ANNUAL REPORT 2020

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camurus.

Camurus is an international science-led biopharmaceutical company committed to developing and commercializing innovative medicines for the treatment of severe and chronic conditions. New drug products with best-in-class potential are conceived based on the company's proprietary FluidCrystal® drug delivery technologies and its extensive R&D and sales expertise. Camurus' clinical pipeline includes product candidates for the treatment of addiction, pain, rare diseases and cancer, which are developed in-house and in collaboration with international pharmaceutical companies. Camurus' shares are listed on Nasdaq Stockholm under the ticker CAMX. For more information, visit **camurus.com**

Approved medicines

- Weekly and monthly Buvidal® for the treatment of opioid dependence

Strong commercial organization

- Commercial infrastructure in Europe and Australia

Broad and diversified R&D pipeline with three Phase 3 programs

- Late-stage pipeline of innovative product candidates in addiction, pain, rare diseases and oncology

Unique FluidCrystal® nanotechnology

- New generation long-acting depot technology with strong patent protection
- Validated by marketed products and results from more than 25 clinical trials
- Broad applicability for peptides, proteins and small molecules

Strategic partnerships

- R&D collaborations, licensing and royalty arrangements, and regional distribution agreements with numerous international pharma and biotech companies

Experienced management and dedicated teams

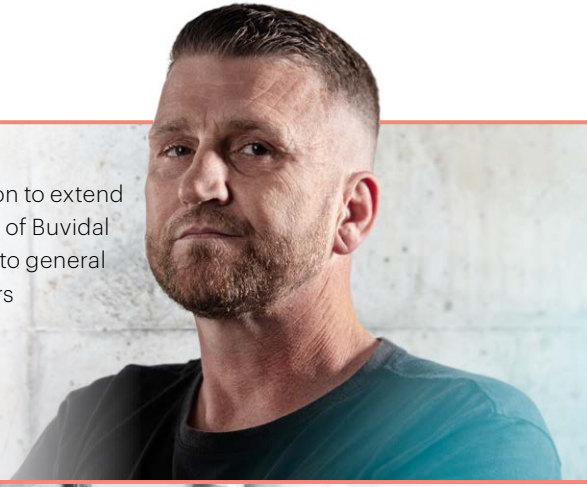
- Strong experience and international expertise across all disciplines and phases of drug development and commercialization
- 134 employees by the end of 2020

2020

Q1

Treatment of opioid dependence

- TGA decision to extend prescribing of Buvidal in Australia to general practitioners



Pipeline

- Two new research collaborations with international pharmaceutical companies applying FluidCrystal technology

Organizational development

Q2

- Buvidal reimbursed in Sweden after positive TLV decision
- Buvidal launched in Austria and Belgium
- Positive results from DEBUT and UNLOC-T studies presented at CPDD

- Positive Phase 2 data for CAM4072 for the treatment of rare genetic obesity diseases announced by Camurus' partner Rhythm Pharmaceuticals

- Raised net revenue and product sales guidance for 2020

Q3

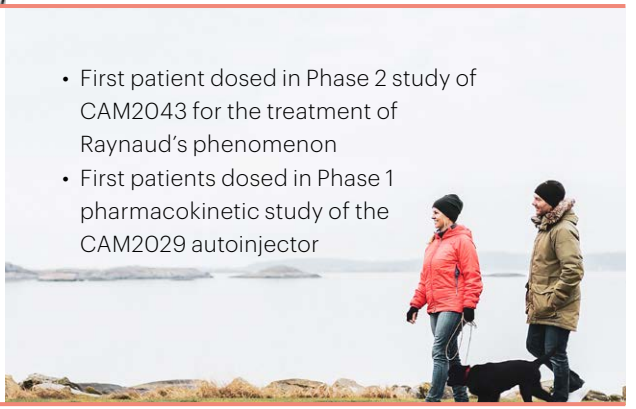
- Lifecycle management applications for Buvidal label extensions submitted in the EU and Australia

- Recruitment to CAM2029 Phase 3 studies reinitiated after temporary stall due to COVID-19
- Pivotal Phase 3 study of CAM2029 for the treatment of NET aligned with the FDA in advisory meeting

- Completed directed share issue with proceeds of SEK 300 million
- Camurus' market cap for the first time exceeded SEK 10 billion

Q4

- Market authorization approval of Buvidal in Switzerland for the treatment of opioid dependence
- 15,000 patients in treatment with Buvidal at the end of 2020
- Braeburn received Complete Response Letter (CRL) from the FDA for Brixadi™ in the US



- First patient dosed in Phase 2 study of CAM2043 for the treatment of Raynaud's phenomenon
- First patients dosed in Phase 1 pharmacokinetic study of the CAM2029 autoinjector

- Camurus commercial organization expanded to twelve countries
- Ruling of arbitration process with Braeburn announced

Financial summary

Product sales
+347%

Operating result
+43%

Cash position
+29%

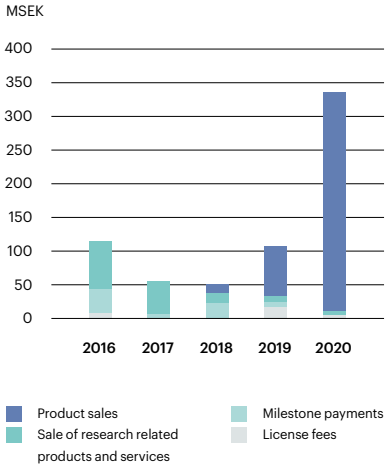
- Total net revenue of SEK 336 M (106), an increase of 218% (SEK 351 M and 227% at CER[1])
- Net product sales were SEK 323 M (72), an increase of 347% (SEK 337 M and 362% at CER[1])
- OPEX SEK 508 M (443), an increase of 15%
- Operating result SEK -205 M (-360), an improvement of 43%
- Result for the year SEK -167 M (-290), corresponding to a result per share, before and after dilution, of SEK -3.18 (-6.23)
- Cash position by year end SEK 462 M (359)

Financial outlook 2021

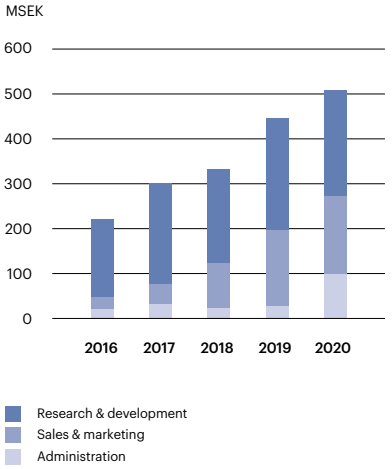
- Net revenues[1] **SEK 680 – 750 M** whereof product sales of **SEK 620 – 680 M**
- Operating result[1] **SEK -120 – 0 M**

1. Excluding milestone payments relating to Brixadi™ approval in the US

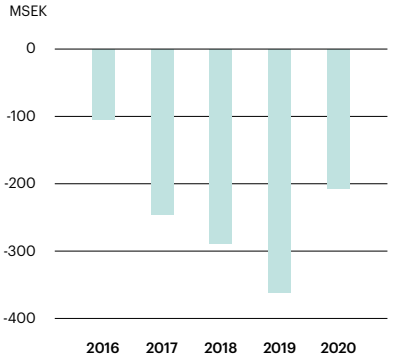
Total revenues



OPEX



Operating results



Products and pipeline

Camurus has a broad and diversified product and pipeline portfolio of innovative medicines for the treatment of serious and chronic diseases, from early stage development to marketed products. The aim is to bring forward new treatments that make a difference to patients, care givers, healthcare systems and society by contributing to substantial improvements in treatment outcomes, increased quality of life and effective utilization of healthcare resources.

Phase 1	Phase 2	Phase 3	Registration	Market
CAM2043 Pulmonary arterial hypertension	**CAM2029** Polycystic liver disease	**CAM2029** Acromegaly	**Brixadi™** Opioid use disorder (US)[1]	**Buvidal®** Opioid dependence
CAM2047 Chemotherapy-induced nausea and vomiting	**CAM2032** Prostate cancer	**CAM2029** Neuroendocrine tumors	**Buvidal® 160 mg** Opioid dependence	**episil® oral liquid** Oral mucositis
CAM2048 Postoperative pain	**CAM2043** Raynaud´s phenomenon	**CAM2038** Chronic pain		
CAM4071 Endocrine disorders	**CAM4072** Genetic obesity disorders[2]			

1) Licensed to Braeburn
2) Licensed to Rhythm Pharmaceuticals

- Opioid dependence and chronic pain
- Rare diseases
- Oncology and supportive care

Strong 2020 for Camurus despite challenges

Camurus continued our strong development in 2020. We achieved high sales growth and important advances in our research and development portfolio, despite significant challenges from COVID-19. We increased sales of Buvidal® for the treatment of opioid dependence by 362% compared to 2019 and expanded the market through new price, reimbursement, and regulatory approvals. We progressed our product portfolio, received positive results in several clinical studies and, at the turn of the year, had three of our own development programs – in chronic pain, acromegaly and neuroendocrine tumors – in pivotal phase 3 development.

We continued to deliver on our strategy to develop Camurus into a rapidly growing, profitable pharmaceutical company with an international marketing and sales organization and a leader within research and development of long-acting medicines for the treatment of severe and chronic conditions. Our sales more than tripled during the year, while the net result was improved by just over 40% compared to 2019.

With Buvidal weekly and monthly depots for the treatment of opioid dependence, we have demonstrated our ability to take important medicines all the way from idea to market and patient. We have contributed with an effective, long-acting treatment option that can provide patients, healthcare providers and society with significant benefits and added value including better treatment outcomes, improved quality of life, and reduced treatment burden.

"At the end of 2020, Buvidal was available in 15 countries, with more than 15,000 patients in treatment"

Continued market expansion for Buvidal and new positive clinical results

After a strong first half of 2020 that resulted in an upward adjustment of our sales and revenue forecast in June, sales during the year ended at SEK 323 million, corresponding to market growth of 362% compared to 2019. Given the significant challenges posed by the COVID-19 pandemic in terms of delayed compensation decisions, lack of resources and availability for our customers and teams, this is an impressive result with which we are very pleased.

At the end of 2020, Buvidal was available in 15 countries, with more than 15,000 patients in treatment and more than 200,000 weekly and monthly doses administered. In addition to being a new and potentially life-changing treatment option, Buvidal provides a robust base for our continued growth, as well as validation of our product development and FluidCrystal® technology platform.

All markets for Buvidal developed positively in 2020. We saw the greatest growth in Australia, the Nordics and the UK. In Germany and Austria, sales were slightly below expectations due to circumstances linked to COVID-19 and temporary hurdles relating to prescribing and reimbursement. During the year, we had great stakeholder support in each country to increase access to Buvidal treatment. In Switzerland, we received marketing approval for Buvidal and will start sales in the first half of 2021. In addition, we received several new price and reimbursement approvals in Europe, including in Spain in December, which will strengthen sales growth of Buvidal in 2021 and beyond.

Although the COVID-19 pandemic posed major challenges during the year, it has also highlighted the importance of reducing unnecessary contacts between patients and healthcare providers. The benefits of long-acting treatments have been highlighted in several reports and publications during the year.[1-3]

In 2020, the first results of the DEBUT and UNLOC-T studies of Buvidal were presented at the leading College on Problems of Drug Dependence (CPDD) Annual Meeting. The studies evaluating Buvidal treatment for standard outpatient and prison treatment in Australia met both primary and secondary outcome measures. Among other things, significantly higher patient-reported satisfaction, reduced treatment burden and a higher quality of life compared to standard treatment were shown. This data is supported with anecdotal feedback from the markets and from our patients, see for example Beny's and Justin's stories on pages 22-25.

In addition to an acceptable safety profile and treatment effect, the UNLOC-T study in the prison system showed significantly lower costs for Buvidal treatment compared to standard daily treatment.

A total of 13 scientific articles on Buvidal were published in 2020 and several manuscripts have been sent to scientific journals for publication in 2021, including data from the DEBUT and UNLOC-T studies. Read more on page 35. In addition, we have seen significant interest in Buvidal in regional and international media, leading to increased awareness of opioid dependence as a disease, patients' vulnerable situation, and opportunities for improved care and quality of life with long-acting medicines.

New dosing and extended use of Buvidal

We have always had a clear strategy for the product lifecycle management of Buvidal and in 2020 we submitted registration applications for a new higher dose of Buvidal to the European and Australian medicines agencies, EMA and TGA. The review processes have been rapid and on 26 March 2021 we

"Buvidal was available in 15 countries, with more than 15,000 patients in treatment"

announced that the EMA Committee for Medicinal Products for Human Use (CHMP) recommended approval of Buvidal 160mg monthly depot. Approval decisions for this higher dose are expected in the second quarter of 2021 in the EU and Australia, where we also applied for a broadened indication further increasing the flexibility and possibility of individualizing the treatment of opioid dependence with Buvidal.

In 2020, we continued to work towards the registration application for CAM2038 for the treatment of chronic pain. After receiving positive results for primary and secondary endpoints in a Phase 3 efficacy study in the second half of 2018, an open-label long-term study was completed in 2020 in a broadened patient population. As in the previous part of the study, positive safety and efficacy results were obtained for CAM2038. Based on these results, during the year we had a scientific advisory meeting with CHMP expert representatives ahead of a planned application for a marketing approval for CAM2038 for chronic pain in the EU. The outcome of the meeting was positive, and we have since continued to work on the commercial strategy and plan to submit our application for marketing approval for CAM2038 to the EMA later in 2021.

Global market expansion and approval process in the US

Efforts to make Buvidal available in more markets around the world continued in 2020. In the Middle East, several hundred patients are already receiving treatment through 'early access' programs. In order to improve access to treatment in the region, we have together with our partners applied for marketing approval in Kuwait, UAE and Saudi Arabia, where we also received priority review status for Buvidal. Further applications for marketing approval in the Middle East and North Africa are planned in 2021.

"We made significant progress in our pivotal programs for CAM2029"

In the US – which from a market perspective is the single most important market – after our US partner Braeburn experienced several delays, we had looked forward to the approval of Brixadi on 1 December 2020. Instead, we were unexpectedly notified that the FDA had issued a Complete Response Letter requesting additional information from Braeburn regarding a number of quality deficiencies identified by the agency during an inspection of Braeburn's US third-party manufacturer prior to approval. Based on the information we received from Braeburn and the FDA, our experts' assessment is that the deficiencies identified are manageable, and that a new approval decision should be possible in the second half of 2021.

Opioid addiction continues to be a huge social problem in the US. Worryingly, initial data suggest that 2020 has been the worst year on record for the number of opioid overdose deaths and that progress in this area in recent years has been lost.[4]

Progress for CAM2029

In 2020, we made significant progress in our pivotal programs for CAM2029, octreotide subcutaneous depot, for the treatment of acromegaly and neuroendocrine tumors (NET). After a temporary recruitment freeze of patients in our ongoing Phase 3 studies in acromegaly in spring 2020 due to COVID-19, the studies began again in the second half of 2020. Despite the second wave of COVID-19, we have continued recruitment in about a third of all sites and aim to end recruitment in both efficacy and long-term studies in the second half of 2021. Overall results from the efficacy study are expected in early 2022 and from the long-term study in mid-2022.

In parallel with the development of CAM2029 for acromegaly, we are also preparing for the start of the next Phase 3 program with CAM2029 for the treatment of NET. After agreeing on the registration-based program with the FDA in the fall, the study protocol was completed. We then received acceptance for the start of the study by the FDA in February 2021. The study is designed to show statistically improved treatment efficacy with CAM2029 compared to current standard medical treatment.

In 2020, medical and market conditions for CAM2029 were evaluated in additional indication areas where somatostatin analogues have shown promising results, including for the treatment of polycystic liver disease (PLD). This is a rare and serious chronic condition with a significant negative impact on the patient's well-being and quality of life. Today there is no approved medical treatment for PLD but results from previous clinical studies of somatostatin analogues in patients with PLD suggest that CAM2029 may be an effective treatment.[5,6] In early 2021, an initial meeting was held with the FDA regarding the clinical development program, which is scheduled to be initiated later in the year.

Progress was also made during the year on the development of an autoinjector for further simplified self-administration of CAM2029, which was followed by the start of a clinical study evaluating the autoinjector and current pre-filled syringe to document pharmacokinetics and other clinical data for upcoming registration applications for CAM2029. Upon approval, CAM2029 may become the first octreotide product that can be dosed subcutaneously and easily self-administered by the patient. With significantly enhanced plasma exposure, CAM2029 may also provide improved treatment outcomes and is being tested for superiority in the treatment of NET.

"In 2020, we delivered record sales growth while delivering on our strategic targets"

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Positive results in the early project portfolio

In the fourth quarter, we started a Phase 2 study of CAM2043, a subcutaneous weekly depot of treprostinil, for the treatment of Raynaud's phenomenon. Due to the worsening COVID-19 situation in the UK, the recruitment of patients in the study was halted in November but is expected to resume in 2021.

In June, we announced positive results from a Phase 2 study of CAM4072, setmelanotide weekly depot, under development by our partner Rhythm Pharmaceuticals, for the treatment of rare genetic obesity disorders. The results in study participants with severe obesity showed that the treatment effect of the weekly product is equivalent to that achieved with daily injections of setmelanotide. During the fourth quarter, Rhythm received US approval for Imcivree™, the short-acting formulation of setmelanotide, for the treatment of three genetically conditioned states of severe obesity.[7] Following further positive Phase 2 data, Rhythm has begun preparations for the start of registration-based studies of CAM4072 in the second half of 2021.[8] CAM4072 has the potential to significantly increase adherence and convenience for patients.

Several other development collaborations with international pharmaceutical companies got underway during the year, including preparations for the start of clinical studies of CAM4083, a long-acting formulation of the complement component C5-inhibitor zilucoplan, CAM4083, which is being developed together with our partner UCB (formerly Ra Pharma) for the treatment of generalized myasthenia gravis and other serious tissue-based complement-mediated disorders.

Camurus positioned for strong and long-term growth

In 2020, we delivered record sales growth while delivering on our strategic targets, including Buvidal market expansion and the number of patients in treatment with Buvidal, preparation of Phase 3 programs for CAM2029 in NET, the Phase 2 study for CAM2043, new research collaborations and strengthening of the patent portfolio. We have ambitious targets for 2021 regarding revenue growth, sales and operating results, as well as the development of our innovative medicines and clinical programs. Given the uncertainty surrounding the global effects of COVID-19, we will continue to allocate our resources to new launches and prioritize value-creating clinical development programs. In addition, we will increase the intensity of our business development to create new growth opportunities in the coming years.

During 2020, we had the pleasure of welcoming new Board and management team members and many new talented and committed employees to Camurus, who have further contributed to our innovation capacity and ability to deliver on our commitments to patients and shareholders. I would like to take this opportunity to thank all our fantastic employees who work every day with great commitment and passion to develop new and improved treatments for patients with severe and chronic diseases. I am proud of the positive culture we have created together at Camurus and I am convinced that this is the basis for our continued success.

Fredrik Tiberg
President and CEO

Strategy and goals

	Achievements 2020	Goal 2021
Commercialization	• Buvidal market leader in two countries* • Sales exceeded guidance interval by 20% • More than 15,000 patients in treatment with Buvidal across 15 countries	• Market expansion and launches in new EU and Middle East countries • More than 27,500 patients in treatment with Buvidal • EU and TGA approvals for new Buvidal dose and label changes • New MAA approval for Buvidal
Advancing product pipeline and launches of new products	• CAM2029 NET Phase 3 protocol finalized and aligned with the FDA • First dosing in Phase 2 study of CAM2043 in Raynaud's phenomenon • First dosing in pharmacokinetic clinical study of CAM2029 autoinjector	• Enrollment completed in CAM2029 Phase 3 acromegaly studies • Enrollment initiated in CAM2029 Phase 3 NET study • Start of clinical program for CAM2029 in new indication • MAA submission for CAM2038 in chronic pain • Phase 2 results for CAM2043 in Raynaud's phenomenon
Value creating partnerships	• Rhythm Pharmaceuticals obtained positive Phase 2 results for weekly setmelanotide • Braeburn received Complete Response Letter for the Brixadi NDA	• Start of registration studies for weekly setmelanotide by Rhythm Pharmaceuticals • Final NDA approval of Brixadi in the US • New partnerships
Leading drug delivery technology	• Autoinjector customized for FluidCrystal® technology • Several new platform and product patents granted in major markets	• Expand use of FluidCrystal technology to new product candidates and applications • Strengthen IP portfolio with new patents and applications

* Measured by product sales

Our Vision

To improve treatment outcomes and patients' quality of life through simpler, smarter, and safer medications

Our Mission

To spearhead development of advanced drug delivery systems and innovative medical products to improve the treatment of patients with severe and chronic diseases

Our Values

Innovation We encourage innovation and new ways of thinking
Expertise We leverage the combined expertise of our employees and partners
Passion We are passionate about realizing our ideas and goals
Quality We strive for excellence in everything we do and produce
Ownership We take individual and collective ownership of what we do and how we do things
Sustainability We have a long-term commitment to improving treatment outcomes for patients and promoting effective utilization of resources in society

Our business model

We use our strong R&D expertise and world-leading FluidCrystal® technology to develop innovative long-acting treatments with the goal of significantly improving the lives of patients with severe and chronic diseases. Innovative medicines are developed in-house or in partnerships with international pharmaceutical companies.

To maximize the value of our pharmaceutical products, we have established an effective commercial organization with focus on the opioid dependence markets in Europe and Australia, and other therapy areas with suitable dynamics and a concentrated prescriber base.

FluidCrystal development engine

Model	Business concept	Indications and therapies	Key revenue streams
Own product development and commercialization	Development and commercialization of innovative specialty pharmaceuticals	• Opioid dependence and pain • Rare diseases • Oncology and supportive care	• Product sales
Product development in partnerships	Non-clinical and clinical development of novel pharmaceutical products	• Opioid dependence • Chronic pain	• License payments and development milestones • Royalty and sales milestones • Development support
Technology collaborations	Product specific licenses to FluidCrystal® technology	• Genetic obesity • Complement factor mediated disorders	• License payments and development milestones • Royalty and sales milestones • Early stage product evaluations

Own sales

Partnerships

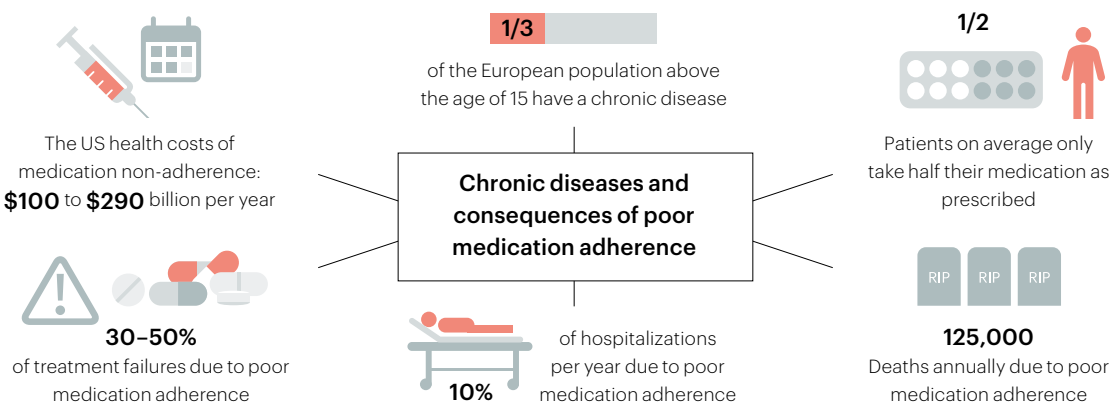
Long-acting medicines address key challenges in chronic disease management

For people suffering from chronic and severe conditions, for whom lifelong medication has become a reality, there is much to be gained from improving treatments – in terms of efficacy, but also in terms of treatment administration.

Often, daily administered medications may result in suboptimal exposure profiles and poor treatment compliance, which can negatively affect treatment outcomes. Lack of patient adherence to prescribed medication is a common problem, leading to more outpatient medical visits and hospitalizations, and increased healthcare costs.[1-3] In the US alone, poor adherence is estimated to cause 125,000 deaths, incurring avoidable costs of USD 100 billion annually, with a considerable proportion involving chronic diseases.[4]

Reasons for lack of treatment adherence include disease characteristics and severity, treatment factors (such as treatment duration, number of medications, frequency of administration and cost) and drug-related side effects.[5]

There is therefore a significant need to develop safer and simpler technologies to deliver effective and user friendly long-acting medications that are easy to administer by patients themselves.



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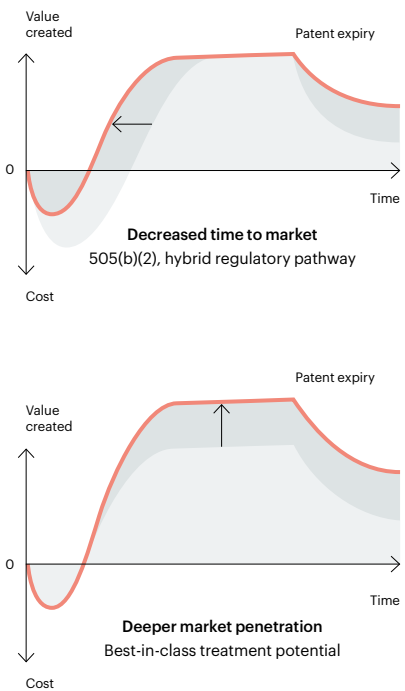
Streamlined development of innovative medicines

FluidCrystal® is Camurus' unique patent-protected technology that, when combined with active pharmaceutical compounds with documented efficacy and safety characteristics, or new chemical entities, can enable significant improvements in treatment outcomes, convenience, and quality of life of patients with serious and chronic diseases and also improve the utilization of resources in the healthcare system.

Significant value created by Camurus' development model



New pipeline projects

Camurus continually assesses new opportunities where the company can make the most of its development expertise and validated FluidCrystal technology, to develop innovative and improved medicines. Every new product candidate is carefully evaluated with a focus on five key criteria:

1. Address clear unmet needs of patients and healthcare professionals
2. Technology match
3. Streamlined clinical development
4. Market exclusivity and patent protection
5. Market potential

If these criteria are met, the product candidate is evaluated in preclinical studies against the target product profile in terms of drug loading, manufacture, stability and *in vivo* drug release.

Streamlined development

Using established pharmaceutical compounds with documented clinical efficacy and safety profiles streamlines development and facilitates the use of abbreviated regulatory registration pathways. Therefore, clinical development timelines, costs and risks can be significantly reduced.

The approvals of weekly and monthly Buvidal validated FluidCrystal technology and significantly reduced the regulatory risks associated with approvals of Camurus' next generation medications.

Improved treatment outcomes

The method of administration of existing medications may result in suboptimal exposure profiles and poor treatment compliance. FluidCrystal technology is designed to address these limitations and improve therapeutic performance and treatment adherence, thereby improving treatment outcomes, benefiting patients and the healthcare system.

OPIOID DEPENDENCE AND CHRONIC PAIN

Opioid dependence & chronic pain

Opioid dependence is a serious, chronic, relapsing disease that affects all aspects of a person's daily life. Chronic pain causes deterioration in general health, decreased work capacity, reduced quality of life and potentially dependence and misuse of opioids. With limited treatment options available, opioid dependence and chronic pain management are both major clinical challenges in global medicine today.

OPIOID DEPENDENCE, PATIENT STORIES

BENY
BUVIDAL PATIENT

Beny used heroin for the first time on her 16th birthday. Since then, she has tried to stop many times, but with every relapse, it became harder to walk away.

"I don't have to spend half my day in clinic. It's once a month. Now I have a life"

Beny started using heroin occasionally as a teenager, but after high school she walked away from it completely: she moved overseas, got married and had children. However, while pregnant with her second child, her marriage broke down. After her child was born, and in the midst of her divorce, she relapsed. Her life gradually became all about her drug use, but after a few years she grew tired of this way of life and went into rehab. ***"I enjoyed the drugs – the high – but I just didn't enjoy the life that comes with it. I got sick of the routine: going to pick up the drugs, getting high, getting stopped by the police..."*** explains Beny.

Rehab seemed to work – Beny was able to stay away from drugs for a number of years. Then her mother passed away and Beny turned to heroin again. This time her use escalated quickly. ***"I was using a lot, so to support my habit I began dealing drugs."*** Beny started treatment with methadone, alternating it with heroin so she would not need to use as often – but she got caught dealing and wound up in jail.

Beny heard about Buvidal® in jail – but they did not have a program to help her transition from methadone, so she had to remain on methadone. Once released from jail, she quickly grew tired of the trips to the clinic. ***"I hated going into clinic every day. I would take a bus into the city, then walk to clinic, then get a ticket and wait... it took about 2 hours and while I was there, I would see people I didn't want to see – I never liked it."*** Two months later Beny asked

"I was using a lot, so to support my habit I began dealing drugs"

for Buvidal. She was admitted to hospital to transition from methadone – and for her it was worth it.

"I am so grateful about this injection. I don't have to constantly think about it – it's not getting thrown in my face every day and I don't have to spend half my day in clinic. It's once a month. Now I have a life."

This past month was the first that Beny did not need a supplemental dose, and she is feeling optimistic about her recovery. ***"Eventually I want to stop the injections, once I've worked all my stuff out... even though it's just once a month, I do want to be drug free – that's my goal."***

OPIOID DEPENDENCE, PATIENT STORIES

JUSTIN
BUVIDAL PATIENT

"I liked drugs; heroin stopped the pain. But I didn't like the lifestyle or who I became... I have a conscience, and I couldn't look at myself in the mirror"

Justin was introduced to heroin at 14 years of age – for a young man suffering from childhood trauma, it became his way out.

Justin grew up in an abusive household – his father had mental health and substance abuse issues, so Justin used to run away a lot. He fell in with a group of street kids and adults who introduced him to heroin. ***"From the minute I used heroin, it was a steady deep dive. It didn't take long – maybe 3 months before I was using every day, and everything else went to the side and heroin was my thing."***

Justin became a street kid, alternating between friends' houses, home, his aunt's house – and juvenile detention. He spent a total of 18 months in jail for petty crimes before the age of 18. He loves to read and draw – he describes himself as 'nerdy' – but heroin and the associated lifestyle made him into someone else, someone he did not like. ***"I liked drugs; heroin stopped the pain. But I didn't like the lifestyle or who I became... I have a conscience, and I couldn't look at myself in the mirror."***

"When I appeared at drug court, I was given a choice – I could either do more time or try Buvidal. Buvidal became my way out"

When he was released from juvenile detention at 18 years of age, Justin was able to stay away from heroin for a while, but eventually the pull was too strong for him and he started using again. Over the years he has tried sublingual buprenorphine and detox, but neither worked for long. He has also tried methadone but being able to use on top of it resulted in blackouts and more frequent crimes and jail time. It was in jail that he learned about Buvidal. ***"When I appeared at drug court, I was given a choice – I could either do more time or try Buvidal. Buvidal became my way out."***

Buvidal became a way out for Justin – not only from jail, but also his cycle of addiction. Not being able to use on top of Buvidal is a big advantage for him – "maybe you could, but how much would it take? It's not worth it." As part of his recovery, Justin has made significant changes – he moved to a new area, cut himself off from all the people who were associated with his drug use, even culled his Facebook contacts. Now he is working on reconnecting with his daughter and building a new life.

"Recovery was lonely, and it was hard, but the payoff is huge. I have a job, I'm going to TAFE*, I'm repairing my relationship with my teenage daughter and I have a girlfriend. Don't get me wrong, Buvidal did its part – it stopped the cravings – but I did all the work."

*TAFE = technical and further education; Australian vocational education and training school.

Opioid dependence

38% increase
in the 12 months count of US overdose death caused by synthetic opioids from May 2019 to May 2020[2]

Most common
cause of death for people under 50 in the US[3]

Opioid dependence is a serious, chronic, relapsing disease that can affect all aspects of a person's daily life. With 58 million opioid users worldwide in 2018, opioids are the largest burden on society of all drugs.[1]

Opioid dependence is an escalating global health problem, contributing to significant adverse mental, physical, and social consequences, including unemployment, criminal activity, incarceration, transmission of infectious diseases, unintentional overdose and death. Opioid dependence is commonly diagnosed by signs and symptoms of compulsive and harmful (psychologically, socially, physically) ongoing use of opioids.

In the US, the opioid epidemic has accelerated during COVID-19 and in the 12 months ending in May 2020 more than 81,000 people died from drug overdoses, the majority being opioid related.[2] Opioid overdose is now the number one cause of death in the US for people under the age of 50.[3]

In Europe, there are about 1.3 million high risk users of opioids, and only 650,000 of these get medical treatment.[4] More than 9,000 Europeans and 1,000 Australians die every year from drug-related overdoses with the majority of these caused by opioids.[4,5]

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Buvidal®– A major game changer in opioid dependence

Buvidal® is the first and only long-acting individualized treatment for opioid dependence in the EU and Australia.[1-3] By the end of 2020, Buvidal was available in 15 countries with more than 15,000 patients in treatment – and over 200,000 doses have been administered this year alone.

Dr Geoffrey Needham
New South Wales, Australia

The current medical standard of care for opioid dependence is pharmacological treatment with daily buprenorphine or methadone, to reduce withdrawal and cravings, and the risk of overdose. However, these treatments are also associated with limitations such as misuse, medication diversion and accidental pediatric exposure. Poor treatment adherence is also a significant issue, with the burden and stigma of daily medication being a key factor.

"For my patients, the daily clinic visits are definitely an obstacle to treatment adherence," says Dr Geoffrey Needham, who consults at a charitable Alcohol and other Drug Rehabilitation service in New South Wales, Australia, that provides a pathway out of the prison system and into the community. "When treatment works for patients, they stay on it and don't resort to illegal activities to fund their addiction – but daily visits to the clinic and pharmacy fees in Australia are a huge drawback."

Individualized weekly and monthly treatment

Buvidal® (long-acting subcutaneous buprenorphine) provides the opportunity for patients and healthcare professionals to focus on recovery instead of spending time and resources on supervised daily medication. With the availability of both weekly and monthly formulations as well as multiple dose options, treatment can be tailored to each patient's specific needs and circumstances.

