Year-end report 2021

Vicore Pharma Holding AB (publ)

vicorepharma.com

Table of Contents

Summary of the Period

Important events during the fourth quarter

- In October, Vicore announced that the results from the phase 2 trial in COVID-19 (ATTRACT) were published in EClinicalMedicine, a scientific journal published by the Lancet.
- In November, Vicore announced results from the ATTRACT phase 2 extension trial showing that C21 reduced long-term lung injury after COVID-19.

Important events after the period

- In February, an interim analysis of the AIR phase 2 trial in idiopathic pulmonary fibrosis (IPF) suggests that C21 stabilizes disease and shows an unanticipated increase in lung function in IPF patients.
- In February, Vicore announced the advancement of its first new chemical entitity from the VP03 program to a first in human phase 1 trial. A clinical trial application (CTA) is expected to be submitted during the second quarter 2022.

Financial overview for the period

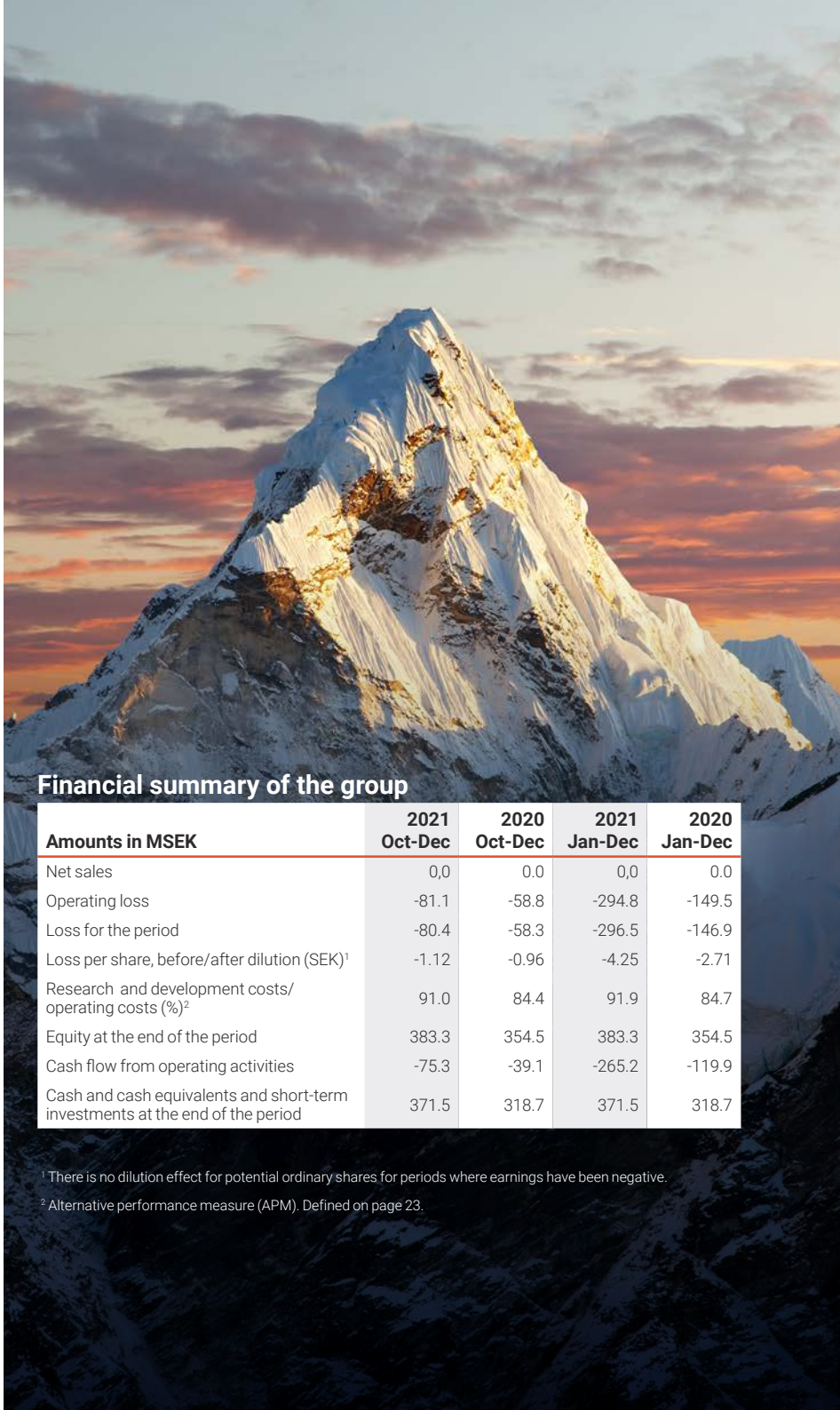
October 1 - December 31, 2021

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -81.1 MSEK (-58.8)
- Loss for the period amounted to -80.4 MSEK (-58.3)
- Loss per share, before and after dilution, was -1.12 SEK (-0.96)
- On December 31, 2021, cash, cash equivalents and short-term investments amounted to 371.5 MSEK (318.7 MSEK as of December 31, 2020)

January 1 - December 31, 2021

- Net sales amounted to 0.0 MSEK (0.0)
- The operating loss was -294.8 MSEK (-149.5)
- Loss for the period amounted to -296.5 MSEK (-146.9)
- Loss per share, before and after dilution, was -4.25 SEK (-2.71)
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2021

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



Financial summary of the group

Amounts in MSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	0,0	0.0	0,0	0.0
Operating loss	-81.1	-58.8	-294.8	-149.5
Loss for the period	-80.4	-58.3	-296.5	-146.9
Loss per share, before/after dilution (SEK)[1]	-1.12	-0.96	-4.25	-2.71
Research and development costs/ operating costs (%)[2]	91.0	84.4	91.9	84.7
Equity at the end of the period	383.3	354.5	383.3	354.5
Cash flow from operating activities	-75.3	-39.1	-265.2	-119.9
Cash and cash equivalents and short-term investments at the end of the period	371.5	318.7	371.5	318.7

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

[2] Alternative performance measure (APM). Defined on page 23.

CEO Comments

"The interim data from the IPF trial is really exciting and strengthens our confident view on the therapeutic potential of C21 in IPF. We now aim to initiate the next step in development; a randomized controlled trial, as soon as possible. If these results hold up, it will be a gamechanger in the treatment of IPF".

Vicore continued to make progress during the fourth quarter of 2021, building towards important data generation points in our ongoing clinical trials with C21 in idiopathic pulmonary fibrosis (IPF) and COVID-19, preparing for the pivotal trial with our digital therapeutic product in IPF and laying the essential groundwork for new clinical programs with proprietary candidate molecules that modulate the angiotensin II type 2 receptor (AT2R).

In February, after the reporting period, it was decided to do an interim analysis in the AIR trial, Vicore's ongoing phase 2 clinical trial of C21 in IPF. The analysis resulted in encouraging data showing a positive FVC* change of +251 ml over baseline after 24 weeks, compared to an expected decline of 120 ml in an estimated placebo population with IPF[1], implying an +371ml difference. Furthermore, out of the seven patients who completed 36 weeks of C21 treatment, five showed continued improvement after 24 weeks and two remained stable. That C21 may stabilize disease and increases lung function is a major milestone in IPF, where, by way of reference, the currently approved treatments show a decrease of approximately 60 ml in FVC in 24 weeks[1]. With these interim results in hand, we have decided to initiate the planning of AIR 2, a randomized controlled study to confirm the results and accelerate the development of C21 towards the market.

In addition, using receptor autoradiography to evaluate binding of C21 to AT2R in human lung tissue, it was demonstrated that AT2R is abundant in the (healthy) lung and that C21 significantly and specifically binds to the AT2R in the lung. This confirms that abundant AT2R in human lung enables multiple points of attack for C21. You can see the convincing images on page 8 in the year-end report.

