, was -1.04 SEK (-1.02)



Financial summary of the group

Amounts in MSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	0.0	0.0	0.0	0.0	0.0
Operating loss	-27.5	-24.8	-56.3	-40.9	-94.0
Loss for the period	-24.2	-26.6	-52.6	-42.6	-93.1
Loss per share, before/after dilution (SEK)[1]	-0.48	-0.63	-1.04	-1.02	-2.16
Research- and development costs/ operating costs (%)	85.4	73.1	84.6	64.4	71.3
Equity at the end of the period	272.7	253.7	272.7	253.7	321.6
Cash flow from operating activities	-25.8	-22.4	-55.1	-40.9	-87.0
Cash and cash equivalents and short-term investments at the end of the period	212.4	193.5	212.4	193.5	264.6

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

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").

CEO Comments

The second quarter was intense with setting up the phase II VP01 studies ATTRACT (COVID-19) and the IPF study. We also had several investor meetings leading up to a capital raise on July 2, reducing the financial risks and expectedly extending the runway well beyond the readout of the phase II study in IPF.

The ATTRACT study expands to recruit outside the UK

ATTRACT (Angiotensin II Type Two Receptor Agonist COVID-19 Trial) is targeting hospitalized patients treated with basic respiratory care, but not on mechanical ventilation. These patients have a marked inflammatory drive which can lead to acute respiratory failure if it progresses.

At the end of April, we announced approval of the clinical trial application (CTA) from the UK regulatory agency MHRA in record time and we have now full regulatory approval in the UK. In June, the number of cases in the UK was going down and in order to accelerate recruitment we performed a thorough feasibility study in countries outside the UK and decided to file also in India, where the number of cases is still on the rise. The CTA was approved in mid-June and at the end of July, the first patient was dosed. Although predictions of COVID-19 in India are extremely difficult we expect the study to be completed by year end.

In strong competition, the ATTRACT study was awarded a grant from the UK charity LifeArc of approximately 1.5 GBP million (18.5 MSEK) after prioritization by an expert panel.

The IPF study approved in the UK

The IPF study is a multi-center, open-label, single-arm trial investigating the safety, efficacy, and pharmacokinetics of VP01 in subjects with IPF. It was approved by the UK regulatory agency MHRA in May and pending the development of COVID-19 the company still expects the study to start late Q3. However, to make sure that we do not depend on a single country, feasibility studies have been performed in other countries and also for this study a clinical trial application has been submitted to the Indian authorities as the first country outside of the UK. The study will include approximately 60 patients and the observed treatment effect of VP01 for six months will be compared with the well-documented linear decline of lung function in untreated patients.

The SSC study has started again and is still on track

In the mechanistic study in patients with systemic sclerosis (SSc) and Raynaud's phenomena, the effect of VP01 on blood flow in small vessels is investigated. This will, together with the elaborate animal model of pulmonary hypertension, determine the effect on vasculopathy. The recruitment to this study was ahead of schedule when we needed to pause due to COVID-19. It has now started again and if the COVID-19 situation does not change, we expect the study to be completed by the end of the year.

Intriguing data from an animal model of pulmonary hypertension

In the gold-standard preclinical model, considered predictive of human pulmonary hypertension, the so called Sugen-hypoxia model, VP01 demonstrated both hemodynamic effects and reduced vascular remodeling. This together with the anti-fibrotic effects give VP01 a unique profile.

The VP02 program starts tech transfer for clinical (GMP) production

The inhaled formulation for local delivery of an IMiD 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, the company has entered an agreement with Nanologica AB for tech transfer to the UK manufacturer Sterling Ltd.

The VP03 program advances

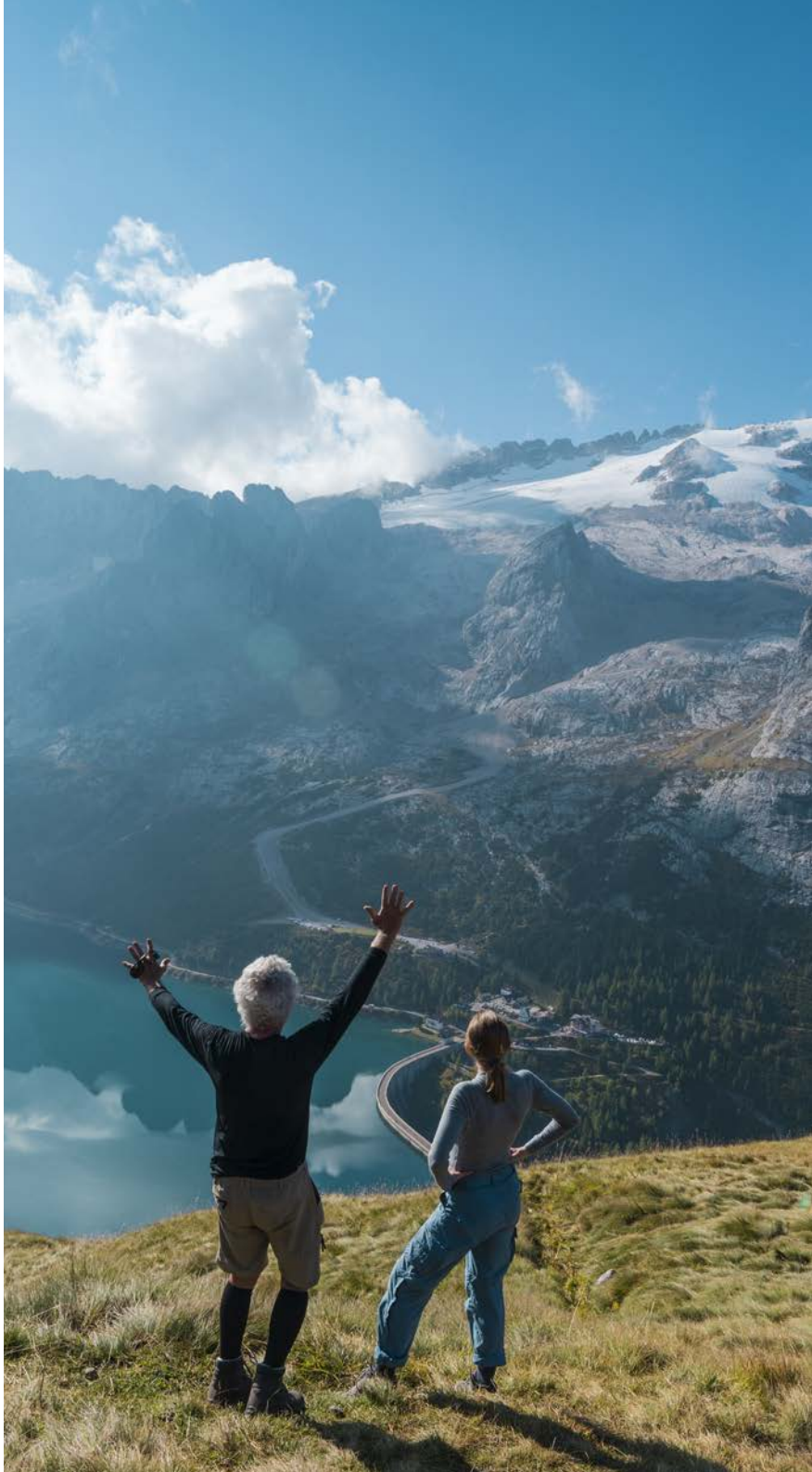
In the VP01 follow up project, two classes of novel and unique compounds have been identified and patent applications filed. One of these compounds is now progressing to toxicological studies.