Buvidal gives both a fast onset and a long-acting effect, and effectively reduces withdrawal symptoms and cravings for illicit opioids. Should the patient temporarily relapse and take heroin or other opioids, Buvidal blocks the opioid effect and may protect against overdose.

Aligned with current clinical practice patients can begin medical treatment for opioid dependence with Buvidal from day 1, or switch from their current daily standard therapy with sublingual buprenorphine directly onto Buvidal. Buvidal has been designed to provide flexible dosing that matches the patient's current treatment. It is also possible for patients previously treated with methadone to switch to Buvidal.[4]

By the end of 2020, around 15,000 patients in 15 countries were in treatment with Buvidal, and more than 200,000 injections were given this year alone – these numbers have grown rapidly with increased awareness and availability of the treatment in the EU and Australia.

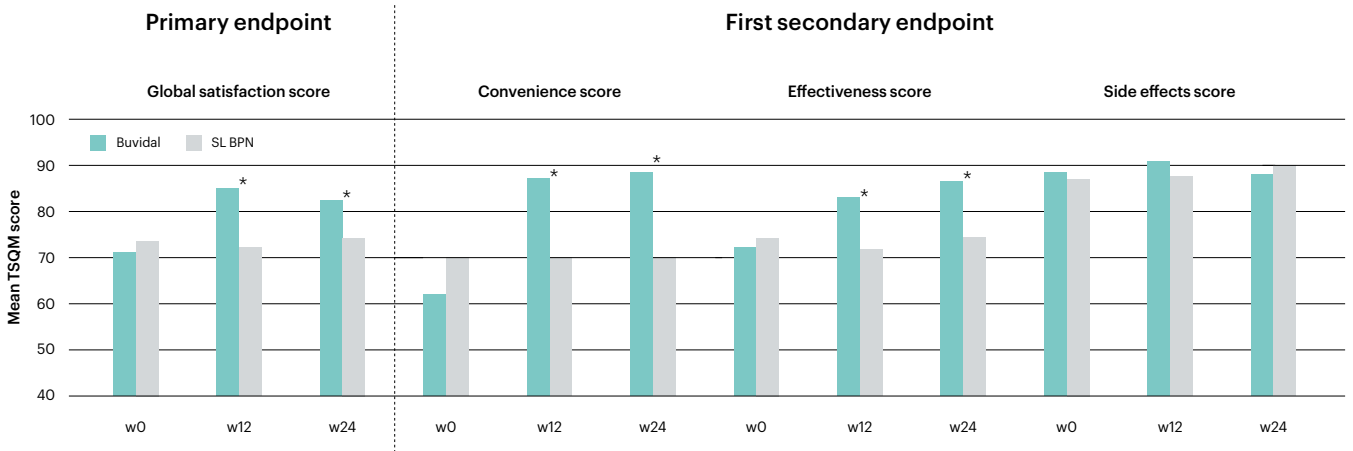
Superior treatment effect and patient satisfaction

Buvidal has been studied in an extensive clinical development program.[5-7] In addition to demonstrating non-inferior and superior treatment effect in reducing patients' use of illicit opioids compared to daily sublingual buprenorphine, studies have shown an increased quality of life and patient satisfaction, reduced burden of treatment and high retention in treatment for patients taking Buvidal.[6-7] These results are now being observed in clinical practice with extremely positive anecdotal feedback from patients and physicians from the markets where Buvidal has been launched.

When Dr Needham learned about Buvidal from publications and at conferences, he was very enthusiastic. However, he reports some reluctance at first among his patients to try this new long-acting treatment, "But once a few patients had tried Buvidal and told other patients about it, patients started coming to me to request it," he says.

Now Dr Needham is finding that Buvidal treatment is working well even among the poorly compliant patients – smoothing out the ups and downs of irregular dosing and saving them money on the dispensing fees which are charged by Australian pharmacies. "Buvidal has absolutely made a difference to our patients – the vast majority say that they are really happy with it – because it frees them up: they can go to work and do things without having to make time to get to the clinic every day."

The DEBUT study – a randomized, controlled trial comparing patient reported outcomes – demonstrated superior patient satisfaction and significant improvements in treatment burden, quality of life and other secondary endpoints with Buvidal compared to standard of care (* marks a statistically significant improvement with p-value ≤ 0.05). In total, 88% of the randomized patients receiving Buvidal completed the 24-week treatment, which, in this therapy area, is considered a very high retention rate.[7]



Buvidal during 2020 and beyond

For patients with chronic conditions such as opioid dependence, who may have compromised immune systems, chronic respiratory disease and cardiovascular disease, the coronavirus pandemic has been especially worrying. These health problems, combined with the poor living conditions often associated with high-risk drug use, may make people with opioid dependence more susceptible to coronavirus infection and, importantly, in greater danger of more severe consequences if infected. Furthermore, opioid dependence is more commonly found in marginalized groups like the homeless and in criminal justice settings, where COVID-19 prevention measures are particularly challenging.

Catalyzed by the pandemic, Buvidal is now increasingly being used in the criminal justice setting. This is exemplified by an initiative by the Scottish Government where all opioid dependent patients serving a prison sentence of six months or longer move onto Buvidal, where appropriate, as the daily administration of oral treatment was a considerable burden on the Scottish Prisons Service during the pandemic.[8] The treatment benefits and cost effectiveness of Buvidal in this setting were further demonstrated by the UNLOC-T study, sponsored by NSW Health, which compared weekly and monthly Buvidal to oral methadone in seven prisons in New South Wales, Australia. Following completion of the study, treatment with Buvidal in NSW prisons has expanded rapidly and now includes more than 640 patients.

Buvidal has supported all patients during the pandemic as it has contributed to improving social distancing through the weekly or monthly administration which reduces the need for daily visits to the clinic or pharmacy.

National lockdowns around the world during 2020 changed the way healthcare systems operated – and potentially how they will operate in the future. Buvidal treatment supports this new way of delivering treatment as its innovative long-acting formulation reduces the need for face-to-face appointments and time spent in clinic and significantly reduces the burden of daily attendance for patients.

Camurus' ambition is to make Buvidal the first choice in opioid dependence treatment for patients across the EU, Australia and the Middle East and North Africa (MENA) region. In the Middle East, several hundred patients are already receiving treatment through 'early access' programs. The company and its partners have applied for market approval in Kuwait, UAE and Saudi Arabia, where priority review status for Buvidal has already been received. Further applications for market approval in MENA are planned in 2021.

Camurus estimates that there are about 740,000 people with opioid dependence in the EU and Australia[9,10] that could potentially be treated with Buvidal. Assuming an average peak patient share of 15%, the market potential of Buvidal in the EU and Australia corresponds to approximately €300 million.[11]

Delay in the US

In December 2020, Camurus' partner Braeburn received a Complete Response Letter (CRL) from the FDA regarding its new drug application for Brixadi™ weekly and monthly buprenorphine depots for the treatment of opioid use disorder in the US. The CRL related to quality deficiencies identified in a pre-approval inspection of Braeburn's third-party manufacturer for Brixadi. Based on the information received from Braeburn and the FDA, Camurus' assessment is that the observations should be manageable and that a new approval decision may come in the second half of 2021.

*Buvidal is available in four weekly strengths (8mg, 16mg, 24mg and 32mg) and currently three monthly strengths (64mg, 96mg, and 128mg), enabling treatment to be tailored to the patient's individual needs. During 2021, a fourth monthly strength (160mg) is expected to be approved in the EU and Australia.

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Growing evidence base for Buvidal

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January 22–24th, Encephale, Paris, France
April 3–4th, ASAM, Virtual
June 22–24th, CPDD, Virtual
June 24–27th, WONCA Europe, Berlin, Germany
Sept 24–25th, IOTOD, Virtual
Oct 21–24th, Schmerzkongress, Virtual
Oct 27–29th, Albatros, Paris
Nov 5–6th, SSA, Virtual
Nov 6–8th, DGS, Berlin
Nov 12–14th, SIPaD, Virtual
Nov 16–19th, SEPD, Virtual
Nov 24–25th, RCGP 8th Health and Justice Summit, Virtual
Nov 30th–Dec 4th, XLVII National Conference of Socidrogalcohol, Virtual
Dec 4–5th, Gefängnismedizin-Tage, Frankfurt, Germany
Dec 10 –13th, AAAP, San Antonio, US

Effective long-acting treatment of chronic pain

Chronic pain management is a major clinical challenge in medicine today, with limited treatment options available, a high unmet medical need and the risk of developing dependence and diversion of prescribed opioid pain medication. In clinical studies, weekly and monthly CAM2038 have been shown to provide an effective pain relief with potential for improved treatment adherence and reduced risks of tolerance development, dependence, abuse, diversion and overdose.

1 million
patients with chronic low back pain are treated with very high opioid doses (> 99MME/day)[4]

Chronic pain is a global health problem, causing deterioration in general health, reduced quality of life, decreased work capacity and dependence and misuse of strong opioids.

The associated costs to society in the US – including the costs of healthcare and lost productivity – are estimated to be USD 600 billion annually.[1]

Opioids in chronic pain treatment

Opioids are used for the management of moderate to severe pain that cannot be adequately controlled by other pain medications. However, use of opioid analgesics may result in dependence, overdose and death, which is drastically illustrated by the ongoing global opioid crisis.

Buprenorphine is an effective opioid analgesic at least 30 times more potent than morphine. As a partial agonist, buprenorphine gives dose dependent pain relief and has a ceiling effect on respiratory depression. Buprenorphine is therefore considered to be one of the safest opioids, with

a low risk of overdose.[2,3] Buprenorphine for the treatment of pain is currently available as injectable immediate release formulations, transmucosal tablets for moderate to severe acute pain and transdermal patches for chronic pain. These products are associated with short duration or low exposure, which may result in inadequate analgesic effect for patients requiring high doses.

CAM2038 for effective treatment of chronic pain

CAM2038 has been successfully evaluated in a Phase 2 study in patients with opioid dependence and pain, a randomized controlled 12 weeks Phase 3 study in opioid experienced patients with chronic low-back pain, and a 12-month long-term safety and efficacy study. The efficacy study met its primary and first secondary endpoints by demonstrating that treatment with CAM2038 resulted in significantly improved relief of both the average and worst pain intensity compared to placebo. The long-term safety and efficacy study met the safety, tolerance and efficacy objectives.

CAM2038 is being developed as a safe treatment option for patients treated with high-dose opioids. There are about 1 million chronic low back pain patients in the US, Japan and EU5 who are treated with an opioid dose of more than 99MME/day.[4] CAM2038 may offer this patient group round-the- clock pain relief, while decreasing the risk of respiratory depression and fatal overdoses associated with full μ-opioid receptor agonists and at the same time safe-guarding against misuse, abuse and illicit diversion.

Preparations for the marketing authorization application in the EU are on-going with a planned regulatory submission during 2021.

CAM2038 – Key target attributes

- Round-the-clock pain relief
- Dose-proportional long-term buprenorphine exposure
- Improved treatment adherence
- Reduced number of administrations
- Reduced risk of misuse, abuse and diversion
- Reduced risk of overdose compared with full μ-opioid receptor agonists

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CAM2048 for postoperative pain

CAM2048 is a buprenorphine depot formulation for the treatment of postoperative pain providing rapid onset of action and therapeutic buprenorphine plasma levels over a couple of days. CAM2048 has been successfully evaluated in a completed Phase 1 trial.

Rare diseases

More than 400 million people worldwide – or approximately six percent of the population – have a rare disease.[1,2] Rare diseases are often genetic, chronic and life-threatening. On average, it takes over four years to receive a diagnosis of a rare disease.[3] Only five percent of rare diseases have an effective treatment.[2]

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CAM2029 – Addressing the unmet treatment needs in acromegaly

Although medical therapy for the treatment of acromegaly has been available for some time, unmet needs remain around treatment efficacy and ease of administration. The therapy burden for patients and healthcare systems is significant.

Jill Sisco, President of Acromegaly Community

The journey to diagnosis, for many acromegaly patients, is a long, tedious road, explains Jill Sisco, President of Acromegaly Community. "I had symptoms for 12 years prior to my diagnosis," she says. "I had been suffering for so long – imagine flu, when everything in your body hurts and aches, and the most horrible, extreme fatigue. I went from doctor to doctor over the years but no one knew what I had. I was worried that people thought I was a hypochondriac, so it was actually a huge relief to be diagnosed. Finally, I knew what I was fighting, and what tools to use to combat it."

Acromegaly is a hormonal disorder most commonly caused by a tumor on the pituitary gland, leading to the overproduction of growth hormone. This is a rare but serious condition which affects energy levels, muscle strength, and joint and bone health. Gradual physical changes in appearance, including in the hands, feet and face, arise from overgrowth of bone and cartilage. If not treated, acromegaly can be life-limiting as serious complications arise including high blood pressure, diabetes and cardiovascular disease. For the majority of patients, surgery is recommended as the initial therapy and is potentially curative. However, surgery is not suitable for all patients and almost half of patients will require medical therapy to control the disease.

Jill did her research and found a doctor with experience of acromegaly surgeries, who was able to remove most of the tumor on her pituitary gland. However, after about a month, her symptoms returned. "I was sent for tests but it took almost a year for me to receive medical therapy – an injection of a long-acting octreotide. The very next day my symptoms were gone. It was like a miracle!"

The burden of current treatments

The standard medical therapy for acromegaly is somatostatin analogues (SSAs), such as octreotide or lanreotide. Currently marketed long-acting SSAs are refrigerated, have a complex reconstitution procedure which can take up to an hour to prepare, and a long injection time. They are administered by a healthcare professional either via an intra-muscular or deep subcutaneous injection with a relatively thick needle, which can be painful.

At first, Jill had to travel over an hour to get to her doctor's for treatment. "I'd often arrive for my appointment to find that they had forgotten to prepare the injection and so I would then have to wait half an hour or more for it to be ready. It was taking a day out of every month to get treatment," says Jill. "I have now agreed with my doctor that I'll prepare the injection myself and I have found a nurse nearby who injects it for me. The injection needs a large bore needle as the medicine is really thick, like jelly – I get deep muscular pain and feel the ache for several weeks afterwards."

Breakthrough symptoms

While Jill finds her injections worth the pain, the bigger problem for many, she says, is breakthrough symptoms. "I'd rather have the hurt with the shot and feel OK. But the unfairness for many acromegaly patients is that they have the painful shot and still get symptoms after a few weeks."

Treatment with current octreotide and lanreotide products are associated with biochemical control rates of approximately 55 percent – although data from trials using current formulations of octreotide and lanreotide show rates can be as low as 25 percent.[1,2]

Unfortunately, Jill believes that there is a huge discrepancy with how doctors think patients are doing according to test results, and how patients report they are doing: "The biochemical numbers do not match symptom control and so things are being missed in treatment."

"Patients may be in biochemical control, but not symptomatically controlled," Jill emphasizes. "With the current long-acting injections, patients can start feeling symptoms 7–10 days before their next shot. That is 4 months a year when patients are suffering! This is why so many have poor quality of life."

CAM2029 – a new hope

Camurus has been working on a potential new long-acting octreotide treatment that the company hopes will address unmet needs in acromegaly including symptom control and the treatment burden, which may enable patients to improve their quality of life. CAM2029 will be available in a prefilled syringe or an autoinjector that can be stored at room temperature – ready-to-use, not requiring any preparation, reconstitution or conditioning. Patients will have the option and convenience of easily injecting themselves – potentially reducing the treatment burden for both patients and the healthcare system. In addition, as the injection is subcutaneous, the needle size is thinner and the dose volume smaller than current therapies, so administration is also expected to be less painful.

≠ CAM2029 is currently in Phase 3 trials to confirm efficacy and safety

In clinical trials, CAM2029 has demonstrated enhanced exposure of octreotide in comparison to the current market leader, Sandostatin® LAR®, which may lead to improved treatment efficacy and provide more consistent symptom control.≠

Two pivotal Phase 3 studies of CAM2029 for the treatment of acromegaly are ongoing; an efficacy study and a long-term safety study, which are expected to be completed during 2021 and the first half of 2022, respectively. A pharmacokinetic clinical study bridging CAM2029 dosed with an autoinjector to the same formulation dosed with a prefilled syringe is also expected to be completed mid-2021. Furthermore, a formative user study (human factor engineering trial) with the autoinjector in patients and caregivers has already been completed. Camurus expects to submit applications for regulatory approval of CAM2029 in acromegaly in 2022.

Returning to a more normal life

"Acromegaly can be aggressive, so we have to be aggressive back, and fight for our quality of life," states Jill. "I hope in the future acromegaly patients can forget they're sick and manage their disease themselves so well that they live a relatively normal life. It takes work but I believe you can get your quality of life back. It may not be the same quality of life as you had before you got the disease, but it will be way better than the day you were diagnosed."

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Acromegaly

A serious hormonal disorder, in which the pituitary gland produces excessive amounts of growth hormone. Often caused by benign tumors on the pituitary, acromegaly can lead to type 2 diabetes, high blood pressure, arthritis, cardiovascular disease and premature death, if untreated.

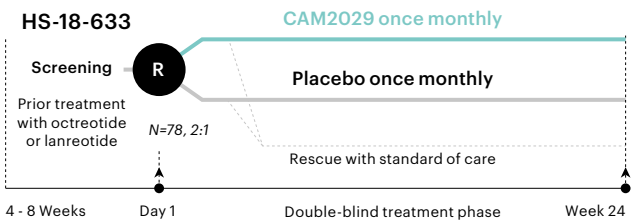
Symptoms include:

- Enlarged hands and feet
- Joint problems
- Muscle weakness and fatigue
- Anxiety and depression
- Headaches
- Soft tissue swelling
- Excessive sweating
- Sleep apnea
- Loss of vision

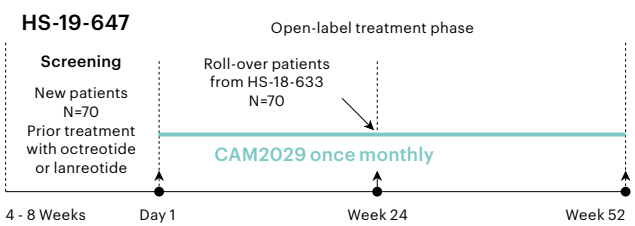
CAM2029 will be available as an autoinjector for easy self-administration by the patients' themselves.

CAM2029 in acromegaly – Key target attributes

- Subcutaneous long-acting octreotide with fast onset
- Enhanced plasma exposure with potential for better treatment outcomes
- Ready-for-use in prefilled syringe or autoinjector for easy self-administration



Study design of the ongoing Phase 3 efficacy study of CAM2029 in patients with acromegaly



Study design of the ongoing Phase 3 long-term safety study of CAM2029 in patients with acromegaly

CAM2029 clinical development

CAM2029 has been studied in four Phase 1 and 2 studies, in healthy volunteers and acromegaly patients, with positive results. During 2019, the pivotal Phase 3 program for CAM2029 was initiated with a randomized, double blind, placebo-controlled, multinational, multi-center study in patients with acromegaly previously treated with long-acting somatostatin analogues. The patients were randomized to receive either CAM2029 or placebo for 24 weeks, and the primary efficacy readout was bio-chemical response, as measured by insulin-like growth factor 1 (IGF-1) levels. The pivotal study program was expanded with a 52-week, Phase 3, long-term safety study including both newly recruited, partially stable patients as well as rollover patients from the ongoing pivotal efficacy study. The results are expected in 2021/22.

CAM2029 is also being developed for the treatment of polycystic liver disease and neuroendocrine tumors (see pages 40 and 46).

Market potential

Somatostatin analogues, including octreotide, represent pharmacological standard of care with annual sales of more than USD 2.8 billion in 2019. The worldwide total peak sales potential for CAM2029 across indications is estimated to be between USD 800 to 1,200 million per year.[3]

CAM2029 for the treatment of symptomatic polycystic liver disease

Polycystic liver disease (PLD) is a rare inherited disorder estimated to affect around 1 in 100,000 people.[1,2] It is characterized by the progressive growth of cysts of various sizes throughout the liver.

Enlargement of the liver can cause abdominal pain and discomfort, shortness of breath, early satiety and gastro-esophageal reflux. Rare complications are hepatic cyst hemorrhage, infection or rupture.[3-6]

There is currently no approved effective medical treatment for PLD, but there is growing scientific evidence that somatostatin analogues – such as octreotide – are effective in slowing cyst growth and fluid secretion in the liver and that they may also help reduce liver volume.[7-9]

Today, there are approximately 22,000 people in the US and EU5 living with moderate to severe symptomatic PLD for whom there is a significant unmet medical need. CAM2029, with its high long-acting octreotide exposure and simple patient-friendly administration, has the potential to become the first effective medical treatment for these patients. The development program for CAM2029 for the treatment of PLD is being prepared and the initiation of a Phase 2 study is planned for 2021.

CAM2029 in PLD – Key attributes

- High unmet medical need
- No currently approved medical treatments
- Convenient dosing of subcutaneous long-acting octreotide using an autoinjector device
- Self-administration option

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CAM2043 – Sustained release subcutaneous treprostinil

Pulmonary arterial hypertension – A progressive and life-threatening disease

Pulmonary arterial hypertension (PAH) is a rare and severe progressive disease characterized by elevated blood pressure in the pulmonary arteries.[1] Prostacyclin analogs, such as treprostinil, are known to be efficacious, and parenteral therapy is recommended by guidelines for patients with severe or rapidly progressing disease. However, parenteral delivery is associated with risks of serious bloodstream infections and infusion site pain and reactions which can be intolerable.

Raynaud's phenomenon

Raynaud's phenomenon (RP) is a condition characterized by episodes of pallor followed by cyanosis of fingers or toes when exposed to cold or stress. Secondary Raynaud's phenomenon is caused by an underlying disease, eg scleroderma or systemic lupus erythematosus, and can cause skin thickening, digital ulcers and necrosis.

Patient-friendly treatment of PAH and RP

CAM2043 is a long-acting treprostinil formulation, based on Camurus' FluidCrystal injection depot technology, being developed as a patient-friendly treatment option for PAH and RP. CAM2043 is a ready-to-use subcutaneous injection which is self-administered by the patient via a prefilled syringe or an autoinjector as a small dose volume (≤1 mL).

This long-acting subcutaneous formulation offers the convenience of once-weekly administration, reduces the risks associated with parenteral administration of current products such as infusion-related infections, and eliminates the need to carry an external pump.

Clinical development

In an open-label Phase 1 study of single and repeated dosing of CAM2043, study results demonstrated a dose-proportional treprostinil plasma exposure and release profile suitable for weekly, or less frequent, dosing. The tolerability of CAM2043 was generally acceptable with no observations of unexpected or serious adverse events.

An ongoing Phase 2 trial of CAM2043 for the treatment of RP is expected to be completed during 2021. In parallel, the further clinical development program for CAM2043 for the treatment of PAH is being prepared.

Attractive product profile for CAM2043

- Easy dosing without the need for continuous infusion and complicated pump systems
- Steady plasma profiles with the potential for improved treatment results versus oral and inhaled prostacyclin products
- No risk of infusion-related bloodstream infections
- Potential for significantly enhanced quality of life for patients

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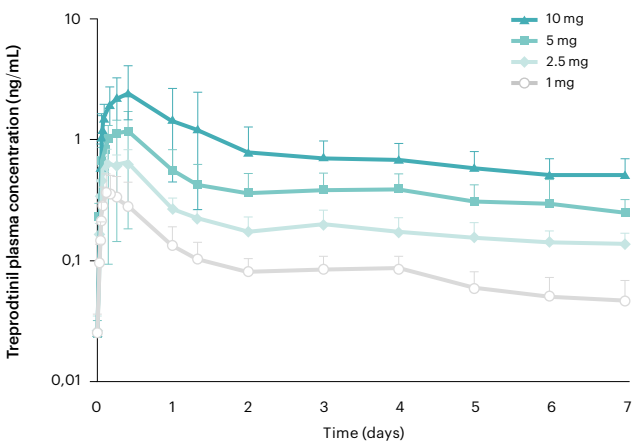
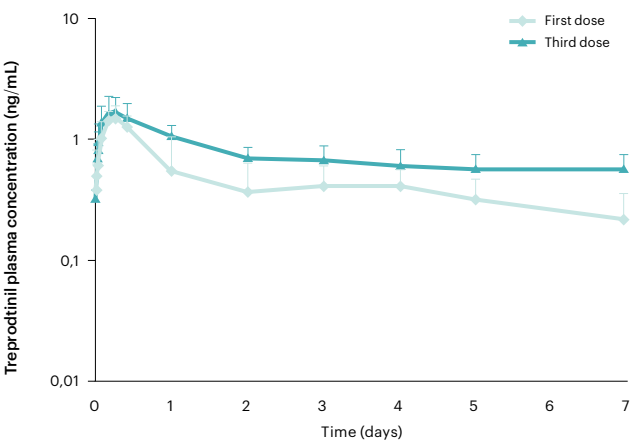


Plasma profile after single doses of CAM2043 in healthy volunteers (Phase 1 study HS-16-582). Maximum dose exposure limited by healthy volunteer study population. Camurus data on file.



Plasma profile at steady state after third dose CAM2043 5 mg compared to single dose profile in healthy volunteers (HS-16-582). Plasma concentration accumulation to steady state =2. Camurus data on file.

CAM4071 for endocrine disorders

CAM4071 is a long-acting formulation of pasireotide. Pasireotide is currently approved for the treatment of Cushing's syndrome and acromegaly as a second-line treatment. CAM4071 has completed a dose escalating Phase 1 study of pharmacokinetics, pharmacodynamics and safety in healthy volunteers.

CAM4072 for genetic obesity disorders

CAM4072 is a weekly formulation of the MC4 agonist setmelanotide developed together with Camurus' partner Rhythm Pharmaceuticals for the treatment of rare genetic obesity disorders. CAM4072 has been successfully studied in one Phase 1 trial and one Phase 2 trial including study participants with severe obesity. The positive Phase 2 results demonstrated that the subjects treated with the weekly formulation achieved comparable weight loss to those treated with the daily formulation.[1] Furthermore, weekly setmelanotide was observed to be well-tolerated with a safety profile similar to the daily formulation.

Rhythm's short-acting formulation of setmelanotide, Imcivree™, was approved by the FDA in November 2020 for the treatment of the rare obesity disorders related to pro-opiomelanocortin (POMC), proprotein convertase subtilisin/kexin type 1 (PCSK1), or leptin receptor (LEPR) deficiency.[2] For the weekly setmelanotide depot, CAM4072, Rhythm is planning to initiate the pivotal clinical program during the second half of 2021.[3]

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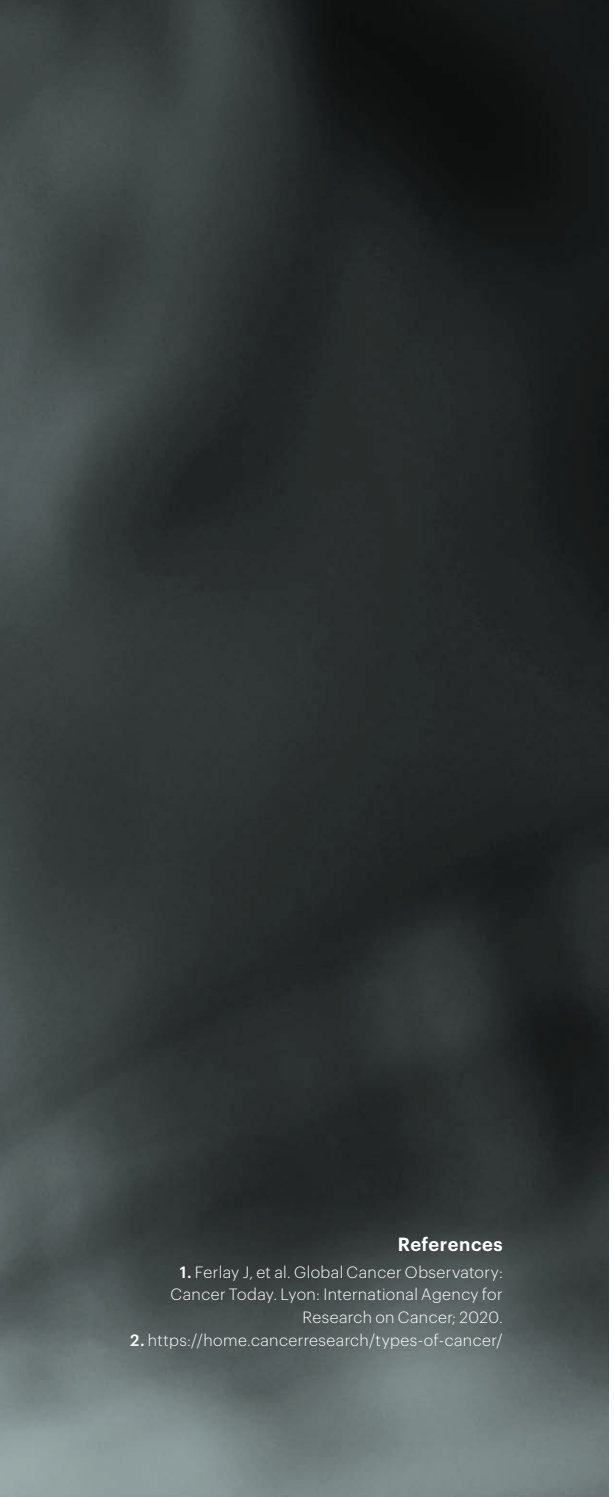

Oncology and supportive care

Cancer is the second-leading cause of death in the world.[1] Cancer is a genetic disease where cells in a specific part of the body grow and divide uncontrollably. There are more than 200 different types of cancer.[2] Effective treatments include hormone therapy, which blocks or lowers the amount of hormones in the body to stop or slow down the growth of the cancer. Oncology treatments are often associated with significant side effects which themselves require effective medicine, to improve oncology treatment adherence and a patient's quality of life.

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CAM2029 for effective and safe treatment of neuroendocrine tumors

Patients with neuroendocrine tumors can, with the right treatment, live normal lives. With CAM2029, Camurus aims to offer patients a new standard of care for this life-limiting disease.

Neuroendocrine tumors (NET) is a rare, chronic, life-limiting disease which is frequently diagnosed late in the disease progression. These tumors can develop in different organs of the body, affecting hormone-releasing cells. The symptoms of NET depend on where the tumor is located and the hormone that the affected cells produce. Often, a person has no symptoms until the tumor spreads, making NET very hard to diagnose – particularly as the tumor usually grows slowly.

Limited treatment effect with current medications

While the most effective option for a complete cure of NET is surgery, for the majority of patients this is not possible. The standard medical therapy is somatostatin analogues (SSAs), such as octreotide or lanreotide. These medications stop the over-production of hormones which reduce the severity of symptoms and can also reduce tumor progression. However, because current therapies result in rather low SSA exposure, the tumor often continues to progress – as a result, patients may need to move on to other stronger treatments, including radiation or chemotherapy, with significant side effects and a negative impact on quality of life.

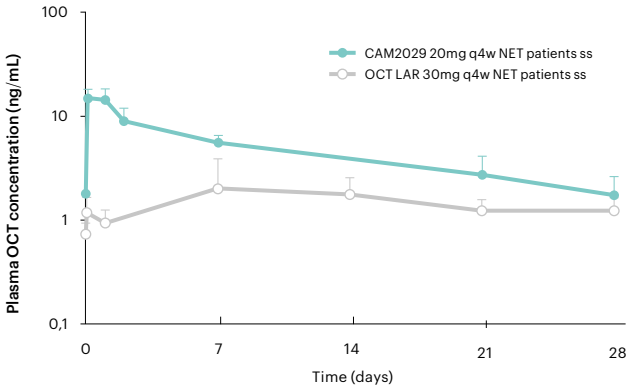
Another challenge with currently marketed long-acting SSAs is the treatment burden of regular clinic visits for dosing.

CAM2029 provides improved drug exposure

CAM2029 is a ready-to-use, long-acting subcutaneous depot of the active substance octreotide, which is entering Phase 3 clinical development for the treatment of NET. CAM2029 provides 500% higher bioavailability of octreotide in comparison to the current market leader, Sandostatin® LAR®, which may improve treatment efficacy in some patients, stabilizing the disease and reducing its progression – thereby enabling patients to live better.

Furthermore, CAM2029 has been designed for easy self-administration by patients themselves using a prefilled syringe or an autoinjector. Read more in the Acromegaly section on page 36.

With CAM2029, Camurus aims to improve treatment efficacy and relieve the treatment burden for patients and healthcare systems, empowering patients to become more engaged with their treatment and to take control of their disease.



Steady-state pharmacokinetic profile after monthly dosing of 20mg CAM2029 vs. 30mg Sandostatin LAR in patients with NET (HS-12-455, n = 7). Note the significantly higher exposure profile for CAM2029 over the entire dosing period.

Neuroendocrine tumors (NET)

- A group of rare tumors, originating from regulatory hormone-producing neuroendocrine cells that can arise throughout the body, most commonly in the gastrointestinal tract and lungs.
- Most NET are malignant and have often spread to other parts of the body by the time of diagnosis.

CAM2029 in NET – Key attributes

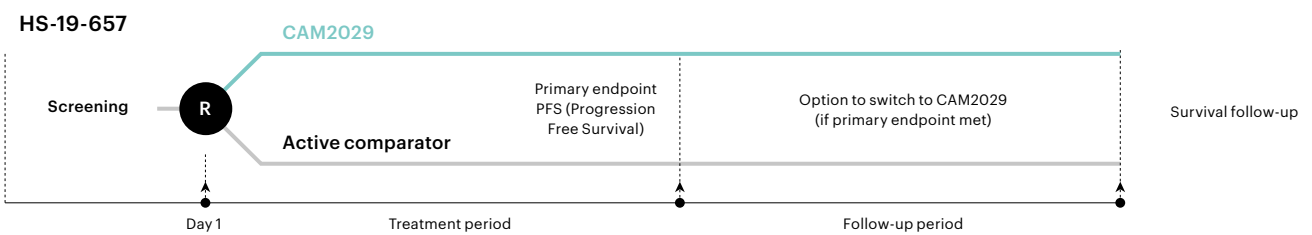
- Subcutaneous long-acting octreotide with fast onset and long-acting release
- Enhanced plasma exposure with potential for better treatment effects
- Ready-for-use in prefilled syringe and autoinjector for easy self-administration

CAM2029 clinical development program

Camurus is preparing for the start of the pivotal Phase 3 study program for CAM2029 in NET, after agreeing the study design with the FDA in a Type B meeting. The study, which is an international, multicenter study comparing treatment efficacy with CAM2029 to current standard treatment, is scheduled to begin in the first half of 2021, and will include a total of approximately 300 patients.

