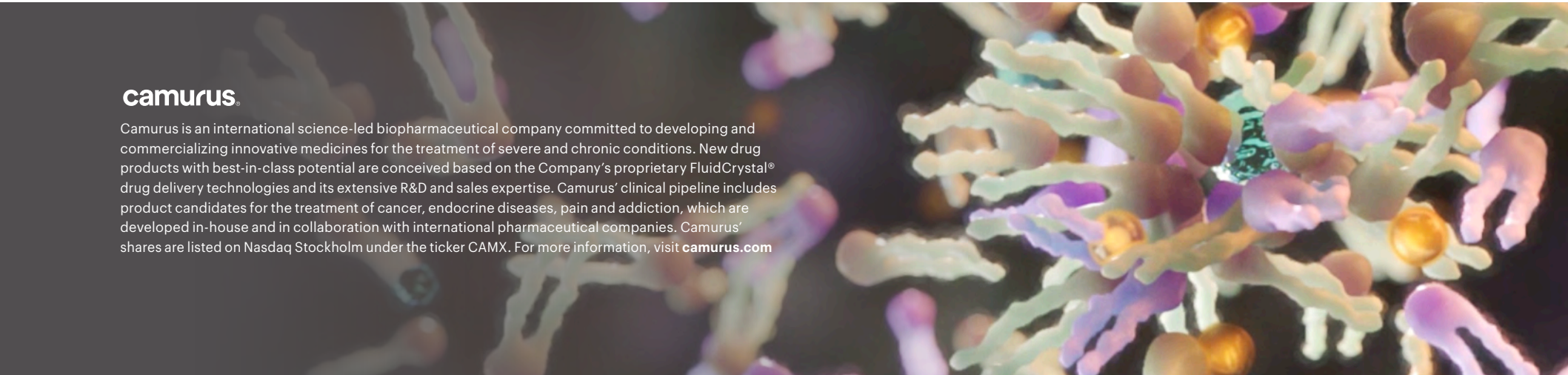
camurus®

INTERIM REPORT FOR
THE SECOND QUARTER 2020

"For the fourth quarter in a row, we saw Buvidal® sales growth of more than 50%"



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 cancer, endocrine diseases, pain and addiction, 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**

Second quarter summary

- Net revenues amounted to SEK 80.9 million (11.9), an increase of 579%
- Net product sales totaled SEK 75.8 million (11.3), an increase of 568%
- Product sales increased by 56% compared to the previous quarter
- Net revenue for the period January to June amounted to SEK 130.2 million (30.4) and product sales SEK 124.4 million (22.3)
- The full year 2020 guidance for revenue and product sales was raised
- Buvidal® reimbursed in Sweden after a positive TLV decision
- Buvidal launched in Austria after a legislative change
- Request for final approval of Brixadi™ submitted to the US FDA
- FDA announced a PDUFA date of Dec 1, 2020 for final approval of Brixadi in the US
- Arbitration proceedings initiated in England to determine whether Camurus' US partner Braeburn violated the 2014 licensing agreement
- Positive results from the clinical studies DEBUT and UNLOC-T presented at the CPDD Annual Scientific Meeting 2020
- Camurus' partner Rhythm announced positive Phase 2 results for once-weekly formulation of setmelanotide for the treatment of rare obesity diseases

Significant events after the period

- Camurus completed a directed share issue raising SEK 300 million before issue costs

MSEK	2020 Apr-Jun	2019 Apr-Jun	% Δ	2020 Jan-Jun	2019 Jan-Jun	% Δ	2019 Jan-Dec
Total revenues	80.9	11.9	579%	130.2	30.4	328%	105.6
whereof product sales	75.8	11.3	568%	124.4	22.3	457%	72.1
OPEX	102.1	120.1	-15%	219.4	219.5	0%	443.2
Operating result	-23.3	-109.8	79%	-100.3	-194.2	48%	-360.0
Result for the period	-20.0	-87.6	77%	-81.5	-155.3	48%	-289.9
Result per share, before and after dilution, of SEK	-0.39	-1.70	77%	-1.58	-3.32	53%	-6.23
Cash position	222.0	283.1	-22%	222.0	283.1	-22%	358.7

