Year-end report 2020

Vicore Pharma Holding AB (publ)

vicorepharma.com

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Summary of the Period

Important events during the fourth quarter

- In October, Vicore announced completion of patient enrollment in the phase II study in patients with COVID-19.
- In October, Vicore announced the nomination committee for the 2021 Annual General Meeting.
- In November, Vicore strengthened its pipeline with the acquisition of novel AT2R (angiotensin II type 2-receptor) agonists and decided on an issue in kind of 142,054 shares.
- In November, Vicore announced changes in the management team.
- In November, Vicore recruited the first patient in the phase II Proof-of-Concept study in idiopathic pulmonary fibrosis (IPF).
- In December, Vicore announced positive top line data from the phase II study in patients with COVID-19.
- In December, Vicore announced that the last patient had been treated in the mechanistic phase II study with C21 in systemic sclerosis (SSc).

Important events after the period

- In February, Vicore completed a directed share issue raising 336 MSEK subject to approval at an Extraordinary General Meeting. Pro forma, including the directed share issue, cash and cash equivalents and short-term investments as of December 31, 2020, amounted to 654.7 MSEK.

Financial overview for the period

October 1 - December 31, 2020

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -58.8 MSEK (-30.2)
- Loss for the period amounted to -58.3 MSEK (-27.6)
- Loss per share, before and after dilution, was -0.96 SEK (-0.60)
- On December 31, 2020, cash and cash equivalents and short-term investments amounted to 318.7 MSEK (264.6 MSEK as of December 31, 2019)

January 1 - December 31, 2020

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -149.5 MSEK (-94.0)
- Loss for the period amounted to -146.9 MSEK (-93.1)
- Loss per share, before and after dilution, was -2.71 SEK (-2.16)
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2020

Financial summary of the group

Amounts in MSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net sales	0.0	0.0	0.0	0.0
Operating loss	-58.8	-30.2	-149.5	-94.0
Loss for the period	-58.3	-27.6	-146.9	-93.1
Loss per share, before/after dilution (SEK)[1]	-0.96	-0.60	-2.71	-2.16
Research and development costs/ operating costs (%)[2]	84.4	77.7	84.7	71.3
Equity at the end of the period	354.5	321.6	354.5	321.6
Cash flow from operating activities	-39.1	-24.8	-120.3	-87.0
Cash and cash equivalents and short-term investments at the end of the period	318.7	264.6	318.7	264.6

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

[2] Alternative performance measure (APM). Defined on page 21.

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

"During the fourth quarter and beginning of 2021 we reached several important milestones"

- ✓ *Reported positive results from our phase II ATTRACT study in COVID-19*
- ✓ *Recruited the first patient in the phase II study in IPF*
- ✓ *Strengthened our pipeline with the acquisition of new novel AT2R agonists*
- ✓ *Completed the recruitment in the mechanistic phase II study in systemic sclerosis and Raynaud's phenomenon*
- ✓ *Secured financing of 336 MSEK through a directed share issue*

Positive results in the COVID-19 study and planning for the next step

The encouraging results from the phase II study in COVID-19 (ATTRACT) presented in December clearly showed that C21 restored lung function and normalized gas exchange on top of steroid treatment. The need for oxygen supplementation was gradually lowered in the C21 group compared to the placebo group and about one week after the last dose of C21 there was only one patient in the C21 group needing oxygen compared to eleven in the placebo group - a reduction of more than 90% ($p<0.003$).

In the patients needing oxygen treatment, we could also show a statistically significant reduction of CRP (C-reactive protein) at the predefined 10% level.

There was also a clear trend for reduced need of mechanical ventilation and a trend for reduced mortality in the C21 group compared to the placebo group.

Based on these data we see a high potential for C21 as a treatment alternative in COVID-19 and we are now preparing for a phase III study in a larger population in several countries, including the US. We estimate that there will be a need for additional treatments to the vaccines for a longer period as we still see an increased spread of the virus and virus mutations in many parts of the world. There are also other circumstances making it difficult for many people to get the vaccine.

The IPF study enrolls patients

In November, we announced the first patient recruitment to the phase II IPF study (AIR) in India and we are about to start recruitment in Ukraine and Russia. Unfortunately, we have not been able to start the study in the UK yet due to the COVID-19 situation but we are prepared to start as soon as the situation improves.

It has been a struggle to get the study up and running during these special times and I am very proud of my colleagues who have been working very hard to get everything in place and starting the study. We are also very pleased with the collaboration with our CRO, Orphan Reach, and the local sites where the study is performed.

The systemic sclerosis study has finalized the recruitment

In December, we included the last patient in the mechanistic phase II study in systemic sclerosis and Raynaud's phenomenon. Twelve patients have been included in the study and the aim is to evaluate the AT2 receptors' role in acute improvement of blood flow in affected tissues. Positive results will indicate that C21 may have positive effects also on the pulmonary vascular pathology which is common in patients with SSc-related pulmonary fibrosis as well as in IPF.

We are now awaiting the results from the study which have been delayed due to the COVID-19 lock-down but we expect to present the results in March.

The VP02 production have resumed

In the interim report for the third quarter we informed about a delay in the production of our inhaled formulation of thalidomide due to technical issues with the CMO. The issues have been solved and we estimate to submit a CTA for a phase I study by the end of 2021.

The VP03 program develops further

The collaboration with HaLaCore Pharma and Emeriti Bio within the VP03 program develops well. We are now testing several compounds in parallel in different models to investigate their potential as drug candidates.

Successful directed share issue

In February, 2021, we successfully completed a directed share issue, raising 336 MSEK from reputable new and existing investors. The net proceeds will mainly be used for funding our phase III study in COVID-19 including C21 manufacturing and scale up activities and to strengthen the IPF franchise.