"The results from the interim analysis and the receptor autoradiography data further strengthens the AT2R biology where Vicore is first-in-class with C21 and the follow-on molecules in the VP03 program".

The development in the VP03 program is gathering momentum and the first drug candidate, C106, is now ready for a first in human phase 1 trial. As mentioned in our previous quarterly report, through extensive preclinical and clinical programs on C21, Vicore has uniquely accumulated a great deal of experience in modulating the C21 target

** Forced Vital Capacity, a measure of lung function*

1. Richeldi et al 2014; King et al 2014

receptor, AT2R, a biological system that plays a core part in the control of cellular regeneration and repair. Those processes are central in defining the symptoms and causative mechanism in a broad range of important diseases apart from IPF, such as heart failure and kidney fibrosis. Throughout 2021, our efforts to develop proprietary molecules that modulate AT2R in a controlled manner have intensified. We have established broad intellectual property protection around the class of AT2R stimulating drugs through patent filings. The development in this important pipeline program will be one of Vicore's key priorities during 2022.

More than 50 centers in 10 countries are now active and accruing patients in ATTRACT-3, Vicore's phase 3 pivotal trial in COVID-19. Even though the recruitment rate has grown steadily, the unpredictable COVID-19 situation has caused a delay in recruitment. We estimate that the read-out of the results from the trial will move into the second half of 2022 as opposed to the first half of 2022 as previously communicated.

The company is also in advanced stages of preparation for the clinical investigation of Vicore's digital therapeutic for IPF. This software-based medical intervention will provide cognitive behavioral therapy that, on top of standard of care, is intended to help patients with the psychological aspects of their disease. There are two phases to the investigation; the pilot study is intended to examine some of the principal assumptions around the design and operation of the digital therapeutic with approximately 20 IPF patients. The essential data gathered in the pilot study will lead to the subsequent pivotal study needed for the approval of the product. This pivotal phase is estimated to start during the third quarter of 2022 and will involve approximately 250 patients as well as physicians, and subsequently payers concerned with advanced IPF care.

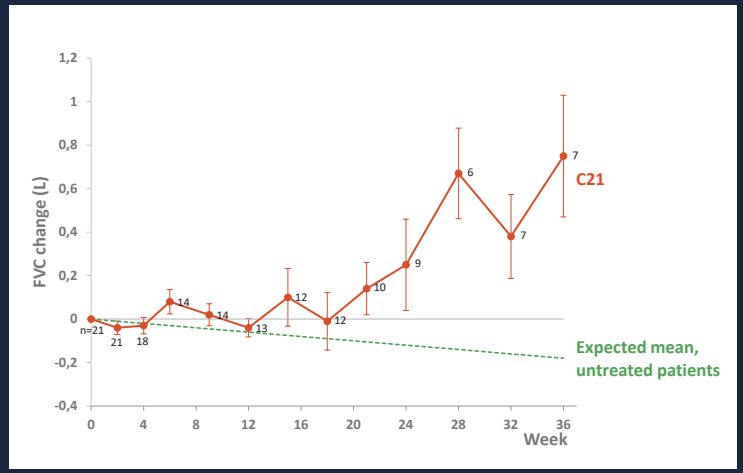
In the VP02 program, we are investigating different formulations for delivering thalidomide - recognized as an effective therapeutic tool for IPF cough – to the lungs to treat the cough without exposing the patient for levels that give rise to systemic side effects. This chemistry and preclinical work is continuing during the first half of 2022 but is going slower than expected and we estimate a delay in starting a clinical trial.

During the past year we have generated important clinical data on our lead compound, C21 and, at the same time, we are on the verge of opening fresh clinical opportunities with the next generation of AT2R agonists. Vicore is poised to move forward on several fronts in 2022 and as we enter a new calendar year, I would like once again to extend my gratitude to our employees for their hard work and dedication under the trying circumstances of the past several quarters, to the patients who are involved in our clinical trials, to our growing global network of clinical collaborators and to our shareholders for their continued support of Vicore's work.

Carl-Johan Dalsgaard
CEO

C21 stabilizes IPF and increase lung volume

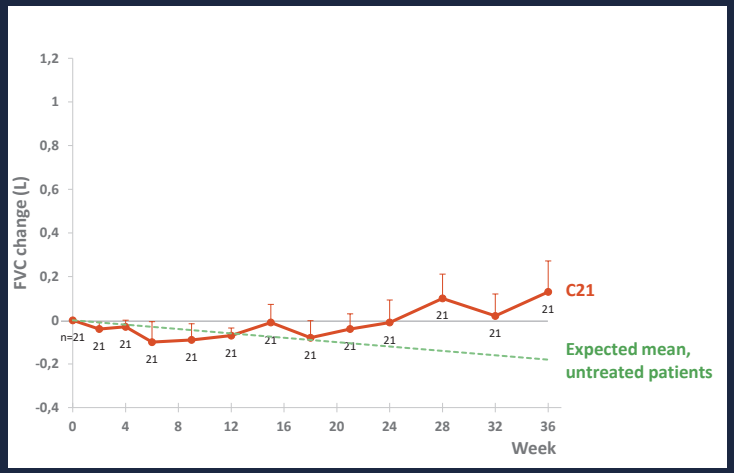
Mean change (SEM) from baseline in FVC over time, observed values



- After an initial stabilization there is an increase in FVC.
- At 24w, FVC increase is +251 ml vs. an expected change of -120 ml in untreated patients. At 36 weeks the FVC increase is +750 ml.
- Slope values at 28w, 32w and 36w are statistically significant (p=0.016 at 36w) vs. the expected mean for untreated patients.

With C21 the slope is positive compared to negative for untreated and SoC

Mean change (SEM) from baseline in FVC over time with observed and imputed values



- Imputed values used are based on historical decline in untreated patients (-120ml/24w).
- Even with this conservative approach, the slope is still positive.

Despite a very conservative imputation of missing observations, the slope is still positive

Business and Focus Areas

Vicore is a clinical-stage pharmaceutical company focused on developing innovative medicines in severe lung diseases and other indications where the Angiotensin II type 2 receptor (AT2R) plays an important role. The company currently has four development programs, VP01, VP02, VP03 and VP04 in IPF and other related lung indications.The goal is to build significant value by generating strong clinical data and thereby creating the prerequisites for future financing and commercial collaborations.

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

Patient focus

Patient focus is something Vicore demonstrates in all of its actions. Vicore works with patient groups in severe lung diseases, non-profit organizations started by patients, caregivers, family members or healthcare professionals to understand their experiences and needs. Vicore is a silversponsor of EU-IPFF, the European charity and patient organization for IPF.

”Vicore is a clinical-stage pharmaceutical company focused on severe lung disease and related indications.”

Goal

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

Vision

Vicore's vision is to remove the pain and suffering caused by severe 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.

The Angiotensin II Type 2 Receptor (AT2R)

- a cornerstone in medicine with a large potential

There is strong scientific evidence for an important protective role of AT2R activation in several serious diseases related to cellular senescence and microvascular dysfunction. In addition to IPF, these include pulmonary hypertension, chronic kidney disease, atherosclerosis, heart failure and cognitive disorders. This is based on more than 100 preclinical studies from different research laboratories around the world. Clinical evidence is now accumulating, validating the preclinical results; in COVID-19 the patients treated with the AT2R agonist C21 had a significantly lower risk of needing oxygen supplementation by the end of study, suggesting a restoration of lung function by the drug. In addition, at the 3-month follow-up, treated patients had fewer pathological signs on chest computer tomographies. Vascular effects of C21, confirming preclinical results, were demonstrated in systemic sclerosis patients with severe vasculopathy and fibrosis. The total body of evidence suggests that the AT2R is a relevant target far beyond COVID-19, systemic sclerosis and IPF.