Successful capital raise

In early July, we successfully completed a share issue of approximately 185 MSEK directed to Swedish and foreign institutions. Once again, we received a significant interest from specialized and long-term investors, both existing and new. Through the proceeds we strengthened our balance sheet significantly, which reduces the financial risks in the company and allows us to accelerate the pace of our programs, not least the development of VP03.

To summarize, we are now prepared to have three phase II studies up and running during the second half of 2020 and have a healthy financial position.

Carl-Johan Dalsgaard, CEO



Business and Focus Areas

Vicore is a rare disease pharmaceutical company focused on rare lung disorders and related indications. The company currently has three drug development programs, VP01, VP02 and VP03. VP01 aims to develop the substance C21 for the treatment of idiopathic pulmonary fibrosis ("IPF"), pulmonary fibrosis in systemic sclerosis ("SSc") and COVID-19. VP02 is based on a new formulation and delivery route of an existing immunomodulatory compound (an "IMiD"). VP02 focuses on the underlying disease and the severe cough associated with IPF. VP01 and VP02 are also being actively evaluated for other indications within the field of fibrotic lung diseases which have a significant high unmet need. Within the project VP03, Vicore develops new patentable C21-like molecules with new and in some respects improved properties. The objective is partly to develop competitive pharmaceutical products for broader indications where it is not possible to obtain orphan drug status.

Fibrotic lung disease is an area where there is a great need for new and effective treatments. This attracts considerable interest from the major pharmaceutical companies, which may open up for future commercial partnerships.

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. In 2019, Vicore made a contribution to Action for Pulmonary Fibrosis as part of increasing the understanding of IPF. Vicore is also a sponsor of the EU-IPFF , the European charity and patient organization for IPF, and participates in their conventions.

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

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

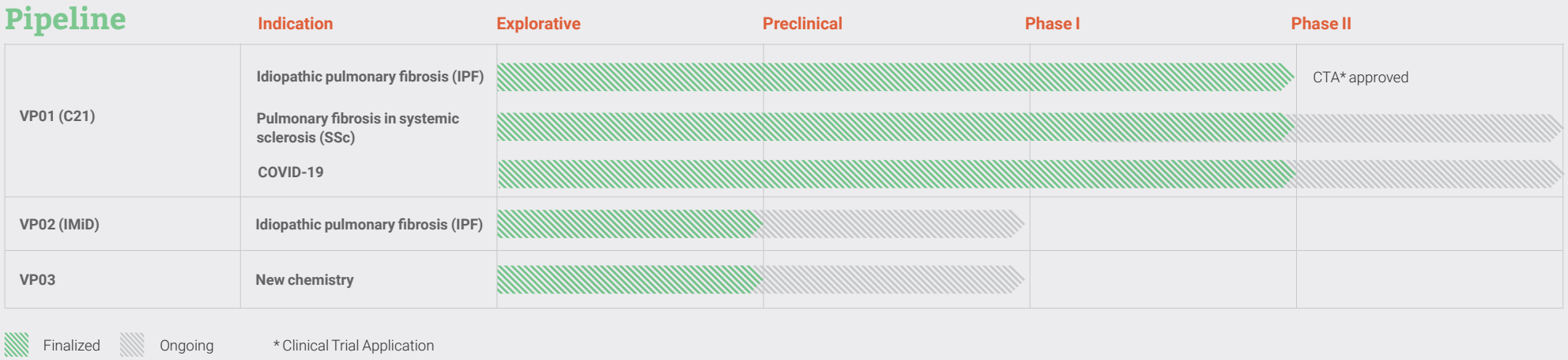
Goal

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 (follow-up molecules to C21) 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.

Project Overview



VP01 - AT2 receptor agonist - multi-modal effect

Vicore's drug candidate VP01 (C21) originates from extensive research on the Renin-Angiotensin System (RAS), a central system in the body for regulating blood pressure and salt balance. Within RAS, there is the angiotensin II type 2 receptor (AT2 receptor), which, upon activation, contributes to healing effects after tissue damage or within immune system disorders, and may also counteract the negative effects of AT1 receptor activation. The AT2 receptor is found to be highly up-regulated in diseases such as IPF.

Results from extensive preclinical research conducted with VP01 indicate that it has anti-inflammatory, anti-fibrotic, anti-proliferative, vasodilatory and positive vascular remodelling actions. In June, Vicore announced positive results with VP01 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.

VP01 selectively binds to and activates the AT2 receptor and thereby generates several biological effects beneficial to counteracting fibrosis and inflammation, an ideal profile for treatment of complex diseases such as IPF. Vicore has received orphan drug designation for VP01 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.