Q2

Total revenues
SEK 80.9 million
+579%

Product sales
SEK 75.8 million
+568%

OPEX
SEK 102.1 million
-15%

Financial Outlook 2020

Expected net revenues*
SEK 340 - 380 M
whereof product sales of
SEK 310 - 340 M
Expected full year OPEX
SEK 570 - 610 M

*Excl milestone payments relating to Brixadi™ in the US

Financial analysts, investors and media are invited to attend a telephone conference and presentation of the first quarter results today at 2 pm (CET).

The conference call can also be followed by a link on **camurus.com** or via external link: **https://financialhearings.com/event/12773**

Strong sales growth and raised revenue forecast for the full year 2020

During the second quarter, we continued to deliver strong growth in our markets in Europe and Australia resulting in an increase in our revenue and product sales forecast for the full year 2020. Quarterly product sales increased by 56% driven by high demand and increased access to Buvidal® for the treatment of opioid dependence. We received a positive decision on pricing and reimbursement for Buvidal in Sweden and extended our prescribing base in Australia. Furthermore, a legislative change in Austria meant that we could begin to launch Buvidal in this market in May. A request for final market approval of Brixadi™ (the US trade name for Buvidal) was submitted to the US FDA, with the date for the decision set for 1 December 2020. An advisory meeting was held regarding the market authorization application for Buvidal/CAM2038 for chronic pain in the EU, and our partner Rhythm received positive Phase 2 data for once-weekly setmelanotide FluidCrystal® in patients with severe genetic disorders of obesity.

Positive sales development and market expansion

During the second quarter, the positive development for Buvidal continued in our markets in Europe and Australia. Product sales totaled SEK 75.8 million, representing an increase of 56% compared to the previous quarter and 568% compared Q2 2019. By the end of June an estimated 9,500 patients were receiving treatment with Buvidal. In Finland and Norway, we continued to develop our market-leading position and in other European countries, including Sweden, Germany and UK, sales accelerated after success with reimbursement and increased access to treatment. In Australia, the positive trend continued with strong sales and an expanded prescription base for Buvidal, which now also includes general practitioners, who account for around 75% of prescriptions for the treatment of opioid dependence.

Based on strong sales growth for Buvidal, in June we announced an increased revenue and product sales forecast for the full year 2020. The Covid-19 pandemic has had both a positive and a negative impact on our sales: whilst it has been a catalyst for the transition from daily medication to weekly and monthly Buvidal treatment in clinics with Buvidal experience, it has also limited access to healthcare professionals, which has delayed patient initiation on Buvidal in some markets.

Overall, sales of Buvidal continued to develop positively in existing markets and after a legislative change in Austria, we were able to begin to launch in this new market in May. With around 18,000 patients in opioid dependence treatment, Austria has approximately the same number of patients as Denmark, Norway and Sweden combined. During the quarter, we continued market preparations in second-wave countries, including Belgium, the Netherlands and Spain, strengthened by positive new data from our markets and recently completed clinical trials.

Compelling results from clinical trials of Buvidal against standard treatment

In June, results from the DEBUT and UNLOC-T studies were presented at the leading addiction meeting, the College on Problems of Drug Dependence (CPDD) Annual Scientific Meeting 2020. The clinical trials, which evaluated treatment with Buvidal against standard of care in outpatient and inpatient care in Australia, met both primary and secondary outcome measures.

The DEBUT study demonstrated significantly better patient reported satisfaction with Buvidal treatment compared to daily standard treatment. Patients receiving Buvidal also reported significantly higher satisfaction with treatment efficacy and convenience, as well as a significantly lower treatment burden and higher quality of life compared to daily standard treatment. The results further strengthen the already strong evidence base for Buvidal as the only long-acting treatment of opioid dependence that has documented superior treatment efficacy against daily standard treatment.