Vicore has during the last years built a strong position in AT2R agonist chemistry and has a platform of very promising new molecules with patent protection to 2040 and beyond under development. The first new AT2R agonist to follow C21 has finalized the preclinicial development and is ready to enter a phase 1 trial. A CTA is expected to be submitted during the second quarter of 2022.

Program Overview

Ongoing Finalized

Program	Indication	Explorative	Preclinical	Phase 1	Phase 2	Phase 3
VP01 (C21)	COVID-19					
VP01 (C21)	Idiopathic Pulmonary Fibrosis (IPF)					
VP02 (IMiD)	IPF och IPF-cough					
VP03 (New AT2R agonists)	Multiple indications					
VP03 (C106)	Multiple indications			*		

Program	Indication	Technical development and testing	Clinical trial	Regulatory approval	Launch
VP04 (Digital Therapeutics, DTx)	Digital Cognitive Behavioural Therapy (dCBT) for idiopatic pulmonary fibrosis (IPF)				

** CTA for a phase 1 trial estimated during the second quarter of 2022 (first AT2R agonist from the VP03 program)*

VP01 - AT2 receptor agonist - first in class

Vicore's drug candidate C21 (VP01 program) originates from extensive research on the Renin-Angiotensin System (RAS) and binds specifically to and activates AT2R.

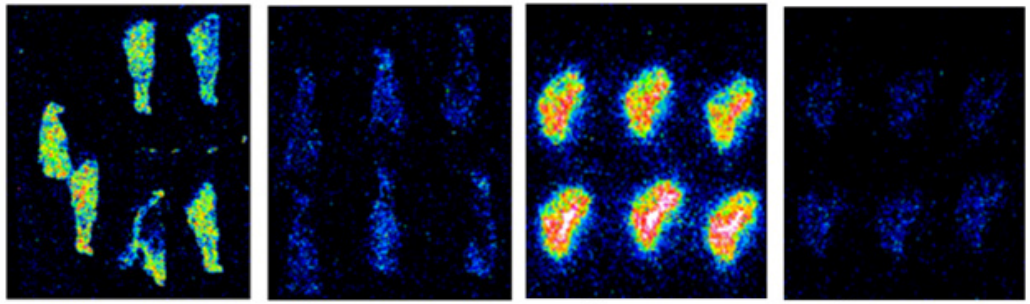
Vicore has shown pronounced effects with C21 in a gold-standard preclinical model considered predictive of human pulmonary hypertension (PH), the so called Sugen-Hypoxia-induced PH model. PH is a common and serious complication of interstitial lung disease, including IPF, and treatment options are extremely limited.

Vicore has also shown robust effects with C21 in lung tissue from patients with idiopathic pulmonary fibrosis (IPF). Treatment with clinically relevant concentrations of C21 caused a dose-dependent decrease of TGFβ1, a key growth factor in fibrosis development.

Recently, Vicore has also shown that human lung tissue expresses the AT2 receptor and that very low concentrations of C21 bind specifically to AT2R in the lung tissue has been shown by so-called receptor autoradiography (see figure below).

C21 has previously shown very good effects in animal models with pulmonary fibrosis and is now being evaluated in a phase 2 trial in patients with IPF and a phase 3 trial in COVID-19.

Vicore has received Orphan Drug Designation for C21 in IPF from the FDA and EMA. Among other benefits, this designation 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.



[^{3}H] C21 1nM | [^{3}H] C21 1nM C21 0.75 µM | [^{125}I] Ang II 0.15 1 nM | [^{125}I] Ang II 0.15 1 nM C21 0.75 µM

The left hand image shows binding of isotope-labeled (tritium) C21 (1 nM) to thin sections of human lung. The second image shows that a higher concentration (0.75 µM) of unlabeled C21 blocks the binding of isotope-labeled C21, which shows that the binding is specific. The third image shows binding of isotope-labeled angiotensin II (Ang II, 0.15 nM) to human lung sections. The fourth image shows that unlabeled C21 blocks the binding of isotope-labeled Ang II, which illustrates that the AT2 receptor is the dominant Ang II receptor in the human lung (the binding of Ang II is not affected by valsartan which blocks the AT1 receptor - not shown in the image).

Program status VP01

Idiopathic pulmonary fibrosis (IPF)

The phase 2 trial in IPF (AIR[1]) has been designed in collaboration with international clinical experts in IPF and will investigate both safety and lung function. The trial aims to support the decision to initiate a confirmatory

1. NCT04533022

trial and is performed in the UK, India, Ukraine and Russia.

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

The first patient was dosed in India in November 2020.

In February 2022, Vicore performed an interim analysis showing an initial stabilization of disease and then an increase in FVC up to the end of the study at 36 weeks. At the time of the interim analysis, there were 21 evaluable patients of which 13, 9 and 7 patients reached 12, 24 and 36 weeks of treatment, respectively. After 24 weeks, the increase in mean FVC was +251 ml, a considerable difference of 371 ml compared to the expected decline of 120 ml in 24 weeks in an untreated population[2]. Five of the seven patients who completed both 24 and 36 weeks of C21 treatment showed continued improvement in FVC and two remained stable. Analysis of FVC slope values at 28, 32 and 36 weeks are statistically significant (p=0.016 at 36 weeks) compared to the expected mean for untreated patients. The study drug was well tolerated with no related serious adverse events, acute exacerbations, or gastrointestinal signals.

The trial is estimated to read-out in Q4 2022 at current recruiting plan and outlook.

COVID-19

During 2020, Vicore conducted a phase 2 trial with C21 in 106 patients with COVID-19 (ATTRACT[3]). In October 2020, the company reported that the trial was fully recruited. Top-line data was published in December 2020.

The study was designed as a randomized, double-blind, placebo-controlled trial in patients with moderately severe disease, and signs of acute respiratory infection but not requiring mechanical ventilation. It investigated the safety and efficacy of C21 on respiratory failure and other functional outcomes. The vast majority of the patients received corticosteriod treatment as part of standard of care.

The clinical results from the trial were positive demonstrating that C21 can restore lung function in COVID-19, suggesting that C21 can prevent disease progression.

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

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. There were no treatment-related side effects.

The results from an extension trial, 3-6 months after treatment, including a subset of 33 patients (ATTRACT-2[4]) showed that patients receiving C21 (n=17) displayed reduced pathological abnormalities compared to the placebo group (n=16). In the C21 group, on average 10.3 percent of the lung was affected compared to 19.2 percent in the placebo group. The dominating radiological change was ground glass opacity, a pathological characteristic following viral respiratory infection.

In June 2021, Vicore received approval from the U.S. Food and Drug Administration (FDA) to start a pivotal phase 3 trial with C21 in COVID-19 (ATTRACT-3[5]) and in September the first patients in the trial where dosed.

The study is designed as a randomized, double-blind, placebo-controlled, multinational, phase 3 trial that will include 600 adult patients hospitalized with COVID-19 and requiring oxygen support but not invasive mechanical ventilation. The primary objective is to evaluate the effect of C21 on recovery from COVID-19. The patients are randomized to receive 100 mg C21 or placebo twice daily on top of standard of care (SoC) for 14 days and patients will be followed for 60 days. The trial has currently been activated in more than 50 study centers in the US, Czech Republic, Ukraine, South Africa, India, Philippines, Argentina, Brazil, Columbia and Russia.

Due to the COVID-19 pandemic, the activation of study centers and patient recruitment has been slower than expected, but the global distribution of study centers makes the study less sensitive to seasonal variations of the virus and differences in vaccination rate and according to the current recruitment plan, top-line results from ATTRACT-3 are expected during the second half of 2022.