Project status VP01

In September 2019, Vicore completed a 54-subject phase I dose-escalation study with VP01. The study established that 200 mg daily has a good safety profile and that it is the maximum tolerated dose. This dose is used in the ongoing phase II study in SSc and will be used in the initiated/planned and approved phase II studies in IPF and COVID-19. Moreover, based on receptor-binding and other data, Vicore concluded that this dose results in a free VP01 plasma concentration that is sufficient to activate the AT2 receptor. In addition to being a high affinity AT2 receptor agonist, VP01 is also a low affinity thromboxane (TP) receptor antagonist, which is relevant for conditions such as SSc and pulmonary fibrosis where TP receptor activation contributes to disease manifestations. The effect on the TP receptor occurs at higher concentrations of VP01 than that required for AT2 receptor activation.

The phase II study in IPF 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 clinical trial application (CTA) for the phase II study in patients with IPF was submitted to the UK regulatory agency, MHRA, at the end of March and was approved in May. However, to ensure that the study is not dependent on just one country, feasibility studies have been performed in other countries and a clinical trial application was submitted to the Indian authorities as the first country outside the UK.

The IPF study was designed to

- provide strong statistical power to detect a treatment effect
- make patient recruitment easier
- reduce the number of patients needed

Instead of a blinded placebo controlled three-month study, which the safety package automatically allows for, Vicore will conduct a six months study and compare with well documented patient baseline values. This is feasible since the important endpoint, FVC, a measurement of lung volume, is an objective measure and because disease progression has consistently been documented to correspond to a decrease of lung volume of approximately 120 ml per six months. By doing this change, it is also possible to eliminate the risk of unintentional unblinding, since patients may realize whether or not they are on drug or placebo during the course of the study. In addition, patients will be given the opportunity to continue treatment for another three months. Depending on the COVID-19 situation, Vicore anticipates that patient recruitment can start late Q3, 2020.

Vicore has selected pulmonary fibrosis in connection with systemic sclerosis ("SSc") as the potential second indication for VP01. Extensive research with VP01 in various disease models has shown the possibility of targeting diseases with both fibrotic and vascular pathological changes which occur in both SSc and other different interstitial lung diseases. In the phase II clinical study with VP01 in patients with SSc and Raynaud's phenomenon, Vicore is studying if VP01 can increase blood flow in a cold challenge test. Effects on blood flow may be significant in the lung manifestations in SSc as well as in IPF. The study has recruited patients faster than planned since the start in December. However, the clinical trial work was paused in March due to the situation with the COVID-19 pandemic. The study has now started again and if the COVID-19 situation does not change, the study is expected to be completed by the end of the year.

In addition, Vicore is conducting a phase II study with VP01 in patients with COVID-19. It is called ATTRACT (Angiotensin II Type Two Receptor Agonist COVID-19 Trial), and the study has received full approval by the health authorities in the UK and India. At the end of July, the first patient was dosed in India.

Vicore has been awarded a 1.5 GBP million grant from the UK-based self-funded medical research charity LifeArc to co-fund the study.

Internal preclinical findings with C21 and the fact that RAS plays a key role in the development of COVID-19 suggest that C21 could have a role in the treatment of this disease. It has recently been shown that SARS CoV-2 utilizes the enzyme angiotensin converting enzyme 2 (ACE2), which is part of RAS, for entry into the cell. This inactivates the ACE2 enzyme, creating an imbalance in the local RAS, leading to acute lung injury. Given that ACE2 generates the natural ligands for AT2R, Vicore believes that, by acting directly on the AT2 receptor, VP01 may suppress inflammatory mediators and bypass the way by which the virus incapacitates the system.

The study is a randomized, double blind, placebo-controlled study in approximately 100 COVID-19 patients with a moderately severe disease, requiring basic respiratory support, but not mechanical ventilation. It will investigate the efficacy on respiratory failure and functional outcomes. Although predictions of COVID-19 are extremely difficult the study is expected to be completed by year end.

VP02 – Targeting IPF and IPF related cough

VP02 is a novel formulation utilizing an existing immunomodulatory drug (IMiD) that can be administered locally to the lung by loading the drug molecules into amorphous microparticles. It is thought that the actions of IMiD (VP02) suppress pathways involved in the cough reflex together with disease modifying 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 therapy for IPF-related cough and standard cough medications have little or no effect. 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 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.

Project status VP02

The inhaled formulation for local delivery of an IMiD 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 an agreement with Nanologica AB for tech transfer to the UK manufacturer Sterling Ltd.

Project VP03 – VP01 follow-on molecules

Within this program, Vicore develops new patentable C21-like molecules with new and in some respects improved properties. The objective is partly to develop competitive pharmaceutical products for broader indications where it is not possible to obtain orphan drug status. The project, which is in the preclinical phase, has developed well, and so far two patent applications regarding potential successors to VP01/C21 have been filed. This work is done in collaboration with external researchers.

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

Financial Information

As of the fourth quarter 2019, Vicore classifies operating expenses by function instead of by nature of expense. The transition has been made to give a more accurate picture of the company. This is because the company has significant costs for clinical studies and staff in research and development, which is now being more clearly presented. A change in the presentation of the income statement entails a change of principle, which is carried out with retroactive effect. Consequently, the income statements for the comparative periods have also been prepared in accordance with a classification by function. Note 6 describes the transition from the nature of expense method to the function of expense method.

Operating income

Net sales during the second quarter amounted to 0.0 MSEK (0.0) and 0.0 MSEK (0.0) during the first half of the year.

Operating expenses

Operating expenses during the second quarter amounted to -34.8 MSEK (-24.8) and to -63.6 MSEK (-41.0) for the first six months.

Administrative expenses

Administrative expenses during the second quarter amounted to -4.9 MSEK (-6.7) and -9.5 MSEK (-14.6) for the first six months. The higher costs during the previous year is mainly attributable to costs for the company's Nasdaq Stockholm main list listing process. The costs for share-based incentive programs related to administration amounted to -1.3 MSEK (-0.8) for the second quarter and -1.3 MSEK (-1.4) for the first half of the year.

Research and development expenses

Research and development expenses during the second quarter amounted to -29.7 MSEK (-18.2) and -53.8 MSEK (-26.4) during the first six months. Research and development expenses for the second quarter are mainly related to clinical trial and formulation costs for VP01 and preclinical costs for VP02. The costs for share-based incentive programs related to research and development expenses amounted to -0.3 MSEK (-0.1) for the second quarter and -0.4 MSEK (-0.2) for the first half of the year. Research and development expenses divided by operating expenses, which is one of the company's alternative performance measures, during the second quarter was 85.4 percent (73.1 percent) and 84.6 percent (64.4 percent) for the first six months.