The UNLOC-T study investigated the use of Buvidal in seven prisons in New South Wales, Australia. The study showed a satisfactory safety profile with no severe side effects and no evidence of diversion of Buvidal was observed. Furthermore, treatment with Buvidal had significantly lower treatment costs compared to daily standard treatment, approximately one third of the cost of methadone therapy and one tenth of the cost of sublingual buprenorphine treatment. Since the study was completed, the uptake of Buvidal treatment has been rapid within the New South Wales prison system, with more than 500 patients receiving treatment with Buvidal within 3 months.

The UNLOC-T study has provided us with unique and valuable clinical and health economical data to communicate to healthcare providers and payers via scientific presentations and publications. We continue to build our evidence base with the recently started ARIDE study, which compares Buvidal to standard treatment with buprenorphine and methadone in over 420 opioid dependent patients in Germany. The goal is to continue to establish Buvidal as the evidence-based first choice in the treatment of opioid dependence.

Developments in North America and the rest of the world

In the US, a request for final market approval of Brixadi (the US trade name for Buvidal) was submitted to the FDA on 1 June 2020. The application was accepted and the date of approval (PDUFA date) was set for 1 December 2020. Later in June we announced that, following our issuance of a material breach notice on our US partner Braeburn Inc., Braeburn has initiated arbitration proceedings in England, under the parties' license agreement. Through the arbitration Braeburn seeks a determination by the arbitral tribunal of whether the company is in such material breach of the license agreement. If the tribunal finds that Braeburn is in material breach,

"Significantly better patient reported satisfaction with Buvidal treatment compared to daily standard treatment"

Camurus will be entitled (subject to a 60-day cure period) to terminate the agreement and regain all rights granted to Braeburn, including the company's rights to Brixadi and other products in North America (including all regulatory filings). If the tribunal finds that Braeburn is not in material breach, the license agreement will remain in full force and effect. During the arbitration proceedings, which pursuant to the provisions of the license agreement are to be completed within 90 days from the appointment of a full arbitration panel, all of the parties' respective rights and obligations under the license agreement remain in full force and effect, including Braeburn's obligation to develop, register and commercialize Brixadi, as well as associated financial terms.

The opioid crisis in the US appears to have been exacerbated by Covid-19. In May, a 42% increase in suspected drug overdoses was recorded, according to the Overdose Detection Mapping Application Program (ODMAP), a federal initiative that collects data from ambulance personnel, hospitals and police. This is of grave concern, given the nearly 50,000 annual deaths associated with opioid overdoses in the US prior to Covid-19. We will therefore do our utmost to enable US patients to access Buvidal as a much-needed new and effective treatment option as soon as possible. This commitment also applies to Canada, which with an estimated 420,000 opioid dependent people[1] and rising overdose death rates is itself in the midst of an opioid crisis.

We also continue to work with our partners Medison and NewBridge Pharmaceuticals to introduce Buvidal in the Middle East and North Africa (MENA) with a focus on ongoing and planned registration processes. Furthermore, patients are being treated within the framework of early access programs.

In addition to opioid dependence, we are developing Buvidal/CAM2038 for the treatment of chronic pain.

During the quarter, a scientific advice meeting was held with regulatory authorities for the planned submission of a market authorization application to EMA during the second half of 2020.

Phase 3 studies and a new clinical program for CAM2029

After the patient recruitment for our ongoing Phase 3 studies of CAM2029 (long-acting octreotide) for the treatment of acromegaly stalled due to Covid-19, it is gratifying to see that more and more clinical sites are opening up for recruitment again. In order to maximize progression of the development project, we have focused on activities that are less affected by the current Covid-19 situation, such as the development of an auto-injector for CAM2029 and preparation of pharmacokinetic studies. As announced earlier, we expect some delays to the acromegaly project, but expect to continue the registration-based Phase 3 study in 2021 and the long-term study in early 2022.

In parallel with the development of acromegaly, planning and preparation of a Phase 3 study of CAM2029 for the treatment of neuroendocrine tumors is underway, with a scheduled start in early 2021 following a final reconciliation of the protocol with regulatory authorities in the third quarter of 2020.