Summary

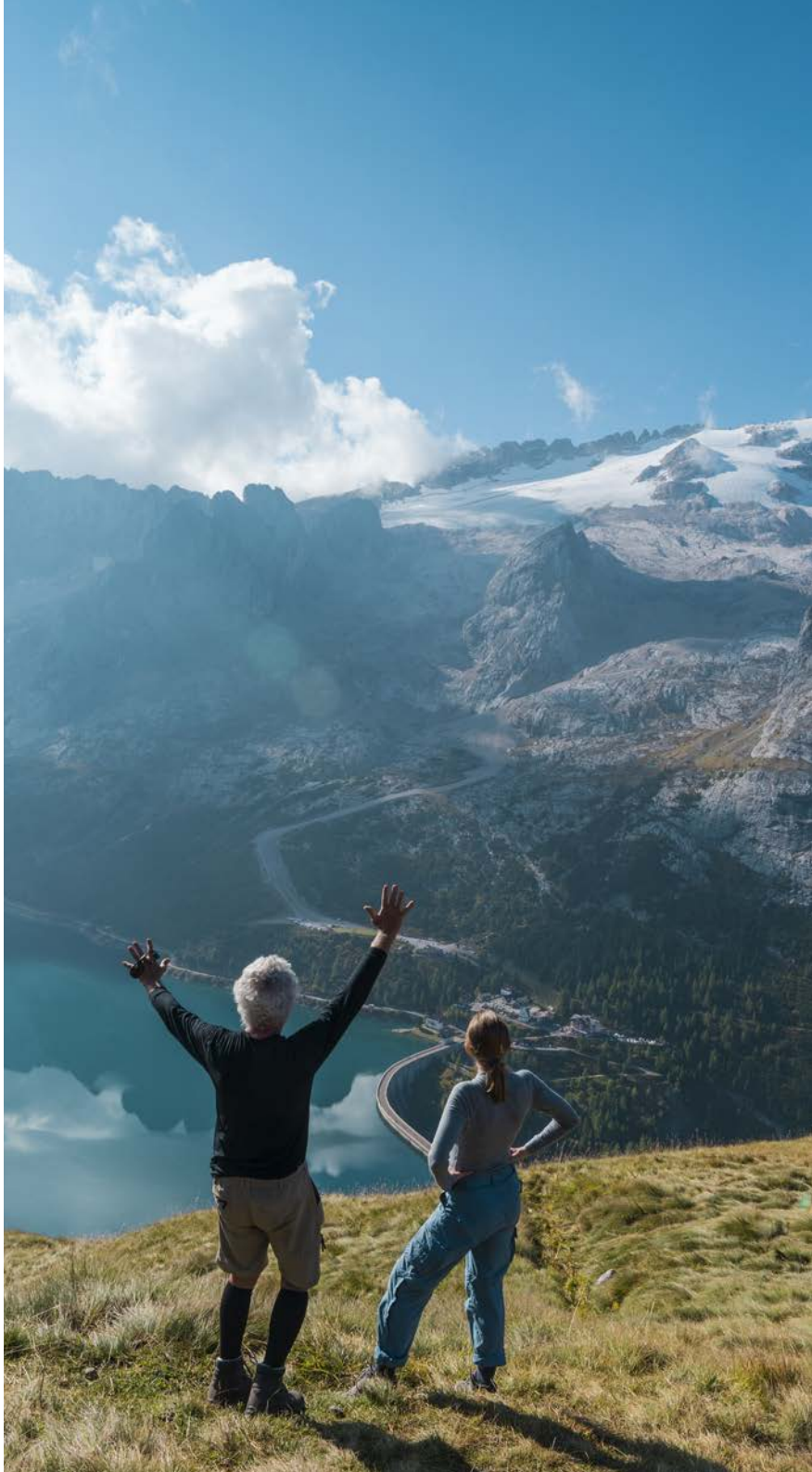
We are proud to say that, despite all difficulties due to the pandemic during 2020, we have been able to move forward with all our projects and in particular that we have concluded two phase II studies and started a third one.

We look forward to continue keeping you updated on our development during 2021!

Carl-Johan Dalsgaard, CEO

The results from the phase II ATTRACT study have been published online. Read the full article here:

www.medrxiv.org/content/10.1101/2021.01.26.21250511v1



Business and Focus Areas

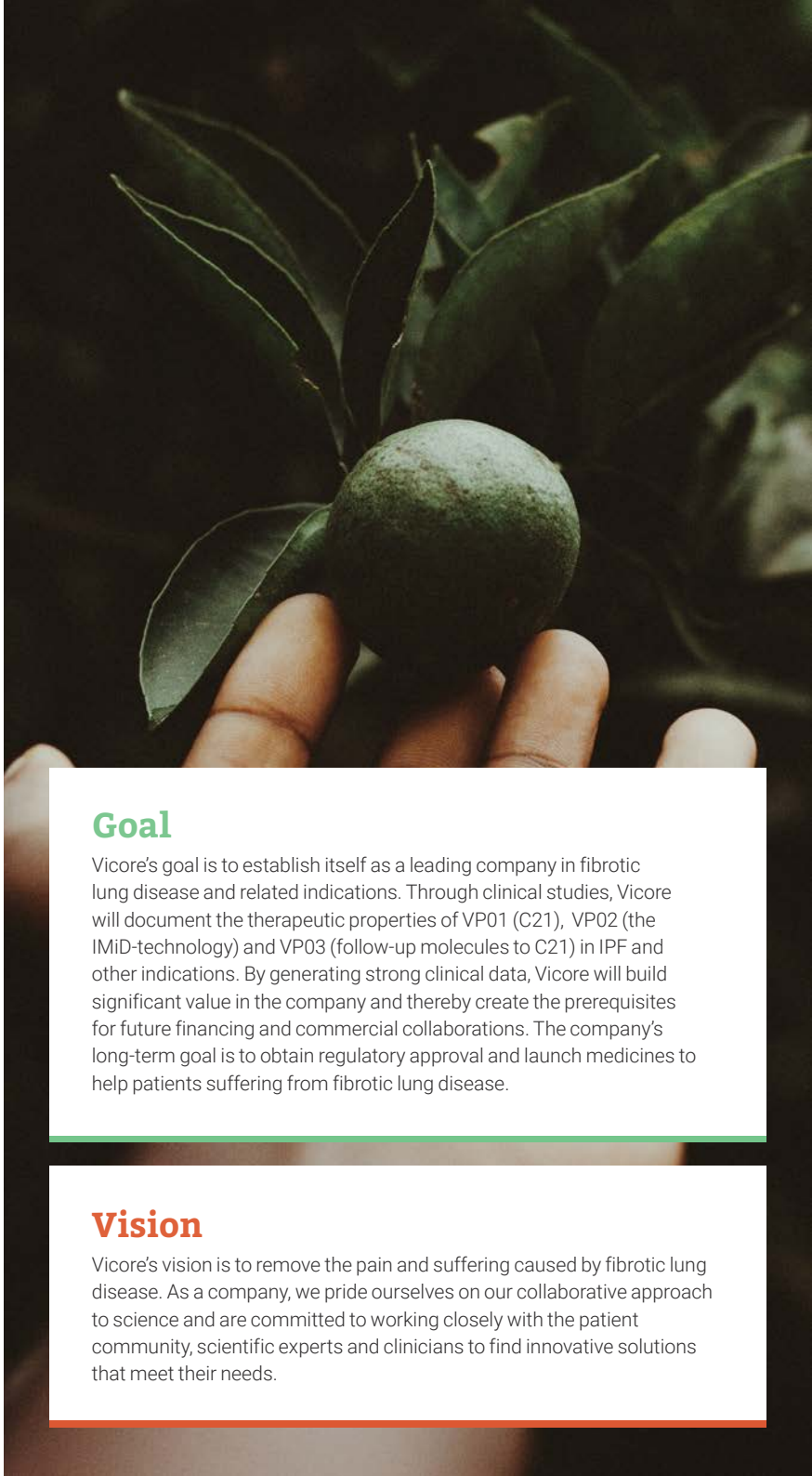
Vicore is a rare disease pharmaceutical company focused on severe rare lung disorders and related indications. The company currently has three drug development programs, VP01, VP02 and VP03. The VP01 program aims to develop the substance C21 for the treatment of idiopathic pulmonary fibrosis ("IPF"), pulmonary fibrosis in systemic sclerosis ("SSc") and COVID-19. The VP02 program is based on a new formulation and delivery route of an existing immunomodulatory compound (an "IMiD"). The VP02 program focuses on the underlying disease and the severe cough associated with IPF. The VP01 and VP02 programs are also being actively evaluated for other indications within the field of fibrotic lung diseases which have a significant high unmet need. Within the VP03 program, Vicore develops new patentable C21-like molecules with new and in various respects improved properties. The objective is partly to develop competitive pharmaceutical products also 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 2020, 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."



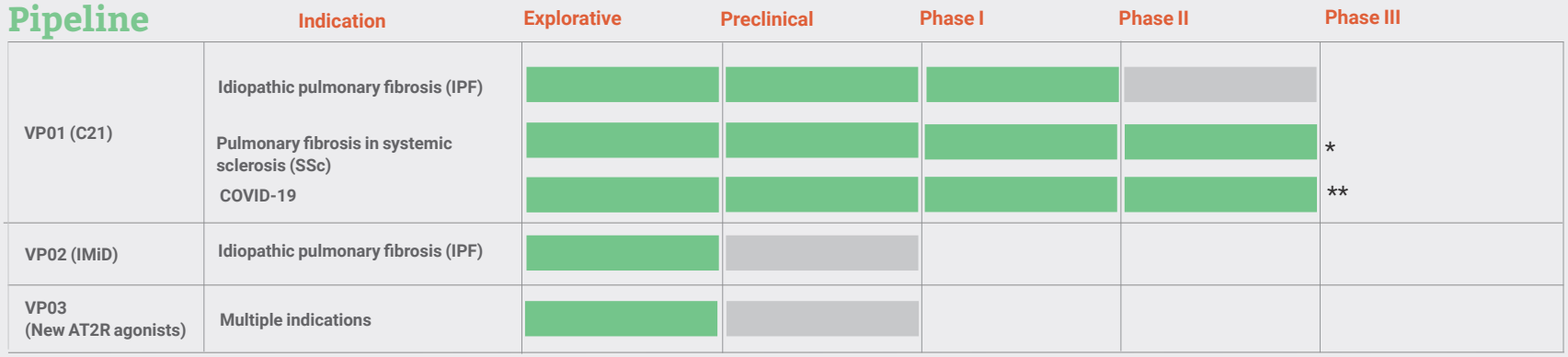
Goal

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.

Program Overview



* Mechanistic phase II study in Raynaud's phenomena and SSc finalized. Data is expected in March, 2021

** Phase III preparations ongoing

VP01 - AT2 receptor agonist - first in class

Vicore's drug candidate C21 (VP01 program) originates from extensive research on the Renin-Angiotensin System (RAS), 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 angiotensin II type 1 receptor (AT1R) activation. The AT2 receptor is found to be up-regulated in diseases such as IPF.

Results from extensive preclinical research conducted with C21 indicate that it has anti-inflammatory, anti-fibrotic, anti-proliferative, vasodilatory and positive vascular remodelling actions. In June, Vicore announced positive results with C21 in a gold-standard preclinical model considered predictive of human pulmonary hypertension, the so called Sugen-Hypoxia-induced pulmonary hypertension (PH) model. Pulmonary hypertension is a common and serious complication of interstitial lung disease, including IPF, and is not addressed with currently available therapies.

In September, Vicore announced robust effects of C21in idiopathic pulmonary fibrosis lung tissue. Human IPF lung tissue harvested from a patient during lung transplantation showed stable expression of AT2R, the C21 target, and treatment with clinically relevant concentrations of C21 caused a dose-dependent decrease of TGFβ1, a key growth factor in fibrosis development.

C21 selectively binds to and activates the AT2 receptor and thereby generates several biological effects beneficial to counteracting fibrosis, inflammation and vasculopathy, an ideal profile for treatment of complex diseases such as IPF. Vicore has received orphan drug designation for C21 in IPF which e.g. provides for up to ten years of market exclusivity (from the date of registration of an approved drug) in Europe and seven years in the United States.