Other operating income and expenses

Other operating income and expenses during the second quarter amounted to 7.1 MSEK (0.0) and 7.0 MSEK (0.0) for the first half of the year. During the second quarter, Vicore Pharma received a grant of 1.5 GBP million (18.5 MSEK) from the British charity organisation LifeArc for the ATTRACT study in patients with COVID-19. The grant is accounted for in accordance with IAS 20 "Accounting for government grants and disclosures of government aid". During the second quarter 5.8 MSEK was paid out, which corresponds to 33 percent of the total grant. In addition, 0.7 MSEK has been reported as accrued income. Other operating income and expenses otherwise mainly consist of exchange rate differences on supplier invoices.

Costs for share-based incentive programs

The cost of 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 liabilities. The total costs for the share-based incentive programs during the second quarter amounted to -1.6 MSEK (-0.9) and -1.7 MSEK (-0.9) during the first six months. Of the -1.6 MSEK (-0.9) for the

Financial calendar

November 6, 2020 Interim report, quarter 3

February 26, 2021 Year-end report 2020

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

second quarter, -0.7 MSEK (-0.5) consists of IFRS 2 classified salary costs and -0.9 MSEK (-0.4) provisions for social security contributions. These costs have had no cash flow impact.

Result

The operating loss for the second quarter amounted to -27.5 MSEK (-24.8) and -56.3 MSEK (-40.9) for the first six months. The result from financial items amounted to 3.1 MSEK (-1.7) for the second quarter and to 3.4 MSEK (-1.7) for the first half of the year. This is mainly attributable to a positive development of the value of the company's long-term investment (I-Tech) during the period. The result after financial items for the second quarter amounted to -24.3 MSEK (-26.6) and -52.8 MSEK (-42.6) for the first six months.

Tax for the second quarter amounted to 0.1 MSEK (0) and 0.2 MSEK (0) during the first half of the year. 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 2019 amounted to 263.3 MSEK. The group's tax loss carryforwards have not been measured and are not recognized as a deferred tax asset. These tax loss carryforwards will be 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 second quarter amounted to -24.2 MSEK (-26.6) and to -52.6 MSEK (-42.6) for the first six months. Earnings per share before and after dilution amounted to -0.48 SEK (-0.63) for the second quarter and -1.04 SEK (-1.02) for the first half of the year.

Cash flow, investments and financial position

Cash flow from operating activities for the second quarter amounted to -25.8 MSEK (-24.2) and -55.1 MSEK (-40.9) for the first six months. Adjustment for items not included in the cash flow for the second quarter amounted to 1.6 MSEK (0.6) and mainly comprised of IFRS 2 classified salary costs for share-based incentive programs and amortization of acquired intangible assets.

Cash flow from investing activities amounted to 0 MSEK (0) for the second quarter and to 0 MSEK (0) for the first half of the year.

Cash flow from financing activities amounted to 0 MSEK (0) for the second quarter and 2.5 MSEK (9.7) for the first six months.

As of June 30, 2020, cash and cash equivalents amounted to 135.0 MSEK (187.6 MSEK as of December 31, 2019) and short-term investments amounted to 77.4 MSEK (77.0 MSEK as of December 31, 2019). As of June 30, 2020, cash and cash equivalents and short-term investments amounted in total to 212.4 MSEK (264.6 MSEK as of December 31, 2019).

Equity

Equity as of June 30, 2020, amounted to 272.7 MSEK (253.7), corresponding to 5.41 SEK (5.99) per share. The company's equity ratio at the end of the period, which is one of the company's alternative performance measures, was 93.7 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 second quarter, net sales for the parent company amounted to 0.9 MSEK (1.0) and to 1.8 MSEK (1.6) for the first half of the year. Net sales mainly consisted of management fees from group companies. Administrative expenses during the second quarter amounted to -4.8 MSEK (-6.6) and to -9.2 MSEK (-14.5) for the first six months. The higher costs during the previous year is mainly attributable to costs for the company's Nasdaq Stockholm main list listing process. The operating loss for the second quarter amounted to -4.2 MSEK (-6.0) and -8.1 MSEK (-13.4) for the first half of the year. The loss for the second quarter amounted to -4.1 MSEK (-6.0) and -7.8 MSEK (-13.7) for the first six months.

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"). During the second quarter, the liquidation of the dormant company, ITIN Holding AB, was completed.

Financial summary of the group

Amounts in MSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	0.0	0.0	0.0	0.0	0.0
Operating loss	-27.5	-24.8	-56.3	-40.9	-94.0
Loss for the period	-24.2	-26.6	-52.6	-42.6	-93.1
Loss per share, before/after dilution (SEK)[1]	-0.48	-0.63	-1.04	-1.02	-2.16
Research- and development costs/ operating costs (%)	85.4	73.1	84.6	64.4	71.3
Equity at the end of the period	272.7	253.7	272.7	253.7	321.6
Cash flow from operating activities	-25.8	-22.4	-55.1	-40.9	-87.0
Cash and cash equivalents and short-term investments at the end of the period	212.4	193.5	212.4	193.5	264.6

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

Other Information

Personnel

As of June 30, 2020, the group had 13 employees, of whom eight were women and five men. Eight of the employees are active in R&D of which 63 percent hold a PhD degree. The company also engages consultants for specialist tasks and assignments on a frequent basis.

The share

Vicore's share is listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of June 30, 2020, the total number of shares amounted to 50,418,239 and the market capitalization was 862 MSEK. The company's shares are issued in one class and each share carries one vote.

The AGM 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 subscription price was determined through an accelerated bookbuilding process and corresponds to approximately 5.0 percent premium to the 5-day volume weighted share price. The directed issue entails a dilution of approximately 16.6 percent, which means that most of the authorization has been utilized. The total number of shares outstanding after the new share issue amounts to 60,418,239.

Largest shareholders

Largest shareholders in Vicore as of June 30, 2020:

Shareholder	No. of shares	%
HealthCap VII L.P.	13,763,908	27.3%
Swedbank Robur	5,011,455	9.9%
Göran Wessman[1]	3,826,849	7.6%
Fourth Swedish National Pension Fund	3,210,000	6.4%
HBM Healthcare Investments (Cayman) Ltd	2,419,438	4.8%
Unionen	1,663,990	3.3%
Kjell Stenberg	1,531,303	3.0%
Länsförsäkringar	1,115,923	2.2%
Handelsbanken funds	1,100,000	2.2%
Other	16,775,373	33.3%
Total number of shares	**50,418,239**	**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 2019, 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 5.6 percent of the total number of shares.