As a complement to the current prefilled syringe device, the company is developing an autoinjector to further simplify and enhance patient self-administration.

CAM2029 is also being developed for the treatment of acromegaly and polycystic liver disease (see pages 36 and 40).



Study design for the pivotal Phase 3 study of CAM2029 in NET. The study aims to show that treatment with CAM2029 is superior to current long-acting SSA treatment alternatives for the primary endpoint – progression free survival (PFS).

CAM2032 for prostate cancer

The well-established hormone therapies for prostate cancer, based on gonadotropin-releasing hormone agonists such as leuprolide, aim to reduce testosterone levels and thereby impede the growth of cancer cells. CAM2032 is a long-acting subcutaneous leuprolide depot for the treatment of prostate cancer. Based on Camurus' FluidCrystal® injection depot technology, CAM2032 is being developed for self-administration with a prefilled syringe or autoinjector as a small dose volume which does not require any reconstitution or temperature conditioning. The pharmacokinetic, pharmacodynamic, and safety profiles following single and repeated administration of CAM2032 in prostate cancer patients have been evaluated with positive results in two Phase 2 trials. Additional potential indications for CAM2032 include precocious puberty and endometriosis.

CAM2047 for chemotherapy-induced nausea and vomiting

CAM2047 is a long-acting subcutaneous granisetron depot in development for the treatment of acute and delayed chemotherapy-induced nausea and vomiting (CINV) – a side effect experienced by the majority of cancer patients undergoing chemotherapy treatment. CAM2047 has been successfully evaluated in a completed Phase 1 trial.

episil® – effective pain relief for patients with oral mucositis

Formulated using Camurus' FluidCrystal® topical bioadhesive technology, episil® oral liquid provides fast pain relief and protection of sore and inflamed mucosal surfaces.

Oral pain and cancer therapies

Oral mucositis is a painful inflammation and ulceration of the oral mucosa. It is a common side effect of radiotherapy and chemotherapy affecting the majority of head and neck cancer patients who receive radiotherapy and 30–75 percent of patients undergoing chemotherapy for other types of cancer, including breast cancer.[1] In severe cases, oral mucositis may restrict primary cancer treatment, requiring a reduction in dosage or postponement of therapy. Advanced stages of oral mucositis can be extremely painful, preventing the patient from eating and leading to hospitalization for rehydration, nutrient supply and opioid analgesia.[2]

episil for oral pain relief

episil is applied as a liquid which transforms into a thin bio-adhesive film when in contact with the buccal membrane, alleviating pain by protecting mucous membranes. In clinical trials, episil has been proven to reduce pain in the mouth by up to 40 percent, with a long-lasting effect of up to 8 hours.[3,4] A recent study also demonstrated that episil improved oral mucositis and nutrition status of head and neck patients undergoing radiotherapy.[5]

episil is CE-marked and registered as a medical device class 1 in Europe and under a 510k clearance for medical device in the US. episil is currently being marketed in Europe, Japan, China, Korea and Australia. Sales and distribution are conducted via in-house marketing in Sweden, Denmark, Norway, and the UK, and by a number of distribution partners in various countries.

In 2020, episil was launched in Korea by Camurus' partner Solasia Pharma and their subdistributor Synex.

episil key attributes

- Rapid pain relief within 5 minutes
- Effective oral pain relief lasting up to 8 hours
- Convenient, ready-to-use, pocket-sized device
- Food and drinks can be consumed 5 minutes after application

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FluidCrystal® injection depot: long-acting release with user-friendly administration

FluidCrystal® injection depot provides treatment efficacy over extended periods with a single subcutaneous injection. It can thereby reduce the burden of frequent dosing and provide controlled exposure of the active ingredient over time, which can lead to improved treatment adherence and outcomes, and ultimately improve quality of life for patients.

FluidCrystal injection depots comprise a liquid lipid-based solution with a dissolved active pharmaceutical ingredient that can easily be injected subcutaneously using a conventional syringe with a thin needle or an autoinjector.

Upon contact with tissue fluids, the lipid solution transforms into a liquid crystalline gel, which effectively encapsulates the active ingredient. The pharmaceutical compound is then slowly released at a controlled rate as the depot gradually biodegrades in the tissue. This release can be controlled, from several days to weeks or months, depending on the choice of lipid composition and other factors. No chemical modification of the pharmaceutical substance is necessary, and even short-acting compounds can be made long-acting provided they are potent enough.

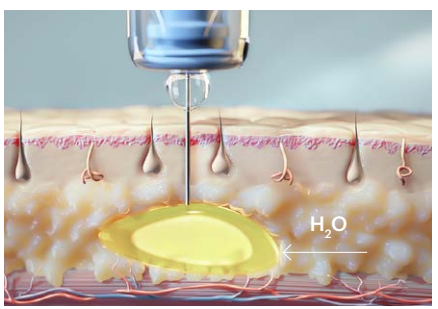
Through the simplicity of the formulation and the spontaneous self-association to a functional structure in the body, medicines based on the FluidCrystal injection depot can easily be administered by the patients themselves or by healthcare professionals without time-consuming or complicated mixing steps.

Key attributes

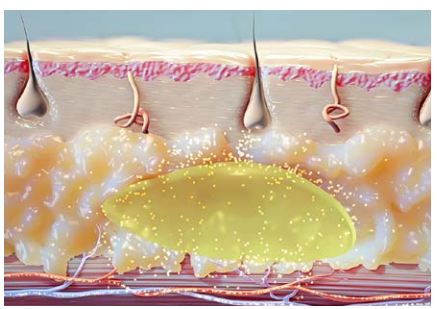
- Easy and convenient administration
- Improved treatment adherence
- Adapted to prefilled syringes and autoinjectors
- Long-acting release of active pharmaceutical ingredient
- Small injection volume with a thin needle
- Manufacturing by standard processes
- Suitable for peptides as well as small molecules

1. Injection of liquid formulation using prefilled syringe or autoinjector

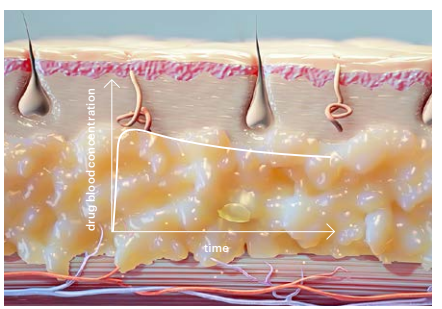
FluidCrystal has been validated in more than 25 clinical trials and through the approvals of Buvidal® weekly and monthly depots in 2018. During 2020, more than 200,000 doses of FluidCrystal-based marketed and investigational products were administered to patients over the world. Furthermore, several new early stage partnerships and evaluations of new FluidCrystal-based product candidates were initiated during the year.



2. Encapsulating liquid crystal gel triggered by water uptake



3. Slow release of drug



4. Drug release and biodegradation of gel matrix to full resolution

Active patent strategy

Camurus has an active intellectual property strategy covering all major geographic markets. The company's patent portfolio covers its technology platforms as well as its products and product candidates, and currently consists of approximately 340 issued patents.

Camurus is actively prosecuting about 130 pending patent applications worldwide currently, and is continually filing new applications to protect the company's innovations and products. New drug candidates are protected by existing technology patents, supplemented by product-specific patent applications.

The patent life and duration vary depending on the product, application and geography. In the US, the earliest patent expirations are expected in 2027, while key technology aspects and products are protected until 2033 to 2037, with the potential for further extensions with pending applications.

The company also has extensive know-how of all critical aspects of its formulation technology, including the components, manufacturing, devices, packaging and stability.

Partnerships

To further enhance our development capacity and commercial reach, Camurus enters into strategic partnerships with biotech and pharmaceutical companies with leading positions or a strategic focus on relevant markets and therapeutic areas.

Camurus' partners include:

Braeburn – holding the rights to Brixadi™ (CAM2038) long-acting buprenorphine in North America under development for the treatment of opioid use disorder and chronic pain and CAM2048 for the treatment of postoperative pain. Braeburn also holds an option to the rights for CAM2038 in China, Japan, South Korea and Taiwan.
Rhythm Pharmaceuticals – holding the global rights to CAM4072, a once-weekly formulation of setmelanotide based on FluidCrystal® for the treatment of genetic obesity.
UCB (previously Ra Pharmaceuticals) – holding an exclusive license to develop, manufacture and commercialize a long-acting formulation of zilucoplan based on FluidCrystal®, which is being developed for the treatment of several serious blood and tissue disorders.
NewBridge Pharmaceuticals – holding exclusive distribution rights to Buvidal® (CAM2038) long-acting buprenorphine for the treatment of opioid dependence in 12 countries in the Middle East and North Africa.
Solasia Pharma – holding exclusive distribution rights to episil® oral liquid in Japan, China and South Korea.

Talented and dedicated employees are the foundation for Camurus' operations

Camurus is an agile organization with a shared ambition to innovative new and improved treatments for patients, successfully develop the company and work together in a collaborative environment. During 2020 the number of employees increased from 120 to 136, as the company continued to grow and build its European and Australian commercial organizations.

Passionate and creative teams

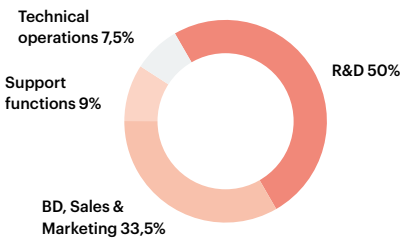
Camurus values diversity, equality and responsibility and all employees' knowledge, passion, creativity, and skills are vital components to securing the company's long-term success. Camurus' operations are conducted from modern, state-of-the-art laboratories and offices at its headquarters in Lund, Sweden.

Camurus is currently present in 12 countries in Europe and Australia, with main regional offices in Cambridge, UK; Mannheim, Germany; and Sydney, Australia. Approximately half of the company's employees work in research and development, including medical information, safety and quality. The other half are active within manufacturing, marketing and sales, and HQ support functions.

At Camurus, employees work in effective, cross-functional teams creating a dynamic company culture. Active knowledge sharing through Camurus' internal and external networks, partnerships and collaborations, both in industry and academia, support individual development of the company's employees. The continued expansion of Camurus' organization in Europe and Australia offers employees the opportunity to develop their expertise and contribute to the company's vision to develop new and innovative pharmaceuticals that improve treatment and quality of life for patients with chronic and serious diseases.

134 employees at the end of 2020
87 women
47 men
40% PhD
out of R&D

Personnel distribution



Sustainable solutions for a healthier world

With its clear focus on sustainability, Camurus aims to ensure the long-term successful development of its business – for the benefit of patients, healthcare systems, employees and shareholders.

Camurus' vision is to improve the quality of life for patients with severe and chronic diseases by providing new and improved treatment solutions. Camurus' products and operations contribute to several of the United Nation's Sustainable Development Goals (SDGs), most notably the third Goal, to "Ensure healthy lives and promote well-being for all at all ages". By expanding market access to its products, more people can improve their health and quality of life. A good example of this is Camurus' product for the treatment of opioid dependence, which, besides obvious benefits for the patients, may reduce the burden of drug dependence thereby contributing to a safer environment and reduced costs for society.

For Camurus, sustainability is a natural and vital aspect of its business and the company is actively working for clear measurements and follow-up on its sustainability-related initiatives. The CEO is ultimately responsible for sustainability at Camurus.

Business ethics

Camurus operates in a highly regulated industry with laws and regulations on interactions with patients, healthcare professionals, society, customers and its business partners. The company's Code of Conduct is an important tool to ensure good business practice and ethics for everyone working for Camurus. It is available in its entirety on Camurus' website.

One of the company's values is 'ownership' which means that Camurus takes collective and individual responsibility for everything it does. The company strives for transparency, clarity and compliance.

Camurus' corporate governance report provides information on the supervision of its financial reporting and its remuneration policies governed by independent committees, including guidelines for remuneration to Board Members and Senior Executives. Read more on Camurus' website and on page 116.

Marketing

Camurus follows the European Federation of Pharmaceutical Industries and Associations (EFPIA) code and guidelines for marketing medicines to healthcare professionals, healthcare organizations and patient organizations. Camurus has developed clear procedures to meet the strict ethical principles of the guidelines and other relevant legislation, which for example mean that marketing material should be accurate, nuanced and evidence-based, and not false or misleading.

Anti-corruption

Camurus does not tolerate corruption – this is a clear part of the company's Code of Conduct. Employees or third parties acting on Camurus' behalf must never make a payment or grant a benefit that is intended to unduly influence, or may appear to affect, a business decision. This is particularly important for interactions with public officials, government employees, healthcare professionals and patient organizations. For full transparency, all payments to public officials and private individuals are reported in accordance with the relevant local guidelines.

Suppliers

The company's suppliers play an important role for Camurus to be able to develop and provide its products. Therefore, suppliers are chosen with care and according to established procedures including relevant pharmaceutical accreditations, supplier evaluations with regular audits to ensure compliance with applicable quality standards and control procedures.

Patient safety

Clinical research and trials to evaluate the safety and efficacy of product candidates for disease treatment and prevention are a fundamental part of the development of medicines.

Patient safety is the highest priority for Camurus. This means protecting patients and healthy volunteers participating in clinical trials as well as patients receiving Camurus' marketed products, and ensuring they are not exposed to unnecessary risks.

Camurus is subject to and complies with international regulations, guidelines and standards for drug development and distribution, such as Good Clinical Practice (GCP), Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP). Camurus also complies with all relevant legislation and regulations, including guidelines issued by international regulatory authorities including the European Medicines Agency (EMA) and the US Food and Drug Administration (FDA). All trials and clinical research activities are conducted in accordance with international ethical and human rights principles.

Camurus monitors its marketed products and those sold by its partners for side effects, product complaints, and new and unexpected safety signals, and the information is reported to health authorities in accordance with applicable rules and regulations.

Social responsibility

Camurus' products are developed specifically with the aim to meet treatment needs and improve the quality of life for patients with serious and chronic diseases, for example those with opioid dependence. This is a social responsibility for Camurus.

Better health for more people

With improved patient quality of life as the leading goal for its medicines, Camurus contributes to the UN's sustainable development goals. The company's product Buvidal®, for the treatment of opioid dependence, also contributes to one of the sub-goals – to prevent and treat drug dependence.

By the end of 2020, 15,000 patients in 15 countries were in treatment with Buvidal. Camurus' ambition is to make Buvidal available to many more patients in the coming years. Although it is too early to assess the societal impact, a pilot study conducted in Glasgow, Scotland, with 13 patients shows positive results.[1] After 6 months of treatment with Buvidal, 12 patients submitted negative drug tests (an increase from only four prior to Buvidal treatment) and all had a daily activity, such as work, therapy or training (an increase from four).

With its marketed products now available on three continents, Camurus is contributing to improving global health, and has a clear strategy to increase this contribution. Several drug candidates in development are advancing towards the market and the already approved medicines are being introduced in more countries, to give a greater number of individuals the opportunity for a better quality of life.

Increased awareness

Camurus believes that it can do the most good in partnership with its stakeholders. Through its collaborations and social projects, Camurus contributes to the UN's 17th sustainable development goal: implementation and global partnership. This includes supporting initiatives by various interest and patient organizations to raise awareness of the health risks of opioid dependence. The COVID-19 pandemic in 2020 made it much more difficult for people with opioid dependence to get help, making Camurus' work together with its partners more important than ever.

In 2020, Camurus supported Blackpool, UK with this city's new approach to dealing with drug-related deaths. Blackpool has the highest drug-related mortality rate in England and Wales. Through partnerships and better cooperation between healthcare, the police, voluntary support organizations and social services, support for people at high risk of drug-related health problems has been significantly improved in a short time and despite the ongoing pandemic. Camurus contributed to the project with financial and other support.

Camurus has also been a support partner for International Overdose Awareness Day (IOAD) in 2020, which aims to raise awareness of overdoses, reduce the stigma of drug-related deaths and acknowledge the grief felt by relatives. In addition, Camurus supports patient organizations in several countries to produce materials and run campaigns to raise awareness of drug dependence (while following the EFPIA guidelines for interactions between patient organizations and industry).

Employees

The passion, creativity and knowledge of Camurus' employees are what drives the company forward. To keep and strengthen this work environment is really important with the physical, mental and social well-being of the company's employees at the center. Bullying, harassment and any form of discrimination is unacceptable and the company has policies and procedures for dealing with any such behaviors.

The UN's fifth sustainable development goal focuses on gender equality at all levels of society, where power, influence and resources are distributed equally. Camurus contributes to this goal by enabling, supporting and developing female leadership and decision-making. The company acknowledges that this is a work in progress which is developed continually. At the end of 2020, 45 percent of Camurus' managers and 40 percent in the management team were women. Read more about Camurus' employees and company culture on page 54.

Environment

Camurus' environmental work strives to reduce waste and improve energy-saving measures, as well as to minimize the environmental impact of the company's research, products and work. The company also expects its suppliers to strive to reduce their carbon footprint.

Camurus works to optimize the packaging of its products, thus minimizing the consumption of space in transport, and by extension reducing the number of transports.

The company strives to use environmentally-friendly raw materials, processes and transport, and where possible establish regional supply chains. One example is the work to optimize the packaging of its products, thus minimizing the consumption of space and reducing the number of transports. Waste and diversion of medicine is reduced with Camurus' products because the long-acting profile and high bioavailability effectively take advantage of every milligram of active substance in the product.

Camurus evaluates every business trip and compares the pros and cons of physical participation in meetings, conferences and trade fairs with digital alternatives. Following the COVID-19 pandemic the virtual meeting format with video meetings has become strongly established. In 2020, Camurus only participated in four conferences on site, compared to 47 in 2019. This trend is expected to continue also in 2021.

In previous years, marketing materials for Camurus' products have largely been provided in printed format, but in the past year the company has switched to digital formats – and aims to continue this trend in the coming years.

Camurus' future sustainability

Within a few years, Camurus will publish full sustainability reports and will gradually expand its work within sustainability. The intention is to identify and review the areas where its business has the most impact, and start collecting more data to develop goals and plans for how to best continue to contribute to a fair and sustainable society.

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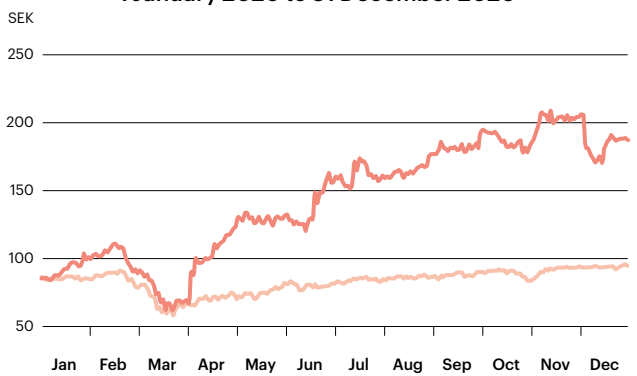
Positive development of Camurus' share in 2020

Camurus' share is listed on Nasdaq Stockholm Mid Cap list under the ticker CAMX. At the end of 2020, the closing price of the share was SEK 186.50.

Camurus' initial public offering on Nasdaq Stockholm in December 2015 was an important step in the strategy to build a successful, long-term profitable pharmaceutical company. Since then, Camurus has continued to build a broad pipeline of innovative products, including approved medicines, and established an effective commercial organization and supply chain in Europe and Australia.

Share performance from 1 January 2020 to 31 December 2020



The company has also continued to strengthen its late-stage development capabilities to take new innovative products to the market.

Share price trend

Camurus' shares increased by 121% during 2020. The closing price on 30 December 2020 was SEK 186.50. The highest price was SEK 214.50 (5 and 16 November 2020) and the lowest was SEK 61.50 (23 March 2020). At the end of the year, market capitalization was SEK 10.1 billion.

Directed share issue

In July 2020, Camurus completed a directed share issue of 2,000,000 shares, with gross proceeds amounting to SEK 300 million before issuance cost. The total number of shares after the issue was 53,636,858.

Subscription of new share by exercise of subscription warrants in the program TO2017/2020

On 15 December 2020 the subscription period for the long-term incentive program TO2017/2020 ended. During the year

598,332 shares were subscribed for at the subscription price of SEK 153.90 per share. Through the exercise of the subscription warrants Camurus received SEK 92.1 million.

Ownership structure

At the end of 2020, Camurus AB had 9,376 shareholders, of whom 763 comprised financial and institutional investors with holdings amounting to 83% of the share capital and votes, and 8,613 comprised private individuals with holding totaling 17% of the share capital and votes.

Foreign shareholders accounted for 7% of the capital and votes. The ten largest shareholders accounted for 66% of the capital and votes.

Shareholders as of 31 December 2020

	Numbers of shares	% of capital	% of votes
Sandberg Development AB	22,000,692	40.8	40.8
Fjärde AP-Fonden	3,330,676	6.1	6.1
Gladiator	3,095,142	5.7	5.7
Avanza Pension	1,873,132	3.5	3.5
Fredrik Tiberg, CEO	1,653,188	3.1	3.1
Svenskt Näringsliv	1,100,000	2.0	2.0
Backahill Utveckling AB	826,491	1.5	1.5
Lancelot Avalon Master	682,779	1.3	1.3
Afa Försäkring	550,000	1.0	1.0
Cancerfonden	520,000	1.0	1.0
Other shareholders	18,290,249	34.2	34.2
	53,922,349[1]	**100.0**	**100.0**

Share capital and capital structure

At the year's end, the share capital was SEK 1,355,844 distributed among 54,233,773[1] shares with a quota value of SEK 0.025.

In accordance with the Articles of Association, the share capital shall comprise a minimum of SEK 500,000 and a maximum of SEK 2,000,000, divided among a minimum of 20,000,000 shares and a maximum of 80,000,000 shares.

Camurus' Articles of Association contains a record day provision, and the company's shares are registered with Euroclear Sweden AB who administer the company's shareholder register and registers the shares of individuals and organizations. All shareholders are entitled to an equal share in the company's profits and a percentage of the surplus in the event of liquidation.

Incentive program

As of 31 December 2020, Camurus has three long-term incentive programs active. In accordance with a decision by the Annual General Meeting in May 2018, May 2019 and May 2020, subscription warrant programs for the company's employees, has been introduced. The warrants are valued by an independent institute in accordance with the Black& Scholes model and were acquired by the participants at market value. As part of the program, the participants receive a three-piece stay-on bonus in the form of gross salary addition from the company, equivalent to the amount paid by the participant for its subscription warrants. As the

1) The total number of shares registered with the Swedish Companies Registration Office amounts to 54,233,773 shares incl. 311,424 shares that were subscribed for through exercise of TO2017/2020 in December 2020, but which were not issued until January 2021. Therefore Euroclear has 53 922 349 shares in its register.

Ownership Distribution size classes as of 31 December 2020

	Numbers of shareholders	Numbers of shares	% of capital	% of votes
1 – 500	7,064	924,204	1.71	1.71
501 – 1,000	941	734,768	1.36	1.36
1,001 – 5,000	1,006	2,188,391	4.06	4.06
5,001 – 10,000	140	998,273	1.85	1.85
10,001 – 15,000	50	614,450	1.14	1.14
15,001 – 20,000	27	490,908	0.91	0.91
20,001 –	148	47,971,355	88.97	88.97
Total	**9,376**	**53,922,349**[1]	**100.0**	**100.0**

Ownership Distribution as of 31 December 2020

	% of votes	% of capital	Numbers of shareholders	Numbers of shares
Swedish Institutions	76.59	76.59	391	41,296,772
Foreign Institutions	6.22	6.22	372	3,355,376
Swedish private shareholders	16.45	16.45	8,534	8,871,457
Foreign private shareholders	0.74	0.74	79	398,744
	100.0	**100.0**	**9,376**	**53,922,349**[1]

1) The total number of shares registered with the Swedish Companies Registration Office amounts to 54,233,773 shares incl. 311,424 shares that were subscribed for through exercise of TO2017/2020 in December 2020, but which were not issued until January 2021. Therefore Euroclear has 53 922 349 shares in its register.

stay-on bonus is conditional on continued employment, costs including social security fee, are expensed over the vesting period and a liability is calculated at each balance sheet date based on how much has been earned. Expenses are recognized as personnel expense in the income statements. All three programs vest in three years. In total they represent a total maximum of 1,404,606 shares, or 2.6 per cent of the total number of shares in the Company. For more information, see Note 24 in the Annual Report 2020.

Dividend policy and proposed dividend

In accordance with the dividend policy adopted by the Board of Directors, Camurus will continue to focus on developing and expanding the company's business and clinical project portfolio of innovative medicines for serious and chronic disease. Available financial resources will be utilized to finance this strategy. Consequently, the Board of Directors does not intend to propose any dividend to shareholders until Camurus generates sustainable profitability. The Board of Directors proposes that the Annual General Meeting pass a resolution to not issue any dividends for the fiscal year.

GLOSSARY

505(b)(2) US submission which contains full reports of investigations of safety and effectiveness, where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use
Acromegaly A disorder caused by overproduction of growth hormones resulting in abnormal body growth
Agonist A drug or other substance that binds to and blocks a receptor and thereby stimulates the activity of the receptor
Analog Similar molecular structure
Bioadhesive A substance that is adhesive to biological surfaces
Bioavailability The degree and rate at which a substance (as a drug) is absorbed by the body
Buprenorphine Active ingredient that is strongly analgesic and that may be used for treatment of opioid dependence
CE marking CE marking of a product is used within the EU/EEA to show that the manufacturer or importer has followed the essential requirements regarding safety, health, performance etc. that are outlined in the applicable EU directives
CINV Chemotherapy-induced nausea and vomiting
Clinical trials Investigations performed in humans in order to study the properties of an investigational product
CTA Clinical trial application
Endocrine diseases Diseases affecting the endocrine system, ie the body's production, secretion and response to hormones
Endometriosis A disease in which tissue that normally grows inside the uterus (endometrium) grows outside the uterus
EU5 France, Germany, Italy, the UK and Spain
FDA Food and Drug Administration, the US food and drug authority
GMP Good Manufacturing Practice
IGF-1 Insulin-like Growth Factor 1
In vitro Biological process that takes place outside a living cell or organism
IND Investigational New Drug, classification that is required for development of a new drug in the US
Intramuscular injection Injection of a drug in a muscle, eg the gluteal muscle
Leuprolide Active ingredient used for the treatment of eg prostate cancer
Lipids Group of compounds consisting of fat or fat-like substances
MENA Middle East and North Africa
Milestone payment Economic compensation obtained within a framework of a partner program when a specific goal has been achieved
MME Morphine milligram equivalents
Nanoparticle Microscopic particle that behaves as a whole unit
NET Neuroendocrine tumors, a group of different kinds of hormone producing tumors
Octreotide Active ingredient used for the treatment of eg cancer
Oral mucositis Inflammation of the oral mucosa that leads to ulcers and pain in the oral cavity
Orphan drugs Drugs intended to treat serious or life-threatening diseases that are so rare that pharmaceutical companies are reluctant to develop them for economic reasons
PAH Pulmonary arterial hypertension
Peptide Molecule consisting of a chain of amino acids
Pharmacodynamics The biochemical and physiological effects of a drug on the body
Pharmacokinetics The fate of a drug within the body (ie the absorption, distribution, metabolism and excretion)
Pre-clinical studies Studies performed in model systems, ie not in humans
Reconstitution Preparation of a drug before administration; often the addition of a diluent to a powder
RP Raynaud's phenomenon
Setmelanotide A MC4 receptor agonist peptide for the treatment of rare genetic disorders of obesity
SSA Somatostatin Anologues, the standard for safe and effective medical therapy for acromegaly and symptom control in NETs
Subcutaneous injection Injection of a drug under the skin
Sublingual Under the tongue
Transdermal A route of administration where active ingredients are delivered across the skin for systemic distribution, eg via patches or ointments
Viscosity A measure of the thickness of a fluid; a fluid's internal resistance to flow
WHO World Health Organization

Financial reports

Group and parent company

The Board of Directors and Chief Executive Officer of Camurus AB (publ), with its registered office in Lund and company registration number 556667-9105, hereby present the Annual Report for the 2020 financial year, for the group and the parent company. The annual accounts and the auditor's report are presented on pages 66-125. The earnings from the year's activities and the parent company's and the group's financial position are presented in the director's report and the subsequent income statement and balance sheet, comprehensive income statement, statement of cash flow, statement of changes in equity as well as supplementary disclosures and notes, all of which collectively constitute the annual accounts.

Financial summary 2020

- Total revenues of MSEK 336 (106), an increase of 218 percent
- Product sales were MSEK 323 (72), an increase of 347 percent
- Operating result of MSEK -205 (-360)
- Result for the year of MSEK -167 (-290), corresponding to a result per share, before and after dilution, of SEK -3.18 (-6.23)
- Cash position at year end was MSEK 462 (359)

Financials

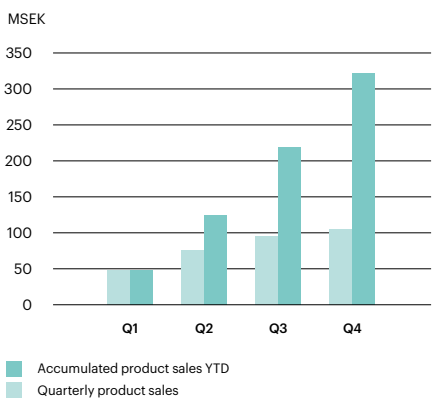
MSEK	2020	2019	Δ
Total revenues	336	106	218%
– whereof product sales	323	72	347%
OPEX	508	443	15%
Operating result	-205	-360	43%
Result for the year	-167	-290	42%
Result per share, before and after dilution, SEK	-3.18	-6.23	49%
Cash position	462	359	29%

Highlights of the year

Treatment of opioid dependence

- Buvidal® available as the first long-acting opioid dependence treatment in 15 countries, with more than 15,000 patients in treatment and over 200,000 weekly and monthly doses administered in 2020
- All markets for Buvidal developed positively in 2020 with the greatest growth in Australia, the Nordic region and the UK
- In Germany and Austria, sales were slightly below expectations due partly to circumstances linked to COVID-19 and rules regarding prescribing and reimbursement
- Market approval received for Buvidal in Switzerland

Product sales



- Price and reimbursement approvals received in several countries in Europe, including Spain
- The results of the DEBUT and UNLOC-T studies presented at the College on Problems of Drug Dependence (CPDD) Annual Meeting
- Registration applications for a new higher dose of Buvidal submitted to the European and Australian medicines agencies, the EMA and TGA, respectively
- FDA issued a Complete Response Letter (CRL) for Brixadi in the US

Pipeline

- Completion of an open-label, long-term study for CAM2038 in patients with chronic pain
- Recruitment continued in ongoing Phase 3 efficacy and long-term safety studies for CAM2029 for the treatment of acromegaly, despite the challenge of COVID-19
- The registration-based program for CAM2029 for the treatment of neuroendocrine tumors (NET) was agreed with the FDA and the study protocol was completed
- Initiation of a clinical study evaluating the autoinjector and current pre-filled syringe to document pharmacokinetics and other clinical data for upcoming registration applications for CAM2029

- Initiation of a Phase 2 study of CAM2043, a subcutaneous weekly depot of treprostinil, for the treatment of Raynaud's phenomenon
- Positive results announced from a Phase 2 study of CAM4072, setmelanotide weekly depot, under development by Camurus' partner Rhythm Pharmaceuticals, for the treatment of rare genetic obesity disorders
- Preparations began for the start of clinical studies of CAM4083, a long-acting formulation of the complement component C5-inhibitor zilucoplan, which is being developed together with Camurus' partner UCB (formerly Ra Pharma) for the treatment of generalized myasthenia gravis and other serious tissue-based complement-mediated disorders

Organizational development

- A directed share issue of 2 million shares, raised proceeds of approximately MSEK 300 before issue costs to increase Camurus' financial flexibility and enable further market expansion for Buvidal, the upscaling of the company's commercial production and an expansion of the clinical program for CAM2029
- Ruling of arbitration process with Braeburn announced
- During 2020 the number of employees increased from 120 to 136, as the company continued to grow and build its European and Australian commercial organizations

Camurus' operations

Camurus is an international science-led biopharmaceutical company committed to developing and commercializing innovative medicines for the treatment of severe and chronic conditions. New drug products with best-in-class potential are conceived based on the company's proprietary FluidCrystal® drug delivery technologies and its extensive R&D and sales expertise. Camurus' clinical pipeline includes product candidates for the treatment of opioid dependence, pain, cancer and endocrine diseases, which are developed in-house and in collaboration with international pharmaceutical companies.

Camurus' shares are listed on Nasdaq Stockholm under the ticker CAMX. For more information, visit camurus.com.

Strong 2020 for Camurus despite challenges

During 2020, Camurus continued to deliver on its strategy to develop into a rapidly growing pharmaceutical company with an international marketing and sales organization and as a leader within the research and development of long-acting medicines for the treatment of severe and chronic conditions. High sales growth and important advances in the research and development portfolio were achieved, despite significant challenges from COVID-19. Sales of Buvidal for the treatment of opioid dependence increased by 362 percent compared to 2019 and the company expanded the market through new price, reimbursement and regulatory approvals. Camurus progressed its product portfolio, received positive results in several clinical studies and, at the turn of the year, had three of its own development programs – in chronic pain, acromegaly and neuroendocrine tumors – in the registration phase of development.

The company's sales more than tripled during the year, and the financial loss was reduced by just over 40 percent compared to 2019.

Continued market expansion for Buvidal and new positive clinical results

After a strong first half of 2020 that resulted in an upward adjustment of Camurus' sales forecast in June, product sales during the year amounted to MSEK 323, corresponding to a market growth for Buvidal of 362 percent compared to 2019 – despite significant challenges posed by the COVID-19 pandemic in terms of delayed reimbursement decisions, lack of resources and availability for the company's customers and their teams.