Program status VP01

In September 2019, Vicore completed a 54-subject phase I dose-escalation study with C21. The study established that 200 mg daily has a good safety profile and that it is the maximum tolerated dose. This dose was used in the phase II study in SSc and COVID-19 and is used in the phase II study in IPF. Moreover, based on receptor-binding and other data, Vicore concluded that this dose results in a free C21 plasma concentration that is sufficient to activate the AT2 receptor.

The phase II study in IPF (AIR study) 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. Thereafter Vicore has received regulatory approvals to conduct the study in India, Ukraine and Russia.

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 month study and compare with well documented patient baseline values. This is feasible since the important endpoint, FVC (Forced Vital Capacity), 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. The first patient was recruited in India in November 2020.

Vicore has selected pulmonary fibrosis in systemic sclerosis ("SSc") as the potential second indication for C21. Extensive research with C21 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 interstitial lung diseases.

In the phase II clinical study with C21 in patients with SSc and Raynaud's phenomenon, Vicore is studying if acute treatment with C21 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 but has since then started again and the last patient last visit took place in December. Top-line data is expected in March 2021.

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

The results from the study were positive and show that C21 can restore lung function in COVID-19 suggesting that C21 can become an important complement to vaccines to combat the pandemic.

Summarized, the study show that the risk for patients needing oxygen supplementation in the C21 group was decreased with 40% (p=0.055) at the end of the 7-day treatment and with 57% (p=0.014) at day 8 after start of treatment. At day 14 there was only one patient in the C21 group in need of oxygen supplementation compared to eleven patients in the placebo group (p=0.003), a reduction of more than 90%. In the subgroup of patients needing oxygen supplementation (about 30 patients per treatment group), C21 produced a more distinct reduction of CRP (C-reactive protein). There was also a clear trend for C21 reducing the number of patients needing mechanical ventilation and a trend for C21 reducing mortality. The treatment was reported safe and well tolerated.

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

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

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

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 inhalable amorphous microparticles.

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

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

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

Program status VP02

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

The technical disturbance with the producer previously announced has now been cleared and the production of the substance have resumed.

Program VP03 – VP01 follow-on molecules

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

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

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

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

Financial Information

Operating income

Net sales for the fourth quarter amounted to 0.0 MSEK (0.0) and 0.0 MSEK (0.0) for the full year 2020.

Operating expenses

Operating expenses for the fourth quarter amounted to -63.6 MSEK (-30.3) and to -167.7 MSEK (-94.1) for the full year 2020. The increase in operating expenses is mainly attributable to increasing research and development expenses.

Administrative expenses

Administrative expenses for the fourth quarter amounted to -9.7 MSEK (-6.7) and -25.0 MSEK (-26.9) for the full year 2020. The costs for share-based incentive programs related to administrative staff amounted to -3.6 MSEK (-0.2) for the fourth quarter and -6.9 MSEK (-1.9) for the full year 2020.

Research and development expenses

Research and development expenses for the fourth quarter amounted to -53.7 MSEK (-23.5) and -142.0 MSEK (-67.0) for the full year 2020. Research and development expenses for the fourth quarter are mainly related to costs for clinical trials for VP01. The costs for share-based incentive programs related to research and development staff amounted to -0.6 MSEK (-0.1) for the fourth quarter and -1.3 MSEK (-0.4) for the full year 2020. Research and development expenses relative to operating expenses, which is one of the company's alternative performance measures, for the fourth quarter was 84.4 percent (77.7 percent) and 84.7 percent (71.3 percent) for the full year 2020.

Other operating income and expenses

Other operating income and expenses for the fourth quarter amounted to 4.5 MSEK (0.0) and 17.5 MSEK (-0.1) for the full year 2020. During the second quarter, Vicore received a grant of 1.5 GBP million from the British research charity LifeArc for the ATTRACT study in patients with COVID-19. During the fourth quarter, a total of 4.5 MSEK was paid out, which means that approximately 81 percent of the total grant has been received. In addition, 3.4 MSEK has been reported as accrued income. Other operating income and expenses mainly consist of exchange rate differences on supplier invoices.

Costs for share-based incentive programs

The cost for social contributions for share-based incentive programs varies from quarter to quarter due to the change in the underlying share price. Associated provisions are reported as other provisions under non-current and current liabilities. The total costs for the share-based incentive programs for the fourth quarter amounted to -4.2 MSEK (-0.3) and -8.2 MSEK (-2.3) for the full year 2020. Of the -4.2 MSEK (-0.3) for the fourth quarter, -0.8 MSEK (-0.5) consists of IFRS 2 classified salary costs and -3.4 MSEK (+0.2) provisions for social security contributions. These costs have had no cash flow impact.

Result

The operating loss for the fourth quarter amounted to -58.8 MSEK (-30.2) and -149.5 MSEK (-94.0) for the full year 2020. The result from financial items amounted to 0.5 MSEK (2.5) for the fourth quarter and to 2.2 MSEK (0.7) for the full year 2020. This is mainly attributable to changes in the value of the company's long-term investment (I-Tech). The result after financial items for the fourth quarter amounted to -58.4 MSEK (-27.8) and -147.3 MSEK (-93.3) for the full year 2020.

Tax for the fourth quarter amounted to 0.1 MSEK (0.2) and 0.5 MSEK (0.2) for the full year 2020. Tax is related to a

Financial calendar

April 15, 2021	Annual Report 2020
May 5, 2021	Interim report Q1
May 11, 2021	Annual General Meeting
August 26, 2021	Interim report, Q2
November 4, 2021	Interim report, Q3
February 26, 2022	Year-end report 2021

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

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 valued and are not recognized as a deferred tax asset. These tax loss carryforwards will be accounted for only when the group has established a level of earnings which management with confidence estimates will lead to taxable profits.

The loss for the fourth quarter amounted to -58.3 MSEK (-27.6) and to -146.9 MSEK (-93.1) for the full year 2020. Earnings per share before and after dilution amounted to -0.96 SEK (-0.60) for the fourth quarter and -2.71 SEK (-2.16) for the full year 2020.