As of June 30, 2020, 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 765,800 shares have been granted in the Co-worker LTIP 2018.

Other financial asset

Vicore holds 91,829 shares in I-Tech AB (publ), which are classified as an other financial asset. As of June 30, 2020, the value of the financial asset was 9.2 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 year-end 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, August 26, 2020

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	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	0	0	0	0	0
Gross profit	**0**	**0**	**0**	**0**	**0**
Administrative expenses	-4,903	-6,670	-9,472	-14,571	-26,875
Research and development expenses	-29,701	-18,162	-53,785	-26,367	-67,048
Other operating income and expenses	7,131	-7	7,002	2	-91
Profit/loss from operations	**-27,473**	**-24,839**	**-56,255**	**-40,936**	**-94,014**
Financial income	3,367	0	3,658	0	712
Financial expenses	-230	-1,730	-230	-1,677	-27
Net financial income/expense	**3,137**	**-1,730**	**3,428**	**-1,677**	**685**
Profit/loss before tax	**-24,336**	**-26,569**	**-52,827**	**-42,613**	**-93,329**
Tax	114	0	231	0	245
Loss for the period attributable to the parent company´s shareholders	**-24,222**	**-26,569**	**-52,596**	**-42,613**	**-93,084**
Other comprehensive income					
Other comprehensive income	0	0	0	0	0
Other comprehensive income for the period, net of net of tax	**0**	**0**	**0**	**0**	**0**
Total comprehensive income attributable to the parent company´s shareholders	**-24,222**	**-26,569**	**-52,596**	**-42,613**	**-93,084**
Earnings per share, before and after dilution (SEK)	**-0.48**	**-0.63**	**-1.04**	**-1.02**	**-2.16**

* As of the fourth quarter 2019, Vicore classifies operating expenses by function instead of by nature of expense. A change in the presentation of the income statement entails a change of principle, which is carried out with retroactive effect. Consequently, the income statements for the comparative periods have also been prepared in accordance with a classification by function. Note 6 describes the transition from the nature of expense method to the function of expense method.

Consolidated statement of financial position in summary

KSEK	2020 Jun 30	2019 Jun 30	2019 Dec 31
ASSETS			
Fixed assets			
Patent, licenses and similar rights	66,418	69,192	68,082
Equipment	128	0	143
Contract asset	123	414	189
Long-term investments	9,183	3,894	6,116
Deferred tax asset	102	0	63
Total fixed assets	**75,954**	**73,500**	**74,593**
Current Assets			
Other receivables	1,029	1,256	1,426
Prepaid expenses and accrued income	1,818	512	474
Short-term investments	77,392	0	77,029
Cash and cash equivalents	134,975	193,491	187,586
Total current assets	**215,214**	**195,259**	**266,515**
TOTAL ASSETS	**291,168**	**268,759**	**341,108**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	**272,732**	**253,713**	**321,597**
LIABILITIES			
Non-current liabilities			
Contract liability	125	385	186
Other provisions	1,080	803	575
Deferred tax liability	1,696	1,978	1,796
Total non-current liabilities	**2,901**	**3,166**	**2,557**
Current liabilities			
Contract liability	0	31	4
Trade payables	9,896	6,176	5,300
Current tax liability	469	427	534
Other liabilities	494	19	2,982
Accrued expenses and deferred income	4,676	5,227	8,134
Total current liabilities	**15,535**	**11,880**	**16,954**
TOTAL LIABILITIES	**18,436**	**15,046**	**19,511**
TOTAL EQUITY AND LIABILITIES	**291,168**	**268,759**	**341,108**

During the second 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.

Consolidated statement of changes in shareholders' equity in summary

KSEK	Shareholders' equity attributable to the parent company				
	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Equity at the beginning of the period	**296,262**	**279,748**	**321,597**	**285,436**	**285,436**
Profit for the period	-24,222	-26,569	-52,596	-42,613	-93,084
Other comprehensive income for the period	0	0	0	0	0
Total comprehensive income for the period	**-24,222**	**-26,569**	**-52,596**	**-42,613**	**-93,084**
Transactions with owners:					
Issue of new shares	0	0	2,550	10,030	134,830
Issue costs	0	0	0	-201	-7,575
Long-term incentive program	692	534	1,181	1,061	1,990
Total transactions with owners	**692**	**534**	**3,731**	**10,890**	**129,245**
Equity at the end of the period	**272,732**	**253,713**	**272,732**	**253,713**	**321,597**

Consolidated statement of cash flow

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Operating activities					
Operating profit	-27,473	-24,839	-56,255	-40,936	-94,014
Adjustment for items not included in the cash flow	1,563	594	2,958	1,164	3,350
Interest received	0	0	0	0	134
Interest paid	-2	-3	-3	-5	-28
Cash flow from operating activities before changes in working capital	**-25,912**	**-24,248**	**-53,300**	**-39,777**	**-90,558**
Cash flow from changes in working capital					
Change in operating receivables	-853	433	-945	364	234
Change in operating payables	958	1,375	-850	-1,532	3,324
Cash flow from operating activities	**-25,807**	**-22,440**	**-55,095**	**-40,945**	**-87,000**
Investing activities					
Acquisition of equipment	0	0	0	0	-147
Acquisition of short-term investments	0	0	0	0	-77,000
Cash flow from investing activities	**0**	**0**	**0**	**0**	**-77,147**
Financing activities					
Amortization contract liability	-31	-40	-66	-81	-210
Issue of new shares	0	0	2,550	10,030	134,830
Issue costs	0	0	0	-201	-7,575
Cash flow from financing activities	**-31**	**-40**	**2,484**	**9,748**	**127,045**
Cash flow for the period	**-25,838**	**-22,480**	**-52,611**	**-31,197**	**-37,102**
Cash and cash equivalents at the beginning of the period	**160,813**	**215,971**	**187,586**	**224,688**	**224,688**
Cash and cash equivalents at the end of the period	**134,975**	**193,491**	**134,975**	**193,491**	**187,586**