VP02 – Targeting IPF and IPF-related cough

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

Many IPF patients suffer from a chronic intractable cough which considerably affects the patients' quality of life due to sleep disturbances, difficulties at work and stress incontinence[6]. Currently, there is no established therapy for IPF-related cough and standard cough medications have little or no effect on the disease. The anti-cough mechanism of VP02 in IPF is unknown, but the cough is thought to be due to structural changes in the lungs, increased sensitivity of the cough reflex, airway inflammation and/or changes in mucus production and clearance[7].

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 trial, 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 other interventional clinical trials[8].

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 novel VP02 program aims to eliminate the negative aspects of systemic exposure by developing thalidomide for local administration to the lungs.

2. Richeldi et al 2014; King et al 2014 3. NCT04452435 4. NCT04878913 5. NCT04880642 6. Saini et al 2011 7. Vigeland et al 2017 8. Horton et al 2012

Program status VP02

The inhaled formulation for local delivery of thalidomide to treat IPF-related cough is in preclinical development. Vicore continues to evaluate alternative formulations to deliver thalidomide locally to the lung, but the development is going slower than expected which has caused delays in the program. Further details on the progress in the VP02 program will be announced in coming reports.

VP03 – New AT2R agonists

Within this program, Vicore aims to develop new patentable AT2R agonists. The objective is to develop competitive pharmaceutical products also for broader indications.

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

Program status VP03

The VP03 program, which is in the preclinical phase, is progressing well and potential drug candidates are under evaluation. The development work is done in collaboration with Emeriti Bio and HaLaCore Pharma.

The first drug candidate, C106, has completed preclinical development and a CTA for a phase 1 trial is expected during the second quarter of 2022.

The preclinical work to develop additional AT2R agonists continous in parallell.

VP04 – Digital Therapeutics – a broader perspective

The VP04-program consists of a digital therapeutic (DTx) based on cognitive behavioral therapy (CBT) to address the psychological impact of living with IPF. Vicore is collaborating with Alex Therapeutics for the development. Alex Therapeutics is a Swedish medtech company specializing in design and development of medical device software, with expertise in technology and clinical psychology.

The product will be evaluated through real-world pilots and clinical trials as well as regulatory approvals, similar to medical device development.

Program status VP04

Technical development of the software is in progress. A pilot study involving approximately 20 patients to evaluate the functionality of digital cognitive behavioral therapy for IPF (dCBT-IPF DTx) will begin in the spring of 2022. Thereafter, the goal is to initiate a pivotal trial with approximately 250 patients during the third quarter of 2022.

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 2021.

Operating expenses

Operating expenses for the fourth quarter amounted to -81.7 MSEK (-63.6) and to -295.9 MSEK (-167.7) for the full year 2021. The increase in operating expenses is according to plan and is mainly attributable to increasing research and development expenses.

Administrative expenses

Administrative expenses for the fourth quarter amounted to -5.1 MSEK (-9.7) and -20.2 MSEK (-25.0) for the full year 2021. The costs for share-based incentive programs related to administrative staff amounted to +0.3 MSEK (-3.6) for the fourth quarter and +2.3 MSEK (-6.9) for the full year 2021. The positive values represent a reversal of booked provisions for social security contributions linked to the incentive programs due to a change in the underlying share price. For further information, see "Costs for share-based incentive programs.

Marketing and distribution expenses

Marketing and distribution expenses for the fourth quarter amounted to -1.4 MSEK (0.0) and -1.4 MSEK (0.0) for the full year 2021. The costs for share-based incentive programs related to staff within marketing and distribution amounted to -0.1 MSEK (0.0) for the fourth quarter and -0.1 MSEK (0.0) for the full year 2021.

Research and development expenses

Research and development expenses for the fourth quarter amounted to -74.3 MSEK (-53.7) and -271.8 MSEK (-142.0) for the full year 2021. 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 -0.3 MSEK (-0.6) for the fourth quarter and -0.7 MSEK (-1.3) for the full year 2021. Research and development expenses relative to operating expenses, which is one of the company's alternative performance measures, for the fourth quarter was 91.0 percent (84.4 percent) and 91.9 percent (84.7 percent) for the full year 2021.

Other operating income and expenses

Other operating income and expenses for the fourth quarter amounted to -0.3 MSEK (4.5) and -1.4 MSEK (17.5) for the full year 2021. 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 -0.1 MSEK (-4.2) and +1.5 MSEK (-8.2) for the full year 2021. Of the -0.1 MSEK (-4.2) for the fourth quarter, -1.3 MSEK (-0.8) consists of IFRS 2 classified salary costs and -1.2 MSEK (-3.4) provisions for social security contributions. These costs have had no cash flow impact.

Result

The operating loss for the fourth quarter amounted to -81.1 MSEK (-58.8) and -294.8 MSEK (-149.5) for the full year 2021. The result from financial items amounted to 0.8 MSEK (0.5) for the fourth quarter and to -1.9 MSEK (2.2) for the full year 2021. This is mainly attributable to changes in the value of the company's long-term investment (I-Tech), foreign exchange differences on the company's currency accounts and interest earned on short-term

Financial calendar

April 7, 2022	Annual report 2021
May 5, 2022	Interim report, Q1
May 11, 2022	Annual General Meeting 2022
August 25, 2022	Interim report, Q2
November 3, 2022	Interim report, Q3
February 28, 2023	Year-end report 2022

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

investments in fixed-rate accounts. The result after financial items for the fourth quarter amounted to -80.3 MSEK (-58.4) and -296.7 MSEK (-147.3) for the full year 2021.

Tax for the fourth quarter amounted to -0.1 MSEK (0.1) and 0.3 MSEK (0.5) for the full year 2021. Tax is mainly related to a change in deferred tax liability attributable to acquired intangible assets. The group's accumulated tax loss carryforwards as of December 31, 2021, amounted to 729.8 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 -80.4 MSEK (-58.3) and to -296.5 MSEK (-146.9) for the full year 2021. Earnings per share before and after dilution amounted to -1.12 SEK (-0.96) for the fourth quarter and -4.25 SEK (-2.71) for the full year 2021.

Cash flow, investments and financial position

Cash flow from operating activities for the fourth quarter amounted to -80.2 MSEK (-39.1) and -265.2 MSEK (-119.9) for the full year 2021. The continued negative cash flow from the operating activities is according to plan and is explained by the company's increasing investment in the clinical development programs. Adjustment for items not included in the cash flow for the fourth quarter amounted to 0.8 MSEK (1.7) and mainly comprised costs for share-based incentive programs and amortization of acquired intangible assets.

Cash flow from investing activities amounted to 0.0 MSEK (74.0) for the fourth quarter and to -7.0 MSEK (4.0) for the full year 2021. The difference compared with the previous year is mainly attributable to the acquisition and sale of short-term interest-bearing investments.

Cash flow from financing activities amounted to -0.1 MSEK (-0.1) for the fourth quarter and 318.2 MSEK (177.0) for the full year 2021. On February 10, 2021, the company completed a directed share issue of 336 MSEK before transaction costs amounting to approximately 17.6 MSEK. The directed share issue was approved at an Extraordinary General Meeting in March 2021.

As of December 31, 2021, cash and cash equivalents amounted to 294.2 MSEK (248.6 MSEK as of December 31, 2020) and short-term investments amounted to 77.3 MSEK (77.1 MSEK as of December 31, 2020). Accordingly, cash, cash equivalents and short-term investments amounted in total to 371.5 MSEK (318.7 MSEK as of December 31, 2020).