At the end of 2020, Buvidal was available in 15 countries, with more than 15,000 patients in treatment and more than 200,000 weekly and monthly doses administered during the year.

All markets for Buvidal developed positively in 2020. The greatest growth was seen in Australia, the Nordic region and the UK. In Germany and Austria, sales were slightly below expectations due partly to circumstances linked to COVID-19 and rules regarding prescribing and reimbursement. During the year, stakeholders in each country worked to increase access to Buvidal treatment. In Switzerland, Camurus received market approval for Buvidal and will start sales in the first half of 2021. In addition, several new price and reimbursement approvals in Europe were received, most recently in Spain in December, which will strengthen sales growth of Buvidal in 2021 and beyond.

In 2020, the first results of the DEBUT and UNLOC-T studies of Buvidal were presented at the leading College on Problems of Drug Dependence (CPDD) Annual Meeting. The studies, evaluating Buvidal treatment for standard outpatient

and prison treatment in Australia, met both primary and secondary outcome measures. Among other things, significantly higher patient-reported satisfaction, reduced treatment burden and a higher quality of life compared to standard treatment were demonstrated.

In addition to an acceptable safety profile and treatment effect, the UNLOCT study, which focused on the use of Buvidal in the prison system, showed significantly lower costs for Buvidal treatment compared to standard daily treatment.

New dosing and extended use of Buvidal

Following the company's strategy for the product lifecycle for Buvidal, in 2020 Camurus submitted registration applications for a new higher dose of Buvidal to the European and Australian medicines agencies, the EMA and TGA, respectively. The review processes have been rapid and on 26 March 2021 the EMA Committee for Medicinal Products for Human Use (CHMP) recommended approval of Buvidal 160mg monthly depot. Approval decisions for the 160 mg dose are expected in the second quarter of 2021 in the EU and Australia, where Camurus also expects a broadened indication.

Camurus also continued to prepare the registration application for CAM2038 for the treatment of chronic pain. After receiving positive results for primary and secondary endpoints in a Phase 3 efficacy study in the second half of 2018, an open-label long-term study was completed in 2020 in a broadened patient population. As in the previous part of the study, positive safety and efficacy results were obtained for CAM2038. Based on these results, a scientific advisory meeting with CHMP expert representatives was held during the year. The outcome of the meeting was positive, and the company has since continued to work on the commercial strategy and plans to submit an application for market approval for CAM2038 to the EMA later in 2021.

Global market expansion and approval process in the US

Efforts to make Buvidal available in more markets around the world continued in 2020. In the Middle East, several hundred patients are already receiving treatment through 'early access' programs. In order to improve access to treatment in the region, together with its partners, Camurus has applied for market approval in Kuwait, UAE and Saudi Arabia, where the company has also received priority review status for Buvidal.

In the US – which from a market perspective is the single most important market – after Camurus' US partner Braeburn experienced several delays, the approval of Brixadi was anticipated on 1 December 2020. Instead, the FDA unexpectedly issued a request for additional information from Braeburn regarding a number of quality deficiencies identified by the agency during a pre-approval inspection of Braeburn's US third-party manufacturers. Based on the information Camurus received from Braeburn and the FDA, the company's experts' assessment is that the deficiencies identified are manageable, and that a new approval decision should be possible in the second half of 2021.

Progress for CAM2029

In 2020, Camurus made significant progress in its pivotal Phase 3 programs for octreotide subcutaneous depot, CAM2029, for the treatment of acromegaly and neuroendocrine tumors (NET). After a temporary recruitment freeze of patients in the ongoing Phase 3 studies in acromegaly due to COVID-19, the studies started again in the second half of 2020. Despite the second wave of COVID-19, recruitment has continued in approximately a third of all sites and the company aims to end recruitment in both efficacy and long-term studies in the second half of 2021. Overall results from the efficacy study are expected in early 2022 and from the long-term study in mid-2022. In parallel, Camurus is preparing for submission of market approval applications and commercialization of CAM2029 in Europe and the US.

Alongside the development of CAM2029 for acromegaly, Camurus is also preparing for the start of the next Phase 3 program with CAM2029 for the treatment of NET. After agreeing on the registration program with the FDA during the fall, the study protocol was completed, after which the company received acceptance to start the study by the FDA in February 2021. The study is designed to show statistically improved treatment efficacy with CAM2029 compared to current standard medical treatment.

Significant progress was made during the year on the development of an autoinjector for further simplified self-administration of CAM2029, which was followed by the start of a clinical study evaluating the autoinjector and current pre-filled syringe to document pharmacokinetics and other clinical data for upcoming registration applications for CAM2029.

Positive results in the early project portfolio

Towards the end of the year Camurus started a Phase 2 study of CAM2043, a subcutaneous weekly depot of treprostinil, for the treatment of Raynaud's phenomenon. Due to the worsening COVID-19 situation in the UK, the recruitment of patients in the study was halted in November but is expected to resume in 2021.

In June, Camurus announced positive results from a Phase 2 study of CAM4072, setmelanotide weekly depot, under development by the company's partner Rhythm Pharmaceuticals, for the treatment of rare genetic obesity disorders. The results in study participants with severe obesity showed that the treatment effect of the weekly product is equivalent to that achieved with daily injections of setmelanotide. During the fourth quarter, Rhythm received US approval for Imcivree™, the short-acting formulation of setmelanotide, for the treatment of three genetically conditioned states of severe obesity.

Several development collaborations with international pharmaceutical companies got underway during the year, including preparations for the start of clinical studies of CAM4083, a long-acting formulation of the complement component C5-inhibitor zilucoplan, which is being developed together with Camurus' partner UCB (formerly Ra Pharma) for the treatment of generalized myasthenia gravis and other serious tissue-based complement-mediated disorders.

Camurus positioned for strong and long-term growth

In 2020, Camurus delivered strong sales growth while delivering on its strategic targets, including market expansion for Buvidal and the number of patients in treatment with Buvidal, preparation of Phase 3 programs for CAM2029 in NET, the Phase 2 study for CAM2043, new research collaborations and strengthening of the patent portfolio. The company has ambitious targets for 2021 regarding revenue growth, sales and operating results, as well as the development of its innovative medicines and clinical programs. Given the uncertainty surrounding the global effects of COVID-19, Camurus will continue to allocate its operating expenses to new launches and prioritize value-creating clinical development programs. In addition, the company will increase the intensity of its business development to create new growth opportunities in the coming years.

Research and development

Research and development are key strategic priorities for Camurus. The company's long-term success is highly dependent on continuing innovation and the development of technologies as well as new and important pharmaceutical products. Currently, Camurus has – either itself or together with its partners – several projects in registration-based, clinical or pre-clinical development phase.

Camurus' research and development organization include pre-clinical, pharmaceutical and analytical, as well as clinical and regulatory functions. The company's research and development expenditure in 2020 amounted to MSEK 238.7 (249.2), corresponding to 47 percent (56) of the operating expenses. Alongside the company's clinical success and regulatory progress in the opioid dependence area, Camurus has also been advancing other important clinical and early phase programs, both on its own and with its partners.

Buvidal – weekly and monthly buprenorphine depots for the treatment of opioid dependence

Opioid dependence is a serious, chronic, relapsing disease and a growing global health problem. Pharmacological treatment with daily buprenorphine and methadone is the current standard of care, effectively reducing withdrawal and cravings, and spread of diseases. However, these treatments are also associated with limitations such as poor treatment adherence, misuse, medication diversion, and accidental pediatric exposure.

Buvidal (CAM2038, weekly or monthly subcutaneous buprenorphine with multiple dose options) gives both a fast onset and a long-acting effect, and effectively reduces withdrawal symptoms and cravings for illicit opioids. Should the patient temporarily relapse and take heroin or other opioids, Buvidal blocks the opioid effect and may protect against overdose. Buvidal promotes compliance and eliminates the risk of abuse and diversion compared to current daily treatments. A comprehensive clinical development program comprising five Phase 1 and 2 studies, and two Phase 3 studies have proven Buvidal's superior treatment effect compared to daily sublingual buprenorphine. Studies have shown an increased quality of life and patient satisfaction, reduced burden of treatment and high retention in treatment for patients taking Buvidal.

Aligned with current clinical practice patients can begin medical treatment of opioid dependence with Buvidal from day

1 or switch from their current daily standard therapy with sublingual buprenorphine directly onto Buvidal. Buvidal has been designed to provide flexible dosing that matches the patients' current treatment. It is also possible for patients previously treated with methadone to switch to Buvidal. Buvidal gives healthcare providers the possibility to individualize treatment according to the patient's needs.

Buvidal relieves the patient from the daily reminder and burden of opioid dependence and allows the healthcare provider to focus on recovery instead of spending time and resources on supervised daily medication.

Buvidal has supported all patients during the COVID-19 pandemic as it has contributed to improving social distancing through the weekly or monthly administration which reduces the need for daily visits to the clinic or pharmacy.

CAM2038 – Round-the-clock relief from chronic pain

Chronic pain is a global health problem, causing deterioration in general health, reduced quality of life, decreased work capacity and dependence and misuse of strong opioids. CAM2038 is being developed to provide round-the-clock pain relief, while decreasing the risk of respiratory depression and fatal overdoses associated with full μ-opioid agonists, and at the same time protecting against misuse, abuse and illicit diversion.

CAM2038 has been evaluated in two Phase 3 studies in opioid experienced patients with chronic low-back pain. Preparations are ongoing for a marketing authorization application in the EU, with a planned regulatory submission during 2021.

CAM2029 – Treatment for patients with acromegaly and NET

CAM2029 is a ready-to-use, long-acting subcutaneous depot of the active ingredient octreotide, used for the treatment of acromegaly and neuroendocrine tumors (NET). The current market leading somatostatin analog product Sandostatin® LAR® requires reconstitution in several steps before intramuscular injection by healthcare professionals. CAM2029 has been developed as a prefilled syringe or an autoinjector which can easily be injected subcutaneously, including by patients themselves.

Two pivotal Phase 3 studies of CAM2029 for the treatment of acromegaly are ongoing; an efficacy study and a long-term safety study, which are expected to be completed during 2021 and the first half of 2022, respectively. A pharmacokinetic clinical study bridging CAM2029 dosed with an autoinjector to the same formulation dosed with a prefilled syringe is expected to be completed mid-2021. Furthermore, a user study (human factor engineering trial) with the autoinjector in patients and caregivers has already been completed. Camurus expects to submit applications for regulatory approval of CAM2029 in acromegaly in 2022.

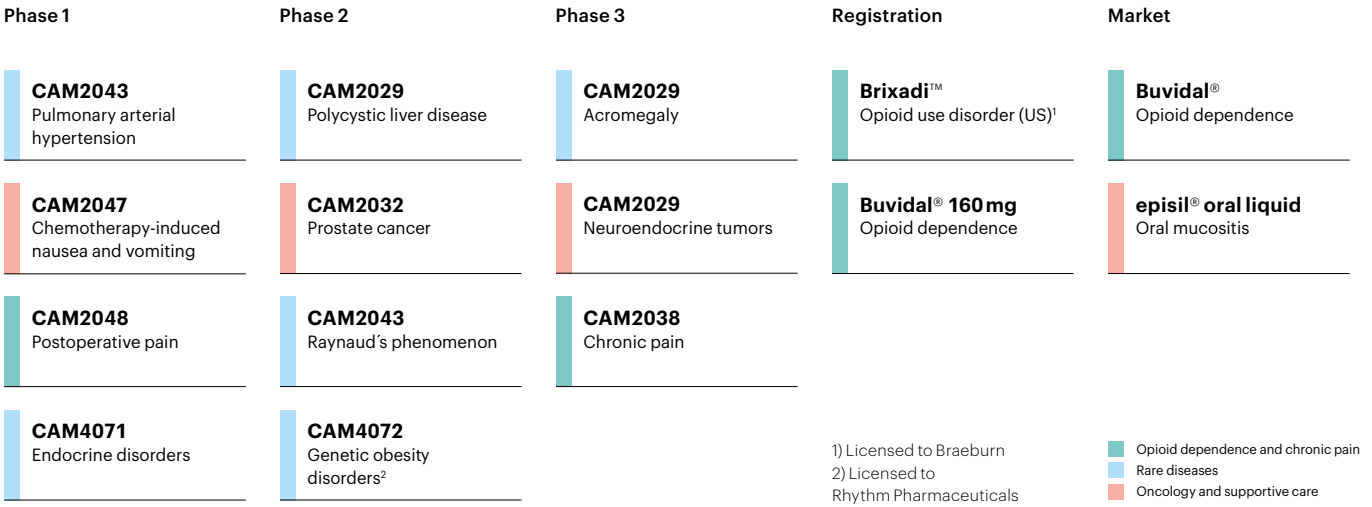
Camurus is preparing for the start of the pivotal Phase 3 study program for CAM2029 in NET, after agreeing the study design with the FDA. The study, which is an international, multicenter study evaluating treatment efficacy with CAM2029 and the current standard treatment, is scheduled to begin in the first half of 2021, and will include a total of approximately 350 patients.

CAM2043 – long-acting treatment of PAH and Raynaud's phenomenon

Pulmonary arterial hypertension (PAH) is a rare and severe progressive disease characterized by elevated blood pressure in the pulmonary arteries. Prostacyclin analogs, such as treprostinil, are known to be efficacious, and parenteral therapy with these is recommended for patients with severe or rapidly progressing disease. However, parenteral delivery is associated with risks of serious bloodstream infections or with infusion site pain and reactions which can be intolerable. Raynaud's phenomenon (RP) is a condition characterized by episodal attacks of pallor followed by cyanosis of fingers or toes when exposed to cold or stress. Secondary Raynaud's phenomenon is caused by an underlying disease, eg scleroderma or systemic lupus erythematosus (SLE), and can cause skin thickening, digital ulcers and necrosis.

CAM2043 is a long-acting treprostinil formulation developed as a patient-friendly treatment option for PAH and RP. CAM2043 is a ready-to-use subcutaneous injection which is self-administered as a small dose volume (≤1 mL) with a prefilled syringe or an autoinjector. Besides providing less frequent administration, CAM2043 can reduce the risks associated with current parenteral products, such as infusion related reactions, or the need to continuously carry an infusion pump.

A Phase 2 clinical study of CAM2043 for the treatment of RP was initiated during the fourth quarter of 2020.



Other projects based on FluidCrystal in clinical development

Camurus has several other product candidates in clinical development: CAM2032 is a long-acting formulation of leuprolide for the treatment of prostate cancer developed for patient self-administration using a prefilled syringe or autoinjector, without the need for complicating reconstitution steps or conditioning. CAM2032 has been successfully evaluated in two Phase 2 studies. Additional potential indications for CAM2032 include endometriosis and precocious puberty.

CAM2047 is a long-acting subcutaneous granisetron depot for the treatment of both acute and delayed chemotherapy-induced nausea and vomiting (CINV) – a common side effect experienced by the majority of cancer patients undergoing chemotherapy treatment. CAM2047 has been successfully evaluated in a completed Phase 1 trial.

CAM2048 is a long-acting buprenorphine depot for the treatment of postoperative pain. CAM2048 has a rapid onset while maintaining therapeutic buprenorphine levels over a couple of days. CAM2048 is being developed in collaboration with Braeburn and has been successfully evaluated in a completed Phase 1 trial.

CAM4071 is a long-acting formulation of the somatostatin analogue pasireotide. Pasireotide is currently approved for the treatment of Cushing's syndrome and acromegaly as a second line treatment. CAM4071 has completed a dose escalating

Phase 1 study of pharmacokinetics, pharmacodynamics and safety in healthy volunteers.

CAM4072 is a weekly depot of the MC-4 agonist setmelanotide developed together with Camurus' partner Rhythm Pharmaceuticals for the treatment of rare genetic disorders of obesity. In 2020 Rhythm announced positive Phase 2 results of CAM4072. The data demonstrated that participants with severe obesity treated with the weekly formulation achieved comparable weight loss to those treated with the daily formulation. Furthermore, weekly setmelanotide was observed to be well-tolerated with a safety profile similar to the daily formulation. The short-acting formulation of setmelanotide, Imcivree™, was approved by the FDA in November 2020, for the treatment of three genetically conditioned states of severe obesity. Rhythm is planning to initiate the pivotal clinical program of CAM4072 during the second half of 2021.

CAM2029, a long-acting octreotide, is being investigated as the first effective medical treatment for polycystic liver disease (PLD), a rare inherited disorder characterized by the progressive growth of cysts of various sizes throughout the liver. The development program for CAM2029 for the treatment of PLD is being prepared and the initiation of a Phase 2 study is planned for 2021.

CAM4083, a long-acting formulation of the complement component C5-inhibitor zilucoplan, is being developed together with Camurus' partner UCB (formerly Ra Pharma) for the treatment of generalized myasthenia gravis and other serious tissue-based complement-mediated disorders. In 2020, preparations began for the start of clinical studies of CAM4083.

Early stage development projects

Early stage projects

Several new product candidates, selected with support of market analyses, are being evaluated in pharmaceutical and preclinical studies. The projects comprise formulation optimization with regard to release of the active substance, stability, and pharmacological and toxicological properties defined by the target product profiles.

Partner projects

Camurus has several ongoing projects with pharma and biotech partners where the company's FluidCrystal technology is being evaluated with different active ingredients. The projects include both marketed active ingredients, where the collaboration with Camurus can be part of a life cycle management strategy, and new chemical entities where FluidCrystal is used as an enabling technology.

In-house development

Camurus' R&D team is continually evaluating new opportunities to broaden the company's development pipeline with new products based on the FluidCrystal technology. Every new product candidate is carefully evaluated with a focus on five key criteria: clear unmet medical needs, technology match, streamlined clinical development, market exclusivity and patent protection, and market potential. If these criteria are met, the product candidate is evaluated in preclinical studies against the target product profile in terms of drug loading, manufacture, stability and drug release *in vitro* and *in vivo*.

Medical device product episil® – for effective oral pain relief

episil oral liquid is a medical device for the treatment of inflammatory and painful conditions in the oral cavity, currently being marketed in Europe, Japan, China and Australia. The product provides pain relief and protection of sore and inflamed mucosal surfaces caused, for example, by oral mucositis, a common and serious side effect of cancer treatment. When in contact with the buccal membrane, episil transforms into a thin protective layer of gel, offering effective pain relief for up to 8 hours. episil oral liquid is based on Camurus' FluidCrystal topical bioadhesive technology.

Sales and distribution of episil are conducted via in-house marketing in Sweden, Denmark, Norway and the UK, and through distribution partners in other countries including Japan, China and Australia.

In 2020, episil was launched in Korea by Camurus' partner Solasia Pharma and their sub-distributor Synex.

Financial information

Revenue and earnings

Total net revenues amounted to MSEK 336.0 (105.6), an increase of 218 percent compared to the preceding year (MSEK 350.8 and 227% at CER[1]). Revenues for the group are generated from product sales, license agreements and project related activities.

During 2020, product sales were MSEK 322.5 (72.1), an increase of 347 percent (MSEK 336.6% and 362% at CER[1]), and mainly relating to sale of Buvidal in Europe and Australia. Both total net revenues and product sales were in line with the raised guidance from June 2020. Marketing and distribution expenses for the year amounted to MSEK 171.8 (170.5).

Administrative expenses for the year was MSEK 97.6 (23.5). The increase compared to the previous year is related to an arbitration process initiated by Camurus' partner Braeburn in June 2020. In December, Camurus announced that ICC International Court of Arbitration had issued a partial award in the arbitration process between Camurus and Braeburn. The ruling means that the license agreement between the parties remains in full force and effect. The administration expenses include both Camurus' legal expenses and a provision related to compensation for the counterparty's legal costs, in total MSEK 75.0. Expected, unregulated costs as of 31 December 2020 have been included among accrued costs. After the end of the financial year, final award was issued and the outcome was essentially in line with the reserve. No additional costs will occur.

1) At constant exchange rates December 2019

Cost for research and development, including depreciations of tangible and intangible assets, amounted to MSEK 238.7 (249.2). The major part of the costs relates to the ongoing pivotal clinical program of CAM2029 for the treatment of acromegaly and preparations for start of Phase 3 trials of CAM2029 in NET.

Other income during the year amounted to MSEK 2.1 (0.9). Other expenses amounted to MSEK 0.0 (0.0).

The operating result for the year was MSEK -205.2 (-360.0), an improvement of 43 percent.

The group's net financial items amounted to MSEK -1.3 (-1.5). Following assessment of the parent company's tax loss carryforward, a tax revenue of MSEK 39.3 (71.7) was recognized in the group.

The group's result for the year was negative MSEK -167.3 (-289.9), an improvement of 42 percent.

Cash flow and investments

Cash flow from operating activities before change in working capital was negative MSEK -198.6 (-355.5).

Change in working capital affected the cash flow negatively by MSEK -40.2 (-48.9) and is explained by the increase of Buvidal inventory to meet the increasing demands in the company's existing markets and expansion into new countries and a provision for an expected compensation for the counterparty's legal costs relating to the arbitration process.

Cash flow from investments was MSEK -3.3 (-25.9) and refers to clinical studies of commercialized products.

Cashflow from financing activities was MSEK 347.9 (654.3). Amortization of lease liability was MSEK -4.8 (-3.5). Net after issue costs, the group received MSEK 285.6, from a directed share issue in July and MSEK 90.2 through exercise of subscription warrants in the program TO2017/2020. In addition, a new subscription warrant program TO2020/2023 was implemented, which contributed MSEK 8.8.

Total cash flow for the year was MSEK 105.7 (224.0).

Financial position

As of 31 December 2020, the group's cash position was MSEK 461.8 (358.7) and consolidated equity MSEK 847.4 (631.6). The difference compared with the previous year is mainly attributable to the group's operating profit and the directed share issue in July and the exercise of the program TO2017/2020.

There were no outstanding loans as of 31 December 2020, and no loans have been taken up since.

Seasonal variations

The company's sales patterns do not reflect any distinct seasonal variations.

Parent company

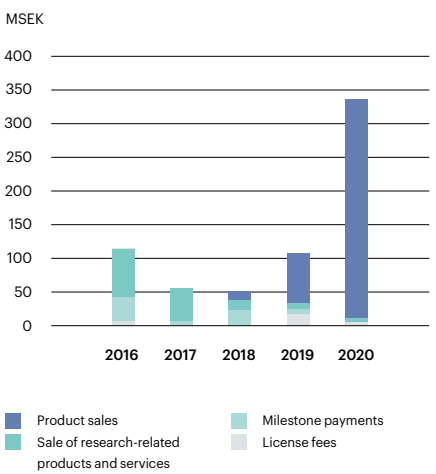
The parent company's revenue amounted to MSEK 337.0 (123.0) in 2020. The operating result was MSEK -221.3 (-393.5) and the result for the year was MSEK -177.6 (-314.5). On 31 December 2020, the parent company's equity was MSEK 792.1 (585.3) and total assets amounted to MSEK 942.2 (685.7), of which cash and cash equivalents was MSEK 429.3 (332.6).

Five-year summary, group

MSEK	2020	2019	2018	2017	2016
Net revenue	336.0	105.6	49.3	54.3	113.7
Operating result	-205.2	-360.0	-287.2	-243.5	-102.5
Net financial items	-1.3	-1.5	0.2	0.2	-0.9
Result for the year	-167.3	-289.9	-234.7	-190.6	-81.0
Earnings per share before dilution, SEK	-3.18	-6.23	-5.77	-5.11	-2.17
Earnings per share after dilution, SEK[1)]	-3.18	-6.23	-5.77	-5.11	-2.17
Equity ratio in group, %	81%	82%	69%	81%	88%
Equity	847.4	631.6	252.3	385.0	564.4
Cash and cash equivalents	461.8	358.7	134.4	314.5	508.6
Number of employees at end of period	134	120	94	71	62
Number of employees in R&D at end of period	77	67	58	48	44

1) The dilution effect is calculated according to IAS 33

Net revenue



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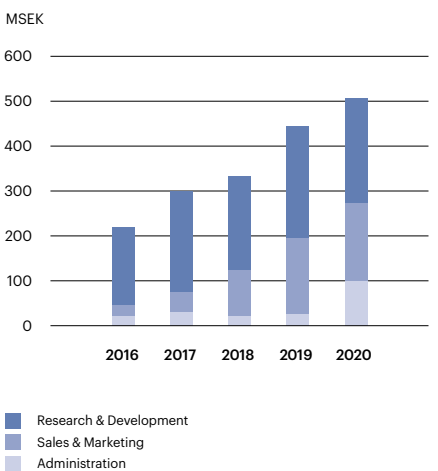


Operating results

Other information

Environmental information

Camurus' operations are not subject to authorization in accordance with the Swedish Environmental Code, but are regularly controlled through environmental inspections. The company abides by the requirements of government authorities on the management and destruction of hazardous waste and works proactively to reduce energy consumption and the use of environmentally hazardous substances. Camurus is not involved in any environmental disputes.

Share capital and ownership structure

On 31 December 2020, Camurus' share capital amounted to SEK 1,355,844,32 divided into 54,233,773 shares, with a quota value per share of SEK 0.025.

The total the number of shares outstanding was 54,233,773 common shares, each of which carries one vote.

The single largest shareholder was Sandberg Development AB with a total of 22,000,692 shares corresponding to 40.6 percent of the votes and capital.

Employees

The average number of employees in the group during 2020 was 120 (106), of which 76 (61) were women. At year-end, the number of employees was 134 (120), of which 77 (67) worked in research and development, 44 (42) in market and sales and business development, and 12 (10) in administration.

Of the total number of employees in 2020, 65 percent were women and 35 percent men. All employees receive the same treatment and are offered the same opportunities regardless of age, gender, religion, sexual orientation, disability or ethnicity.

Salaries and other remuneration amounted to MSEK 175.4 (161.2).

Proposed appropriation of profits for the financial year 2020

The following is at the disposal of the AGM: The Board of Directors proposes that the retained earnings of KSEK 779,416 be carried forward. The Board of Directors proposes that no dividend be paid for the 2020 financial year.

For further information on the company's earnings and financial position, refer to the following income statement and balance sheet with accompanying notes to the accounts.

Guidelines for remuneration and other employment terms for senior executives

Guidelines for remuneration to senior executives were resolved by the Annual General Meeting 2020. The intention is that the guidelines will continue to apply for four years until the Annual General Meeting 2024.

For information about fixed and variable remuneration see notes 9 and 28.

Guidance 2021

Net revenues are expected to grow to between MSEK 680–750 mainly related to growing sales of Buvidal. Based on the number of patients in treatment with Buvidal at the end of 2020, a continued uptake on the company's markets as in the previous year, and an expansion to new markets, product sales in 2021 are expected in the range MSEK 620–680.

The expected increase in operating expenses covers incremental R&D investments, including the CAM2029 Phase 3 program, market expansion and launches of Buvidal in wave 3 markets, and a limited organizational growth.

Operating result for the full year is expected to be in the range of MSEK -120–0. The outlook is based on exchange rates in January 2021 and excludes milestone payments related to the approval of Brixadi™ in the US.

Uncertainty relating to COVID-19 impacts have been considered, but further impacts cannot be excluded.

Risks

Camurus and its operations are associated with risks in relation to set targets. Camurus' integrated process for risk management is aimed at ensuring that risks and uncertainties are identified, assessed and managed at the earliest stage possible.

At Camurus, risk management is an integrated part of day-to-day operations and the management team continuously inventory potential risks and performs risk assessments in relation to the company's set goals. The risk assessment evaluates the probability of a risk occurring and the consequences of such a risk materializing into an event. Identified risks and risk-minimization measures are documented. Feedback is provided to the Board of Directors on a continuous basis.

For preventative purposes, tax and financial risks are subject to regular review and any tax, legal or financial risk deemed substantial is reported in the consolidated financial statements.

The most substantial risks

RISKS RELATED TO THE INDUSTRY AND OPERATIONS

Pharmaceutical development and projects in early stages of development

Camurus currently has, either itself or together with partners, several clinical programs in clinical development and a number of projects undergoing pre-clinical trials.

The projects require continued research and development and are therefore subject to typical risks related to pharmaceutical development, such as product development becomes delayed and costs become higher than expected or the product candidates, at any stage of their development, may ultimately prove to be insufficiently effective or safe, and that Camurus will not obtain the necessary regulatory approvals.

Technology platform with limited regulatory validation

Buvidal® (CAM2038 for treatment of opioid dependence) is currently the only pharmaceutical product based on Camurus FluidCrystal® injection depot which has received market approval.

There is a risk other product candidates based on the company's FluidCrystal® injection depot or its other technology platforms are delayed to market or never reach it, and problems that make it more difficult to develop or enter into partnerships for additional products with future commercial value, are identified.

Clinical trials

Prior to launching a product candidate in the market, Camurus or its partner must carry out pre-clinical and clinical trials to document and prove that the product candidate gives rise to significant efficacy and has an acceptable safety profile.

Camurus is unable to predict with any certainty when planned clinical trials can be started or when ongoing trials can be completed since these are circumstances that are affected by numerous different factors outside Camurus' direct control, for example regulatory approval, ethical review, access to patients and clinical trial units, performing the clinical trial at the clinical site and the considerations of Camurus' partners.

It is also difficult to accurately predict the costs associated with clinical trials. Actual costs for carrying out a clinical trial may significantly exceed estimated and budgeted costs.

Clinical trials may also give rise to results that do not confirm the intended treatment efficacy or an acceptable safety profile due to undesirable side effects or an unfavorable risk-benefit assessment of the product. Positive results in previously completed pre-clinical and clinical trials do not guarantee positive results in later stages of development and subsequent clinical trials. This could lead to clinical trials being discontinued or cancelled, or the product candidate not being granted necessary regulatory approvals for further clinical trials or sale in the market.

Heavy dependence on the most advanced products

Camurus is dependent on the continued success of the most advanced products and product candidates and on negative results not arising or negative decisions not being made regarding the continuation of the product development.

To date, Camurus has invested a significant portion of its human and financial resources in research and development of its products and product candidates which are the furthest advanced in their development to market, in particular Buvidal®/ Brixadi™ (which received market approval in Europe and Australia in November 2018), CAM2038 for chronic pain and CAM2029 for treatment of acromegaly and neuroendocrine tumours.

Camurus is thus highly dependent on the continued success of these products and product candidates, and on negative results not arising or negative decisions by authorities not being made regarding the continuation of the product development.

Rejected applications for clinical trials or market approvals for Camurus' and its partners' products, or assessments that the product candidates cannot be successfully commercialized due to other reasons, are examples of events that could have serious adverse consequences for the company. The same applies if a market approval is delayed or combined with restrictive conditions, as in the case when the company's partner Braeburn received a Complete Response Letter from the US Food and Drug Administration ("FDA") for Brixadi™ in the US in December 2020.

Camurus' ability to finance its operations by receiving milestone payments and generating revenue from own product sales is also dependent to a significant extent on the continuation of successful clinical development, grant of market authorization approvals and successful commercialization of these furthest advanced products. Delays to or suspensions of these programs can be expected to significantly reduce Camurus' future revenue opportunities and thus also have material adverse effects on Camurus' operations, financial position and earnings.

Many of the risks associated with the continued development and commercialization of the company's product candidates are also outside Camurus' control (including, in addition to the need for successful clinical trials, receipt of required regulatory approvals and successful commercialization, other factors such as the absence of the launch of competing products). Also, to the extent that development measures, clinical trials and market approvals are financed by Camurus' partners, the above mentioned risks are relevant to Camurus.

Product and technology collaborations with other pharmaceutical companies

Product and technology collaborations are key components of Camurus' strategy for increasing its development capacity and commercial penetration, and for achieving profitability. A licensing agreement typically provides the partner taking over the main responsibility for the further development and commercialization of a product in a defined market. This means that Camurus may have limited ability to exercise influence over the licensee's or collaboration partner's future development and commercialization activities.

There is a risk that one or more of the company's existing collaboration agreements will be terminated or that Camurus will be unsuccessful in entering into other such agreements in the future. Camurus' ability to realize the value of its product candidates could be delayed or hindered by the absence of such partnership agreements. There is also a risk that differences of opinion will arise between Camurus and its partners or that such partners do not meet their contractual commitments. Depending on the outcome, the usual costs of a legal process may be reimbursed in whole or in part by the other party if Camurus wins such a process. Should the other party win the process, Camurus may have to pay both its own and the other party's reasonable legal costs.

Furthermore, projects and collaborations can suffer delays for various reasons, something that is a common occurrence in pharmaceutical development since the schedules prepared when partnerships are entered into are indicative in nature. In addition, there is a risk that Camurus' collaboration partners and licensees may prioritize the development of alternative products and product candidates that might also compete with the products and product candidates featured in their collaborations with Camurus. If this were to occur, it could reduce the ability and/or willingness of the company's collaboration partner or licensee to fulfil its obligations regarding the development and commercialization of the product candidates included in the collaboration with Camurus.

Revenues from partners and licensees

A significant portion of Camurus' revenues are expected to comprise revenues from collaboration partners and licensees. These revenues may comprise milestone payments, which for example are dependent on the further development of product candidates, market approvals and future product sales, and sales-based royalties. All such revenues are dependent on the successful development of the company's product candidates and the achievement of agreed development and regulatory milestones, and the subsequent product launch and sales in the market.

The level of future sales of Camurus' and its partners' products, if any, is uncertain and will ultimately depend on a wide variety of factors, such as clinical results and marketing success. If a collaboration partner or licensee were to decide to discontinue the development of a product or end sales of a product – a decision

over which Camurus can be expected to have no control – Camurus' revenues and financial position could be materially adversely affected.

Regulatory review and registration of new pharmaceuticals

To initiate and carry out clinical trials for a product candidate and to market and sell a pharmaceutical product, a license or approval must be obtained from the relevant authorities in each country or region. Various licenses and approvals are also required for the manufacturing and distribution of a drug.