Cash flow, investments and financial position

Cash flow from operating activities for the fourth quarter amounted to -39.1 MSEK (-24.8) and -120.3 MSEK (-87.0) for the full year 2020. The continued negative cash flow is according to plan and is explained by the company's several ongoing clinical studies. Adjustment for items not included in the cash flow for the fourth quarter amounted to 1.7 MSEK (1.4) and mainly comprised IFRS 2 classified salary costs for share-based incentive programs and amortization of acquired intangible assets.

Cash flow from investing activities amounted to 74.0 MSEK (-77.1) for the fourth quarter and to 4.0 MSEK (-77.1) for the full year 2020. The difference compared with the previous year is mainly attributable to the acquisition and sale of short-term interest-bearing investments. During the fourth quarter, Vicore acquired a series of new Intellectual property rights (IPR) as part of the development of novel AT2R agonists from HaLaCore Pharma for a purchase price of 6 MSEK.

Cash flow from financing activities amounted to -0.1 MSEK (117.3) for the fourth quarter and 177.3 MSEK (127.0) for the full year 2020. In July, 2020, the company completed a directed share issue of 185.0 MSEK before transaction costs amounting to approximately 10.1 MSEK.

As of December 31, 2020, cash and cash equivalents amounted to 248.6 MSEK (187.6 MSEK as of December 31, 2019) and short-term investments amounted to 70.1 MSEK (77.0 MSEK as of December 31, 2019). Accordingly, cash, cash equivalents and short-term investments amounted in total to 318.7 MSEK (264.6 MSEK as of December 31, 2019).

Equity

Equity as of December 31, 2020, amounted to 354.5 MSEK (321.6), corresponding to 5.87 SEK (6.41) per share. The company's equity ratio at the end of the period, which is one of the company's alternative performance measures, was 87.2 percent (94.3 percent). The company believes that this key ratio provides investors with useful information of the company's capital structure.

Parent company

During the fourth quarter, net sales for the parent company amounted to 0.9 MSEK (0.8) and to 3.7 MSEK (3.1) for the full year 2020. Net sales mainly consisted of management fees from group companies. Administrative expenses for the fourth quarter amounted to -9.6 MSEK (-6.6) and to -24.7 MSEK (-26.5) for the full year 2020. The operating loss for the fourth quarter amounted to -9.1 MSEK (-6.2) and -22.6 MSEK (-24.9) for the full year 2020. The loss for the fourth quarter amounted to -8.9 MSEK (-6.0) and -21.8 MSEK (-24.7) for the full year 2020.

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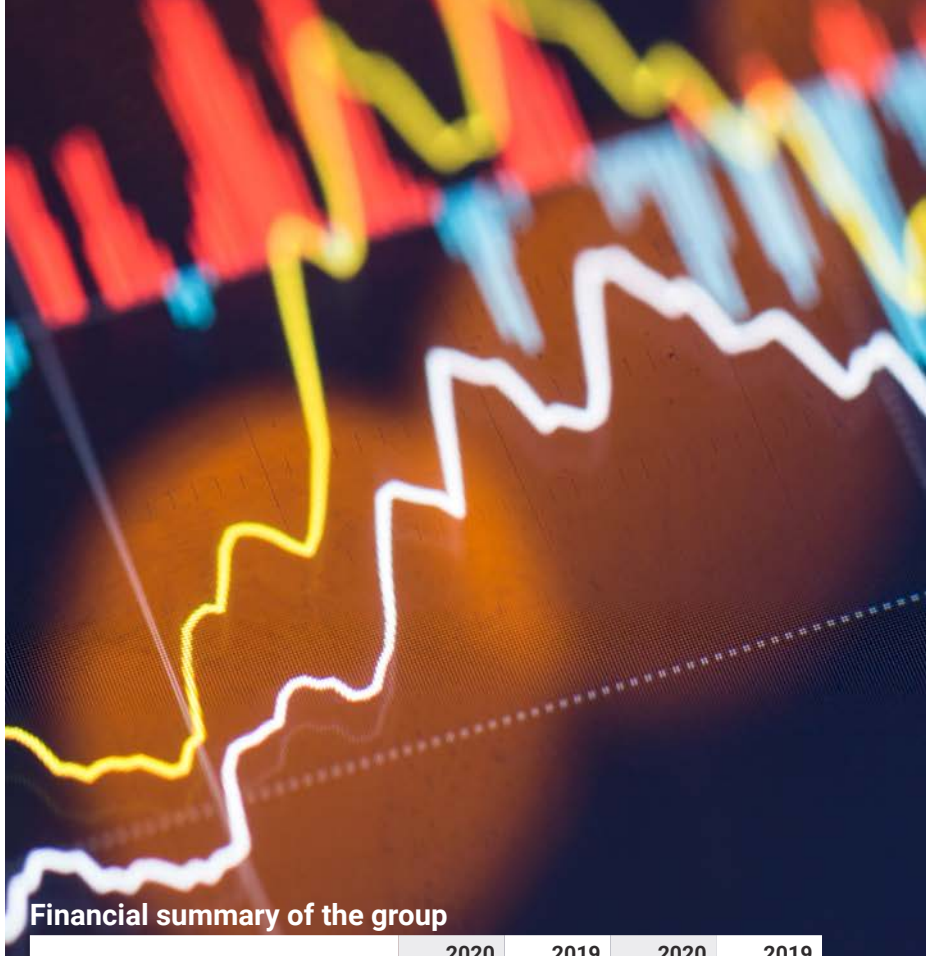

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Loss per share, before/after dilution (SEK)[1]	-0.96	-0.60	-2.71	-2.16
Research and development costs/ operating costs (%)[2]	84.4	77.7	84.7	71.3
Equity at the end of the period	354.5	321.6	354.5	321.6
Cash flow from operating activities	-39.1	-24.8	-120.3	-87.0
Cash and cash equivalents and short-term investments at the end of the period	318.7	264.6	318.7	264.6

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

[2] Alternative performance measure (APM). Defined on page 21.

Other Information

Personnel

As of December 31, 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 group also engages consultants for specialist tasks and assignments on a frequent basis.

The share

Vicore's shares are listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of December 31, 2020, the total number of shares amounted to 60,418,239 and the market capitalization was 1,903 MSEK. The company's shares are issued in one class and each share carries one vote.