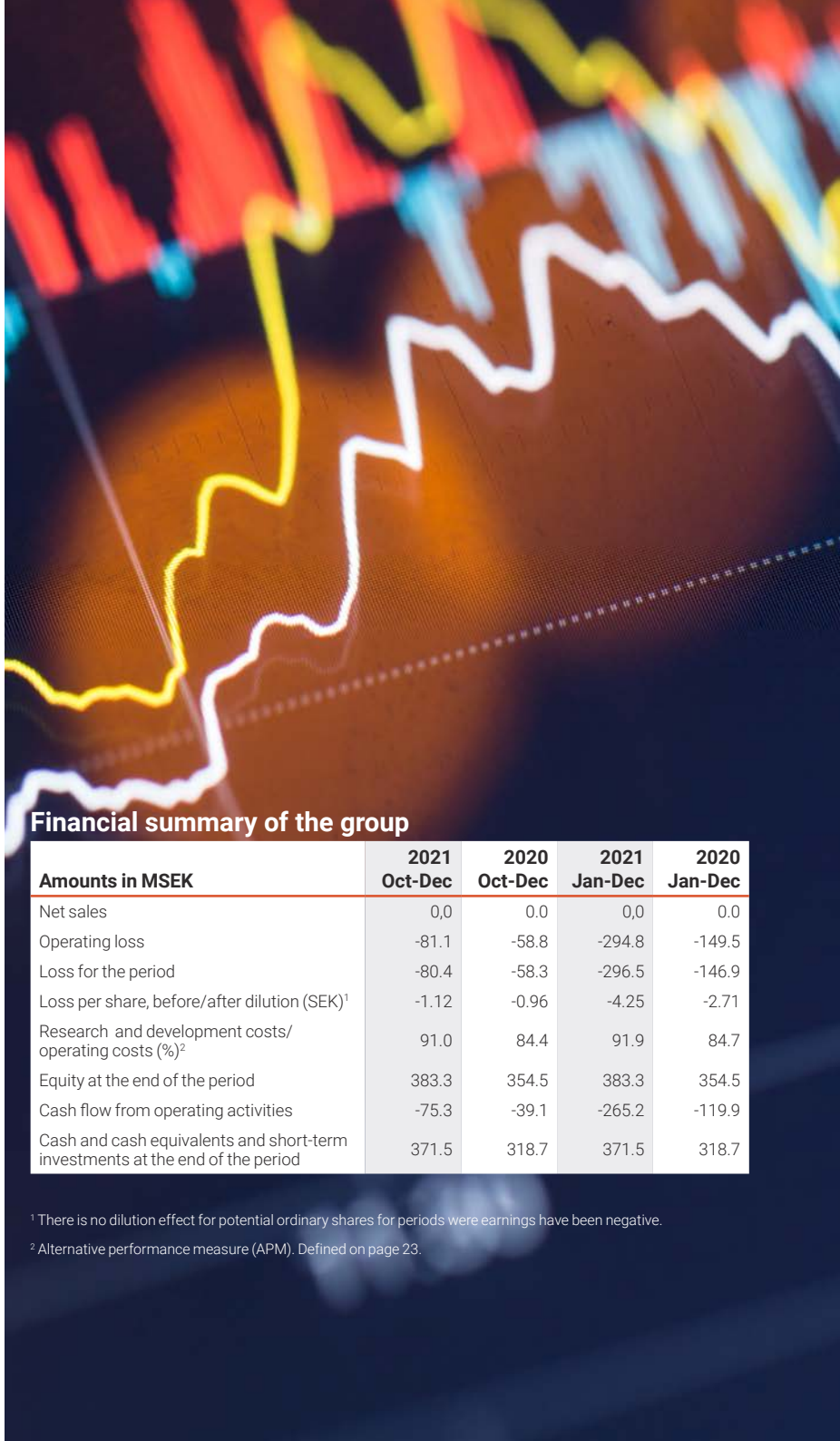
Equity

Equity as of December 31, 2021, amounted to 383.3 MSEK (354.5), corresponding to 5.34 SEK (5.87) per share. The company's equity ratio at the end of the period, which is one of the company's alternative performance measures, was 85.0 percent (87.2 percent). The company believes that this key ratio provides investors with useful information of the company's capital structure.

Parent company

The group ("Vicore") consists of the parent company, Vicore Pharma Holding AB (publ) and the subsidiaries Vicore Pharma AB and INIM Pharma AB. The parent company's operations mainly consist of providing management and administrative services for the group's operative companies. In addition, the parent company manages groupwide issues, such as activities and information related to the stock market, as well as other group management issues. The research and development operations are conducted in the wholly owned subsidiaries Vicore Pharma AB and INIM Pharma AB.

During the fourth quarter, net sales for the parent company amounted to 34.1 MSEK (0.9) and to 38.8 MSEK (3.7) for the full year 2021. Net sales mainly consisted of reinvoiced costs and management fees from group companies. Administrative expenses for the fourth quarter amounted to -5.0 MSEK (-9.6) and to -19.9 MSEK (-24.7) for the full year 2021. The operating profit (loss) for the fourth quarter amounted to 28.6 MSEK (-9.1) and 17.1 MSEK (-22.6) for the full year 2021. The profit (loss) for the fourth quarter amounted to 28.6 MSEK (-8.9) and 17.6 MSEK (-21.8) for the full year 2021. During the full year 2021, shareholder contributions amounting to 395 MSEK were provided to the subsidiaries.



Financial summary of the group

Amounts in MSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	0,0	0.0	0,0	0.0
Operating loss	-81.1	-58.8	-294.8	-149.5
Loss for the period	-80.4	-58.3	-296.5	-146.9
Loss per share, before/after dilution (SEK)[1]	-1.12	-0.96	-4.25	-2.71
Research and development costs/ operating costs (%)[2]	91.0	84.4	91.9	84.7
Equity at the end of the period	383.3	354.5	383.3	354.5
Cash flow from operating activities	-75.3	-39.1	-265.2	-119.9
Cash and cash equivalents and short-term investments at the end of the period	371.5	318.7	371.5	318.7

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

[2] Alternative performance measure (APM). Defined on page 23.

Other Information

Personnel

As of December 31, 2021, the group had 21 employees, of whom 14 were women and seven men. Of the employees, 15 are active in R&D. The group also engages consultants for specialist tasks and assignments on a frequent basis.

The share

Vicore's shares are listed on Nasdaq Stockholm with the ticker VICO and ISIN SE0007577895. As of December 31, 2021, the total number of shares amounted to 71,760,293 and the market capitalization was 1,141 MSEK. The company's shares are issued in one class and each share carries one vote.

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 employee stock 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 certain board members ("Board LTIP 2020") amounting to a maximum of 525,000 share awards.

At the Annual General Meeting on May 11, 2021, it was resolved to implement two new incentive programs: a maximum of 3,000,000 employee stock options to senior leaders and key persons ("Co-worker LTIP 2021"), and a maximum of 73,000 share awards to certain board members ("Board LTIP 2021").

All these incentive 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.

Largest shareholders

Largest shareholders in Vicore as of December 31, 2021:

Shareholder	No. of shares	%
HealthCap VII L.P.	15,834,834	22.1%
Swedbank Robur	7,130,936	9.9%
Fourth Swedish National Pension Fund	6,632,041	9.2%
Protem	4,030,340	5.6%
Handelsbanken Funds	2,774,623	3.9%
HBM Healthcare Investments (Cayman) Ltd.	2,752,920	3.8%
Avanza Pension	2,159,001	3.0%
Third Swedish National Pension Fund	1,891,425	2.6%
Unionen	1,663,990	2.3%
Länsförsäkringar Funds	1,566,640	2.2%
Kjell Stenberg	1,531,303	2.1%
Second Swedish National Pension Fund	1,050,000	1.5%
Other	22,742,240	31.7%
Total number of shares	**71,760,293**	**100.0%**

Source: Monitor by Modular Finance as of Dec 31, 2021

For further information about these programs, see the Annual Report 2020, the minutes of the Extraordinary General Meeting 2018, the minutes of the Annual General Meeting 2020 and the minutes of the Annual General Meeting 2021, which are published on the company's website, www.vicorepharma.com.