Obtaining licenses and approvals can be time consuming and can further delay, hinder or make the development and commercialization of a product more expensive, for example due to differing opinions on which clinical trials are required for registration, even between the authorities of different countries, or manufacturing not being deemed to meet the applicable requirements. Authorities may make different assessments compared with Camurus and Camurus' partners, for instance, regarding the interpretation of data from trials or the quality of data. Changes in authorities' practices or procedures, as well as new or changed rules, may require additional work or ultimately result in the necessary license not being obtained or withdrawn. Regulatory authorities, e.g. in the US and the EU, may award orphan drug exclusivity to competing products, which could delay market entrance in a corresponding indication for Camurus' products containing the same active pharmaceutical ingredient.

Camurus and its partners will be liable to meet certain regulatory requirements even after a product has been approved for marketing, including requirements for safety reporting and supervision of the marketing of the products.

There is a risk of product side effects being manifested which have not been identified to the same extent in the earlier clinical trials. Furthermore, the company's contract manufacturer will be responsible for continuing to follow the rules that apply to the various stages of manufacturing, testing, quality control and documentation of the product in question. Production facilities will be regularly inspected by regulatory bodies, which could lead to observations and new production requirements. If Camurus or its partners, including external manufacturers, do not meet the applicable regulatory requirements, Camurus may be subject to fines, withdrawal of regulatory approval, recalls or seizure of products, other operational restrictions and criminal sanctions that could have material adverse effects on Camurus' operations, financial position and earnings.

Supply chain and handling narcotic substances

CAM2038 (including Buvidal® and Brixadi™) contains narcotics classified as "controlled substances" and are therefore subject to special regulatory rules, for example, regarding their production, handling, import and export. Failure on the part of Camurus, its collaboration partners, contract manufacturers or distributors to comply with these rules could result in interruptions in the supply chain, administrative, civil or criminal sanctions that could have a material adverse effect on Camurus' operations, financial position and earnings. Furthermore, it may also be difficult to find alternative manufacturers since the number of potential manufacturers holding the necessary regulatory licenses for producing these controlled substances may be limited.

Commercialization, market acceptance and dependence on reimbursement systems

If a pharmaceutical product obtains market approval, the risk remains that sales, regionally or globally, may not meet expectations and that the product is not commercially successful.

The degree of market acceptance and sales of a drug depend on a number of factors, including product properties, clinical documentation and results, competing products, distribution channels, availability, price, reimbursement, sales and marketing efforts, prescribing physician awareness and clinical benefit outweighing side effects and other impacts of treatment, among other factors. Sales of prescription drugs are influenced by the price set and obtained from the responsible authorities (such as the Dental and Pharmaceutical Benefits Agency in Sweden), from reimbursement payers and by healthcare payers, including insurance companies, hospitals and regionally responsible authorities.

The reimbursement rate that, from time to time, applies for a pharmaceutical product often depends on the value the product is deemed to add for the patient, the healthcare system and the society as a whole. There is a risk that the products do not qualify for subsidies from privately and publicly financed healthcare programmes or that reimbursement is lower than expected, which among other things may affect the market acceptance of the product or the operating margin. Reimbursement systems may also change

from time to time, making it more difficult to predict the benefit and reimbursement a prescription product may obtain.

Various initiatives are in place in many countries to curb rising pharmaceutical costs, which could affect future sales margins and product sales for Camurus and its partners. Such measures are expected to continue and could result in fewer reimbursement possibilities and lower reimbursement levels in certain markets.

Patents and other intellectual property rights

Camurus has an active intellectual property rights strategy, whereby the company endeavors to protect its platform technologies and products in important global markets. There is a risk that existing and future patents, brands and other intellectual property rights held by Camurus will not comprise full commercial protection from infringement and competition.

MARKET RISKS

Competition

The pharmaceutical industry is highly competitive, and the product developments are characterized by significant innovation. Camurus' present and potential competitors range from multinational pharmaceutical companies, established biotech companies, specialist pharmaceutical companies and generic companies to universities and other research institutions.

Several of Camurus' competitors may have significantly greater financial, technical and staffing resources, including research and development organizations, and more established manufacturing, distribution, sales and marketing organizations. There is also the risk of Camurus' products under development, become subject to competition from similar products or entirely new product concepts that provide greater added value to patients.

FINANCIAL RISKS

Exchange-rate risks

Camurus is exposed to currency risks in the form of transaction exposure. Camurus' registered office is located in Sweden and reports on its financial position and earnings in SEK. Transaction exposure arises in the purchase and sale of goods and services in currencies other than SEK. A significant portion of Camurus' revenues and expenses are in foreign currencies, mostly in AUD, EUR, GBP, NOK and USD and will continue to be so in the future. Camurus' treasury policy allows for the use of hedging instruments. However, if Camurus' measures for managing the effects of exchange rate fluctuations do not prove to be sufficient, Camurus' financial position and profits may be adversely impacted.

Credit risks

Credit risk is the risk that a counterparty is unable to fulfil its payment obligations, thereby resulting in a loss for Camurus. If Camurus' measures to manage credit risks are inadequate, this could have a negative impact on Camurus' financial position and earnings.

Financing risk

There are existing risks that the cash flow from operations remains neutral or negative until Camurus can generate continuous annual revenue from products in the market. Going forward, Camurus will continue to require significant capital for continuing the research and development of potential products. Both the extent and timing of the Camurus' future capital requirements depend on a number of factors, such as costs for the operations, the potential success of research and development projects and opportunities for entering into partnership and licensing agreements, the timing for the receipt and amount of milestone payments and royalties, and the market reception of potential products.

Access to and the terms and conditions for additional financing are influenced by several factors, such as market conditions, the general availability of credit and Camurus' credit rating and credit capacity. There is always the risk that Camurus cannot raise financing at acceptable terms.

Significant risks and uncertainties

When publishing the year-end report, the Board of Directors submitted the following outlook:

The company management makes estimates and assumptions about the future. Such estimates can deviate considerably from the actual outcome, since they are based on various assumptions and experiences. The estimates and assumptions that may lead to the risk of significant adjustments to reported amounts for assets and liabilities relate mainly to measurement and allocation of revenue and costs in connection with licensing agreements and deferred tax receivable. Risks in ongoing development projects comprise technical and manufacturing related risks (including products failing to meet set specifications post

manufacturing), safety and effect related risks that can arise in clinical trials, regulatory risks relating to applications for approval of clinical trials and market approval, commercial risks relating to the sale of proprietary and competing products and their development in the market, as well as IP risks relating to approval of patent applications and patent protection. In addition, there are risks relating to the development, strategy and management decisions of Camurus' partners.

Camurus pursues operations and its business in the international market and the company is therefore exposed to currency risks, since revenue and costs arise in different currencies, mainly AUD, EUR, GBP, NOK and USD. The group reports a deferred tax asset of MSEK 305.1 (256.6) as of 31 December 2020, corresponding to a loss carry forward of 1,519.9 (whereof MSEK 1,282.6 are taxed). The deferred tax asset is calculated on the basis that Camurus AB's entire losses carried forward will be utilized against taxable surpluses in the future. The basic circumstance leading the company to make this assessment is that the company, for the development of new drug candidates, utilizes its own proprietary and regulatory validated long-acting FluidCrystal® injection depot. By combining this technology with already existing active drug substances whose efficacy and safety profile previously has been documented, new proprietary drugs with improved properties and treatment results can be developed in shorter time, at a lower cost and risk compared to the development of completely new drugs.

Accounting for deferred tax assets according to IFRS requires it is probable that taxable surpluses will be generated in the future which the losses carried forward can be used against. In addition, a company that has reported losses in recent periods must be able to demonstrate convincing factors that taxable profits will be generated. The progress made in the development of CAM2038 for the treatment of opioid dependence (Phase 3 studies and regulatory approvals) and success in previous projects using FluidCrystal® injection depot is what convincingly suggests that the company will be able to utilize its losses carried forward.

The fact that the company has reported losses is natural in an industry where it takes considerable time to develop and launch new products, even when these are based on a proven technology and substances that are well-proven. The company sees the European Commission's and Australian TGA's approvals of Buvidal® for treatment of opioid dependence in November 2018, and the launch and ongoing sale of Buvidal in Europe and Australia as further validation of FluidCrystal® injection depot, and are events that confirm the likelihood assessments made by the company when determining the amount of the deferred tax asset.

The fact that the company's partner Braeburn received a Complete Response Letter from the FDA for Brixadi™ in the US does not change the assessment.

Future revenues will mainly be generated through Camurus' own sales organization in markets where Camurus have own commercialization capabilities, and through partnerships for the markets where Camurus has out licensed FluidCrystal® and/or product candidates or products such as Buvidal.

Losses carried forward are only reported in Sweden and without any due dates based on current tax legislation in Sweden.

The Board of Directors has not changed its outlook on future developments in relation to their outlook published in the year-end report for 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Financial year	
KSEK	Note	2020	2019
Net sales	5	335,997	105,605
Cost of goods sold	6	-35,284	-23,287
Gross profit		**300,713**	**82,318**
Operating expenses			
Marketing and distribution costs	6	-171,821	-170,540
Administrative expenses	6, 8, 28	-97,581	-23,468
Research and development costs	6	-238,678	-249,226
Other operating income	7, 13	2,135	894
Operating result		**-205,232**	**-360,022**
Financial income	10	194	43
Financial expenses	10	-1,541	-1,585
Net financial items		**-1,347**	**-1,542**
Result before tax		**-206,579**	**-361,564**
Income tax	11	39,314	71,699
Result for the year[1)]		**-167,265**	**-289,865**
Comprehensive income			
Exchange-rate differences		-1,390	258
Comprehensive income for the year		**-168,655**	**-289,607**

1) All attributable to Parent Company shareholders.

Earnings per share based on earnings attributable to Parent Company shareholders for the year (in SEK per share)

	Note	2020	2019
Earnings per share before dilution, SEK	12	-3.18	-6.23
Earnings per share after dilution, SEK	12	-3.18	-6.23

INCOME STATEMENT – PARENT COMPANY

		Financial year	
KSEK	Note	2020	2019
Net sales	5, 28	337,004	123,042
Cost of goods sold	6	-42,107	-22,965
Gross profit		**294,897**	**100,077**
Operating expenses			
Marketing and distribution costs	6, 28	-186,937	-201,261
Administrative expenses	6, 8, 28	-97,946	-23,560
Research and development costs	6	-232,394	-269,325
Other operating income	7, 13	1,037	567
Operating result		**-221,343**	**-393,502**
Interest income and similar items	10	193	43
Interest expense and similar items	10	-15	-33
Result after financial items		**-221,165**	**-393,492**
Result before tax		**-221,165**	**-393,492**
Tax on profit for the period	11	43,543	78,983
Result for the year		**-177,622**	**-314,509**

Total comprehensive income is the same as result for the year, as the Parent Company contains no items that are recognized under other comprehensive income.

The notes on pages 87-119 is an integral part of the annual and consolidated accounts.

CONSOLIDATED BALANCE SHEET

KSEK	Note	31-12-2020	31-12-2019
ASSETS	2		
Fixed assets			
Intangible assets			
Capitalized development expenditure	14	36,597	37,335
Tangible assets			
Lease asset	26	25,094	27,722
Equipment	15	8,805	10,662
Financial assets			
Deferred tax receivables	16	305,116	256,637
Total fixed assets		**375,612**	**332,356**
Current assets			
Inventories			
Finished goods and goods for resale	18	69,345	14,243
Rawmaterial	18	42,004	18,849
Total inventories		**111,349**	**33,092**
Current receivables			
Trade receivables	19, 20	52,191	34,791
Other receivables	19	35,490	5,197
Prepayments and accrued income	21	7,663	7,866
Total current receivables		**95,344**	**47,854**
Cash and cash equivalents	19, 22	461,793	358,744
Total current assets		**668,486**	**439,690**
TOTAL ASSETS		**1,044,098**	**772,046**

KSEK	Note	31-12-2020	31-12-2019
EQUITY AND LIABILITIES			
EQUITY	2		
Equity attributable to Parent Company shareholders			
Share capital	23	1,356	1,291
Other contributed capital	23	1,797,084	1,412,687
Retained earnings, including result for the year		-950,999	-782,344
Total equity		**847,441**	**631,634**
LIABILITIES	2		
Long-term liabilities			
Lease liabilities	26	20,387	22,938
Total long-term liabilities		**20,387**	**22,938**
Short-term liabilities			
Trade payables	19	20,712	17,387
Lease liabilities	26	5,094	4,394
Income taxes		2,839	1,687
Other liabilities		11,219	5,806
Accrued expenses and deferred income	25	136,406	88,200
Total short-term liabilities		**176,270**	**117,474**
TOTAL EQUITY AND LIABILITIES		**1,044,098**	**772,046**

The notes on pages 87-119 is an integral part of the annual and consolidated accounts.

BALANCE SHEET – PARENT COMPANY

KSEK	Note	31-12-2020	31-12-2019
ASSETS	2		
Fixed assets			
Tangible assets			
Equipment	15	8,661	10,479
Financial assets			
Interests in Group companies	17	2,577	2,317
Deferred tax assets	16	313,096	265,152
Total fixed assets		**324,334**	**277,948**
Current assets			
Inventories			
Finished goods and goods for resale	18	58,947	13,579
Raw material	18	42,004	18,849
Total inventories		**100,951**	**32,428**
Current receivables			
Receivables subsidiaries	28	10,256	–
Trade receivables	20	36,247	31,777
Other receivables		32,413	2,356
Prepayments and accrued income	21	8,663	8,619
Total current receivables		**87,579**	**42,752**
Cash and bank deposit	22	429,290	332,607
Total current assets		**617,820**	**407,787**
TOTAL ASSETS		**942,154**	**685,735**

KSEK	Note	31-12-2020	31-12-2019
EQUITY AND LIABILITIES			
EQUITY	2		
Restricted equity			
Share capital	23	1,356	1,291
Statutory reserve		11,327	11,327
Total restricted equity		**12,683**	**12,618**
Unrestricted equity			
Retained earnings		-806,432	-491,923
Share premium reserve		1,763,470	1,379,073
Result for the period		-177,622	-314,509
Total unrestricted equity		**779,416**	**572,641**
Total equity		**792,099**	**585,259**
LIABILITIES			
Untaxed reserves			
Depreciation/amortization in excess of plan		3,486	3,486
Total untaxed reserves		**3,486**	**3,486**
Long-term liabilities			
Liability to subsidiaries		572	572
Total long-term liabilities		**572**	**572**
Short-term liabilities			
Liabilities to Group companies	28	–	639
Trade payables		16,628	13,906
Other liabilities		6,120	3,576
Accrued expenses and deferred income	25	123,249	78,297
Total short-term liabilities		**145,997**	**96,418**
TOTAL EQUITY AND LIABILITIES		**942,154**	**685,735**

The notes on pages 87-119 is an integral part of the annual and consolidated accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	Note	Share capital	Other contributed capital	Retained earnings, including compr. income for the year	Total equity
Opening balance 1 January, 2019		**960**	**744,101**	**-492,737**	**252,324**
Comprehensive income for the year		–	–	-289,607	-289,607
Transactions with shareholders					
Share issues		331	702,794	–	703,125
Issuance costs, net after deferred tax		–	-40,815	–	-40,815
Warrants issued	24	–	6,607[1)]	–	6,607
Closing balance 31 December, 2019	23	**1,291**	**1,412,687**	**-782,344**	**631,634**
Opening balance 1 January, 2020		**1,291**	**1,412,687**	**-782,344**	**631,634**
Comprehensive income for the year		–	–	-168,655	-168,655
Transactions with shareholders					
Directed share issue		50	299,950	–	300,000
Exercise of subscription warrants TO2017/2020	24	15	91,850	–	91,865
Issuance costs, net after deferred tax		–	-16,163	–	-16,163
Warrants issued	24	–	8,761[1)]	–	8,761
Closing balance 31 December, 2020	23	**1,356**	**1,797,084**	**-950,999**	**847,441**

1) Warrant issues according to resolution by the annual general meeting 9 May 2019 and 7 May 2020.
For further information see Notes 9 and 24.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

		Restricted equity		Unrestricted equity		
KSEK	Note	Share capital	Statutory reserve	Share premium reserve	Retained earnings, including result for the year	Total equity
Opening balance 1 January, 2019		**960**	**11,327**	**710,487**	**-491,923**	**230,851**
Result and comprehensive income for the year		–	–	–	-314,509	-314,509
Transactions with shareholders						
Share issues		331	–	702,794	–	703,125
Issuance costs, net after deffered tax		–	–	-40,815	–	-40,815
Warrants issued	24	–	–	6,607[1)]	–	6,607
Closing balance 31 December, 2019		**1,291**	**11,327**	**1,379,073**	**-806,432**	**585,259**
Opening balance 1 January, 2020		**1,291**	**11,327**	**1,379,073**	**-806,432**	**585,259**
Result and comprehensive income for the year		–	–	–	-177,622	-177,622
Transactions with shareholders						
Directed share issue		50	–	299,950	–	300,000
Exercise of subscription warrants TO2017/2020	24	15	–	91,850	–	91,865
Issuance costs, net after deferred tax		–	–	-16,163	–	-16,163
Warrants issued	24	–	–	8,761[1)]	–	8,761
Closing balance 31 December, 2020		**1,356**	**11,327**	**1,763,470**	**-984,054**	**792,099**

1) Warrant issues according to resolution by the annual general meeting 9 May 2019 and 7 May 2020.
For further information see Notes 9 and 24.

The notes on pages 87-119 is an integral part of the annual and consolidated accounts.

CONSOLIDATED STATEMENT OF CASH FLOW

KSEK	Note	Financial year 2020	2019
Operating activities			
Operating profit/loss before financial items		-205,232	-360,022
Adjustments for non-cash items	27	11,551	9,014
Interest received		194	43
Interest paid	26	-1,541	-1,585
Income taxes paid		-3,580	-2,962
		-198,608	**-355,512**
Increase/decrease in inventories	18	-78,257	-23,262
Increase/decrease in trade receivables	20	-17,400	-32,511
Increase/decrease in other current receivables		-2,663	6,241
Increase/decrease in trade payables		3,325	-18,394
Increase/decrease in other current operating liabilities		54,771	19,074
Cash flow from changes in working capital		***-40,224***	***-48,852***
Cash flow from operating activities		**-238,832**	**-404,364**
Investing activities			
Acquisition of intangible assets	14	-2,358	-23,442
Acquisition of tangible assets	15	-968	-2,462
Cash flow from investing activities		**-3,326**	**-25,904**
Financing activities			
Amortization of lease liabilities		-4,782	-3,513
Share issue after issuance costs	23	343,873[1)]	651,197
Warrants issued	23, 24	8,761	6,607
Cash flow from financing activities		**347,852**	**654,291**
Net cash flow for the year		**105,694**	**224,023**
Cash and cash equivalents at beginning of the year	22	358,744	134,377
Translation difference in cash flow and liquid assets		-2,645	344
Cash and cash equivalents at end of the year	22	**461,793**	**358,744**

1) Payment of MSEK 27.4, regarding exercise of warrants received in January 2021.

PARENT COMPANY STATEMENT OF CASH FLOW

KSEK	Note	Financial year 2020	2019
Operating activities			
Operating profit/loss before financial items		-221,343	-393,502
Adjustments for non-cash items	27	2,786	2,672
Interest received		193	43
Interest paid		-15	-33
Income taxes paid		–	–
		-218,379	**-390,820**
Increase/decrease in inventories	18	-68,523	-22,598
Increase/decrease in trade receivables	20	-4,470	-29,497
Increase/decrease in other current receivables		-12,930	6,923
Increase/decrease in trade payables		2,722	-18,744
Increase/decrease in other current operating liabilities		46,857	8,660
Cash flow from changes in working capital		***-36,344***	***-55,256***
Cash flow from operating activities		**-254,723**	**-446,076**
Investing activities			
Acquisition of tangible assets	15	-968	-2,462
Investment in Group companies	17	-260	-517
Cash flow from investing activities		**-1,228**	**-2,979**
Financing activities			
Share issue after issuance costs	23	343,873[1)]	651,197
Warrants issued	23, 24	8,761	6,607
Cash flow from financing activities		**352,634**	**657,804**
Net cash flow for the year		**96,683**	**208,749**
Cash and cash equivalents at beginning of the year	22	332,607	123,858
Cash and cash equivalents at end of the year	22	**429,290**	**332,607**

The notes on pages 87-119 is an integral part of the annual and consolidated accounts.

Note 1 General information

Camurus AB (publ), reg. No 556667-9105, is an R&D-focused pharmaceutical company. Camurus AB is the parent company of the Camurus group. The company is based in Lund, Sweden, at Ideon Science Park, 223 70 Lund.

The largest owner of Camurus AB is Sandberg Development AB, reg. nr. 556091-0712, who accounts for 40,6 percent of the shares. The company's share is listed on Nasdaq Stockholm since 3 December 2015.

This annual report was subject to approval by the Board on 14 April 2021.

Note 2 Summary of key accounting policies

The most important accounting policies that are applied in the preparation of these consolidated financial statements are detailed below. These policies have been applied consequently for all presented periods unless otherwise is stated.

2.1 BASIS OF PREPARATION OF REPORTS

The consolidated financial statements for the Camurus AB group ("Camurus") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Accounting Rules for groups, and the Swedish Annual Accounting Act. The parent company statements have been prepared in accordance with RFR 2 Accounting for legal entities and the Annual Accounts Act. The parent company's accounting policies are the same as for the group, unless otherwise stated at the end of this note.

Preparing financial statements to conform to IFRS requires use of certain critical accounting estimates. It also requires management to make certain judgments when applying the group's accounting policies, see Note 4.

2.1.1 CHANGES TO ACCOUNTING POLICIES AND DISCLOSURES

New and revised standards applied by the group from 1 January 2020

None of the new standards, changes and interpretations from 1 January 2020 have had any significant impact on the group's financial reports.

New and revised standards from 1 January 2021

None of the new standards, changes and interpretations entering into force from 1 January 2021 are expected to have a material impact on the group and have not been applied in this financial statement.

2.2 CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

Subsidiaries are all companies (including structured entities) over which the group has a controlling interest. The group controls a company when it is exposed or entitled to variable returns from its holding in the company and has the opportunity to influence the return through its interest in the company. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method to recognize the group's business combinations. The purchase price for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities incurred by the group to former owners of the acquired company and the shares issued by the group. The purchase price also includes the fair value of all liabilities resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Acquisition-related costs are expensed as they arise. Inter-company transactions, balance sheet items, income and expenditure on transactions between group companies are eliminated. Profit and losses resulting from inter-company transactions and that are recognized in assets are also eliminated. The accounting policies for subsidiaries have been amended, where applicable, to ensure consistent application of the group's policies.

2.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency of the parent company is the Swedish krona (SEK), which is also the presentation currency of the group. This means that the financial statements are presented in SEK. Unless otherwise stated, all amounts are given and rounded to the nearest thousand (KSEK).

2.4 FOREIGN CURRENCY TRANSLATION

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Exchange gains and losses arising on payment of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate on the balance sheet date are recognized in operating profit in the income statement.

Translation of foreign group companies

The earnings and financial position of all group companies with a functional currency that differs from the presentation currency are translated into the group's presentation currency. Assets and liabilities for each balance sheet are translated from the foreign operation's functional currency into the group's presentation currency, SEK, at the exchange rate on the balance sheet date. Income and expenditure for each income statement are translated into SEK at the average exchange rate prevailing at the point of each transaction. Translation differences arising when translating the data of foreign operations are recognized in other comprehensive income.

2.5 SEGMENT REPORTING

Operating segments are reported in the same way as internal reporting, which is submitted to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assessing the operating segments' results. In the group this function is identified as the CEO. For further information see Note 5.

2.6 INTANGIBLE ASSETS

Capitalized development costs

The group conducts research and development relating to new products. The overall level of risk associated with current development projects is high. The risk comprises technical and manufacturing-related risks, safety and effect-related risks that can arise in clinical studies, regulatory risks relating to applications for approval of clinical studies and market approval, as well as IP risks relating to approval of patent applications and patent protection. All development work is therefore treated as research (since the work does not meet the criteria listed below), until the point at which the product has been granted market approval. Research expenditure is expensed as it occurs.

Expenses directly attributable to development and testing of identifiable and unique products controlled by the group are recognized as intangible assets once the following criteria have been satisfied:

- it is technically possible to complete the product so that it can be used,
- the company intends to complete the product and use or sell it,
- the conditions are in place to use or sell the product,
- it can be shown that the product will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the product are available, and
- expenses attributable to the product during its development can be reliably calculated.

Capitalized assets that have satisfied the capitalization criteria above have a limited useful life and are carried at cost less accumulated amortization. Amortization is initiated once the asset is ready for use. Amortization is conducted on a straightline basis to distribute the cost of the proprietary intangible assets over their estimated useful life, which coincides with the product's remaining patent period and amounts to between 10-15 years.

Directly attributable costs that are capitalized include development expenditure, as well as personnel costs and a reasonable proportion of indirect costs. Other development expenditure that does not satisfy the above criteria is expensed as it

arises. Development expenses that have been previously expensed are not recognized as assets in the subsequent period.

2.7 PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment are recognized at cost less depreciation. The cost of acquisition includes expenditures that can be related directly to the acquisition of the asset. Additional expenses are added to the asset's carrying amount or recognized as a separate asset, depending on which is appropriate, only when it is likely that the future economic benefits associated with the asset will be of use to the group, and the cost of the asset can be reliably measured. The carrying amount of a replaced part is derecognized from the balance sheet. All other forms of repair and maintenance are recognized as costs in the income statement in the period in which they arise.

Depreciation is carried out on a straight-line basis as follows: Equipment 4–8 years.

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if required. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant or equipment are determined by comparing sales proceeds with the carrying amount and are recognized in other operating income or other operating expenses in the income statement.

2.8 IMPAIRMENT OF NON-FINANCIAL NON-CURRENT ASSETS

Intangible assets that have an indeterminable useful life or intangible assets that are not ready for use are not subject to amortization but are tested annually for impairment. Assets subject to amortization are reviewed for impairment in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less distribution costs and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). For assets, previously impaired, a review is conducted every balance sheet date as to whether a reversal should be carried out.

2.9 INVENTORIES

Inventories are carried at the lower of cost and net realizable value. Cost is established via the First In First Out method, (FIFO) and with regard to the products' remaining shelf life. The net realizable value is the estimated selling price in the ordinary course of business less applicable variable distribution costs. Inventories include finished goods and goods for resale, work in progress and raw materials.

2.10 FINANCIAL INSTRUMENTS

2.10.1 IFRS 9

Financial instruments are any form of agreement that gives rise to a financial asset in a company and a financial liability or equity instrument in another company. The report depends on how the financial instruments have been classified. A financial asset or financial liability is recognized in the balance sheet when Camurus becomes a party to an agreement.

Trade receivables comprise amounts that are due to be paid by customers for goods and services sold in the ordinary course of business and are recognized in the balance sheet when an invoice has been sent and the company's right to compensation is unconditional. If payments are expected within one year or less, they are classified as current assets. Otherwise they are recognized as fixed assets. Trade receivables are initially recognized at fair value and thereafter at amortized cost using the effective interest method, less any provision for decrease in value based on the group's historical experience and historical credit assessments, including forward-looking assumptions.

Debt relates to obligations to pay for goods and services that have been acquired in the ordinary course of business and is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognized when the invoice is received. Trade payables are classified as current liabilities if they are payable within one year. Otherwise they are recognized as long-term liabilities. Trade payables are initially recognized at fair value, and thereafter at amortized cost using the effective interest method.

A financial asset, or part of a financial asset, is removed from the balance sheet when the rights are realized, expire or the company loses control of them. A financial liability, or part of a financial liability, is removed from the balance sheet when the obligation is fulfilled or otherwise extinguished. A financial asset and a financial liability are offset and reported with a net amount in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the debt.

Gains and losses from removal from the balance sheet and modification are reported in the result.

Financial assets

Debt instruments: the classification of financial assets that are debt instruments is based on the group's business model for managing the asset and the nature of the asset's contractual cash flows. The instruments are classified into:

- amortized cost
- fair value through comprehensive income, or
- fair value through the result.

The group's assets in the form of debt instruments are classified at amortized cost. Changes in the loss reserve are reported in the result.

Financial assets classified at amortized cost are initially measured at fair value with the addition of transaction costs. Trade receivables are initially recognized at the invoiced value. After the first accounting opportunity, the assets are valued according to the effective interest method. Assets classified at amortized cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected credit losses.

Financial liabilities

Financial liabilities are classified at amortized cost. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After the first accounting date, they are valued at accrued acquisition value according to the effective interest method.

Impairment of financial assets

The group's financial assets are subject to write-downs for expected credit losses. Write-downs for credit losses according to IFRS 9 are forward-looking and a loss reserve is made when there is an exposure to credit risk, usually at the first accounting date. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset class and on the credit deterioration since the first accounting date. Expected credit losses reflect an objective, probability-weighted outcome that takes into account most scenarios based on reasonable and verifiable forecasts.

The simplified model is applied to trade receivables. A loss reserve is reported, in the simplified model, for the expected residual maturity of the receivable or asset.

The valuation of expected credit losses is based on various methods. Other receivables and assets that are not covered by the simplified method are written down according to a rating-based method through external credit rating. The financial assets covered by provisions for expected credit losses according to the general method consist of cash and cash equivalents and other receivables. Expected credit losses are valued at the product of probability of default, loss given default and the exposure in the event of default.

The financial assets are recognized in the balance sheet at amortized cost. Changes in the loss reserve are reported in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and corresponding institutions, and short-term liquid investments with a maturity of less than three months from the acquisition date. Cash and cash equivalents are subject to the requirement for loss reserves for expected loan losses.

2.11 EQUITY

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new ordinary shares or warrants are recognized, net after tax, in equity as deductions from the issue proceeds.

When the warrants are exercised, the company issues new shares. Payments received are credited to the share capital (quota value) and other contributed capital

2.12 CURRENT AND DEFERRED TAX

Tax expense for the period includes current income tax and deferred tax. The current income tax expense is calculated on the basis of the tax regulations that are enacted or substantively enacted on the balance sheet date in countries where the parent company and its subsidiaries operate and generate taxable revenue.

Deferred tax is recognized using the balance sheet method, on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using the tax rates enacted or announced by the balance sheet date and that are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets on loss carryforwards are recognized to the extent that it is likely future taxable surpluses will be available, against which the losses can be utilized.

Deferred tax assets and tax liabilities are offset when a legally enforceable right to offset exists for current tax assets and liabilities, the deferred tax assets and liabili- ties refer to taxes charged by one and the same tax authority and relate either to the same taxable entity or different taxable entities and there is an intention to settle the balances using net payments.

2.13 EMPLOYEE BENEFITS

Pension obligations

The group has defined contribution pension schemes, as well as defined benefit Alecta plans. All plans are recognized as defined contribution plans. The plan extends to all employees, including the group CEO and senior executives.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate legal entity. The group does not have any legal or informal obligation to pay additional contributions if this legal entity does not have sufficient assets to pay all benefits to employees attached to the employees' service during the current or previous periods.

For defined contribution plans, the group pays contributions to public or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no additional payment obligations once the contributions have been paid. The contributions are recognized as personnel costs when they fall due for payment. Prepaid contributions are recognized as an asset to the extent that cash repayment or reduction of future payments may benefit the group.

For salaried employees in Sweden, the ITP 2 plan's defined benefit pension obligations for retirement pension and family pension are secured through insurance held at Alecta. A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans differ in that they define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

As per UFR 10 Classification of ITP plans financed by insurance in Alecta (a statement issued by the Swedish Financial Reporting Board), this is a multi-employer defined benefit plan. The company has not had access to information for the period in order to report its proportional share of the plan's commitments, plan assets and costs, which has meant that it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured through insurance held at Alecta, is thus recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is calculated individually and depends on such factors as salary, previously earned pension and expected remaining period of service. Anticipated contributions the next reporting period for ITP 2 insurance with Alecta amount to MSEK 5.0 (2019: MSEK 4.5, 2018: MSEK 3.4). The group's share of the total contributions to the plan is not significant.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations, calculated in accordance with Alecta's actuarial methods and assumptions, which does not correspond with IAS 19. The collective consolidation level is normally allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level falls short of 125 percent or exceeds 175 percent, measures will be taken to create conditions to restore the consolidation level to the normal interval. In the event of low consolidation, a possible measure might be to raise the agreed price of new subscription and extension of existing benefits. In the event of high consolidation, a possible measure might be to introduce premium reductions. At the end of 2020 Alecta's surplus (in the form of the collective consolidation level) was 148 percent (2019: 148 percent).

Pension commitments in the form of direct pension are secured by a company-owned capital insurance. The commitment is entirely dependent on the value of the capital insurance. These commitments are reported at the same amount as the fair value of the endowment insurance as of the balance sheet date.

2.14 REVENUE RECOGNITION

Revenues include the fair value of goods and services sold excluding value added tax, discounts, returns and other price reductions. The group's revenue is reported as follows:

The transaction price is measured at the value Camurus deems to accrue to the company at the entrance of the agreement, less deductions for discounts and value added tax. The transaction price is updated continuously if the conditions underlying the measurement have changed.

License and collaboration agreements

Revenue from agreements that are made with customers in research projects is recognized based on the financial implications of the agreement. Revenue from license and collaboration agreements may consist of one-off payments, license, royalty and milestone payments for the use of Camurus intellectual property rights and remuneration for research services. In addition, under the agreements Camurus may also be entitled to compensation for costs incurred. Revenue recognition reflects earning of revenues based on the commitments made in accordance with the specific contractual terms.

Camurus applies the criteria for revenue recognition on each separately identified commitment, so that the financial implications of the transaction can be reflected in the financial statements. This means, that the various transactions in the agreements are divided into distinct performance obligations and are recognized separately. The agreements often include compensation for the use of Camurus intellectual property rights licensed to the counterparty and compensation for research work carried out by Camurus. These commitments are analyzed to determine whether they constitute distinct performance commitments that must be reported individually or if they are to be regarded as one commitment. The license is deemed to constitute a separate performance commitment in cases where the license can be used without associated consulting services from Camurus. If the total value of the agreement falls short of the fair value of all performance obligations, the difference ('discount') is allocated among the separate performance obligations based on their relative standalone selling price.

The principles for revenue recognition of the performance obligations (and for corresponding separate transactions) in license and collaboration agreements are described below.