The Annual General Meeting in May 2020 resolved to, in accordance with the board of directors' proposal, authorize the board of directors, at one or several occasions, with or without deviation from the shareholders' preferential rights and for the period up until the next Annual General Meeting, to increase the company's share capital by issuing new shares. The number of shares that may be issued under the authorization may not exceed a dilution effect of more than 20 percent of the number of shares and votes outstanding in the company at the 2020 Annual General Meeting. On July 3, 2020, Vicore completed a directed share issue of 10,000,000 shares at a subscription price of SEK 18.5 per share, raising 185 MSEK before transaction costs. The company has thereby utilized most of the authorization from the 2020 Annual General Meeting.

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

On February 10, 2021, Vicore completed a directed share issue of 11,200,000 shares at a subscription price of SEK 30,0 per share. Provided that the Extraordinary General Meeting approves the directed share issue, the company will receive proceeds of 336 MSEK before transaction costs. The subscription price in the directed share issue was determined through an accelerated bookbuilding procedure and corresponds to a premium of approximately 0.63 percent to the 10-day volume weighted average share price of Vicore's share, as traded on Nasdaq Stockholm. The directed share issue entails a dilution of approximately 15.6 percent. The total number of shares outstanding, provided that the Extraordinary General Meeting approves the directed share issue, amounts to 71,760,293.

Largest shareholders

Largest shareholders in Vicore as of December 31, 2020:

Shareholder	No. of shares	%
HealthCap VII L.P.	15,663,908	25.9%
Swedbank Robur	6,005,432	9.9%
Fourth Swedish National Pension Fund	4,515,041	7.5%
Göran Wessman[1]	4,030,340	6.7%
HBM Healthcare Investments (Cayman) Ltd.	2,000,000	3.3%
Handelsbanken Funds	1,983,696	3.3%
Unionen	1,663,990	2.8%
Länsförsäkringar Funds	1,621,662	2.7%
Third Swedish National Pension Fund	1,591,425	2.6%
Kjell Stenberg	1,531,303	2.5%
Alfred Berg Funds	1,051,313	1.7%
Second Swedish National Pension Fund	1,050,000	1.7%
Other	17,710,129	29.3%
Total number of shares	**60,418,239**	**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 4.7 percent of the total number of shares.

As of December 31, 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 1,325,800 shares have been granted in the Co-worker LTIP 2018 program.

Other financial asset

Vicore holds 91,829 shares in I-Tech AB (publ), which are classified as a financial asset. As of December 31, 2020, the value of the financial asset was 7.5 MSEK.

Audit review

This year-end report has not been reviewed by the company's auditor.

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

Gothenburg, February 26, 2021

Michael Wolff-Jensen
Chairman

Sara Malcus
Board member

Maarten Kraan
Board member

Hans Schikan
Board member

Jacob Gunterberg
Board member

Carl-Johan Dalsgaard
CEO

Peter Ström
Board member

Heidi Hunter
Board member

Financial reports
Group

Group statement of comprehensive income in summary

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net sales	0	0	0	0
Gross profit	**0**	**0**	**0**	**0**
Administrative expenses	-9,667	-6,685	-24,986	-26,875
Research and development expenses	-53,706	-23,535	-142,021	-67,048
Other operating income and expenses	4,532	-24	17,469	-91
Profit/loss from operations	**-58,841**	**-30,244**	**-149,538**	**-94,014**
Financial income	685	2,476	2,229	712
Financial expenses	-223	-21	-6	-27
Net financial income/expense	**462**	**2,455**	**2,223**	**685**
Profit/loss before tax	**-58,379**	**-27,789**	**-147,315**	**-93,329**
Tax	108	212	453	245
Loss for the period attributable to the parent company´s shareholders	**-58,271**	**-27,577**	**-146,862**	**-93,084**
Other comprehensive income				
Other comprehensive income	0	0	0	0
Other comprehensive income for the period, net of net of tax	**0**	**0**	**0**	**0**
Total comprehensive income attributable to the parent company´s shareholders	**-58,271**	**-27,577**	**-146,862**	**-93,084**
Earnings per share, before and after dilution (SEK)	**-0.96**	**-0.60**	**-2.71**	**-2.16**

Consolidated statement of financial position in summary

KSEK	2020 Dec 31	2019 Dec 31
ASSETS		
Fixed assets		
Patent, licenses and similar rights	70,755	68,082
Equipment	113	143
Contract asset	139	189
Long-term investments	7,530	6,116
Deferred tax asset	131	63
Total fixed assets	**78,668**	**74,593**
Current Assets		
Other receivables	5,354	1,426
Prepaid expenses and accrued income	3,757	474
Short-term investments	70,118	77,029
Cash and cash equivalents	248,618	187,586
Total current assets	**327,847**	**266,515**
TOTAL ASSETS	**406,515**	**341,108**
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders	**354,513**	**321,597**
LIABILITIES		
Non-current liabilities		
Contract liability	0	186
Other provisions	2,385	575
Deferred tax liability	1,531	1,796
Total non-current liabilities	**3,916**	**2,557**
Current liabilities		
Contract liability	140	4
Trade payables	10,943	5,300
Current tax liability	553	534
Other liabilities	3,132	2,982
Other provisions	3,792	0
Accrued expenses and deferred income	29,526	8,134
Total current liabilities	**48,086**	**16,954**
TOTAL LIABILITIES	**52,002**	**19,511**
TOTAL EQUITY AND LIABILITIES	**406,515**	**341,108**

Consolidated statement of changes in shareholders' equity in summary

KSEK	Shareholders' equity attributable to the parent company			
	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Equity at the beginning of the period	**411,993**	**231,260**	**321,597**	**285,436**
Profit for the period	-58,271	-27,577	-146,862	-93,084
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	**-58,271**	**-27,577**	**-146,862**	**-93,084**
Transactions with owners:				
Issue of new shares	0	124,800	187,550	134,830
Issue costs	0	-7,374	-10,404	-7,575
Long-term incentive program	791	488	2,632	1,990
Total transactions with owners	**791**	**117,914**	**179,778**	**129,245**
Equity at the end of the period	**354,513**	**321,597**	**354,513**	**321,597**