During the third quarter of 2021, Board LTIP 2018 expired. As the share price increased by less than 50 percent during the measurement period no share awards were earned. The program is now closed.

The increase in the company's share capital, assuming full utilization and maximum goal achievement of all actíve incentive programs (i.e. including non-granted employee stock options and warrants that may be used as hedge for social security contributions), amounts to a maximum of SEK 2,793,387, corresponding to a dilution of 7.2 percent of the total number of shares.

As of December 31, 2021, a total of 525,000 share awards have been granted in the Board LTIP 2020 program, 61,773 share awards have been granted in the Board LTIP 2021 program, employee stock options corresponding to 1,325,800 shares have been granted in the Co-worker LTIP 2018 program and employee stock options corresponding to 807,600 shares have been granted in the Co-worker LTIP 2021 program. Assuming full utilization and maximum goal achievement of all granted share awards and employee stock options as of December 301 2021, the programs amount to 2,720,173 shares, corresponding to a dilution of 3.7 percent of the total number of shares. The table below provides a summary of the total number of shares that granted share awards and employee stock options may entitle to as of December 31, 2021.

Summary of the number of shares which granted employee stock options and share awards may entitle to as of December 31, 2021	
Employee stock options	
Co-worker LTIP 2018	1,325,800
Co-worker LTIP 2021	807,600
Total number of shares that granted employee stock options may entitle to	**2,133,400**
Share awards	
Board LTIP 2020	525,000
Board LTIP 2021	61,773
Total number of shares that granted share awards may entitle to	**586,773**
Total number of shares granted employee stock options and share awards may entitle to	**2,720,173**

Other financial asset

Vicore holds 91,829 shares in I-Tech AB (publ), which are classified as a financial asset. As of December 31, 2021, the value of the financial asset was 5.4 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 25, 2022

Michael Wolff-Jensen
Chairman

Sara Malcus
Board member

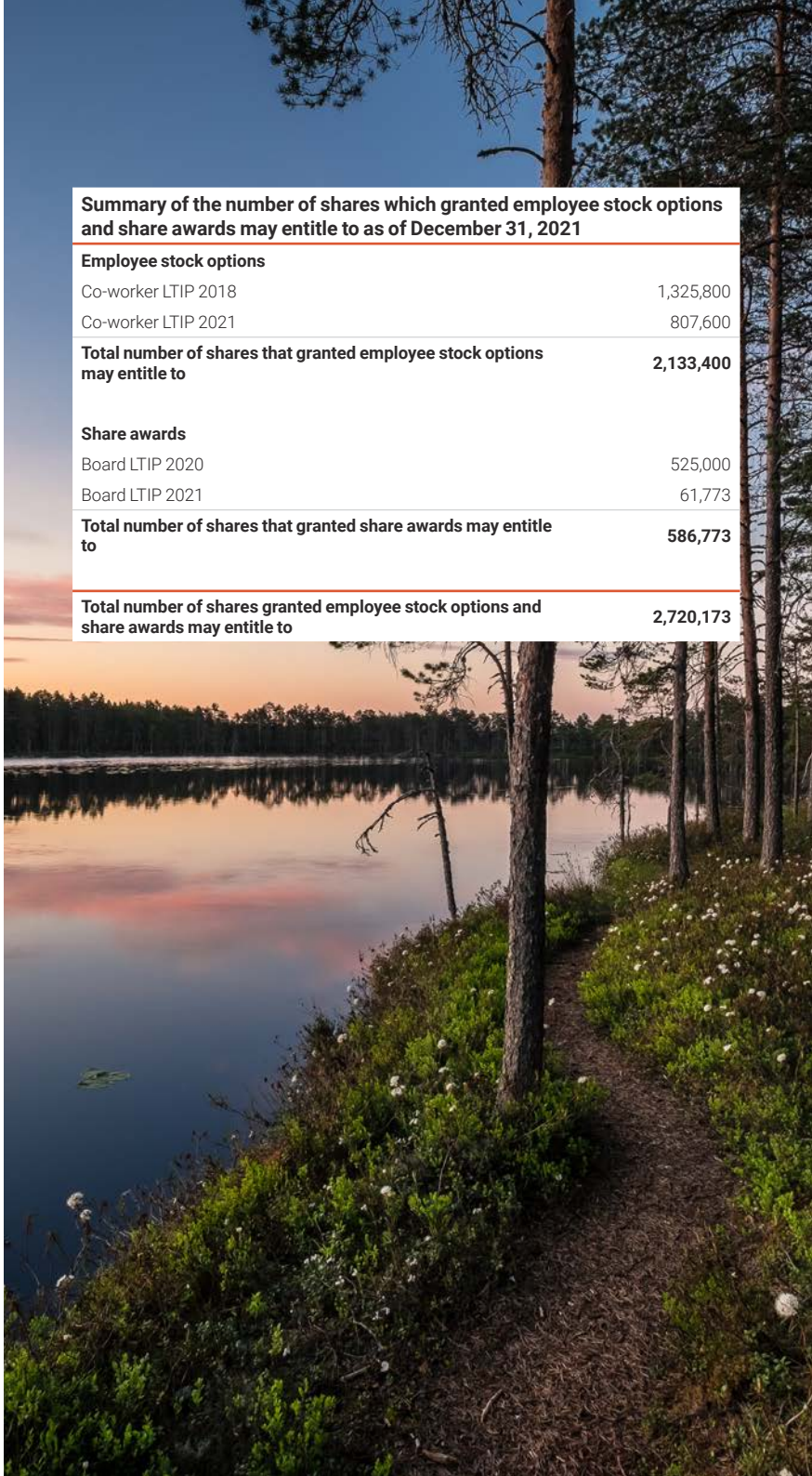
Heidi Hunter
Board member

Hans Schikan
Board member

Jacob Gunterberg
Board member

Maarten Kraan
Board member

Carl-Johan Dalsgaard
CEO



Financial reports
Group

Group statement of comprehensive income in summary

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	0	0	0	0
Gross profit	**0**	**0**	**0**	**0**
Administrative expenses	-5,077	-9,667	-20,204	-24,986
Marketing and distribution expenses	-1,404	0	-1,404	0
Research and development expenses	-74,300	-53,706	-271,812	-142,021
Other operating income and expenses	-308	4,532	-1,398	17,469
Profit/loss from operations	**-81,089**	**-58,841**	**-294,818**	**-149,538**
Financial income	911	685	646	2,229
Financial expenses	-115	-223	-2,563	-6
Net financial income/expense	**796**	**462**	**-1,917**	**2,223**
Profit/loss before tax	**-80,293**	**-58,379**	**-296,735**	**-147,315**
Tax	-88	108	254	453
Loss for the period attributable to the parent company´s shareholders	**-80,381**	**-58,271**	**-296,481**	**-146,862**
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	**-80,381**	**-58,271**	**-296,481**	**-146,862**
Earnings per share, before and after dilution (SEK)	**-1.12**	**-0.96**	**-4.25**	**-2.71**

Consolidated statement of financial position in summary

KSEK	2021 Dec 31	2020 Dec 31
ASSETS		
Fixed assets		
Patent, licenses and similar rights	67,427	70,755
Equipment	84	113
Contract asset	317	139
Long-term investments	5,409	7,530
Deferred tax asset	0	131
Total fixed assets	**73,237**	**78,668**
Current Assets		
Other receivables	1,417	5,354
Prepaid expenses and accrued income	5,034	3,757
Short-term investments	77,281	70,118
Cash and cash equivalents	294,199	248,618
Total current assets	**377,931**	**327,847**
TOTAL ASSETS	**451,168**	**406,515**
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders	**383,316**	**354,513**
LIABILITIES		
Non-current liabilities		
Contract liability	320	0
Other provisions	600	2,385
Deferred tax liability	1,210	1,531
Total non-current liabilities	**2,130**	**3,916**
Current liabilities		
Contract liability	0	140
Trade payables	23,984	10,943
Current tax liability	335	553
Other liabilities	1,112	3,132
Other provisions	152	3,792
Accrued expenses and deferred income	40,139	29,526
Total current liabilities	**65,722**	**48,086**
TOTAL LIABILITIES	**67,852**	**52,002**
TOTAL EQUITY AND LIABILITIES	**451,168**	**406,515**