Licensing rights to Camurus' intangible assets

An assessment is made as to whether the license acquired by the counterparty in the agreement gives a right to use the intangible asset as it is when the license was granted, or a right to access the intangible asset throughout the license period.

The assessment is made based on the financial implications of the agreement. An assignment of licensing rights for a fixed fee under a non-cancellable agreement allowing the licensee to freely utilize Camurus' rights, and where Camurus does not have any remaining obligations to perform, is essentially regarded a right to use, which is recognized at a given time. If, instead, the agreement means that the recipient has a right to access during the entire license period, the compensation is allocated linearly over the term of the agreement. Usually, distinct licenses of the kind are "the right to use" as research services that could affect the value and benefit of the license are reported separately as a separate distinct performance commitment.

The transaction price that is to be received as compensation for the undertaken commitment to transfer a license to a customer may, depending on the terms of the agreement, be fixed or variable. Fixed income for a license to be reported at a given time is reported when the customer receives control of the license and can benefit from it. For variable income revenue recognition, see below under Royalty and milestone payments.

Milestone and one-time payments

In cases where Camurus receives a one-time payment in relation to signing an agreement, it is allocated as described above to the license commitment and the research services. The part that has been allocated to the license is recognized as revenue when the counterparty has obtained control of the license. Additional potential remuneration, i.e. variable remuneration, which is due to the occurrence of certain milestones in future pharmaceutical development, is first recognized as revenue when it is judged it is very likely that a substantial reversal of accumulated income that has been reported

does not arise. This time point is not expected to occur until it has been confirmed by the counterparty that the milestone has been achieved.

Royalty

A counterparty can also remunerate Camurus for the use of an IP right by paying royalties on future sales of a pharmaceutical product based on the IP right. Revenues for sales-based royalties agreed as exchange for a license for intellectual property is only reported when the subsequent sale takes place.

Research services

Regular remuneration is received for research services, both in advance as a fixed amount as well as on an ongoing basis. Research remuneration is recognized in the period in which the services are carried out. Revenue is calculated by an output method establishing the degree of completion for the performance obligation based on the proportion the services rendered represent in relation to the total services to be performed. Research services performed on an open account basis are recognized as income as the services are carried out.

Sale of goods

Revenue from the sale of goods is recognized when the control of the goods has been transferred to the customer. This is usually when the goods are delivered to the retailers who are the group's customers. In some cases, the transaction price is not known at the time of delivery, as the final price depends on the discount that will be paid to the public or private insurers who pay for the patients' drug, or due to that part of the transaction price is invoiced on delivery to the final customer. Because the final transaction price is not known, the group estimates and recognises this on a current basis. Retailers have the right to return unsold goods, and therefore the group estimates a deduction for expected eventual future returns. Revenues from the sale of goods is only reported to the extent it is highly likely that a substantial reversal of accumulated recognised revenue is not expected.

Compensation for costs incurred

Compensation for costs incurred, i.e. costs that are forwarded onto the customer, is recognized in accordance with the guidance under IFRS 15 for determining whether an entity is acting as a principal or as an agent. This means that Camurus analyses whether the company is acting as a principal in the transaction, i.e. that Camurus controls the goods or service before it is transferred to the customer. If Camurus is a principal in the transaction, the amount received from the counterparty is recognized as revenue. If Camurus is acting as an agent, the revenue instead comprises commission received.

2.15 INTEREST INCOME

Interest income is recognized as revenue using the effective interest method. When the value of a receivable which is reported at amortized cost has fallen, the group reduces the carrying amount to the recoverable value, which comprises estimated future cash flow, discounted with the original effective interest rate for the instrument, and continues to dilute the discounting effect as interest income. Interest income on impaired loans and receivables is recognized at the original effective interest rate.

2.16 SHARE-BASED PAYMENT

Warrant programs

Presently Camurus has three long-term incentive programs active. In accordance with a decision by the Annual General Meeting in May 2018, May 2019 and May 2020, subscription warrant programs for the company's employees, have been introduced. The warrants are valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

As part of the program, the participants receive a threepiece stay-on bonus in the form of gross salary addition from the company, equivalent to the amount paid by the participant for its subscription warrants. As the stay-on bonus is conditional on continued employment, costs including social security fee, are expensed over the vesting period and a liability is calculated at each balance sheet date based on how much has been earned. Expenses are recognized as personnel expense in the income statements.

For a more detailed description of the warrant program, see Note 24.

2.17 LEASES

The group as lessee

When entering into an agreement, the group determines whether the agreement is a leasing agreement based on the content of the agreement. An agreement is a lease agreement if it assigns the right to decide for a certain period on the use of an identified asset in exchange for compensation.

The group recognizes assets and liabilities attributable to leasing agreements in the balance sheet with a few exceptions. Depreciation of the asset is reported in the income statement as is an interest on the lease debt. Leasing fees paid are reported partly as payment of interest and partly as amortization of the lease debt.

The group has leases for buildings and service cars. Leasing of buildings generally has a leasing period of between 5 and 8 years. Leasing cars generally have a lease period of 3 to 4 years.

Leasing liabilities

The group recognizes the commitment to pay the leasing fees as a lease liability. At the commencement date of a lease agreement (i.e., the date when the underlying asset becomes available for use), the group recognizes a lease liability corresponding to the net present value of the lease payments to be paid during the lease term. The leasing period is determined as the non-cancellable period together with periods to extend or terminate the agreement if the group is reasonably confident of exercising those options. The leasing payments include fixed payments (after deductions for possible discounts and the like in connection with the signing of the lease to be received), as well as variable leasing fees that depend on an index or a price and amount that is expected to be paid according to residual value guarantees. The lease payments also include the exercise price for an option to purchase the underlying asset or penalty fees that are payable upon termination in accordance with a termination option, if such options are reasonably safe to be exercised by the group. Variable leasing fees that do not depend on an index or price are recognized as an expense in the period to which they are attributable.

In order to calculate the net present value of the lease payments, the group uses the implicit interest rate in the agreement if it can be easily determined and in other cases the group's marginal borrowing rate is used as of the start date of the lease agreement. After the commencement date of a lease agreement, the lease debt increases to reflect the interest rate on the lease debt and decreases with lease payments paid. In addition, the value of the lease debt is revalued as a result of modifications, changes in the lease period, changes in lease payments or changes in an assessment to purchase the underlying asset. Borrowing rates have been set for the group for the utility class buildings and service cars respectively.

Rights-of-use assets

The right to use the underlying asset during the lease period is reported as a right-of-use. The group recognizes rights-of-use in the report on financial position at the commencement date of the lease. Rights-of-use assets are valued at cost less deductions for accumulated depreciation and any impairment, and adjusted for revaluation of the lease debt. The acquisition value of rights-of-use includes the initial value recognized for the attributable lease debt, initial direct expenses, and any prepayments made on or before the commencement date of the lease after deduction of any rebates and the like received in connection with the subscription of the lease.

Application of practical exceptions

The group applies the exemption to classify use rights agreements for less than 12 months or which expires 12 months from the date of transition as short-term leasing agreements and these are thus not included in the reported liabilities or rights-of-use. In addition, the group has chosen to apply the exemption not to include low value assets (i.e. assets with a new acquisition value less than USD 5,000) among reported liabilities and rights-of-use.

The group applies the main rule regarding non-leasing components and thus separates non-leasing components from leasing components in the leasing agreements.

2.18 CASH FLOW STATEMENT

The cash flow statement has been prepared in accordance with the indirect method. This means that the operating profit is adjusted for transactions that have not involved incoming payments or disbursements during the period, and for any revenue and expenses relating to the cash flows of investing or financing activities.

2.19 ACCOUNTING POLICIES, PARENT COMPANY

In connection with the transition to reporting according to IFRS in the consolidated accounts, the parent company adopted, RFR 2 Accounting principles for legal entities. The parent company's principles are consequently consistent with those of the group, unless otherwise stated below.

Formats

The income statement and balance sheet follow the Swedish Annual Accounting Act statement. Statement of changes in equity follows the group format but contains the columns listed in the Swedish Annual Accounts Act. The formats for the parent company gives a difference in designation, compared with the consolidated financial statements, primarily related to financial income and expenses and items within equity.

Internally generated intangible assets

All expenses that relate to the development of internally generated intangible assets are recognized as expenses as they arise.

Interests in subsidiaries

Interests in subsidiaries are reported at cost, less any impairment losses. The cost includes acquisition related expenses and any additional considerations. When there is an indication that interests in subsidiaries have decreased in value, a calculation is made of the recoverable amount. If this amount is lower than the reported amount, an impairment is carried out.

Group contributions

The company applies the alternative rule in accordance with RFR 2 Accounting principles for legal entities, and, consequently, recognizes group contributions received/paid as appropriations.

Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in legal entity, but the company applies the acquisition value method in accordance with the Annual Accounts Act. In the company, therefore, financial fixed assets are valued at acquisition value and financial current assets according to the lowest value principle, with the application of write-downs for expected loan losses according to IFRS 9 for assets that are debt instruments. For other financial assets, write-downs are based on market values.

Impairment of financial assets that are debt instruments

Financial assets that are debt instruments are subject to write-downs for expected credit losses. Write-downs for loan losses according to IFRS 9 are forward-looking and a loss reserve is made when there is an exposure to credit risk, usually at the first accounting date. The simplified model is applied to trade receivables. A loss reserve is reported, in the simplified model, for the expected residual maturity of the receivable or asset.

The valuation of expected credit losses is based on various methods. The method for trade receivables is based on historical customer losses combined with forward-looking factors. Other receivables and assets are written down according to a rating-based method with reference to external credit rating. Expected credit losses are valued at the product of probability of default, loss given default and the exposure in the event of default. For credit-impaired assets and receivables, an individual assessment is made, taking into account historical, current and forward-looking information. The valuation of expected loan losses takes into account any collateral and other credit enhancements in the form of guarantees.

Claims on group companies are also subject to writedowns for expected loan losses. The company is of the opinion that the group companies currently have similar risk profiles and the assessment is done on a collective basis for similar transactions. Based on the company's assessments according to the above method, taking into account other known information and forward-looking factors, expected loan losses are not deemed to be significant and no provision has therefore been reported.

Leases

The parent company does not apply IFRS 16 but all leasing agreements are reported as operating leases, regardless of whether the agreements are financial or operational. The leasing fee is recognized as an expense on a straight-line basis over the lease period.

Note 3 Financial risk management

3.1 FINANCIAL RISK FACTORS

As a result of its business, the group is exposed to a number of different risks; market risk (including foreign exchange risk), credit risk and liquidity risk. The group has decided not to actively manage its risks through the use of for example derivatives.

a) Market risk

The most significant market risk for the group is the foreign exchange risk, which is described in a separate section below. The interest rate risk is limited within the group, as there is no long-term borrowing or long-term interest-bearing investment.

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily relating to the Australian dollar (AUD), Euro (EUR), Pound Sterling (GBP) and Norwegian krone (NOK). The foreign exchange risk arises through future finance transactions and recognized assets and liabilities. Foreign exchange risks arise when future finance transactions or recognized assets or liabilities are expressed in a currency that is not the functional currency of the entity.

If the Swedish krona had weakened/strengthened by 5 percent in relation to these currencies, with all other variables remaining constant, the recalculated profit/loss for the year and equity at 31 December 2020, would have been MSEK 1.6 (0.3) for AUD, MSEK 0.1 (1.1) for EUR, MSEK 0.8 (0.4) for GBP and MSEK 0.9 (0.5) for NOK higher/lower. Changes to SEK in relation to other currencies are not deemed to have any material impact on profit/loss for the year.

Balance sheet exposure for assets, which include trade receivables and cash and cash equivalents (KSEK)	31-12-2020	31-12-2019
AUD	32,892	5,629
GBP	19,286	10,425
NOK	17,216	9,935
EUR	15,075	29,276
DKK	3,405	991
Other currencies	611	764
Total	**88,485**	**57,019**

The balance sheet exposure for trade payables (KSEK)	31-12-2020	31-12-2019
EUR	-12,165	-8,224
GBP	-4,029	-2,756
AUD	-1,624	-450
USD	-173	-1,498
Other currencies	-940	-1,056
Total	**-18,932**	**-13,984**

b) Credit risk

Credit risk exists through cash and cash equivalents and cash balances with banks and financial institutions, and credit exposures to customers, wholesalers and retailers, including outstanding receivables and committed transactions. Only banks and financial institutions that are among the four largest Swedish banks according to Standard & Poor's rating list are accepted.

Before an agreement is entered into, the group's customers are subjected to a credit assessment, whereupon information about the customer's financial position is accessed from various credit assessment companies. The overall assessment also considers other factors. The customer's financial position is also followed up and continually monitored. Trade receivables are continually followed up with checks on overdue invoices. Management does not expect any losses resulting from non-payment as the group's counterparties mainly comprise major companies, which is why the credit risk is currently deemed to be low.

c) Liquidity risk

The group closely monitors rolling forecasts for its liquidity reserve to ensure that the group has sufficient cash funds to meet requirements in the ordinary course of business.

The table below analyses the group's non-derivative financial liabilities classified by the time that, on the balance sheet date, remained until the contractually agreed maturity date. The amounts given in the table are the contractually agreed undiscounted cash flows.

Group, 31 December 2020	Up to one month	1–3 months	3-12 months	1–5 years
Trade payables	20,610	102	–	–
Lease liabilities	532	1,063	4,730	20,643
Other short-term liabilities	190	–	–	–
Total	**21,332**	**1,165**	**4,730**	**20,643**

Group, 31 December 2019	Up to one month	1–3 months	3-12 months	1–5 years
Trade payables	17,289	98	–	–
Lease liabilities	487	973	4,318	19,832
Other short-term liabilities	190	–	–	–
Total	**17,966**	**1,071**	**4,318**	**19,832**

3.2 MANAGEMENT OF CAPITAL

The aim of the group regarding capital structure is to ensure the group's ability to continue its operations so that it can continue to generate a return for shareholders and benefit for other stakeholders, as well as maintaining an optimal capital structure to keep costs of capital down.

To maintain or adjust the capital structure, the group can issue new shares or sell assets to reduce debt.

Operations have been financed through earnings generated from successful research and development collaborations, product sales, and through the issues of shares. Equity is therefore viewed as the group's capital.

3.3 FAIR VALUE ESTIMATION

The group does not hold any instruments that are measured at fair value. The fair value of current receivables and liabilities corresponds to their carrying amounts, since discounting effects are minimal.

Note 4 Important estimates and assessments

Estimates and assessments are evaluated continually and are based on historic experience and other factors, including expectations of future events that are judged reasonable under prevailing conditions.

Important estimates and assessments for accounting purposes

Group management makes estimates and assumptions concerning the future. There is a risk that the estimates made for accounting purposes do not correspond to the actual result. The estimates and assumptions that involve a significant risk of material adjustments to carrying value of assets and liabilities within the next coming financial year, are outlined in brief below.

Revenue recognition

Camurus has complex customer agreements and the management must make assessments and estimates when applying revenue recognition principles. The section 'Accounting policies' regarding revenue details the areas for which assessments and estimates need to be carried out. Key areas in the assessment include the division and identification of the performance obligations in the agreements, how the price of these obligations should be allocated, the point in time and in which way the obligations should be recognized (on a single occasion or over a period of time). Camurus also needs to decide whether an agreement that includes

a license to utilize Camurus' intellectual property constitutes a right to use, which is recognized at a given time, or a right to access during the entire license period, which is recognized linearly over the term of the agreement.

Discounts and returns

Revenue from product sales is reported when Camurus has fulfilled its performance commitment, i.e. usually when delivering the goods to the wholesalers and distributors who are the group's customers. Since actual and final conditions regarding discounts for sales in the current period are not always known at the end of the financial year, certain deductions from gross income are based on estimates. Furthermore, dealers have the right to return unsold goods, which is why the group estimates and reports a deduction for future eventual returns. See also Note 2.14 regarding revenue recognition. The assessments made by the management affect during which period and to what amount the revenue from product sales is reported.

Inventories

Obsolescence

Inventories consist of raw materials for manufacturing, manufactured semi-finished products and finished products of the company's commercialized products. Products not approved in the quality control in connection with manufacturing are expensed directly.

The inventory of finished goods is valued on an ongoing basis with regard to remaining shelf life for the products. Obsolescence assessment is updated regularly and mainly based on historical obsolescence and sales forecasts. A dramatically changed demand for a product or a changed shelf life can lead to an increased risk of obsolescence and thus a need for impairment. Camurus operates in the pharmaceutical industry, an industry that is regulated and controlled by a number of authorities within and outside Sweden. These authorities' decisions can cause the durability of the stocked products to change. The assessments made by the management affect during which period and to what amount the obsolescence should be reported.

Capitalized product development expenditure

The group capitalizes costs attributable to product development projects to the extent that they are deemed to satisfy the criteria in accordance with IAS 38 p. 57 (see Note 2.6 Intangible assets).

Intangible assets that are not ready for use are not subject to amortization but are tested annually for impairment. Impairment testing for capitalized development costs has therefore been carried out to ensure that the carrying amount does not exceed the recoverable amount. The material assumptions used for calculations of value in use include:

- Market size
- Anticipated market share
- Anticipated economic benefits
- Discount rate
- Anticipated growth rate

Deferred tax receivables

The reported deferred tax asset includes all deficits that have arisen. Company management also makes judgments and estimates regarding the possibility of utilizing incurred losses and temporary differences as the basis for the reported tax receivable. For more information see section Significant risks and uncertainties pages 80-81.

Leasing agreements

See Note 26.

Note 5 Segment information

The highest executive decision maker is the function responsible for allocating resources and assessing the operating segments results. In the group this function is identified as the CEO based on the information he handles. As the business, i.e. the development of pharmaceutical products based on Camurus' technology platform, in the group is organized as an integrated unit, with similar risks and opportunities for the products and services produced, the entire group's business constitutes one operating segment. The operating segment are monitored in a manner consistent with the internal reporting provided to the chief operating decision maker. In the internal reporting to the CEO, only one segment is used.

	Group		Parent company	
Breakdown of revenues from all products and services	**2020**	**2019**	**2020**	**2019**
Product sale*	322,533	72,084	301,396	66,649
Sales of development-related goods and services	9,036	7,001	9,036	7,001
Licensing revenues and milestone payment	4,428	26,520	4,428	26,520
Intercompany sales	–	–	22,144	22,872
Total	**335,997**	**105,605**	**337,004**	**123,042**

*) Related to Buvidal® and episil®

	Group		Parent company	
Revenues based on where the customers are located	**2020**	**2019**	**2020**	**2019**
Europe	205,768	61,426	224,825	82,352
(of which Sweden)	(14,389)	(4,028)	(14,389)	(4,028)
Australia	111,459	8,158	93,409	4,669
USA	13,224	24,803	13,224	24,803
Japan	2,706	9,364	2,706	9,364
Other geographical areas	2,840	1,854	2,840	1,854
Total	**335,997**	**105,605**	**334,004**	**123,042**

Revenues during 2020 of approximately MSEK 111.5 (57.7) relates to a single external customer.

99,8 percent of the group's fixed assets are located in Sweden.

Note 6 Expenses by nature

Operating expenses are presented in the statement of comprehensive income with a classification based on the functions 'Cost of sales', 'Marketing and distribution costs', 'Administrative expenses' and 'Research and development costs'. The sum of the function-dived costs were divided into the following cost items.

	Group		Parent company	
Allocation by cost item	**2020**	**2019**	**2020**	**2019**
Raw materials and consumable supplies	35,284	23,287	42,107	22,965
Other expenses [1)2)]	176,038	197,418	269,056	327,413
Costs of premises, including laboratory costs	148,366	77,902	132,492	62,330
Costs relating to employee benefits (Note 9)	175,376	161,204	116,663	103,590
Depreciation, amortization and impairment losses (Note 14 and 15)	11,551	9,014	2,786	2,672
Total cost of sales, research and development, sales and administration	**546,615**	**468,825**	**563,104**	**518,970**

1) This item includes costs that form the basis for research and development projects and for the parent company cost related to sales and marketing (from subsidiaries of KSEK 130,244 (146,888).
2) Costs incurred for partner financed activities within research and development during the period have most essentially matched the size of the revenues. See also Note 5 Segment information and the item 'Sales of development-related goods and services.

Note 7 Other operating income

	Group		Parent company	
Other operating income	**2020**	**2019**	**2020**	**2019**
Exchange gains (Note 13)	1,337	65	868	510
Other items	798	829	169	57
Total other operating income	**2,135**	**894**	**1,037**	**567**

Note 8 Audit fees

	Group		Parent company	
Audit and other assignments	**2020**	**2019**	**2020**	**2019**
PwC				
Auditing assignment	1,314	782	1,001	572
Auditing beyond the auditing assignment	135	109	135	109
Tax assignments	139	219	139	219
Other assignments	70	1,082	70	1,082
Total	**1,658**	**2,192**	**1,345**	**1,981**

Note 9 Personnel, personnel costs and remuneration to Board members and senior executives

Average no. of employees (of which women)	Group		Parent company	
	2020	2019	2020	2019
Sweden	79 (51)	70 (43)	79 (51)	70 (43)
United Kingdom	7 (6)	7 (4)	–	–
Germany	18 (13)	17 (9)	–	–
Norway	1 (0)	1 (0)	–	–
Finland	2 (0)	2 (0)	–	–
France	1 (1)	1 (1)	–	–
Australia	7 (5)	5 (3)	–	–
Spain	3 (0)	2 (0)	–	–
Denmark	1 (0)	1 (1)	–	–
Belgium	1 (0)	–	–	–
Total	**120 (76)**	**106 (61)**	**79 (51)**	**70 (43)**

Gender distribution in the group, for Board members and other senior management Number on balance sheet date (of which women)	Group		Parent company	
	2020	2019	2020	2019
Board members[1)]	10 (4)	10 (4)	8 (3)	8 (3)
CEO and other senior management	9 (3)	9 (4)	8 (3)	8 (4)

1) The CEO, Chief Commercial Officer and the CFO, who are board members, are also reported as CEO and senior management.

Salaries, other remuneration and social security costs	Group		Parent company	
	2020	2019	2020	2019
Salaries and other compensation[1)]	129,008	119,458	77,875	68,004
Social security cost	27,964	27,023	22,628	22,208
Pension expenses defined contribution plans	18,404	14,723	16,160	13,378
Total	**175,376**	**161,204**	**116,663**	**103,590**

Salaries and other remuneration by Board members and CEO, and other employees (of which bonus)	Group		Parent company	
	2020	2019	2020	2019
Board members, CEO and other senior management[1)]	24,358 (6,457)	24,130 (6,427)	19,977 (4,929)	19,552 (4,930)
Other employees	104,650	95,328	57,898	48,452
Total	**129,008**	**119,458**	**77,875**	**68,004**

1) In the fixed salary, paid and earned stay-on bonus according to the terms of the warrant program TO2018/2021, TO2019/2022 and TO2020/2023 are included. See Note 24 and 28.

Pension expenses	Group		Parent company	
	2020	2019	2020	2019
Board members, CEO and other senior management	5,342	4,211	5,342	4,211
Other employees	13,062	10,512	10,818	9,167
Total	**18,404**	**14,723**	**16,160**	**13,378**

For remuneration and other benefits to the Board and senior management, see Note 28 Related party transactions and Note 24 Long-term incentive programs.

Guidelines for remuneration and other employment terms for senior executives

The Annual General Meeting 2020 resolved to approve the Board of Directors' proposal on the principles of remuneration to the company's senior executives as follows. In this context, the term senior executives refer to Camurus' CEO and the managers reporting to the CEO at any time, who are part of the company's management team. The intention is that the guidelines will continue to apply for four years until Annual General Meeting 2024. The guidelines do not apply to any remuneration decided or approved by the general meeting.

If a Board member performs work for Camurus in addition to the assignment as Board member, these guidelines shall apply to any remuneration related to such work (e.g. consulting fees).

The guidelines' promotion of Camurus' business strategy, long-term interests and sustainability

Camurus' vision is to spearhead development of advanced drug delivery systems and innovative medical products to improve the treatment of patients suffering from chronic and debilitating diseases. A prerequisite for the successful implementation of Camurus' business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of Camurus' guidelines for remuneration to senior executives is therefore to offer a competitive total remuneration on market terms, in order to attract, motivate and retain competent and skilled employees. Further information regarding Camurus' business strategy is available on camurus.com.

Long-term share-related incentive plans have been implemented in the company. Since the incentive plans have been resolved by the general meeting, they are excluded from these guidelines. The incentive plans include all of Camurus' employees and seeks to offer employees an opportunity to take part in the company's future result and value development by encouraging commitment to and responsibility for the company. The share-related incentive plans also seeks to strengthen Camurus' ability to recruit and retain competent, motivated and committed employees. Participation in already implemented incentive plans requires own investment by the participants and holding periods of several years. The outcome of already implemented incentive plans is related to the development of the company's share price on Nasdaq Stockholm. For more information regarding these incentive plans, please see Camurus' website camurus.com.

Types of remuneration, etc.

The total remuneration to senior executives shall be in line with market terms and shall consist of fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

Fixed cash salary

Fixed cash salary shall be in line with market terms and be determined based on the individual executive's responsibility, authority, competence and experience.

Variable cash remuneration

The variable cash remuneration shall be based on predetermined, well-defined and measurable financial and non-financial criteria for the Camurus group and on group and individual level, respectively, for example, income from product sales, operating result, regulatory approvals, market launch or initiation of clinical studies for the company's product candidates and products. The variable cash remuneration may amount to not more than 50 percent of the total fixed cash salary during the measurement period of the criteria. The satisfaction of criteria for awarding variable cash remuneration shall be measured over one or several years. The criteria for awarding variable cash remuneration shall be designed with the purpose to promote Camurus' development, business strategy and long-term interests, including its sustainability, by, for example, be linked to the company's financial development over time and the development of the company's pharmaceutical projects, which are long-term by nature.

Pension benefits

Pension benefits, including health insurance, for CEO and other senior executives shall be premium defined unless the executive is covered by collectively agreed occupational pension (ITP). Variable cash remuneration shall be pension qualifying in accordance with ITP. The pension premiums shall amount to not more than 35 percent of the pension qualifying income unless other premium levels are stipulated in the applicable ITP plan.

Other benefits

Other benefits that may comprise, inter alia, medical insurance and company car, shall be applied with restrictiveness. Such benefits may amount to not more than 10 percent of the fixed cash salary.

Extraordinary remuneration

Further cash remuneration may be awarded as one-off arrangements in extraordinary circumstances, for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to one years' fixed cash salary. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee and shall be applied with great restrictiveness.

Foreign employments
For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Remuneration to Board members
If a Board member (including a Board member acting through a wholly owned company) performs services for Camurus in addition to the work as Board member, certain cash remuneration may be paid for such work (consulting fee), provided that such services promote the implementation of Camurus' business strategy and long-term interests, including its sustainability. The annual consulting fee shall be in line with market terms and be related to the benefits for Camurus and may for each Board member not exceed the Board member remuneration per year. Remuneration to Board member, as well as other terms and conditions, shall be determined by the Board of Directors.

The satisfaction of criteria for awarding variable remuneration, etc.

The Remuneration Committee shall prepare, monitor and evaluate questions related to variable cash remuneration on behalf of the Board of Directors. To which extent the criteria for awarding variable remuneration has been satisfied shall be evaluated when the measurement period has ended. For the satisfaction of financial criteria, the evaluation shall be based on revised financial information for the relevant period. Variable remuneration to the CEO and variable remuneration to other senior executives based on criteria on group level is to be determined by the Board of Directors, based on a recommendation by the Remuneration Committee. Variable remuneration to other senior executives based on criteria on group or individual level is to be determined by the CEO.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. Programs and criteria for variable cash remuneration shall be designed so that the Board of Directors, if exceptional financial conditions prevail, is able to restrict or omit payment of variable cash remuneration if such action is deemed reasonable and consistent with the company's responsibility towards shareholders, employees and other stakeholders. The Board of Directors shall have the possibility, pursuant to applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Employment term and termination of employment

Senior executives shall be employed until further notice.

At termination of the CEO's employment, a notice period of not more than twelve months shall apply at termination by the company. Fixed cash salary during the notice period and any severance pay for the CEO shall in total not exceed an amount corresponding to the fixed cash salary for 24 months. At termination by the CEO, a notice period of not more than six months shall apply, with no right to severance pay.

Between Camurus and other senior executives, a notice period of not more than twelve months shall apply at termination by the company, and not more than six months at termination by the executive. Fixed cash salary and any severance pay during the notice period shall in total not exceed an amount corresponding to the fixed cash salary for twelve months. At resignation by the senior executive, there shall be no right to severance pay.

Senior executives may be compensated for non-compete undertakings after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the fixed cash salary at the time of termination of the employment, and the (lower) income which is obtained, or could be obtained, by a new employment contract, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of six months after the termination of the employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of Camurus have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

Within the Board of Directors, a Remuneration Committee is established. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent of the company and its executive management. Board members, the CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Note 10 Financial income and expenses/ Other interest income and interest expenses, and similar income items

	Group		Parent company	
Financial income	**2020**	**2019**	**2020**	**2019**
Interest income, cash pool	193	43	193	43
Interest income, other	1	–	–	–
Financial income	**194**	**43**	**193**	**43**

	Group		Parent company	
Financial expenses	**2020**	**2019**	**2020**	**2019**
Interest expenses, cash pool	–	-1	–	-1
Interest expenses, other	-1,541	-1,584	-15	-32
Financial expenses	**-1,541**	**-1,585**	**-15**	**-33**
Total financial items – net	**-1,347**	**-1,542**	**178**	**10**

Note 11 Income tax

	Group		Parent company	
	2020	2019	2020	2019
Income tax:				
Income tax on profit for the year[1)]	-4,367	-2,732	–	–
Adjustments prior year	-397	-138	–	–
Total current tax	**-4,764**	**-2,870**	**–**	**–**
Deferred tax (see Note 16)	44,078	74,569	43,543	78,983
Total deferred tax	**44,078**	**74,569**	**43,543**	**78,983**
Income tax	**39,314**	**71,699**	**43,543**	**78,983**

1) Attributable to subsidiaries.

The income tax on profit differs from the theoretical amount that would have resulted from the use of a weighted average tax rate for earnings in the consolidated companies in accordance with the following:

	Group		Parent company	
	2020	2019	2020	2019
Profit/loss before tax	-206,579	-361,564	-221,165	-393,492
Income tax is calculated in accordance with the national tax rates in force prior to the results in each country	43,497	77,345	47,329	84,207
Tax effects of:				
- Non-taxable revenue	215	65	215	65
- Non-deductible expenses	-1,157	-1,440	-1,157	-1,157
- Adjustment prior year	-397	-138	–	–
- Adjustment for reduced income tax rate in Sweden[1)]	-2,844	-4,132	-2,844	-4,132
Recognised effective tax	**39,314**	**71,699**	**43,543**	**78,983**

1) In 2018, decision was made to reduce the tax rate in Sweden from 22 percent to 21.4 percent 1 January 2019, and to 20.6 percent 1 January 2021.

Weighted average tax rate for the group is 19.0 percent (19.8 percent) and for the parent company 19.7 percent (20.1 percent).

Note 12 Earnings per share based on earnings attributable to parent company shareholders for the year

(a) Before dilution

Earnings per share before dilution is calculated by dividing the result attributable to shareholders of the parent company by a weighted average number of ordinary shares outstanding during the period. During the period, no shares held as treasury shares by the parent company have been repurchased.

	2020	2019
Result attributable to parent company shareholders	**-167,265**	**-289,865**
Weighted average number of ordinary shares outstanding (thousands)	**52,678**	**45,950**

b) After dilution

In order to calculate earnings per share after dilution, the number of existing ordinary shares is adjusted for the dilutive effect of the weighted average number of outstanding ordinary shares. The parent company has one category of ordinary shares with anticipated dilution effect in the form of warrants. For warrants, a calculation is made of the number of shares that could have been purchased at fair value (calculated as the average market price for the year for the parent company's shares), at an amount corresponding to the monetary value of the subscription rights linked to outstanding warrants.

The number of shares calculated as above is compared to the number of shares that would have been issued assuming the warrants are exercised.

For further information related to warrant programs, see Note 24 and Note 28.

	2020	2019
Result attributable to parent company shareholders	**-167,265**	**-289,865**
Weighted average number of ordinary shares outstanding (thousands)	**52,678**	**45,950**
Adjustment for fund issue element[1] (thousands)	–	546
Weighted average number of ordinary shares outstanding adjusted for fund issue element (thousands)	**52,678**	**46,496**
Adjustment for warrants (thousands)	1,937	2,105
Weighted average no. of ordinary shares used in calculation of earnings per share after dilution (thousands)	**54,615**	**48,601**

1) The number of shares has been recalculated according to the so-called fund issue element in accordance with IAS 33, p. 26 and 64.

Note 13 Exchange rate differences

Exchange rate differences have been recognized in the income statement as per below. The difference is reported as other operating income in the income statement.

	Group		Parent company	
	2020	2019	2020	2019
Exchange rate gains	4,588	2,369	4,588	2,369
Exchange rate losses	-3,251	-2,304	-3,720	-1,859
Total exchange rate differences in income statement	**1,337**	**65**	**868**	**510**

Note 14 Intangible assets

	Group	
Capitalized development expenditure	**31-12-2020**	**31-12-2019**
Opening accumulated acquisition value	47,752	24,310
Capitalized expenses	2,358	23,442
Closing accumulated acquisition value	**50,110**	**47,752**
Opening accumulated depreciaton	-10,417	-8,335
Depreciation	-3,096	-2,082
Closing accumulated depreciation	**-13,513**	**-10,417**
Closing balance	**36,597**[1]	**37,335**[2]

1) The amount relates to episil® and the ongoing clinical trials of Buvidal® in Australia, Germany and England.
2) The amount relates to episil and the ongoing clinical trials of Buvidal in Australia and Germany.

In impairement tests, the recoverable amount consists of the cashgenerating unit's estimated value in use. Depreciation expenses of KSEK 3,096 (2,082) are included in their entirety among research and development expenses.