Consolidated statement of cash flow

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Operating activities				
Operating profit	-58,841	-30,244	-149,538	-94,014
Adjustment for items not included in the cash flow	1,701	1,428	6,202	3,350
Interest received	726	134	726	134
Interest paid	-3	-22	-6	-28
Cash flow from operating activities before changes in working capital	**-56,417**	**-28,704**	**-142,616**	**-90,558**
Cash flow from changes in working capital				
Change in operating receivables	-789	1,608	-4,212	234
Change in operating payables	18,113	2,294	26,548	3,324
Cash flow from operating activities	**-39,093**	**-24,802**	**-120,280**	**-87,000**
Investing activities				
Acquisition of intangible assets	-3,000	0	-3,000	0
Acquisition of equipment	0	-147	0	-147
Acquisition of short-term investments	0	-77,000	-70,000	-77,000
Sale of short-term investments	77,000	0	77,000	0
Cash flow from investing activities	**74,000**	**-77,147**	**4,000**	**-77,147**
Financing activities				
Amortization contract liability	-69	-88	-179	-210
Issue of new shares	0	124,800	187,550	134,830
Issue costs	0	-7,374	-10,059	-7,575
Cash flow from financing activities	**-69**	**117,338**	**177,312**	**127,045**
Cash flow for the period	**34,838**	**15,389**	**61,032**	**-37,102**
Cash and cash equivalents at the beginning of the period	**213,780**	**172,197**	**187,586**	**224,688**
Cash and cash equivalents at the end of the period	**248,618**	**187,586**	**248,618**	**187,586**

Financial reports
Parent company

Parent company's income statement

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net sales	918	768	3,672	3,092
Gross profit	**918**	**768**	**3,672**	**3,092**
Administrative expenses	-9,643	-6,565	-24,663	-26,484
Research and development expenses	-414	-385	-1,658	-1,536
Other operating income and expenses	-3	0	44	-17
Profit/loss from operations	**-9,142**	**-6,182**	**-22,605**	**-24,945**
Interest income and similar profit items	245	163	817	163
Interest expenses and similar loss items	-2	-18	-38	-20
Net financial income/expense	**243**	**145**	**779**	**143**
Result after financial items	**-8,899**	**-6,037**	**-21,826**	**-24,802**
Tax	12	63	69	63
The result for the period	**-8,887**	**-5,974**	**-21,757**	**-24,739**

Parent company's statement of comprehensive income

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
The result for the period	-8,887	-5,974	-21,757	-24,739
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	**-8,887**	**-5,974**	**-21,757**	**-24,739**

Parent company's balance sheet

KSEK	2020 Dec 31	2019 Dec 31
ASSETS		
Fixed assets		
Patent, licenses and similar rights	6,000	0
Participations in group companies	396,303	276,274
Long-term investments	565	565
Deferred tax asset	131	63
Total fixed assets	**402,999**	**276,902**
Current assets		
Receivables		
Receivables from group companies	0	244
Other receivables	305	594
Prepaid expenses and accrued income	270	287
	575	**1,125**
Short-term investments	70,118	77,029
Cash and cash equivalents	195,822	148,903
Total current assets	**266,515**	**227,057**
TOTAL ASSETS	**669,514**	**503,959**

Parent company's balance sheet

KSEK	2020 Dec 31	2019 Dec 31
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity		
Share capital	30,209	25,087
Total restricted equity	**30,209**	**25,087**
Non-restricted equity		
Share premium reserve	688,011	515,987
Accumulated profit or loss	-42,483	-20,375
Profit (loss) for the period	-21,757	-24,739
Total non-restricted equity	**623,771**	**470,873**
TOTAL EQUITY	**653,980**	**495,960**
LIABILITIES		
Provisions		
Other provisions	1,845	500
Deferred tax liability	120	0
Total provisions	**1,965**	**500**
Non-current liabilities		
Liabilities to group companies	0	0
Total non-current liabilities	**0**	**0**
Current liabilities		
Trade payables	764	917
Liabilities to group companies	0	400
Current tax liability	385	341
Other liabilities	1,725	2,738
Other provisions	3,467	0
Accrued expenses and deferred income	7,228	3,103
Total current liabilities	**13,569**	**7,499**
TOTAL LIABILITIES	**15,534**	**7,999**
TOTAL EQUITY AND LIABILITIES	**669,514**	**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 year-end report for 2020 was approved for publication on February 26, 2021, in accordance with a board decision on February 25, 2021.

Note 2 Accounting principles

Vicore's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations from the IFRS Interpretation Committee (IFRS IC) as adopted by the European Union (EU). Furthermore, the group also applies the Annual Accounts Act (1995: 1554) and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups." Relevant accounting and valuation principles could be found on pages 38-42 of the Annual Report for 2019.

The year-end report for 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

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

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

The accounting principles and calculation methods remain unchanged from those applied in the Annual Report for the financial year January 1 - December 31, 2019, with the exception of what is described below.

IAS 20 "Accounting for government grants and disclosures of government aid"

During the second quarter of 2020, Vicore received a grant of 1.5 GBP million from the British charity organisation LifeArc* for the ATTRACT study in patients with COVID-19. 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 for the fourth quarter and the full year 2020:

Vicore Pharma AB invoiced INIM Pharma AB approximately 0.7 MSEK for the fourth quarter and approximately 2.9 MSEK for the full year 2020 for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary Vicore Pharma AB approximately 0.7 MSEK for the fourth quarter and approximately 2.8 MSEK for the full year 2020 for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary INIM Pharma AB approximately 0.2 MSEK for the fourth quarter and approximately 0.9 MSEK for the full year 2020 for management fee.

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

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

Operational risks

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

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

Financial risks

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

For more information about operational and financial risks as well as other risk factors, see the Annual Report 2019, which can be downloaded from the company's website, www.vicorepharma.com.

* 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 funding 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.