Consolidated statement of changes in shareholders' equity in summary

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
	Shareholders' equity attributable to the parent company			
Equity at the beginning of the period	**462,598**	**411,993**	**354,513**	**321,597**
Profit for the period	-80,381	-58,271	-296,481	-146,862
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	**-80,381**	**-58,271**	**-296,481**	**-146,862**
Transactions with owners:				
Issue in kind	0	0	3,000	0
Issue of new shares	0	0	336,000	187,550
Issue costs	0	0	-17,578	-10,404
Long-term incentive program	1,099	791	3,862	2,632
Total transactions with owners	**1,099**	**791**	**325,284**	**179,778**
Equity at the end of the period	**383,316**	**354,513**	**383,316**	**354,513**

Consolidated statement of cash flow

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating activities				
Operating profit	-81,089	-58,841	-294,818	-149,538
Adjustment for items not included in the cash flow	787	1,701	5,603	6,202
Interest received	111	726	483	726
Interest paid	0	-3	-8	-6
Cash flow from operating activities before changes in working capital	**-80,191**	**-56,417**	**-288,740**	**-142,616**
Cash flow from changes in working capital				
Change in operating receivables	2,097	-789	-340	-3,867
Change in operating payables	2,826	18,113	23,909	26,548
Cash flow from operating activities	**-75,268**	**-39,093**	**-265,171**	**-119,935**
Investing activities				
Acquisition of intangible assets	0	-3,000	0	-3,000
Acquisition of short-term investments	0	0	-77,000	-70,000
Sale of short-term investments	0	77,000	70,000	77,000
Cash flow from investing activities	**0**	**74,000**	**-7,000**	**4,000**
Financing activities				
Amortization contract liability	-63	-69	-239	-179
Issue of new shares	0	0	336,000	187,550
Issue costs	0	0	-17,578	-10,404
Cash flow from financing activities	**-63**	**-69**	**318,183**	**176,967**
Cash flow for the period	**-75,331**	**34,838**	**46,012**	**61,032**
Cash and cash equivalents at the beginning of the period	**369,645**	**213,780**	**248,618**	**187,586**
Foreign exchange difference in cash and cash equivalents	**-115**	**0**	**-431**	**0**
Cash and cash equivalents at the end of the period	**294,199**	**248,618**	**294,199**	**248,618**

Financial reports
Parent company

Parent company's income statement

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	34,142	918	38,730	3,672
Gross profit	**34,142**	**918**	**38,730**	**3,672**
Administrative expenses	-5,044	-9,643	-19,911	-24,663
Research and development expenses	-444	-414	-1,686	-1,658
Other operating income and expenses	-9	-3	-67	44
Profit/loss from operations	**28,645**	**-9,142**	**17,066**	**-22,605**
Interest income and similar profit items	122	245	725	817
Interest expenses and similar loss items	0	-2	-82	-38
Net financial income/expense	**122**	**243**	**643**	**779**
Result after financial items	**28,767**	**-8,899**	**17,709**	**-21,826**
Tax	-184	12	-130	69
The result for the period	**28,583**	**-8,887**	**17,579**	**-21,757**

Parent company's statement of comprehensive income

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
The result for the period	28,583	-8,887	17,579	-21,757
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	**28,583**	**-8,887**	**17,579**	**-21,757**

Parent company's balance sheet

KSEK	2021 Dec 31	2020 Dec 31
ASSETS		
Fixed assets		
Patent, licenses and similar rights	0	6,000
Participations in group companies	796,389	396,303
Long-term investments	565	565
Deferred tax asset	0	131
Total fixed assets	**796,954**	**402,999**
Current assets		
Receivables		
Receivables from group companies	32,386	0
Other receivables	65	305
Prepaid expenses and accrued income	812	270
	33,263	**575**
Short-term investments	77,281	70,118
Cash and cash equivalents	168,396	195,822
Total current assets	**278,940**	**266,515**
TOTAL ASSETS	**1,075,894**	**669,514**

Parent company's balance sheet

KSEK	2021 Dec 31	2020 Dec 31
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity		
Share capital	35,880	30,209
Total restricted equity	**35,880**	**30,209**
Non-restricted equity		
Share premium reserve	1,003,762	688,011
Accumulated profit or loss	-60,379	-42,483
Profit (loss) for the period	17,578	-21,757
Total non-restricted equity	**960,961**	**623,771**
TOTAL EQUITY	**996,841**	**653,980**
LIABILITIES		
Provisions		
Other provisions	507	5,312
Deferred tax liability	184	120
Total provisions	**691**	**5,432**
Non-current liabilities		
Liabilities to group companies	0	0
Total non-current liabilities	**0**	**0**
Current liabilities		
Trade payables	622	764
Liabilities to group companies	75,000	0
Current tax liability	61	385
Other liabilities	595	1,725
Accrued expenses and deferred income	2,084	7,228
Total current liabilities	**78,362**	**10,102**
TOTAL LIABILITIES	**79,053**	**15,534**
TOTAL EQUITY AND LIABILITIES	**1,075,894**	**669,514**

Notes

Note 1 General information

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

The year-end report for 2021 was approved for publication on February 25, 2021, in accordance with a board decision on February 24, 2021.

Note 2 Accounting principles

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

The year-end report for 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

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

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

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

Social security contributions for share-based incentive programs were reported in the Annual Report in the cash flow analysis as changes in operating liabilities, but have as of the interim report for the third quarter of 2021 been reclassified to "Adjustment for items not included in the cash flow". Historical figures have not been adjusted.

As of the fourth quarter of 2021, Vicore introduces a new item in the income statement: Marketing and distribution expenses. This item includes personnel costs attributable to this function, as well as external costs related to commercialization and market access. A change in the presentation of the income statement entails a change of principle, which is implemented with retroactive effect. No costs in previously reported periods have been attributable to this function.

Note 3 Related-party transactions

During the period, remuneration to the group's senior executives and the board has been paid in accordance with current policies. The following intra-group transactions took place for the fourth quarter and the full year 2021:

Vicore Pharma AB invoiced INIM Pharma AB approximately 0.7 MSEK for the fourth quarter and approximately 2.9 MSEK for the full year 2021 for management fee.

Vicore Pharma Holding AB has invoiced the subsidiary Vicore Pharma AB approximately 1.3 MSEK for the fourth quarter and approximately 4.4 MSEK for the full year 2021 for management fee. Vicore Pharma Holding AB has invoiced the subsidiary Vicore Pharma AB 29.6 MSEK for the fourth quarter and approximately 30.1 MSEK for the full year 2021 for reinvoiced costs.

Vicore Pharma Holding AB has invoiced the subsidiary INIM Pharma AB approximately 0.3 MSEK for the fourth quarter and approximately 1.1 MSEK for the full year 2021 for management fee. Vicore Pharma Holding AB has invoiced the subsidiary INIM Pharma AB 3.0 MSEK for the fourth quarter and approximately 3.0 MSEK for the full year 2021 for reinvoiced costs.

During the fourth quarter, shareholder contributions amounting to 100 MSEK were provided by Vicore Pharma Holding AB to the subsidiary Vicore Pharma AB. During the full year 2021, shareholder contributions amounting to 395 MSEK were provided from Vicore Pharma Holding AB to the subsidiaries, of which 365 MSEK to Vicore Pharma AB and 30 MSEK to INIM Pharma AB.