Note 15 Property, plant, and equipment

	Group		Parent company	
Tangible assets	**31-12-2020**	**31-12-2019**	**31-12-2020**	**31-12-2019**
Opening accumulated acquisition value	26,269	23,800	26,017	23,555
Investments	968	2,462	968	2,462
Exchange-rate differences	-13	7	–	–
Closing accumulated acquisition value	**27,224**	**26,269**	**26,985**	**26,017**
Opening accumulated depreciation	-15,607	-12,901	-15,538	-12,866
Depreciation	-2,817	-2,705	-2,786	-2,672
Exchange-rate differences	5	-1	–	–
Closing accumulated depreciation	**-18,419**	**-15,607**	**-18,324**	**-15,538**
Closing balance	**8,805**	**10,662**	**8,661**	**10,479**

Depreciation expenses of KSEK 2,817 (2,705) are included in their entirety among research and development expenses.

Note 16 Deferred tax

Deferred tax assets and liabilities are distributed as follows:

	Group		Parent company	
Deferred tax assets	**31-12-2020**	**31-12-2019**	**31-12-2020**	**31-12-2019**
Deferred tax assets to be used after 12 months	313,096	265,152	313,096	265,152
Deferred tax assets to be used within 12 months	–	–	–	–
Total deferred tax assets	**313,096**	**265,152**	**313,096**	**265,152**
Deferred tax liabilities				
Deferred tax liabilities to be used after 12 months	-7,026	-7,912	–	–
Deferred tax liabilities to be used within 12 months	-954	-603	–	–
Total deferred tax liabilities	**-7,980**	**-8,515**	**–**	**–**
Deferred tax assets/ liabilities (net)	**305,116**	**256,637**	**313,096**	**265,152**

	Group		Parent company	
Gross change regarding deferred taxes	**2020**	**2019**	**2020**	**2019**
Opening balance	**256,637**	**170,955**	**265,152**	**175,056**
Issue costs recognized in equity	4,401	11,113	4,401	11,113
Recognition in income statement (Note 11)	44,078	74,569	43,543	78,983
Closing balance	**305,116**	**256,637**	**313,096**	**265,152**

Details of changes in deferred tax assets and tax liabilities during the year that have been recognized in the income statement, excluding offsetting that has been carried out within the same tax jurisdiction, are given below:

	Group			
Deferred tax liabilities	**Untaxed reserves**	**Intangible assets**	**Tangible assets**	**Total**
On 1 January, 2019	-766	-3,336	–	-4,101
Recognized in income statement	–	-4,571	157	-4,414
On 31 December, 2019	**-766**	**-7,907**	**157**	**-8,515**
On 1 January, 2020	-766	-7,907	157	-8,515
Recognized in income statement	–	368	167	535
On 31 December, 2020	**-766**	**-7,539**	**324**	**-7,980**

	Parent company		
Deferred tax assets	**Tax on loss carry-forward**	**Temporary differences**	**Total**
On 1 January, 2019	174,219	837	175,056
Recognized in equity	11,113	–	11,113
Recognized in income statement	79,133	-150	78,983
On 31 December, 2019	**264,464**	**687**	**265,152**
On 1 January, 2020	264,464	687	265,152
Recognized in equity	4,401	–	4,401
Recognized in income statement	43,328	215	43,543
On 31 December, 2020	**312,193**	**902**	**313,096**

Camurus AB's accumulated loss carryforward is provisonally MSEK 1,519.9, of which MSEK 1,282.6 is taxed. For further information see Note 4 Important Estimates and Assessments.

Note 17 Interests in group companies

Parent company

On 1 January, 2020	2,317	On 1 January, 2019	1,800
Transactions	260	Transactions	517
On 31 December, 2020	**2,577**	**On 31 December, 2019**	**2,317**

During 2020 one subsidiary has been established in Belgium.

The Parent company holds shares in the following subsidiaries:

Name	**Corporate identity number**	**Country of registration and operation**	**Share of equity**	**Number of shares**	**Book value 31-12-2020**	**Book value 31-12-2019**
Camurus Inc	43-1648843	USA	100%	1,000	83	83
Cubosome Inc	43-1648841	USA	100%	1,000	83	83
Development AB	556421-1208	Sweden	100%	3,591,143	407	407
Camurus GmbH	HRB727015	Germany	100%	25,000	243	243
Camurus Ltd	10571011	UK	100%	1	0	0
Camurus Oy	2864875-7	Finland	100%	25,000	238	238
Camurus AS	920137253	Norway	100%	250,000	253	253
Camurus SAS	67838703114	France	100%	25,000	238	238
Camurus Pty Ltd	627784605	Australia	100%	40,000	255	255
Camurus S.L	B88343363	Spain	100%	25,000	262	262
Camurus ApS	40486585	Denmark	100%	180,000	255	255
Camurus BV	073.912.209	Belgium	100%	1,000	260	–
Total					**2,577**	**2,317**

Note 18 Inventories

	Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Finished goods	25,125	6,045	14,727	5,381
Work in progress	44,220	8,198	44,220	8,198
Raw materials	42,004	18,849	42,004	18,849
Total	**111,349**	**33,092**	**100,951**	**32,428**

The cost of inventories recognized as an expense is included in cost of goods sold and amounted to MSEK 29.8 (19.3).

Note 19 Financial instruments per category

Below the group's financial assets and liabilities, classified in the categories according to IFRS 9.

	Group	
Balance sheet assets	**31-12-2020**	**31-12-2019**
Financial assets measured at amortized cost		
Trade receivables	52,191	34,791
Not yet received cash from exercise of warrants	27,427[1)]	–
Cash and cash equivalents	461,793	358,744
Total	**541,411**	**393,535**

Balance sheet liabilities	**31-12-2020**	**31-12-2019**
Financial liabilities measured at amortized cost		
Trade payables	20,712	17,387
Other short term liabilities	190	190
Total	**20,902**	**17,577**

1) Received in January 2021.

Note 20 Trade receivables

	Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Trade receivables	52,513	35,027	36,569	32,013
Provision for bad debts	-322	-236	-322	-236
Trade receivables – net	**52,191**	**34,791**	**36,247**	**31,777**

On 31 December 2020, overdue trade receivables totaled KSEK 17,896 (KSEK 6,296), and no impairment requirement deemed to exist for the group. The overdue receivables relate to a number of customers who have not previously had any payment difficulties.

	Group		Parent company	
Trade receivables aging analysis	31-12-2020	31-12-2019	31-12-2020	31-12-2019
1-30 days	16,897	5,019	16,897	5,019
31-60 days	-21	372	-21	372
> 61 days	1,020	905	1,020	905
Total receivables due	**17,896**	**6,296**	**17,896**	**6,296**

	Group		Parent company	
Reported amount, by currency, for trade receivables	31-12-2020	31-12-2019	31-12-2020	31-12-2019
EUR	8,676	21,397	8,676	21,397
NOK	6,233	5,621	6,233	5,621
AUD	15,944	3,014	–	–
GBP	13,120	2,263	13,120	2,263
USD	1,604	1,317	1,604	1,317
SEK	5,048	552	5,048	552
Andra valutor	1,566	627	1,566	627
Total trade receivables	**52,191**	**34,791**	**36,247**	**31,777**

Note 21 Prepayments and accrued income

	Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Prepayments	5,737	6,505	6,737	7,258
Accrued income	1,926	1,361	1,926	1,361
Total	**7,663**	**7,866**	**8,663**	**8,619**

Note 22 Cash and cash equivalents

	Group		Parent company	
The following is included in cash and cash equivalents in the balance sheet and cash flow statement	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Cash and bank deposits	461,793	358,744	429,290	332,607
Total	**461,793**	**358,744**	**429,290**	**332,607**

Note 23 Share capital and other contributed capital

	Note	Number of shares (thousands)	Share capital	Other contributed capital	Total
On 1 January, 2019		**38,381**	**960**	**744,101**	**745,061**
Share issues		13,255	331	702,794	703,125
Issuance costs, net after deferred tax		–	–	-40,815	-40,815
Warrants issued	24	–	–	6,607	6,607
On 31 December, 2019		**51,637**	**1,291**	**1,412,687**	**1,413,978**
On 1 January, 2020		**51,637**	**1,291**	**1,412,687**	**1,413,978**
Directed share issue		2,000	50	299,950	300,000
Exercise of subscription warrants TO2017/2020		597	15	91,850	91,865
Issuance costs, net after deferred tax		–	–	-16,163	-16,163
Warrants issued	24	–	–	8,761	8,761
On 31 December, 2020		**54,234**	**1,356**	**1,797,084**	**1,798,440**

Share capital consists of 54,233,773 shares with a quota value of SEK 0.025. The shares carry a voting right of one (1) vote per share. All shares issued by the parent company are fully paid up.

Note 24 Long-term incentive programs

WARRANT PROGRAM TO2017/2020

During the subscription period 15 May - 15 December, 2020, 598,332 shares were subscribed for at the subscription rate SEK 153.90 per share through exercise of 547,632 warrants. Through the excersice of the warrant program, Camurus obtained, before issue cost, in total 92.1 MSEK, of which the company received 27.6 MSEK in January 2021.

WARRANT PROGRAM TO2018/2021

In accordance with a decision at the Shareholders General Meeting in May 2018, the incentive program TO2018/2021 was introduced for the company's employees, under which 1,000,000 warrants have been issued and which gave the right to subscribe for an equal number of shares during the period 15 May 2021 - 15 December 2021. In all, 46 employees have joined the program and subscribed for 557,400 warrants, after re-calculation which was called upon due to the rights issue in March 2019 and in accordance to the terms of the program, entitles subsription of 607,565 shares. Transfer of subscription warrants to future employees was not allowed after the Annual General Meeting 2019. The dilution effect on a maximum utilization of subscribed warrants corresponds to 1.1 percent of the share capital and voting rights.

The strike price for subscription of the shares upon exercise of the transferred warrants was set at SEK 144.90. The warrants were valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value. After re-calculation which was called upon due to the rights issue in March 2019 and in accordance to the terms of the program, the strike price was set at SEK 133.40.

For information about potential dilution effect for new shares if subscribed for, subscription price and market value, see the table at the end of this Note.

As part of the program, participants receive a three-piece stay-on bonus in the form of a gross salary addition from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total

equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occured in connection with the participant's payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurred in July 2019, provided that the participant at that time remained in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurred in July 2020, provided that the participant at that time remained in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

Costs, dilution etc.

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants for subscribed warrants is approximately MSEK 9.3 before income tax. The amount the participants paid when they joined the program was SEK 7.1 million. Other than that, the program is not expected to entail any significant costs for the company. For that reason, no measures to secure the program has been taken. Assuming that all 557,400 subscripscribed warrants are exercised for subscription of 607,565 shares, the company's share capital will increase by a maximum of SEK 15,189, resulting in a maximum dilution effect equivalent to approximately 1.1 percent calculated as the number of new shares in proportion to the number of existing shares. The key figure earnings per share for the full year 2020 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.04 from SEK -3.18 to SEK -3.14. The above is subject to recalculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who was allotted subscription warrants in the program, did not take part in the preparation of this matter.

In 2020 MSEK 1.2, after income tax, have been expensed for the "stay-on bonus" the participants receive as part of the program.

WARRANT PROGRAM TO2019/2022

In accordance with a decision at the Shareholder's General Meeting in May 2019, a new incentive program; TO2019/2022, was introduced for the company's employees, in which 1,000,000 warrants have been issued and which give the right to subscribe for an equal number of shares during the period 15 May 2022 - 15 December 2022. In all, 63 employees have joined the program and subscribed for 597,459 warrants. Transfer of subscription warrants to future employees was not allowed after the Annual General Meeting 2020. The dilution effect on a maximum utilization of subscribed warrants corresponds to 1.1 percent of the share capital and voting rights.

The strike price for subscription of shares upon exercise of the transferred warrants was set at SEK 98.90. The warrants were valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

For information about potential dilution effect for new shares if subscribed for, subscription price and market value, see the table at the end of this Note.

As part of the program, participants receive a three-piece stay-on bonus in the form of a gross salary addition from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occured in connection with the participant's payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occured in July 2020, provided that the participant at that time remained in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in July 2021, provided that the participant at such time remains in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

Costs, dilution etc.

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants for subscribed warrants is approximately MSEK 8.8 before income tax. The amount the participants paid when they joined

the program was SEK 6.7 million. Other than that, the program is not expected to entail any significant costs for the company. For that reason, no measures to secure the program has been taken. Assuming that all 597,459 subscribed warrants are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 14,936, resulting in a maximum dilution effect equivalent to approximately 1.1 percent calculated as the number of new shares in proportion to the number of existing shares. The key figure earnings per share for the full year 2020 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.04 from SEK -3.18 to SEK -3.14. The above is subject to re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who was allotted subscription warrants in the program, didn't take part in the preparation of this matter.

In 2020 MSEK 2.1, after income tax, have been expensed for the "stay-on bonus" the participants receive as part of the program.

WARRANT PROGRAM TO2020/2023

In accordance with a decision at the Shareholder's General Meeting in May 2020, a new incentive program; TO2020/2023, was introduced for the company's employees, under which 1,200,000 warrants have been issued and which give the right to subscribe for an equal number of shares during the period 15 May 2023 - 15 December 2023. In all, 39 employees have joined the program and subscribed for 199,575 warrants. Transfer of subscription warrants to future employees may not take place after the Annual General Meeting 2021. The dilution effect on a maximum utilization of subscribed warrants corresponds to 0.4 percent of the share capital and voting rights.

The strike price for subscription of shares upon exercise of the transferred warrants was set at SEK 169.50. The warrants were valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

For information about potential dilution effect for new shares if subscribed for, subscription price and market value, see the table at the end of this Note.

As part of the program, participants receive a three-piece stay-on bonus in the form of a gross salary addition from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in connection with the participant's payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in July 2021, provided that the participant at such time remains in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in July 2022, provided that the participant at such time remains in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

Costs, dilution etc.

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants for subscribed warrants is approximately MSEK 11.8 before income tax. The amount the participants paid when they joined the program was SEK 9.0 million. Other than that, the program is not expected to entail any significant costs for the company. For that reason, no measures to secure the program has been taken. Assuming that all 199,575 subscribed warrants are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 4,989, resulting in a maximum dilution effect equivalent to approximately 0.4 percent calculated as the number of new shares in proportion to the number of existing shares. The key figure earnings per share for the full year 2020 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.02 from SEK -3.18 to SEK -3.16. The above is subject to recalculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who was allotted subscription warrants in the program, didn't take part in the preparation of this matter.

In 2020 MSEK 3.8, after income tax, have been expensed for the "stay-on bonus" the participants receive as part of the program.

Program	Number of shares sub-scribed warrans entitles to	Potential dilution of the sub-scribed warrants	Subscription period	Strike price for sub-scription of shares upon exercise	Market value[4]	Number of employees partici-pating in the program
TO2018/2021	607,565[1,2]	1.12%[1,2]	15 May 2021-15 Dec 2021	133.40[1]	14 May 2018: 12.83 SEK 20 Aug 2018: 9.94 SEK	46
TO2019/2022	597,459[2]	1.10%[2]	15 May 2022-15 Dec 2022	98.90	3 June 2019: 11.10 SEK	63
TO2020/2023	199,575[2]	0.37%[3]	15 May 2023-15 Dec 2023	169.50	17 Aug 2020: 44.70 SEK 14 Dec 2020: 50,70 SEK	39
Totalt	**1,404,599**	**2,59%**				

1) After recalculation of TO2018/ 2021, which was called for in accordance with the terms of the programs due to the rights issue in March 2019. Prior to recalculation, the total number was 1,354,434, corresponding to a dilution effect of 2.50 percent.
2) No further allocation can be made.
3) No further allocation can be made after the AGM 6 May 2021.
4) The warrants were valued by in accordance with the Black&Scholes model. Data used in the valuation are volatility in the share, dilution effect, subscription price at exercise, interest rate and the term for the warrants.

Note 25 Accruals and deferred income

	Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Accrued holiday pay and bonus	29,713	23,216	20,781	16,877
Accrued social security contributions	16,888	13,852	15,400	12,626
Accrued R&D costs	9,788	9,829	9,788	9,829
Accrued other expenses	54,534[1]	16,075	51,797[1]	13,737
Accrued income from license and collaboration agreements	25,484	25,228	25,484	25,228
Total	**136,406**	**88,200**	**123,249**	**78,297**

1) Including Camurus' own legal costs as well as a reservation for compensation for the counterpart's legal costs relating to the arbitration process between Camurus and Braeburn. After the end of the financial year, ICC International Court of Arbitraion issued it's final award and the outcome was essentially in line with the reserve. No additional costs will occur.

Note 26 Leases

The group has leases for buildings and cars. Leasing of buildings generally has a leasing period of between 5 and 8 years. For contracts relating to premises, Camurus has established a contract period that is considered reasonable, taking into account how termination and extension clauses have been applied previously, the importance of the property for the business and the R&D, any planned or already implemented investments to the leased facility as well as the market situation for real estate in general. A 6-year extension option has been applied.

For company cars, the group has a lease period of 3 to 4 years, without any extension options.

Right-of use assets

The table below presents the utilization rights' book value and depreciation per asset class.

2019-12-31	Buildings	Company cars	Total
Depreciation	-3,887	-340	**-4,227**
Closing balance 31 December 2019	26,114	1,609	**27,722**

2020-12-31	Buildings	Company cars	Total
Depreciation	-3,979	-1,659	-5,638
Closing balance 31 December 2020	21,929	3,164	**25,094**

Additional rights to use during the financial year amount to a total of KSEK 3,009 (2,169).

Lease liabilities

The table below presents reported leasing liabilities in the consolidated balance sheet.

	31-12-2020	31-12-2019
Long-term lease liabilities	20,387	22,938
Short-term lease liabilities	5,094	4,394
Total	**25,481**	**27,332**

For maturity analysis regarding contractual undiscounted payments on lease liabilities, see Note 3.1(c).

Reported costs attributable to lease agreements

The table below presents the amounts attributable to lease contracts that have been reported as expenses in the consolidated income statement during the year.

	2020	2019
Depreciations of right-to-use assets	5,638	4,227
Interest expenses for leasing liabilities	1,468	1,526
Costs relating to short-term leasing agreements	1,499	1,234
Costs relating to low value lease agreements	36	36
Total	**8,642**	**7,023**

The group's total cashflow for leasing agreements amounted to KSEK 7,785 (6,309).

Operating leases and leases in the parent company

Future minimum lease payments pursuant to non-cancellable operating leases at the end of the reporting period fall due for payment as follows.

	Parent company	
	31-12-2020	31-12-2019
0-1 year	7,339	7,140
1-5 years	17,980	5,218
>5 years	–	–
Total	**25,320**	**12,358**

Costs for leasing in the parent company during 2020 amounted to KSEK 7,034 (7,097).

Note 27 Information on cash-flow

Adjustments for non-cash items

	Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Depreciations	11,551	9,014	2,786	2,672
Total	**11,551**	**9,014**	**2,786**	**2,672**

Reconciliation of leasing liabilities in financing activities

	2020	2019
Opening balance 1 January	-27,332	-28,676
Cashflow	4,782	3,513
Additional lease agreements	-2,931	-2,169
Closing balance 31 December	**-25,481**	**-27,332**

Note 28 Related party transactions

Related parties are all subsidiaries in the group, along with key management personnel in the group, i.e. the Board and company management, as well as their family members.

(a) Purchase and sales of services	2020	2019
Purchase of services:		
– Subsidiaries	130,245	146,888
Total	**130,245**	**146,888**
Sales of services:		
– Sandberg Development AB[1)]	–	191
– Subsidiaries	22,144	22,871
Total	**22,144**	**23,062**

1) Until 27 March 2019 Sandberg development owned 53,2 percent of the shares in Camurus AB and therefore had a controlling interest in the company.

Goods and services are purchased and sold on normal commercial terms. Transactions with the subsidiaries of Camurus AB occur regarding management services and services related to sales and marketing.

(b) Remuneration for executive management	2020	2019
Salaries and other short term remunerations	21,418	20,276
Other long term remunerations	5,342	3,951
Total	**26,760**	**24,226**

Guidelines 2020

Remunerations are paid to the Chairman of the Board, Board members and for committee work in accordance with decisions made by the Annual General meeting 7 May 2020.

Remuneration to the CEO and other senior executives comprises basic salary, variable remuneration, pension benefits, other benefits and terms of notice. Other senior executives include those individuals who together with the CEO form the group management. For the current composition of the group management, see pages 140-141.

The division between basic salary and variable remuneration is to be linked to the executive's level of responsibility and authority. The variable remuneration is to be based on the outcome of predetermined well-defined objectives. The variable cash remuneration is to be limited to 50 percent of the fixed annual salary for the CEO and for other senior executives. Variable remuneration may also be paid in the form of long-term incentive programs. For further information, see Note 9.

Decided remuneration and other benefits 2020

	Board fee[1]	Audit committee[1]	Remuneration committee[1]	Total
Board of Directors				
Per-Olof Wallström, Chairman	600	50	50	700
Hege Hellström[2]	275	–	–	275
Martin Jonsson	275	125	25	425
Mark Never	275	–	–	275
Kerstin Valinder Strinnholm	275	–	25	300
Behshad Sheldon	275	–	–	275
Fredrik Tiberg	–	–	–	–
Ole Vahlgren[2]	275	50	–	325
Total	**2,250**	**225**	**100**	**2,575**

	Basic salary	Variable remuneration[3]	Other benefits	Pension expenses	Total
Group management					
Fredrik Tiberg, CEO	5,443	2,058	70	2,050	9,621
Other executive management (8 individuals)	10,646	2,899	302	3,291	17,139
Total	**16,089**	**4,957**	**373**	**5,342**	**26,760**[4]

Decided remuneration and other benefits 2019

	Board fee[1]	Audit committee[1]	Remuneration committee[1]	Total
Board of Directors				
Per-Olof Wallström, Chairman	600	50	50	700
Per-Anders Abrahamsson	250	–	–	250
Marianne Dicander Alexandersson	250	50	–	300
Martin Jonsson	250	100	25	375
Mark Never	250	–	–	250
Kerstin Valinder Strinnholm	250	–	25	275
Behshad Sheldon	250	–	–	250
Fredrik Tiberg	–	–	–	–
Total	**2,100**	**200**	**100**	**2,400**

	Basic salary	Variable remune-ration[3]	Other benefits	Pension expenses	Total
Group management					
Fredrik Tiberg, CEO	5,181	1,765	93	1,266	8,305
Other executive management (8 individuals)	10,518	2,403	316	2,685	15,922
Total	**15,699**	**4,168**	**409**	**3,951**	**24,226**[4]

1) AGM resolved fees, for the period May 2020 – May 2021 (May 2019-May 2020) for payment twice a year.
No board remuneration for CEO is paid.
2) Elected at the Annual General Meeting 7 May 2020.
3) Including accrued vacation compensation.
4) In addition to the above agreed remuneration, earned and paid stay-on bonuses, in accordance with the terms in the subscription warrant programs TO2018/2021, TO2019/2022 and TO2020/2023, to CEO of KSEK 740 (938) and other senior executives of KSEK 1,325 (1,626), has been accounted for. See also Note 24.

Pensions

The pensionable age for the Chief Executive Officer and key management personnel is 65 years.

Termination benefits

The notice period between the company and CEO is 12 months from the company, and 6 months from the CEO. No severance payment will be made. If the CEO's employment at the company ceases as a result of, or in connection with the company being transferred to a new owner, a notice period of 24 months from the company applies. During the notice period a fixed monthly salary is paid, along with other remuneration in accordance with the applicable employment agreement. Remuneration from the company will not in this case be reduced by any other possible remuneration that the CEO may receive during the notice period. A mutual notice period of 3 to 12 months applies to termination of contract between the company and other senior executives. No severance payment will be made.

(c) Receivables and liabilities at year-end resulting from purchase of services

Receivables from related parties	31-12-2020	31-12-2019
Subsidiaries	19,087	–
Total	**19,087**	**–**
Liabilities to related parties		
Subsidiaries	8,831	640
Total	**8,831**	**640**

Receivables and liabilities to related parties are essentially derived from services related to sales and marketing.

Note 29 Pledged assets

Pledged assets	31-12-2020	31-12-2019
Asset liability as collateral for pension commitments	3,761	2,293
Total	**3,761**	**2,293**

Note 30 Proposed appropriation of profits

For the financial year 2020, the Board of Directors propose that the retained earnings of KSEK 779,416 is carried forward. The Board of Directors proposes that no dividend be paid for the 2020 financial year.

ASSURANCE OF THE BOARD OF DIRECTORS AND PRESIDENT

The Board of Directors and CEO affirm that the consolidated financial statements have been prepared in accordance with international financial reporting standards IFRS, as adopted by the EU, and provide a true and fair view of the group's financial position and earnings.

This Annual Report was prepared in accordance with generally accepted accounting policies and provides a true and fair view of the parent company's financial position and earnings. The Board of Directors' Report for the group and parent company provides a true and fair overview of the performance of the parent company and the group's operations, financial position and earnings and describes the material risks and uncertainties faced by the parent company and the companies belonging to the group.

The income statements and balance sheets will be presented for approval to the Annual General Meeting on 6 May 2021.

Lund, 14 April 2021

Per-Olof Wallström
Chairman of the Board

Hege Hellström
Board member

Martin Jonsson
Board member

Mark Never
Board member

Behshad Sheldon
Board member

Fredrik Tiberg
President, CEO and Board member

Ole Vahlgren
Board member

Kerstin Valinder Strinnholm
Board member

Our Audit Report was submitted on 14 April 2021

PricewaterhouseCoopers AB
Ola Bjärehäll
Auditor in Charge
Authorised Public Accountant

To the general meeting of the shareholders of Camurus AB (publ),
corporate identity number 556667-9105

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Camurus AB (publ), for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 66-120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and consolidated statement of comprehensive income respectively and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Based on this we have assessed what audit procedures to be performed on these entities. The Camurus Group consist of 13 entities, whereof two Swedish and eleven foreign.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Accounting of revenue For the period January – December 2020 Camurus has reported approximately MSEK 336 in revenue, primarily consisting of product sales, sales of development related goods and services and licensing revenues. The sales have in all material extent been made to customers in Europe, Asia, USA and Australia. As a basis for this it is the assessment by Camurus that there are adequate processes and controls in place in order to ensure a correct revenue recognition in the correct reporting period. We refer to section 2.14 in the Accounting principles in the Annual report of Camurus for 2020 for a description of the applied accounting principles.	We have obtained an understanding of the controls in place related to accounting of revenue and, in particular, the accuracy and cut-off of product sales, sales of development related goods and services and licensing revenues. We have, by sample, performed test of details of customer agreements in order to verify the transfer of control associated with the sale, amounts and basis for calculation and allocation of the revenue. We have also performed audit procedures to verify the cut-off of the revenue, including, for product sales, examination of delivery terms. We have also performed procedures related to letters of account receivables confirmation and payments received from customers. For sales of development related goods and services we have also performed procedures related to the expenses which form the base for this type of revenue and that the subsequent invoicing has been made and accounted for in the correct period.
Accounting of deferred tax asset Camurus accounts for a deferred tax asset of approximately MSEK 305 on group level. The deferred tax asset is based on tax losses carried forward and is recognized to the extent that Camurus assesses it to be likely that future taxable surpluses will be available, against which the losses can be utilized. As a basis for this balance sheet item Camurus uses forecasts for future taxable income.	As part of our audit we have evaluated the forecasts regarding future taxable surpluses that the board of directors and management have used for their assessment. We have obtained an understanding of the assumptions in the forecasts. We have also performed audit procedures of the other supporting documents that Camurus has presented to us related to this deferred tax asset, as well as tested the mathematical accuracy in the calculation of the deferred tax asset made by Camurus.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-63 and 126-143. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistake.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Camurus AB (publ), for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorns-ansvar. This description is part of the auditor´s report.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Camurus AB (publ) by the general meeting of shareholders on May 7, 2020 and has been the company's auditors since May 11, 2015.

Stockholm, April 14, 2021
PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized public accountant
Auditor in charge

Camurus is a Swedish public limited liability company with its registered office in Lund, Sweden. The company's share is listed on Nasdaq OMX Stockholm and is traded under the ticker symbol CAMX.

Camurus' corporate governance is based on the laws, regulations and recommendations applicable to listed companies, such as the Swedish Corporate Governance Code (the "Code"), the Nasdaq Stockholm Rule Book for Issuers, Camurus' Articles of Association and other rules and guidelines specific to the company.

This report pertains to the 2020 financial year and has been reviewed by the company's auditors.

Application of the Code

During 2020, Camurus applied to the Code without deviations.

Corporate governance at Camurus

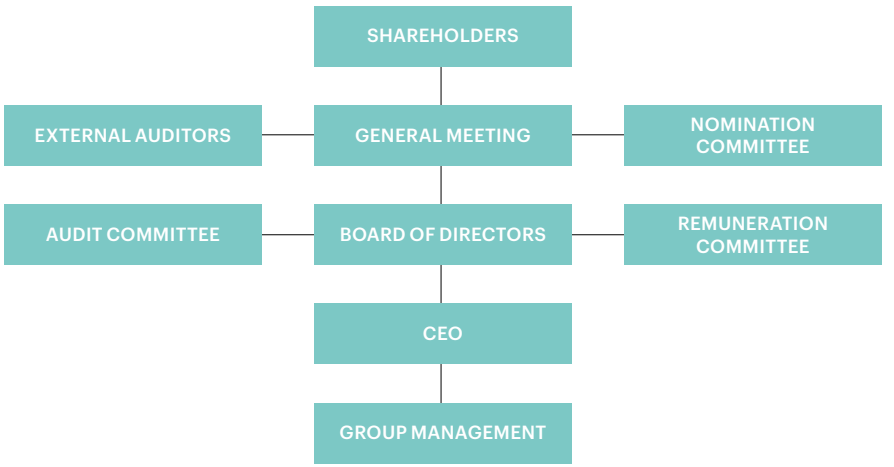
The purpose of Camurus' corporate governance is to create a distinct allocation of roles and responsibilities among the owners, the Board of Directors and the management.

The governance, management and control of Camurus are allocated between the general meeting of shareholders, Board of Directors and its elected Committees, and the CEO.

External regulatory frameworks that influence corporate governance

- The Swedish Companies Act
- Regulatory frameworks for external reporting
- Nasdaq Stockholm's Rule Book for Issuers, nasdaqomxnordic.com
- The Swedish Corporate Governance code, www.corporategovernanceboard.se
- Other applicable rules and recommendations

Corporate governance structure



Examples of internal regulatory frameworks of significance to corporate governance

- Articles of Association
- Board of Directors' rules of procedure including instructions to the Board Committees
- Instructions for the CEO including financial reporting
- Guidelines for remuneration to members of senior management
- IT Policy
- Financial Manual
- Personnel Manual
- Code of Conduct
- Communication/Information Policy
- Insider Policy

Corporate governance structure

Shareholders and the share

Camurus' share has been listed for trading on Nasdaq Stockholm, Mid Cap, since 3 December 2015. Camurus AB's share capital comprises one class of shares that entitles the holders to equal voting rights and equal rights to the company's assets.

As of 31 December 2020, the total number of shares and voting rights in the company was 54,233,733 (51,636,858), represented by 9,376 (6,748) shareholders. For more information about Camurus' ownership structure and major shareholders, see pages 60-62 of the annual report 2020 and camurus.com.

General meetings of shareholders

Shareholders may exercise their influence at the general meeting, which is Camurus' highest decision-making body. The general meeting resolves on the Articles of Association and at the Annual General Meeting (AGM), which is the scheduled annual general meeting of shareholders, Board members, Chairman of the Board and auditor are elected, and resolutions on their fees as passed.

In addition, the AGM adopt the income statement and balance sheet, and resolve on the appropriation of the company's profit and loss, and on the discharge of Board members and the CEO from liability to the company. The AGM also makes decisions on the principles for appointment and work of the Nomination Committee, and on remuneration guidelines and terms of employment for the CEO and other senior executives. Shareholders have the right to participate and vote for all of their shares. Shareholders are also entitled to be represented by proxy at the meeting. The AGM is to be held in Lund each year before the end of June. Extraordinary general meetings (EGMs) are convened as needed.

Notice convening the annual general meeting and extraordinary general meeting where amendments to the articles of association are to be addressed, must be done no earlier than six weeks and no later than four weeks prior to the meeting. Notice convening other extraordinary general meetings must be done no earlier than six weeks and no later than three weeks prior to the meeting.

Official notice must be given through an announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website. Information regarding the notice shall also be adviertised in Svenska Dagbladet

2020 Annual General Meeting (AGM)

The AGM for 2020 was held on 7 May. At the meeting, approximately 61 percent of the total votes were represented. Attorney Jakob Wijkander was elected Chairman of the meeting.

The AGM resolutions concerned:
- Number of board members and auditors
- Remuneration to the Chairman of the Board and Board members elected by the AGM, and the auditor
- Re-election of the Board members Martin Jonsson, Mark Never, Behshad Sheldon, Fredrik Tiberg, Kerstin Valinder Strinnholm and Per Olof Wallström. Hege Hellström and Ole Vahlgren was elected new Board members. Per Olof Wallström was re-elected as chairman of the Board
- PricewaterhouseCoopers AB, with Ola Bjärehäll as authorised public accountant was re-elected
- Guidelines for remuneration to senior executives
- Authorization for the Board to decide on a new issue of shares with or without deviation from shareholders' preferential rights. The authorization may be exercised on one or more occasions until the Annual General Meeting 2021 and a total of maximum 5,163,685 shares may be issued, corresponding to 10 percent of the company's share capital at the time of the decision
- Implementation of incentive program in accordance with the Board's proposal for the company's employees by way of directed issue of subscription warrants
- Adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet and appropriation of the company's earnings in accordance with the adopted balance sheet
- Discharge from liability in relation to the company for the Board members and the CEO for the financial year 2019.

The minutes and information from the 2020 AGM are available on camurus.com.

2021 AGM

The 2021 AGM will be held on Thursday 6 May 2021. Due to the COVID-19 pandemic, the Board of Directors has decided that the Annual General Meeting of shareholders 2021 will be conducted without the physical presence of shareholders, representatives and third parties and that the shareholders are able to exercise their voting rights only by post before the meeting.