Financial reports
Parent company

The parent company's income statement*

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	918	1,016	1,836	1,556	3,092
Gross profit	**918**	**1,016**	**1,836**	**1,556**	**3,092**
Administrative expenses	-4,798	-6,606	-9,195	-14,458	-26,484
Research and development expenses	-415	-385	-830	-768	-1,536
Other operating income and expenses	46	-18	46	-10	-17
Profit/loss from operations	**-4,249**	**-5,993**	**-8,143**	**-13,680**	**-24,945**
Interest income and similar profit items	182	0	364	0	163
Interest expenses and similar loss items	-36	0	-36	0	-20
Net financial income/expense	**146**	**0**	**328**	**0**	**143**
Result after financial items	**-4,103**	**-5,993**	**-7,815**	**-13,680**	**-24,802**
Tax	18	0	39	0	63
The result for the period	**-4,085**	**-5,993**	**-7,776**	**-13,680**	**-24,739**

The parent company's statement of comprehensive income

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
The result for the period	-4,085	-5,993	-7,776	-13,680	-24,739
Other comprehensive income	0	0	0	0	0
Total comprehensive income for the period	**-4,085**	**-5,993**	**-7,776**	**-13,680**	**-24,739**

* As of the fourth quarter 2019, Vicore classifies operating expenses by function instead of by nature of expense. A change in the presentation of the income statement entails a change of principle, which is carried out with retroactive effect. Consequently, the income statements for the comparative periods have also been prepared in accordance with a classification by function. Note 6 describes the transition from the nature of expense method to the function of expense method.

Parent company's balance sheet

KSEK	2020 Jun 31	2019 Jun 30	2019 Dec 31
ASSETS			
Fixed assets			
Participations in group companies	276,046	276,060	276,274
Long-term investments	565	565	565
Deferred tax asset	102	0	63
Total fixed assets	**276,713**	**276,625**	**276,902**
Current assets			
Receivables			
Receivables from group companies	15,000	2,878	244
Other receivables	297	1,071	594
Prepaid expenses and accrued income	372	315	287
	15,669	**4,264**	**1,125**
Short-term investments	77,392	0	77,029
Cash and cash equivalents	125,972	115,295	148,903
Total current assets	**219,033**	**119,559**	**227,057**
TOTAL ASSETS	**495,746**	**396,184**	**503,959**

Parent company's balance sheet

KSEK	2020 Jun 31	2019 Jun 30	2019 Dec 31
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	25,209	21,187	25,087
Total restricted equity	**25,209**	**21,187**	**25,087**
Non-restricted equity			
Share premium reserve	518,416	402,463	515,987
Accumulated profit or loss	-43,936	-21,306	-20,375
Profit (loss) for the period	-7,776	-13,680	-24,739
Total non-restricted equity	**466,704**	**367,477**	**470,873**
TOTAL EQUITY	**491,913**	**388,664**	**495,960**
LIABILITIES			
Provisions			
Other provisions	921	736	500
Deferred tax liability	93	0	
Total provisions	**1,014**	**736**	**500**
Non-current liabilities			
Liabilities to group companies	0	400	0
Total non-current liabilities	**0**	**400**	**0**
Current liabilities			
Trade payables	741	1 510	917
Liabilities to group companies	0	0	400
Current tax liability	324	283	341
Other liabilities	365	463	2,738
Accrued expenses and deferred income	1,389	4,128	3,103
Total current liabilities	**2,819**	**6,384**	**7,499**
TOTAL LIABILITIES	**3,833**	**7,520**	**7,999**
TOTAL EQUITY AND LIABILITIES	**495,746**	**396,184**	**503,959**

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 second quarter 2020 was approved for publication on August 26, 2020, in accordance with a board decision on August 25, 2020.

Note 2 Accounting principles

Vicore Pharma'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 38-42 of the Annual Report for 2019.

The interim report for the second 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 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 financial year 1 January - 31 December 2019 with the exception of those described below.

As of the fourth quarter 2019, Vicore classifies operating expenses by function instead of by nature of expense. The transition has been made to give a more accurate picture of the company. This is because the company has significant costs for clinical studies and staff in research and development, which is now being more clearly presented. A change in the presentation of the income statement entails a change of principle, which is carried out with retroactive effect. Consequently, the income statements for the comparative periods have also been prepared in accordance with a classification by function. Note 6 describes the transition from the nature of expense method to the function of expense method.

During the second quarter of 2020, Vicore Pharma received a grant of 1.5 GBP million (18.5 MSEK) from the British charity organisation LifeArc* for the ATTRACT study in patients with COVID-19. The grant is accounted for in accordance with IAS 20 "Accounting for government grants and disclosures of government aid". Government grants are reported in the statement of financial position and the statement of comprehensive income when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

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 during the second quarter:

Vicore Pharma AB invoiced INIM Pharma AB approximately 1.5 MSEK during the second quarter and approximately 2.2 MSEK for the first six months of the year for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary Vicore Pharma AB approximately 1.4 MSEK during the second quarter and approximately 2.1 MSEK for the first six months of the year for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary INIM Pharma AB approximately 0.4 MSEK during the second quarter and approximately 0.7 MSEK for the first six month of the year 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 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.

* LifeArc is a UK-based self-funded medical research charity. Their mission is to advance translation of early science into health care treatments or diagnostics that can be taken through to full development and made available to patients. LifeArc has made £ 10 million available for clinical COVID-19 research to repurpose existing medicines or those in the late stage of development as this approach offers one of the fastest routes to develop new treatments that could tackle the virus and its impact.

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 contributions and investments from owners 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 2019, 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.