Market surveys of CAM2029 in other indicative areas, including polycystic liver disease (PLD), representing a subgroup of patients with autosomal dominant polycystic kidney disease (ADPKD), were also completed during the quarter. This is a rare and serious chronic condition with significant negative impact on patient well-being and quality of life. Today, there is no approved treatment for PLD, but results from previous clinical studies of somatostatin analogues in patients with PLD suggest that CAM2029 may be an effective treatment.

"Positive results from a Phase 2 study of once-weekly setmelanotide"

Following a Board decision and a recently completed directed issue, we are in the process of starting the clinical development of CAM2029 for the treatment of PLD.

Finally, during the quarter a new patent was granted in the US, extending IP protection for CAM2029 to 2037.

Advances in the early pipeline and positive Phase 2 results

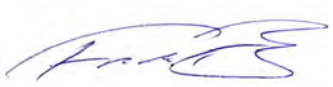
In addition to CAM2029, we continue to advance our early clinical programs in-house and with partners. In June, we announced positive results from a Phase 2 study of once-weekly setmelanotide, CAM4072, under development by our partner Rhythm Pharmaceuticals, for the treatment of rare genetic disorders of obesity. Results from the study in study participants with severe obesity showed that the treatment effect with the weekly product is comparable to that achieved with daily injections of setmelanotide - with the potential for improved convenience and compliance for patients. The next step is to discuss the path to market registration with the US FDA. In addition to setmelanotide, several development collaborations with international pharmaceutical companies continued during the quarter, including preparations for starting clinical studies of long-acting zilucoplan developed by Ra Pharmaceuticals (part of UCB) for the treatment of complement factor C5-mediated diseases. In addition, business discussions are underway regarding our own product candidates

Continued strong development and raised full year 2020 revenue prognosis

The second quarter has been both productive and eventful and Camurus has delivered strong sales development despite significant challenges during the Covid-19 pandemic.

For the fourth quarter in a row, we saw Buvidal sales growth of more than 50%. In addition to the positive development in our own markets, we look forward to final approval of Brixadi in the US on 1 December and completing the arbitration process with Braeburn.

To increase our financial flexibility and enable further market expansion for Buvidal, the upscaling of our commercial production and an expansion of the clinical program for CAM2029, a directed share issue of 2 million shares, raising proceeds of approximately SEK 300 million, was implemented on 2 July. I would like to take this opportunity to thank current and future shareholders for your support and our employees for their achievements and our impressive results during the first half of 2020. We have created a strong foundation for continued success in 2020 and the years to come.