COVID-19-pandemic

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

- the availability and recruitment of potential trial participants in clinical studies as well as their possibility of carrying out non-essential hospital visits is negatively affected. This could lead to delays of the studies, incurring greater costs and capital need than expected,
- important suppliers or contract research organisations are experiencing financial distress,
- impairments of intangible assets, and/or
- further disruption of financial markets, which can impact the company's refinancing abilities.

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

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

Note 5 Financial instruments

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

Note 6. Depreciation and amortization

Allocation by function

KSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Administrative expenses	0	-27	0	-111
Research and development expenses	-909	-911	-3,537	-1,227
Total	**-909**	**-938**	**-3,537**	**-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.

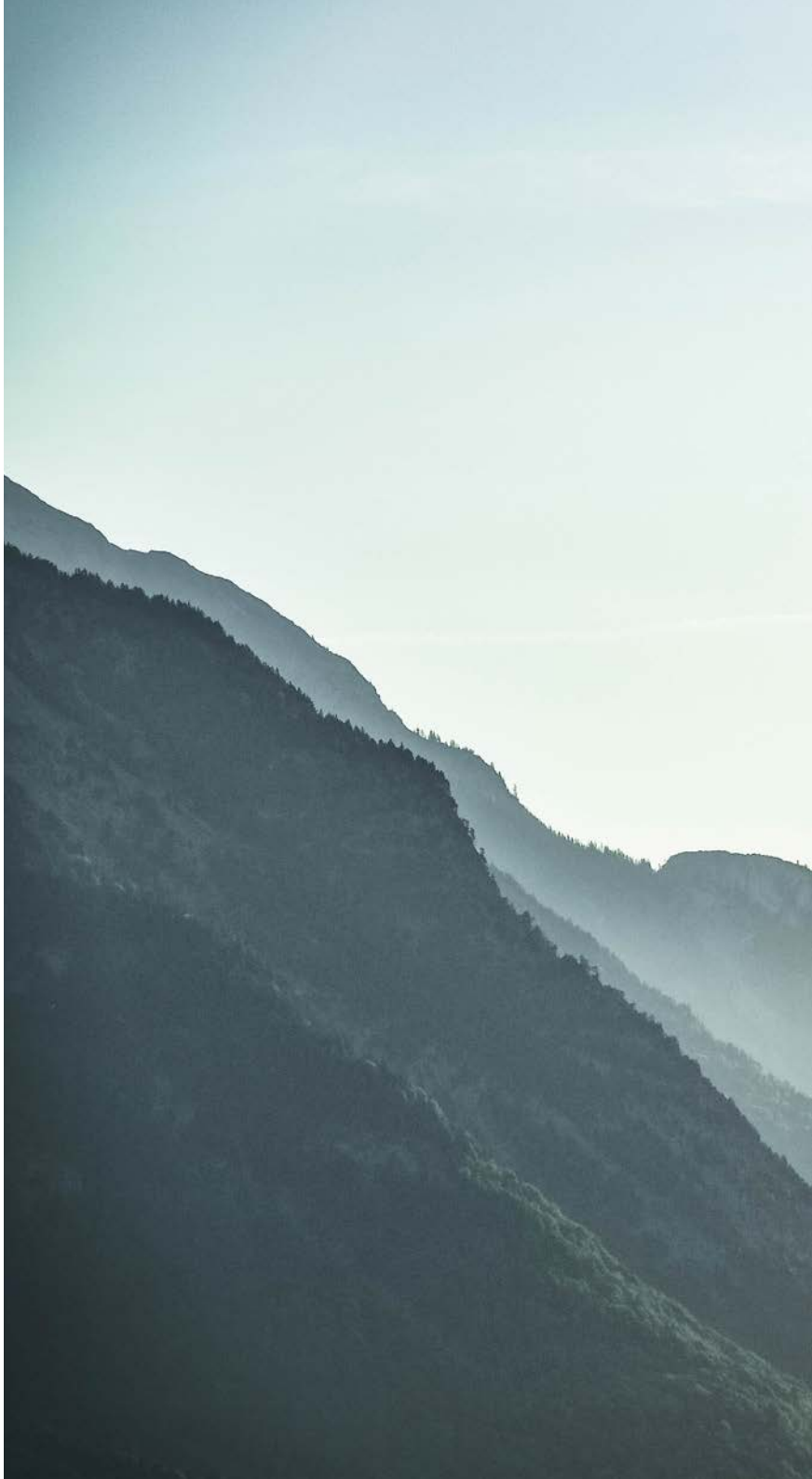
Key performance measures

	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Share capital at the end of period (KSEK)	30,209	25,087	30,209	25,087
Total registered shares at the beginning of period	60,418,239	42,374,714	50,174,714	32,960,008
Total registered shares at the end of period	60,418,239	50,174,714	60,418,239	50,174,714
Average number of ordinary shares	60,418,239	45,974,714	54,249,185	43,041,933
Total number of shares allocated options and share awards may entitle to	2,325,800	1,240,800	2,325,800	1,240,800
Profit for the period attributable to shareholders of the parent company (KSEK)	-58,271	-27,577	-146,862	-93,084
Earnings per share before and after dilution (SEK)[1]	-0.96	-0.60	-2.71	-2.16
Equity ratio at the end of the period (%)[2]	87.2	94.3	87.2	94.3
Research and development expenses/operating expenses (%)[3]	84.4	77.7	84.7	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 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Equity ratio at the end of the period (%)				
Total shareholders' equity at the end of the period (KSEK)	354,513	321,597	354,513	321,597
Total assets at the end of the period (KSEK)	406,515	341,108	406,515	341,108
Equity ratio at the end of the period (%)	87.2	94.3	87.2	94.3
Research and development expenses/operating expenses (%)				
Research and development expenses (KSEK)	-53,706	-23,535	-142,021	-67,048
Administrative expenses (KSEK)	-9,667	-6,685	-24,986	-26,875
Other operating expenses (KSEK)	-233	-69	-721	-157
Operating expenses (KSEK)	-63,606	-30,289	-167,728	-94,080
Research and development expenses/operating expenses (%)	84.4	77.7	84.7	71.3

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vicore pharma

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