Note 5 Financial instruments

Vicores financial assets and liabilities comprise cash and 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. Transition to income statement classified by function

2019-04-01 - 2019-06-30
Group statement of comprehensive income

KSEK	Information	Income statement classified by nature of expense	Adjustment other operating income	Adjustment other external costs	Adjustment personnel costs	Adjustment depreciations and amortizations	Income statement classified by function
Net sales		0					0
Other operating income		2	-2				0
		2	**-2**				**0**
Other external costs	1	-19,016		19,016			0
Personnel costs	2	-5,765			5,765		0
Depreciations and amortizations		-40				40	0
Administrative expenses				-3,439	-3,204	-27	-6,670
Research and development expenses				-15,588	-2,561	-13	-18,162
Other operating income and expenses		-20	2	11			-7
Profit/loss from operations		**-24,839**	**0**	**0**	**0**	**0**	**-24,839**
Financial income		0					0
Financial expenses		-1,730					-1,730
Net financial income/expense		**-1,730**					**-1,730**
Profit/loss before tax		**-26,569**					**-26,569**
Tax		0					0
Loss for the period attributable to the parent company's shareholders		**-26,569**					**-26,569**
Other comprehensive income							
Other comprehensive income		0					0
Other comprehensive income for the period, net of tax		**0**					**0**
Total comprehensive income attributable to the parent company´s shareholders		**-26,569**					**-26,569**

[1] Other external costs have been allocated to administrative expenses, research and development expenses, and other operating expenses. Research and development conducted by external parties have previously been reported separately as research and development expenses in the income statement, which amounted to 14,577 KSEK in the second quarter of 2019. In the transition to income statement classified by function, these research and development expenses have been reversed into other external costs for illustrative purposes. Other external costs that are classified as administration consist, for example, of costs for office, legal costs, audit fees and other overhead costs. Other operating income and expenses consist of exchange rate differences on supplier invoices.

[2] Personnel costs have been allocated according to the function of each employee during the second quarter of 2019. Five people on administrative expenses and six people on research and development expenses. Personnel costs also include board fees, which are allocated to administrative expenses.

2019-01-01 - 2019-06-30
Group statement of comprehensive income

KSEK	Information	Income statement classified by nature of expense	Adjustment other operating income	Adjustment other external costs	Adjustment personnel costs	Adjustment depreciations and amortizations	Income statement classified by function
Net sales		0					0
Other operating income		32	-32				0
		32	**-32**				**0**
Other external costs	1	-29,937		29,937			0
Personnel costs	2	-10,928			10,928		0
Depreciations and amortizations		-83				83	0
Administrative expenses				-8,075	-6,439	-57	-14,571
Research and development expenses				-21,852	-4,489	-26	-26,367
Other operating income and expenses		-20	32	-10			2
Profit/loss from operations		**-40,936**	**0**	**0**	**0**	**0**	**-40,936**
Financial income		0					0
Financial expenses		-1,677					-1,677
Net financial income/expense		**-1,677**					**-1,677**
Profit/loss before tax		**-42,613**					**-42,613**
Tax		0					0
Loss for the period attributable to the parent company's shareholders		**-42,613**					**-42,613**
Other comprehensive income							
Other comprehensive income		0					0
Other comprehensive income for the period, net of tax		**0**					**0**
Total comprehensive income attributable to the parent company´s shareholders		**-42,613**					**-42,613**

[1] Other external costs have been allocated to administrative expenses, research and development expenses, and other operating expenses. Research and development conducted by external parties have previously been reported separately as research and development expenses in the income statement, which amounted to 20,168 KSEK in the second quarter of 2019. In the transition to income statement classified by function, these research and development expenses have been reversed into other external costs for illustrative purposes. Other external costs that are classified as administration consist, for example, of costs for office, legal costs, audit fees and other overhead costs. Other operating income and expenses consist of exchange rate differences on supplier invoices.

[2] Personnel costs have been allocated according to the function of each employee. Personnel costs also include board fees, which are allocated to administrative expenses.

2019-04-01 - 2019-06-30
The parent company's income statement

KSEK	Information	Income statement classified by nature of expense	Adjustment other operating income	Adjustment other external costs	Adjustment personnel costs	Adjustment depreciations and amortizations	Income statement classified by function
Net sales		1,016					1,016
Other operating income		2	-2				0
		1,018	**-2**				**1,016**
Other external costs	1	-3,403		3,403			0
Personnel costs	2	-3,588			3,588		0
Depreciation and amortization of tangible and intangible assets		0					0
Administrative expenses				-3,403	-3,203		-6,606
Research and development expenses					-385		-385
Other operating income and expenses		-20	2				-18
Profit/loss from operations		**-5,993**	**0**	**0**	**0**	**0**	**-5,993**
Interest income and similar profit items		0					0
Interest expenses and similar loss items		0					0
Net financial income/expense		**0**					**0**
Result after financial items		**-5,993**					**-5,993**
Tax		0					0
The result for the period		**-5,993**					**-5,993**

The parent company's statement of comprehensive income

The result for the period		-5,993					-5,993
Other comprehensive income		0					0
Total comprehensive income for the period		**-5,993**					**-5,993**

[1] Other external costs have been allocated to administrative expenses, research and development expenses, and other operating expenses. Other external costs that are classified as administration consist, for example, of costs for office, legal costs, audit fees and other overhead costs. Other operating income and expenses consist of reinvoiced consulting fees and exchange rate differences on supplier invoices.

[2] Personnel costs have been allocated according to the function of each employee, which in the parent company is mainly within administration. Personnel costs also include board fees, which are allocated to administrative expenses.

2019-01-01 - 2019-06-30
The parent company's income statement

KSEK	Information	Income statement classified by nature of expense	Adjustment other operating income	Adjustment other external costs	Adjustment personnel costs	Adjustment depreciations and amortizations	Income statement classified by function
Net sales		1,556					1,556
Other operating income		563	-563				0
		2,119	**-563**				**1,556**
Other external costs	1	-8,569		8,569			0
Personnel costs	2	-7,209			7,209		0
Depreciation and amortization of tangible and intangible assets		-2				2	0
Administrative expenses				-8,015	-6,441	-2	-14,458
Research and development expenses					-768		-768
Other operating income and expenses		-19	563	-554			-10
Profit/loss from operations		**-13,680**	**0**	**0**	**0**	**0**	**-13,680**
Interest income and similar profit items		0					0
Interest expenses and similar loss items		0					0
Net financial income/expense		**0**					**0**
Result after financial items		**-13,680**					**-13,680**
Tax		0					0
The result for the period		**-13,680**					**-13,680**

The parent company's statement of comprehensive income

The result for the period		-13,680					-13,680
Other comprehensive income		0					0
Total comprehensive income for the period		**-13,680**					**-13,680**

[1] Other external costs have been allocated to administrative expenses, research and development expenses, and other operating expenses. Other external costs that are classified as administration consist, for example, of costs for office, legal costs, audit fees and other overhead costs. Other operating income and expenses consist of reinvoiced consulting fees and exchange rate differences on supplier invoices.