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 trial, or not returning for follow-up.

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

Financial risks

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

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

COVID-19-pandemic

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

- the availability and recruitment of potential trial participants in clinical studies as well as their possibility of carrying out non-essential hospital visits is negatively affected. This could lead to delays of the studies, greater study costs and capital need than anticipated,
- disruptions in the operations of third-party manufacturers, clinical research organizations, and other parties on whom Vicore relies, the availability or cost of materials, which could damage Vicore's supply chain or otherwise limit its ability to obtain sufficient materials to manufacture Vicore's drug candidates to be used in clinical trials,
- important suppliers or contract research organisations are experiencing financial distress,
- impairments of intangible assets, and/or
- disruption of financial markets, which can impact the company's refinancing abilities.

Given the evolving nature of the pandemic, 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.

The pandemic is, however, currently not considered to have a significant negative impact on the finances of the company.

Note 5 Financial instruments

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

Note 6. Depreciation and amortization

Allocation by function

KSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Administrative expenses	0	0	0	0
Marketing and distribution expenses	0	0	0	0
Research and development expenses	-903	-909	-3,598	-3,537
Total	**-903**	**-909**	**-3,598**	**-3,537**

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

Key Performance Measures

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

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

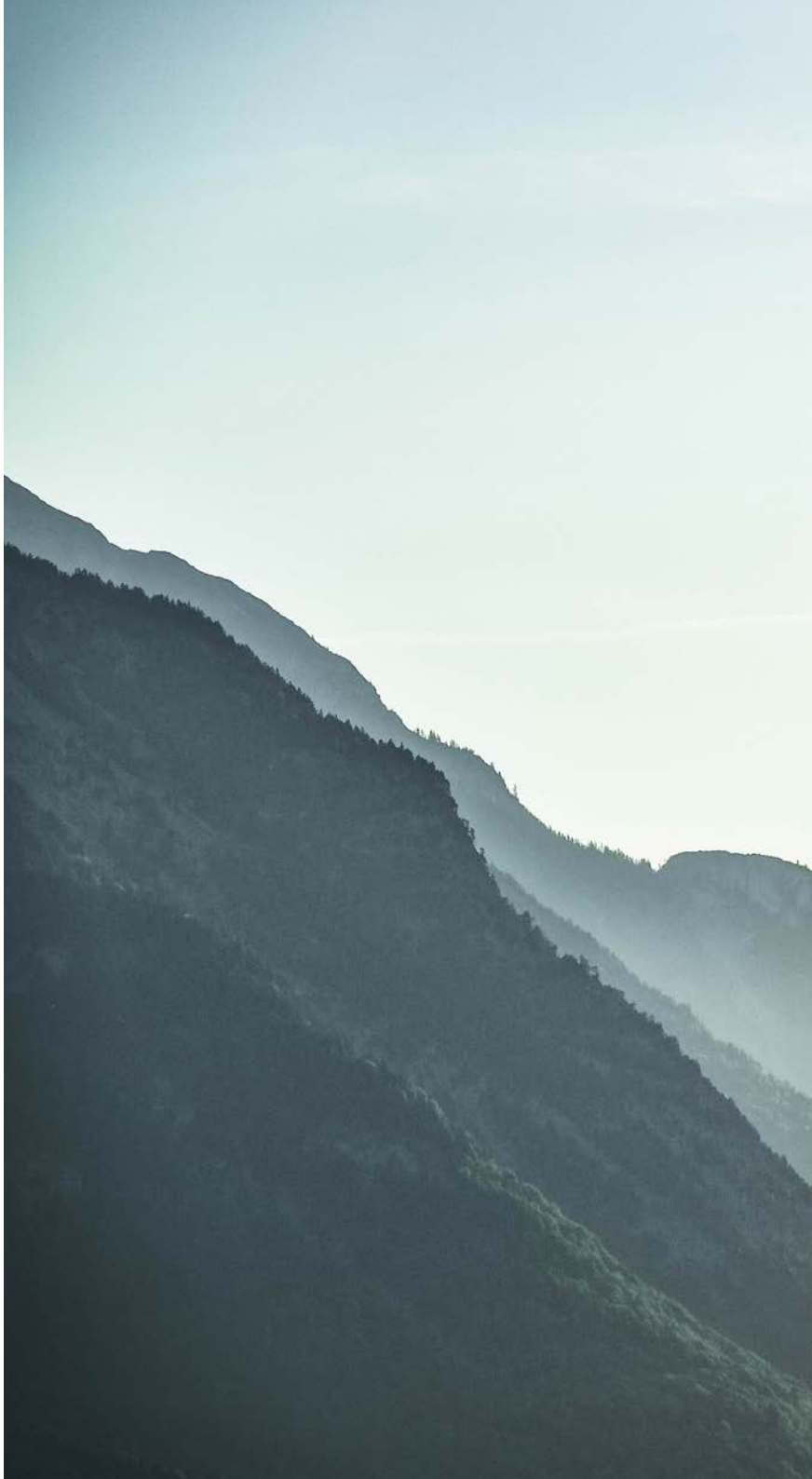
Key performance measures

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Share capital at the end of period (KSEK)	35,880	30,209	35,880	30,209
Total registered shares at the beginning of period	71,760,293	60,418,239	60,418,239	50,174,714
Total registered shares at the end of period	71,760,293	60,418,239	71,760,293	60,418,239
Average number of ordinary shares	71,760,293	60,418,239	69,678,461	54,249,185
Total number of shares allocated options and share awards may entitle to	2,720,173	2,325,800	2,720,173	2,325,800
Profit for the period attributable to shareholders of the parent company (KSEK)	-80,381	-58,271	-296,481	-146,862
Earnings per share before and after dilution (SEK)[1]	-1.12	-0.96	-4.25	-2.71
Equity ratio at the end of the period (%)[2]	85.0	87.2	85.0	87.2
Research and development expenses/operating expenses (%)[3]	91.0	84.4	91.9	84.7

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

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

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



Definitions and reconciliation of alternative performance measures

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

Derivation

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Equity ratio at the end of the period (%)				
Total shareholders' equity at the end of the period (KSEK)	383,316	354,513	383,316	354,513
Total assets at the end of the period (KSEK)	451,168	406,515	451,168	406,515
Equity ratio at the end of the period (%)	85.0	87.2	85.0	87.2
Research and development expenses/operating expenses (%)				
Research and development expenses (KSEK)	-74,300	-53,706	-271,812	-142,021
Administrative expenses (KSEK)	-5,077	-9,667	-20,204	-24,986
Marketing and distribution expenses (KSEK)	-1,404	0	-1,404	0
Other operating expenses (KSEK)	-891	-233	-2,492	-721
Operating expenses (KSEK)	-81,672	-63,606	-295,912	-167,728
Research and development expenses/operating expenses (%)	91.0	84.4	91.9	84.7

Contact Information

Address

Vicore Pharma Holding AB
Kronhusgatan 11
SE-411 05 Gothenburg, Sweden

Vicore Pharma Holding AB
Kornhamnstorg 53
SE-111 27 Stockholm, Sweden

Tel: + 46 31 788 05 60
Org.no.: 556680-3804
www.vicorepharma.com

Contact

Carl-Johan Dalsgaard, CEO
Tel: +46 70 975 98 63
carl-johan.dalsgaard@vicorepharma.com

Hans Jeppsson, CFO
Tel: +46 70 553 14 65
hans.jeppsson@vicorepharma.com

This information was submitted for publication on February 25, 2022 at 08:00 CET.

vicore pharma

Vicore Pharma Holding AB Kronhusgatan 11, 411 05 Gothenburg, Sweden | +46 (0)31-788 05 60 | vicorepharma.com