Information on the resolutions passed at the meeting will be disclosed on Thursday 6 May 2021, as soon as the outcome of the postal voting has been finally confirmed.

Nomination Committee

The Nomination Committee represents the company's shareholders and is charged with preparing resolutions on election and reimbursement matters for the AGM.

According to the instructions and principles adopted by the AGM on 3 May 2016, the Nomination Committee is to consist of four members, three of whom are to represent the company's three largest shareholders based on the ownership according to Euroclear Sweden AB as per 31 August the year before the AGM. As stipulated in the same resolution, the fourth person is to be the Chairman of the Board. The Nomination Committee observes the rules governing the independence of the Board Members under the Swedish Corporate Governance Code. The composition of the Nomination Committee is to be publically announced no later than six months before the AGM. The Nomination Committee of Camurus is charged with assignments including the preparation and drafting of proposals for the election of Board members, the Chairman of the Board, the auditor and the Chairman of the Meeting.

The Nomination Committee's duties also include proposing remuneration to Board members, committee members and auditor.

The Nomination Committee for the AGM 2021 has held four (4) meetings and in addition a number of telephone contacts. As a basis for its work, the Nomination Committee has taken note of the Chairman's presentation of the Board's work, including an anonymous survey-based evaluation of the Board's work through an external independent party, as well as individual interviews with all Board members. Furthermore, the Chairman of the Board and the CEO has reported the development of the company's operations, goals and strategy.

The Nomination Committee has prepared proposals for the Annual General Meeting regarding, for example proposals for the election of the Chairman and other members of the Board, remuneration to board members and committee members, election of auditors, and remuneration.

As in previous years, the Nomination Committee has devoted special attention to issues of diversity. From the Nomination Committee's proposal to the 2021 Annual General Meeting it shows that the Nomination Committee, when preparing its proposal of Board of Directors, has applied paragraph 4.1 of the Code as Diversity Policy. The aim of the policy is that, with regards to the company's operations, development stages and circumstances, the Board should have a purposeful composition, characterized by versatility and breadth regarding the members' skills, experience and background as well as the need for an even gender distribution. With regards to gender distribution in the Board, the Nomination Committee's ambition is to work towards the goals set by the College of Swedish Corporate Governance. The Annual General Meeting 2020 decided to appoint members of the Board in accordance with the nomination committee's proposal, which meant that eight (8) members were elected, of which three women and five men (corresponding to 37,5 and 62,5 percent respectively).

The Nomination Committee in respect of the Annual General Meeting 2021 consists of the Chairman of the Board and the three largest shareholders in terms of voting rights as of 31 August 2020, who together represents approximately 52 percent of the number of shares and votes in the company.

The Nomination Committee for the AGM 2021 consists of the following[1]

Representatives/Shareholders
Per Sandberg, appointed by Sandberg Development AB
Max Mitteregger, appointed by Max Mitteregger Kapitalförvaltning
Arne Lööw, appointed by Fjärde AP-fonden
Per Olof Wallström, Chairman of the Board

1) The shareholder statistics used must be sorted according to voting power (shareholder groups) and comprise the 25 largest shareholders. In the event that these shareholder statistics comprises nomineeregistered holdings, such holdings will only be taken into consideration if the administrator has declared the underlying shareholder's identity to Euroclear Sweden, or if the company – without implementing any own measures – obtains other information to indicate the underlying shareholder's identity.

Board of Directors

Composition and independence

Accordance to Camurus' Article of Association, the Board of Directors is to consist of a minimum of three (3) and a maximum of ten (10) Board members elected by the AGM, for the period until the end of the next AGM. At the 2020 AGM, eight (8) Board members were elected. Camurus' CEO is included among the Board of Directors and the company's CFO functions as the Secretary to the Board. Other executives of Camurus participate at Board meetings to report on specific topics. According to the Code, a majority of the AGM-elected Board members are to be independent in relation to the company and the company's management. With the exception of CEO Fredrik Tiberg, all Board members are considered independent in relation to the company and the company's management. Six of the Board members, together with the Chairman of the board, are considered independent in relation to the company's major shareholders. Camurus thus meets the requirements of the Code on independence.

At the close of the financial year, Camurus' Board of Directors comprised Chairman of the Board Per Olof Wallström and the Board members Martin Jonsson, Mark Never, Behshad Sheldon, Fredrik Tiberg, Hege Hellström, Kerstin Valinder Strinnholm and Ole Vahlgren. Information about the Board members, with data about birth years, year of election to the Board of Directors, education, experience, ongoing and previous assignments, holdings of shares in the company at 31 March, 2021 are presented on pages 138-139 in the annual report 2020. Holdings in the company include the individual's personal holdings and/or the holdings of closely related parties. Other group assignments are not presented.

Responsibility and duties of the Board of Directors

The duties of the Board of Directors are regulated under the Swedish Companies Act, the Articles of Association, and the Swedish Corporate Governance Code. The work of the Board of Directors is further regulated by the written Rules of Procedure, which are reviewed and adopted annually by the Board. The Rules of Procedure regulate the division of duties and responsibilities between the Board, the Chairman of the Board and the CEO. In addition, the Rules of Procedure govern the resolutions within the Board, the Board's meeting schedule and the Board's work with accounting and audit matters, as well as the financial reporting. The Board has also established instructions for the CEO and adopted other specific policy documents.

The Board is responsible for the group's organization and the management of its affairs, the establishment of the group's overall objectives, development and follow-up on the overall strategy, resolutions regarding major acquisitions and divestments, capital expenditures, resolutions regarding possible investments and loans in accordance to the financial policy, continuous monitoring of operations, the adoption of quarterly and year-end accounts, and the continuous assessment of the CEO and other members of group management. The Board is also responsible for ensuring quality in financial reporting, including monitoring system and internal control regarding Camurus' financial statements and financial position (see also "Internal controls" below). Furthermore, the Board shall ensure that Camurus' external communication is characterized by transparency, correctness, relevance and reliance. The Board is also responsible for establishment of required guidelines and other policy documents, such as Code of Conduct, Communication, and Insider Policy. At the Board's meetings, there are, among other things, the following recurring items on the agenda: state of business, project status, market matters, adoption of interim and annual reports, strategy review, future prospects, and financial reporting.

The Chairman of the Board follows Camurus' operations through ongoing dialogue with the CEO. The Chairman organizes and leads the Board's work and is responsible for ensuring that the Board members receive satisfactory information and decision basis. The Chairman is also responsible for ensuring that the Board members continuously get updates and deepen their knowledge about Camurus and that they receive training required for the work of the board to operate effectively. It is also the Chairman who is responsible for managing contacts with shareholders on ownership matters and for the annual evaluation of the Board's work. In 2020, an anonymous survey-based evaluation was completed, through which the Board members got the opportunity to express themselves about the Board's work. This information has been collected and compiled in a report presented by the Company's solicitor firm. The result will be taken into consideration for the Board's work in 2021. The Nomination Committee has through the Chairman of the Board, received the evaluation report.

The main requirements that should be imposed on Camurus' Board of Directors and the importance of independent Board members have been discussed.

In addition to the statutory board meeting, at least five ordinary board meetings shall be held. Extra meetings can be arranged to address matters which cannot be deferred to any of the scheduled meetings.

At the board meeting where the audit is reviewed, the board meets with the auditor.

Board of Directors' work during 2020

During the year, the Board held ten (10) ordinary Board meetings including the inaugural meeting, and another two (2) extraordinary meetings to resolve on the directed share issue completed in July 2020. Additionally, eight (8) resolutions were taken by per capsualm regarding allotment of warrants in the TO2020/2023 program and subscription of new shares through exercise of subscription warrants in the program TO2017/2020. During 2020, the Board's work has mainly been dominated by strategic considerations and decisions relating to the company's financing and organizational development in connection with the ongoing launch of Buvidal® weekly and monthly depot for treatment of opioid dependence in Europe and Australia, prioritized development projects such as chronic pain, pivotal clinical programs for CAM2029 in Acromegaly and NET, business development and partnerships. Furthermore, financial goals and dividend policy, financial reports and development of a new long-term incentive program for management and employees for presentation at the Annual General Meeting 2021 have been resolved.

The Board has planned a total of eight (8) meetings for 2021.

Board committees

The Board of Directors has established two committees, the Audit Committee and the Remuneration Committee, which both work according to procedures adopted by the Board.

Audit Committee

The Audit Committee's role is primarily to monitor the company's financial position and reporting, effectiveness of the company's internal control, and remain informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence and, in doing so take particularly into account whether the auditor provides Camurus with services other than audit services, and to have regular contacts with the auditor. The Audit Committee shall also assist the Nomination Committee with proposal to the general meeting for election of auditor.

The Audit Committee has consisted of the following members; Martin Jonsson (Chairman), Ole Vahlgren, and Per Olof Wallström. The committee complies with the Companies Act's requirements for independence and accounting and auditing expertise. The Committee has convened seven (7) times during the year. Camurus' auditor was present at five (5) of these meetings. These meetings addressed matters such as the audit plan, the auditors' observations and the review of the Board's and CEO's management of the company and the company's financial reports.

Remuneration Committee

The Remuneration Committee's role is primarily to prepare matters for recommendation to the Board of Directors concerning remuneration and other employment terms for the CEO and members of the group management, and to monitor and assess ongoing and completed programs for variable remuneration to the group management. Furthermore, the Committee shall monitor and assess the application of the guidelines for remuneration to the executive management resolved by the AGM, as well as applicable remuneration structures and remuneration levels in the company.

The Remuneration Committee has consisted of the following members; Per Olof Wallström (Chairman), Martin Jonsson, and Kerstin Valinder Strinnholm. The Committee is assessed to comply with the Code's requirements for independence and appropriate knowledge and experience in questions related to remuneration of executive management.

The Committee was convened three (3) times during the year. At these meetings, the Committee discussed the company's existing remuneration systems, proposed guidelines for the remuneration of the CEO and senior executives, and the future share-based incentive programs aimed at attracting and retaining competent and motivated employees. The incentive program will be presented at the AGM in May 2021, for resolution by the shareholders. For information regarding salaries and fees to the CEO and senior executives, see Note 9 in the annual report 2020.

Chief Executive Officer and group management

The Chief Executive Officer (CEO) is responsible for the administration and development of Camurus in accordance with applicable legislation and rules, including the Nasdaq Stockholm Rule Book for Issuers and the Code, as well as guidelines, instructions and strategies established by the Board of Directors. The CEO is responsible for preparing reports and necessary information for decision-making prior to Board meetings and presenting the material at Board meetings. Furthermore, the CEO is to ensure adherence to Camurus' goals, policies and strategic plans as established by the Board of Directors, and for keeping the Board updated on Camurus' development in-between Board meetings.

The CEO leads the work of the group management, which is responsible for overall business development. In addition to the CEO, management during the year has comprised the Chief Financial Officer, Chief Business Officer, Chief Commercial Officer, Chief Technical Officer, VP Clinical development and Pharmacovigilance, VP Regulatory Affairs, Chief Medical Officer (from 1 October 2020) and VP Corporate Development & General Counsel (a total of nine persons). During the year the group management convened twenty-three (23) times. For information about current senior executives at Camurus, when they assumed their positions and their year of birth, education, experience, holdings in the company as of 31 March 2021, and current and previous assignments, see pages 140-141 of the annual report. Holdings in the company include the individual's personal holdings and/or the holdings of closely related parties. Other group assignments are not presented. CEO has no significant shareholdings and co-ownership in companies that have significant business relationships with Camurus.

Resolved remuneration payable to elected Board members in 2020

			Remuneration, KSEK[1]				Attendance/Participation[2]		
Board member	Function	Independence	Directors' fee	Audit Committee	Remuneration Committee	Total	Board of Directors	Audit Committee	Remuneration Committee
Per-Anders Abrahamsson[5]	Board member	•	–	–	–	–	4/20	–	–
Marianne Dicander Alexandersson[5]	Board member	•	–	–	–	–	4/20	4/7	–
Hege Hellström[6]			275	–	–	275	16/20	–	–
Martin Jonsson	Board member	3)	275	125	25	425	20/20	7/7	3/3
Mark Never	Board member	•	275	–	–	275	19/20	–	–
Kerstin Valinder Strinnholm	Board member	•	275	–	25	300	20/20	–	3/3
Behshad Sheldon	Board member	•	275	–	–	275	20/20	–	–
Fredrik Tiberg[7]	Board member, President and CEO	4)	–	–	–	–	19/20	–	–
Ole Vahlgren[6]	Board member	•	275	50	–	325	16/20	3/7	–
Per Olof Wallström	Chairman of the Board	•	600	50	50	700	20/20	7/7	3/3
Total			**2,250**	**225**	**100**	**2,575**			

1) AGM resolved fees for the period May 2020 – May 2021.
2) The figures in the table show total attendance/meetings. In 2020, the Board held a total of 10 ordinary meetings and 2 extra ordinary meetings. 8 resolutions were take by per capsulam regarding allotment of warrants in the warrant program TO2020/2023 and subscription of new shares through exercise of subscription warrants in the program TO2017/2020.
3) The Board member is to be regarded as dependent in relation to major shareholders.
4) The Board member is to be regarded as dependent in relation to the company and its Management.
5) Board member until AGM 7 May 2020.
6) Board member from AGM 7 May 2020.
7) For remuneration to the CEO, refer to Note 9 and 28 in the annual report 2020.

Remuneration for Board of Directors and senior executives

Remuneration for Board members

The AGM of 7 May 2020 resolved the following remuneration to Board members for the period up to the closing of the 2021 AGM; SEK 600,000 to the Chairman of the Board and SEK 275,000 to each of the other Board members. As remuneration for committee work, it was resolved that the Chairman of the Audit Committee would receive SEK 125,000 and other members of the Committee SEK 50,000 each. It was also resolved that the Chairman of the Remuneration Committee would receive SEK 50,000 while other members of the Committee SEK 25,000 each.

Remuneration to group management

Matters pertaining to remuneration to senior executives are addressed by the Board's Remuneration Committee. Remuneration to the CEO is resolved by the Board based on proposal presented by the Remuneration Committee.

Remuneration and terms for senior executives are to be based on market conditions and consist of a balanced mix of fixed salary, variable remuneration, pension benefits, other benefits, and terms upon termination.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were resolved by the annual general meeting 2020. For information about fixed and variable remuneration see the Remuneration report 2020 and the annual report 2020 notes 9 and 28.

Deviation from the guidelines

The Board of Directors may deviate from these guidelines in certain cases if there are special reasons for doing so. Reasons for derogation must be reported at the next annual general meeting. During 2020 the guidelines have been followed without any deviations.

External auditors

The auditing firm PricewaterhouseCoopers AB (PwC) has been Camurus' auditor since the AGM 11 May 2015, with Authorised Public Accountant Ola Bjärehäll as auditor in charge. PwC was re-elected as Camurus' auditor at the AGM 2020, until the end of the AGM 2021.

The auditor performs a review of the interim report for the third quarter and audits the annual and consolidated financial statements. The auditor also comments on whether this Corporate Governance Report has been prepared, and whether disclosures herein are consistent with those in the annual and consolidated financial statements.

The auditor reports the results of his audit of the annual accounts and consolidated accounts, his review of the corporate governance report through the auditor's report and special opinions on the corporate governance report, and compliance with guidelines for remuneration to senior executives, which are presented to the AGM. In addition, the auditor submits detailed reports on audits performed to the audit committee three (3) times a year and to the board as a whole once a year.

The fees invoiced by the auditors over the past two (2) financial years are reported in Note 8 of the annual report for 2020.

Internal control and risk management

The Board of Directors' responsibility for internal controls are regulated by the Companies Act, the Annual Accounts Act – which includes requirements that the Corporate Governance Report must contain disclosures concerning the principal features of Camurus' internal control and risk management systems in connection with the annual financial reporting and the preparation of the consolidated financial statements – and the Code. The Board of Directors is to ensure that Camurus has appropriate internal controls and formalized procedures to ensure its compliance with established policies for financial reporting and internal controls, and the existence of appropriate systems for the monitoring and control of the company's activities and the risks associated with the company and its operations.

Camurus applies COSO's framework for the internal control of financial reporting. The procedures for internal controls on financial reporting were designed with the aim of ensuring reliable overall financial reporting and external reporting in accordance with IFRS, applicable laws and regulations, and other requirements applicable to companies listed on Nasdaq Stockholm. This work involves the Board of Directors, group management and other employees.

Control environment

The Board of Directors has established instructions and governing documents with the aim of regulating the CEO's and the Board of Directors' roles and responsibilities.

The manner in which the Board of Directors monitors and assures the quality of internal controls is documented in the Board of Directors' rules of procedure and Camurus' financial policy, as well as the policy for internal control, where the Board of Directors has established a number of fundamental guidelines of significance to the work with internal control. These guidelines include the regular control and follow-up of outcomes in comparison with expectations and preceding years, as well as supervision of the accounting policies applied by Camurus. The responsibility for maintaining an effective control environment and the ongoing work on risk assessment and internal control over the financial reporting is delegated to the CEO. However, the Board of Directors has ultimate responsibility. In turn, managers at various levels at Camurus have corresponding responsibilities within their respective area of responsibility.

Group management reports regularly to the Board of Directors in accordance with established procedures. The financial reporting control environment collectively comprises various responsibilities and authorities, instructions, guidelines, manuals and policies, in combination with laws and regulations.

Based on an efficient control environment and external reviews by auditors, the Board of Directors has deemed that there are no special circumstances in Camurus' operations or other circumstances to warrant the establishment of an internal-audit function.

Risk assessment

Camurus performs continuous risk assessments to identify risks pertaining to financial reporting, as well as risks associated with the company's operations. These risks include inaccurate reporting as well as impropriety and fraud. Risk management is incorporated in each process and various methods are used to evaluate, identify and curtail risks, and to ensure that the risks to which Camurus is exposed are managed in line with the set policies, instructions and monitoring procedures.

For a description of Camurus' operational risks, see the Director's Report, pages 77-81 and for the financial risks, Note 3 Financial Risk Management, page 71 in Camurus Annual Report 2020.

Control activities

The design of the control activities is of particular importance to Camurus' work to prevent and identify risks and deficiencies in the financial reporting. The control structure comprises defined roles in the organization supporting an efficient division of responsibilities for specified control activities, including monitoring of access control within IT systems, ERP system and authorization and approval limits. The continuous analyses carried out on the financial reporting are crucial to ensure that the financial reports do not include any material errors.

Information and communication

Camurus has information and communication procedures aimed at promoting completeness and accuracy in financial reporting. Policies, guidelines and internal instructions with regard to financial reporting are available in digital and printed form.

Regular updates on amendments to accounting policies, reporting requirements or other forms of information disclosure are accessible and known to the employees concerned. For external disclosure of information, guidelines have been designed with the aim of ensuring that Camurus meets the requirements covering the disclosure of accurate information to the market.

Monitoring, evaluation and reporting

The Board of Directors continuously evaluates the information submitted by group management. The Board of Directors obtains regularly updated financial information about Camurus' development between Board meetings. The group's financial position, strategies and capital expenditures are discussed at each Board meeting. The group's financial position, strategies and capital expenditures are discussed at each Board meeting.

The Board is also responsible for monitoring the internal control and monitoring that reporting to the Board works satisfactorily. This work entails ensuring that measures are taken to manage any shortcomings, as well as following-up on any

proposed measures highlighted in connection with external reviews. The company performs an annual self-assessment of its work with risk management and internal controls. This process includes a review of the manner, in which established procedures and guidelines are applied. The Board of Directors receives information about important conclusions from this annual assessment process, and about proposed actions, if any, with regard to the company's internal control environment. In addition, the external auditors report on a regular basis to the Board of Directors, partly through the Audit Committee, partly to the Board of Directors in its entirety.

External audit

The AGM appoints external auditors for a period of one year at a time. In accordance with the audit plan established in consultation with the Board's Audit Committee the auditor examines the Annual Report and the accounts, as well as the Board of Directors' and CEO's fulfilment of their fiduciary duties and responsibilities. In connection with the review, the auditor reports his findings to group Management for discussion and subsequently to the Board of Directors through the Audit Committee. Following completion of the audit, the Audit Committee is informed. At least once a year, the auditor reports his observations directly to the Board of Directors without the pre-sence of Camurus' CEO and CFO. The auditor also participates at the AGM, where he presents a summary of his audit and his recommendations in the audit report.

Lund, April 2021

Board of Directors

More information on Camurus's corporate governance and the Board of Directors can be found in the section of "Corporate governance" at camurus.com.

THE AUDITORS' EXAMINATION OF THE CORPORATE GOVERNANCE REPORT

To the general meeting of the shareholders of Camurus AB (publ), corporate identity number 556667-9105

Engagement and responsibility

The Board of Directors is responsible for that the corporate governance statement for the year 2020 on pages 126-135 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, April 14, 2021
PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized public accountant
Auditor in charge

FINANCIAL DEFINITIONS

Key figures, MSEK	2020	2019	2018	2017	2016
Net revenues	336.0	105.6	49.3	54.3	113.7
Operating result	-205.2	-360.0	-287.2	-243.5	-102.5
Result for the year	-167.3	-289.9	-234.7	-190.6	-81.0
Cash flow from operating activities	-238.8	-404.4	-274.1	-203.1	-207.8
Cash and cash equivalents	461.8	358.7	134.4	314.5	508.6
Equity	847.4	631.6	252.3	385.0	564.4
Equity ratio in Group, percent	81%	82%	69%	81%	88%
Total assets	1,044.1	772.0	364.7	475.9	639.8
Average number of shares, before dilution	52,678,479	46,496,256	40,671,345	37,281,486	37,281,486
Average number of shares, after dilution*)	54,615,059	48,601,481	42,060,667	38,058,298	37,487,937
Earnings per share before dilution, SEK	-3.18	-6.23	-5.77	-5.11	-2.17
Earnings per share after dilution, SEK*)	-3.18	-6.23	-5.77	-5.11	-2.17
Equity per share before dilution, SEK	16.09	13.58	6.20	10.33	15.14
Equity per share after dilution, SEK*)	15.52	13.00	6.00	10.12	15.06
Number of employees at end of period	134	120	94	71	62
Number of employees in R&D at end of period	77	67	58	48	44
R&D costs as a percentage of operating expenses	47%	56%	63%	75%	80%

*) The dilution effect is calculated according to IAS 33

Cash and cash equivalents Cash and cash bank balances

Equity ratio, % Equity divided by total capital

Average number of shares, before dilution Weighted average number of shares before adjustment for dilution effect of net shares

Average number of shares, after dilution Weighted average number of shares adjusted for the dilution effect of new shares

Earnings per share before dilution, SEK Result divided by the weighted average number of shares outstanding before dilution

Earnings per share after dilution, SEK Result divided by the weighted average number of shares outstanding after dilution

Equity per share before dilution, SEK Equity divided by the weighted number of shares at the period before dilution

Equity per share after dilution, SEK Equity divided by the weighted number of shares at the end of the period after dilution

R&D costs as a percentage of operating expenses Research and development costs divided by operating expenses, excluding items affecting comparability (marketing and distribution costs, administrative expenses and research and development costs)

Per Olof Wallström

Chairman of the Board since 2015 and Board member since 2010. Chairman of the Remuneration Committee and member of the Audit Committee.

Born: 1949. **Education:** M.Sc. in Pharmacy from Uppsala University. **Other current appointments:** Board member of Arosia Communication AB, Qlinea AB and Nexttobe AB. **Work Experience:** CEO of Q-Med AB, Melacure AB and Karo Bio AB. Senior management at Merck Sharpe & Dohme, Astra, Pharmacia and Bristol Myers Squibb.
Holdings: 97,185 shares.

Kerstin Valinder Strinnholm

Board member since 2015. Member of the Remuneration Committee.

Born: 1960. **Education:** Degree from the School of Journalism at the University of Gothenburg. **Other current appointments:** Board member of Klifo A/S, Immedica AB (publ), KVS Invest AB, Gedea Biotech AB, Promore Pharma AB (publ) and Cavastor AB. **Work Experience:** EVP Business Development for the Nycomed Group. Many years of experience in sales, marketing and business development from senior positions at Astra/AstraZeneca and Nycomed/Takeda.
Holdings: 24,910 shares.

Martin Jonsson

Board member since 2013. Chairman of the Audit Committee and member of the Remuneration Committee.

Born: 1961. **Education:** M.Sc. in Business Administration from Lund University. **Other current appointments:** CEO and Board member of Sandberg Development AB. Chairman of Aimpoint AB, Granuldisk AB, SWATAB AB and Rescue Intellitech AB. Board member of ISEC AB. **Work Experience:** 30 years of combined experience in corporate management and working in senior positions in various industries such as medical devices, pharmaceuticals, industrial kitchens, cleantech, outdoor, law enforcement & defence and investment group etc.
Holdings: 28,352 shares.

Fredrik Tiberg

President & Chief Executive Officer since 2003.
Board Member since 2002.

Born: 1963. **Education:** M.Sc. in Chemical Engineering from Lund Institute of Technology and Ph.D. and Assoc. Prof. in Physical Chemistry from Lund University. **Other current appointments:** Member of the Board Camurus Lipid Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA). **Work Experience:** CEO of Heptahelix AB, Head of R&D Camurus AB, Visiting Professor of Physical and Theoretical Chemistry, University of Oxford.
Holdings: 1,696,788 shares and 165,000 subscription warrants.

Behshad Sheldon

Board Member since 2018.

Born: 1963. **Education:** B.Sc. in Neuroscience from University of Rochester. **Other current appointments:** Chairman of the Board of FORCE (Female Opioid Research and Clinical Experts) in Princeton, New Jersey, Chair of the Board, Pocket Naloxone, Maryland; EVP & Managing Director, Biotech Value Advisors. **Work Experience:** President & CEO of Braeburn Pharmaceuticals until 2017. Extensive experience in various senior positions in international pharmaceutical companies, including Smithkline Beecham, Bristol-Myers Squibb and Otsuka Pharmaceuticals. **Holdings:** –

Hege Hellstrom

Board member since 2020.

Born: 1965. **Education:** B.Sc., Medical Laboratory Scientist, Oslo Metropolitan University, Norway. **Other current appointments:** Partner in Belnor BVBA, Board member of Oasmia Pharmaceutical AB since 2019 and Board member of Advicenne, a French biopharmaceutical company since 2020. **Work Experience:** 30 years of experience of sales, marketing, strategy development and executive management within Baxter Healthcare, Genzyme/Sanofi and Sobi. Former roles include President of Europe, Middle East and North Africa in Sobi, Global Business Unit Head in Sanofi and General Manager Benelux in Genzyme. **Holdings:** 575 shares.

Mark Never

Board Member since 2019.

Born: 1961. **Education:** M.B.A. Cranfield University, U.K. **Other current appointments:** Head Western European Cluster, Novartis AG. **Work Experience:** Chief Commercial Officer Region Europe Novartis AG, Country President & CPO Head Novartis Germany, Country President & CPO Head Novartis Italy, Senior international positions at Bristol Myers Squibb and Schering AG. **Holdings:** –

Ole Vahlgren

Board member since 2020. Member of the Audit Committee.

Born: 1963. **Education:** MSc from Technical University of Denmark, Copenhagen. MBA from Business School of Copenhagen. **Other current appointments:** Board member of Go-PEN Aps. **Work Experience:** President and CEO in Otsuka Pharmaceuticals. More than 25 years experience from business development and strategy work in international and global pharmaceutical companies such as H. Lundbeck and Otsuka. **Holdings:** 7,000 shares.

AUDITOR

Ola Bjärehäll

Authorised Public Accountant
PricewaterhouseCoopers AB

Fredrik Tiberg

President & Chief Executive Officer
Employed in the company since 2002.

Born: 1963. **Education:** M.Sc. in Chemical Engineering from Lund Institute of Technology and Ph.D. and Assoc. Prof. in Physical Chemistry from Lund University. **Other current appointments:** Member of the Board Camurus Lipid Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA). **Work Experience:** CEO of Heptahelix AB, Head of R&D Camurus AB, Visiting Professor of Physical and Theoretical Chemistry, University of Oxford. **Holdings:** 1,696,788 shares and 165,000 subscription warrants.

Richard Jameson

Chief Commercial Officer
Employed in the company since 2016.

Born: 1964. **Education:** BSC (Hons) in Applied Biological Sciences from University West of England. **Work Experience:** More than 20 years in the speciality pharmaceutical industry including executive/senior positions in sales leadership, marketing, market access and general management for companies which include Serono, Schering Plough, Ferring and Indivior PLC. **Holdings:** 20,493 shares and 88,000 subscription warrants.

Eva Pinotti-Lindqvist

Chief Financial Officer
Employed in the company since 2014.

Born: 1963. **Education:** BSC in Business Administration and Economics from Lund University. **Work Experience:** More than 25 years experience of Finance and 15 years experience of the pharmaceutical industry, including as CFO and Vice President Business Development at EQL Pharma AB and Market analyst at Nordic Drugs AB. Controller at Svedala Svenska AB and Finance Manager at Poseidon Yacht Charter AB. **Holdings:** 45,124 shares and 17,009 subscription warrants.

Agneta Svedberg

Vice President Clinical Development & Pharmacovigilance
Employed in the company since 2015.

Born: 1963. **Education:** M.Sc. in Radiophysics, and B.Sc. in Medicine from Lund University and Executive MBA, Executive Foundation Lund (EFL). **Work Experience:** More than 25 years experience in drug development, including as COO of Zealand Pharma A/S, CEO of Cantargia AB and Senior Vice President, Clinical Development at Genmab A/S. **Holdings:** 12,000 shares and 50,000 subscription warrants.

Fredrik Joabsson

Chief Business Development Officer
Employed in the company since 2001.

Born: 1972. **Education:** Ph.D. in Physical Chemistry and M.Sc. in Chemistry from Lund University. **Work Experience:** More than 15 years experience in pharmaceutical R&D, business development and alliance management. **Holdings:** 45,463 shares and 35,000 subscription warrants.

Torsten Malmström

Chief Technical Officer
Employed in the company since 2013.

Born: 1968. **Education:** Ph.D. in Chemistry from Lund University. **Work Experience:** Almost 20 years experience from the pharmaceutical industry including as Director Pharmaceutical Development for Zealand Pharma and Director of Development for Polypeptide. Team Manager at AstraZeneca. **Holdings:** 45,363 shares and 28,000 subscription warrants.

Peter Hjelmström

Chief Medical Officer
Employed in the company since 2016.

Born: 1973. **Education:** MD, Ph.D. and Assoc. Prof. from Karolinska Institutet. Postdoctoral fellowship at Yale University. **Work Experience:** More than 15 years of experience from the pharmaceutical industry, including as Medical Director at Orexo and Head of Clinical Science at Sobi. **Holdings:** -

Annette Mattsson

Vice President, Regulatory Affairs since
Employed in the company since 2017.

Born: 1966. **Education:** Bachelor of Pharmacy, Uppsala University and Business Economics, Lund University. **Work experience :** More than 25 years of experience within regulatory affairs including European RA Director/Global RA Lead at AstraZeneca and Global RA Lead at LEO Pharma. **Holdings:** 12,000 subscription warrants.

Andrew McLean

Vice President Corporate Development & Senior Counsel
Employed at Camurus since 2021.

Born: 1965. **Education:** Aberystwyth University, Bachelor of Laws (LL.B (Hons)) and College of Law, Guildford (Law Finals). **Work Experience:** General Counsel, Company Secretary & Chief Compliance Officer for Kyowa Kirin International Plc (1997-2020), International Business Lawyer for Recordati SpA (1996-1997) and Head of Legal Affairs for Shire Pharmaceuticals Plc (1993-1995). **Holdings:** -

Annual General Meeting 2021

Camurus' Annual General Meeting 2021 will be held on Thursday 6 May.

The Board of Directors has decided that the annual general meeting should be conducted by way of postal vote pursuant to temporary legislation being in effect in 2021. This means that the annual general meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting in the manner prescribed below.

Information on the resolutions passed at the annual general meeting will be announced on 6 May 2021, when the outcome of the postal voting has been confirmed.

REGISTRATION

Registration and notification with regard to annual general meeting by postal voting

A person who wishes to participate in the annual general meeting shall

- be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on 28 April 2021, and
- give notice of participation by casting its postal vote in accordance with the instructions under the heading Postal voting below so that the postal voting form is received by Euroclear Sweden AB no later than on 5 May 2021.

POSTAL VOTING

Shareholders may exercise their voting rights at the annual general meeting only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form must be used for the postal vote. The form is available on the company's website www.camurus.com. The postal vote form is considered as notice to participate in the annual general meeting.

In order to be considered, the completed and signed form must be received by Euroclear Sweden AB no later than 5 May 2021. The completed and signed form must be sent by mail to Camurus AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden or by email to GeneralMeetingService@euroclear.com.

Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Euroclear Sweden AB's website https://anmalan.vpc.se/EuroclearProxy/. To be considered, such electronic votes must be submitted no later than 5 May 2021.

POWER OF ATTORNEY

If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form. Proxy form in Swedish and in English is available on the company's website www.camurus.com. A power of attorney is valid (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than (5) years. If the shareholder is a legal person, a registration certificate or other authorization document, not older than one (1) year, must be attached to the form, listing the authorized signatories.

SHAREHOLDERS' RIGHT TO RECEIVE INFORMATION

The Board of Directors and CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to another company within the group. A request for such information shall be made in writing to the company no later than ten days prior to the annual general meeting, i.e. no later than 26 April 2021, at Camurus AB, attn Camilla Holm, Ideon Science Park, SE-223 70 Lund, Sweden, or by email to info@camurus.com. The information will be made available at the company, and on the company's website www.camurus.com no later than 1 May 2021. The information will also be sent to any shareholder who so requests and who states its address.

SHAREHOLDER INFORMATION

Interim reports, annual reports and Camurus' press releases are available on camurus.com and can be ordered from Camurus AB, Ideon Science Park, SE-223 70 Lund, Sweden.

The Annual Report for 2020 in printed form will be sent to all who so requests, and it is always available for download from: camurus.com.

CALENDAR

6 May 2021, 1 pm CET – Interim Report January-March 2021
6 May 2021 – Annual General Meeting
15 July 2021 – Interim Report, January-June 2021
4 November 2021 – Interim Report, January-September 2021

CONTACT DETAILS

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