[2] Personnel costs have been allocated according to the function of each employee, which in the parent company is mainly within administration. Personnel costs also include board fees, which are allocated to administrative expenses.

Note 7. Depreciation and amortization

Allocation by function

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Administrative expenses	0	-13	0	-57	-111
Research and development expenses	-871	-27	-1,745	-26	-1,227
Total	**-871**	**-40**	**-1,745**	**-83**	**-1,338**

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.

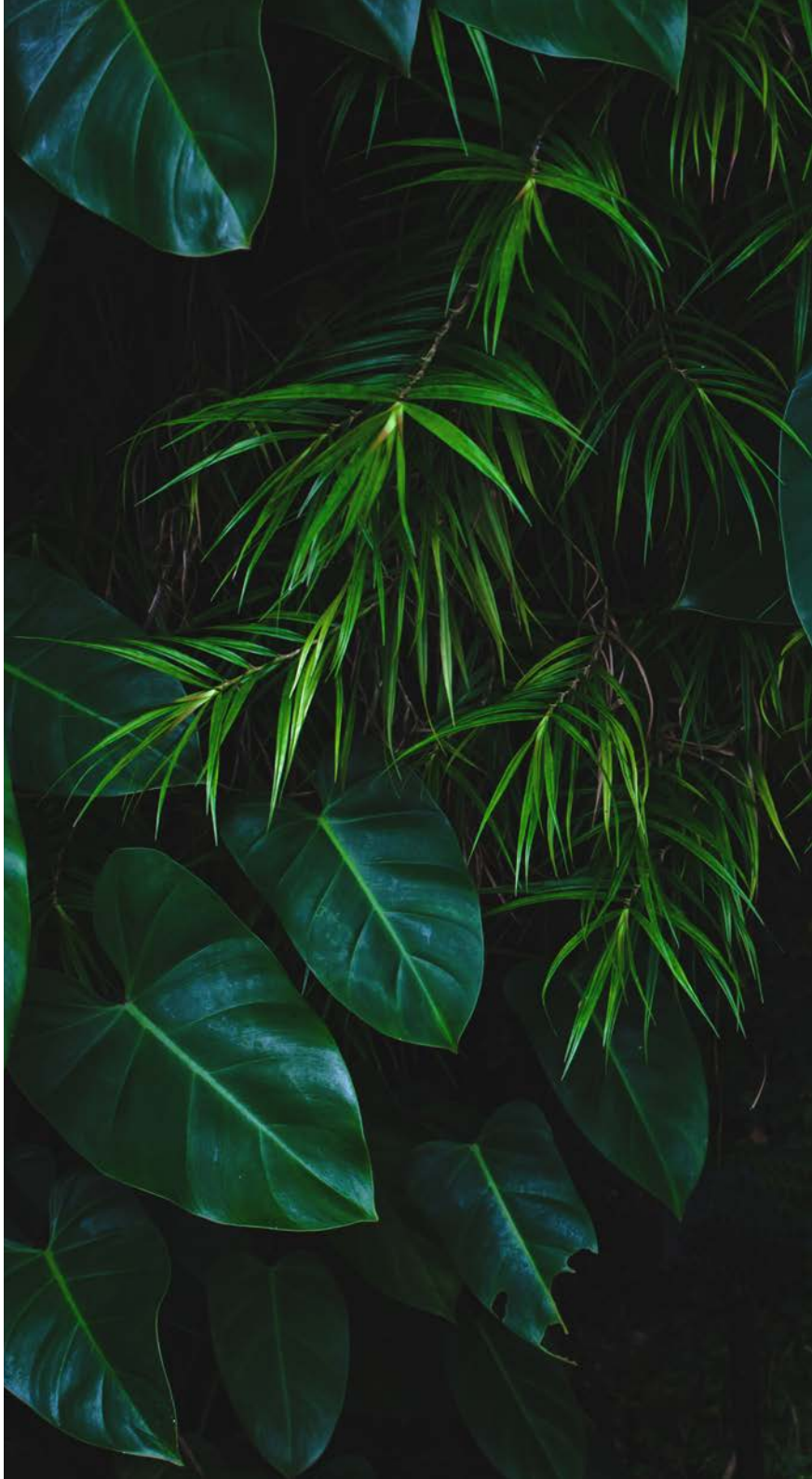
Key performance measures

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Share capital at the end of period (KSEK)	25,209	21,187	25,209	21,187	25,087
Total registered shares at the beginning of period	50,418,239	42,374,714	50,174,714	32,960,008	32,960 008
Total registered shares at the end of period	50,418,239	42,374,714	50,418,239	42,374,714	50,174 714
Total number of shares allocated employee stock options may entitle to	50,418,239	42,374,714	50,408,821	41,903,979	43,041 933
Average number of ordinary shares	1,765,800	775,000	1,765,800	775,000	1,240,800
Profit for the period attributable to shareholders of the parent company (KSEK)	-24,222	-26,569	-52,596	-42,613	-93,084
Earnings per share before and after dilution (SEK)[1]	-0.48	-0.63	-1.04	-1.02	-2.16
Equity ratio at the end of the period (%)[2]	93.7	94.4	93.7	94.4	94.3
Research and developments expenses/operating expenses (%)[3]	85.4	73.1	84.6	64.4	71.3

[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

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Equity ratio at the end of the period (%)					
Total shareholders' equity at the end of the period (KSEK)	272,732	253,713	272,732	253,713	321,597
Total assets at the end of the period (KSEK)	291,168	268,759	291,168	268,759	341,108
Equity ratio at the end of the period (%)	93.7	94.4	93.7	94.4	94.3
Research and development expenses/operating expenses (%)					
Research and development expenses (KSEK)	-29,701	-18,162	-53,785	-26,367	-67,048
Administrative expenses (KSEK)	-4,903	-6,670	-9,472	-14,571	-26,875
Other operating expenses (KSEK)	-178	-20	-347	-20	-157
Operating expenses (KSEK)	-34,782	-24,852	-63,604	-40,958	-94,080
Research and development expenses/operating expenses (%)	85.4	73.1	84.6	64.4	71.3

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