Fredrik Tiberg,
President and Chief Executive Officer

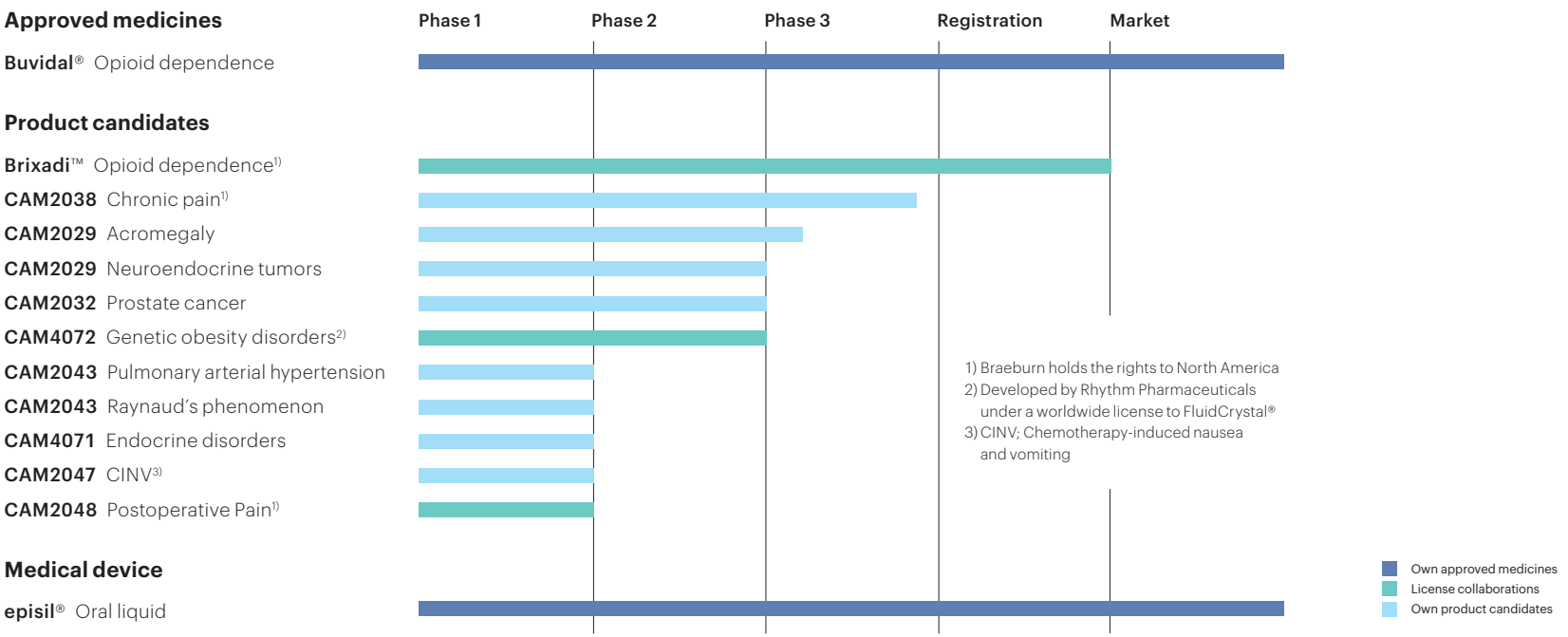
“Raised revenue and product sales forecast for the full year 2020.”

References

1. Opportunity Analysis and Forecast to 2027. Global Data 2018

Products and Pipeline

Camurus is a research-based pharmaceutical company with a focus on the development and commercialization of new and innovative pharmaceuticals for serious and chronic conditions, where there are clear medical needs and the potential to significantly improve treatment. For the development of new drug candidates Camurus utilizes its own proprietary formulation technology, such as the long-acting injection depot FluidCrystal®. New proprietary medicines with improved properties and treatment outcomes are developed by combining the Company's patented drug delivery technologies with active ingredients with documented safety and efficacy profiles. These are developed with significantly lower cost and risk, compared with the development of completely new pharmaceuticals. Camurus' development pipeline contains product candidates for the treatment of cancer and the side effects of cancer treatment, endocrine diseases, pain and addiction. A summary and status update on the different projects is given below.



Approved medicines

Buvidal® – 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 medical standard of care, effectively reducing withdrawal and cravings, and the risk of overdoses. However, these treatments are also associated with limitations such as poor treatment adherence, misuse, medication diversion, and accidental pediatric exposure.

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 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 opioids. Should the patient temporarily relapse and take heroin or other opioids, Buvidal blocks the opioid effect and could protect against overdose.

Buvidal has been studied in an extensive clinical development program consiting of seven studies, including two Phase 3 studies. 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 a high satisfaction, treatment retention and a good safety profile. 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, according to a dose conversion table. It is also possible for patients previously treated with methadone to switch to Buvidal. Buvidal is available for patients in Finland, Sweden, Denmark, Norway, Germany, the UK and Australia since 2019 and Austria since 2020.

STATUS Q2

The results from the investigator sponsored studies DEBUT and UNLOC-T, which have compared Buvidal with standard of care treatment in community and prison settings in Australia, were presented at the College on Problems of Drug Dependence conference in June. Both studies met the primary and secondary endpoints. DEBUT showed superior patient reported treatment satisfaction as well as statistically reduced treatment burden and improved quality of life with Buvidal versus buprenorphine standard of care. UNLOC-T investigated safety, treatment burden and costs associated with treatment with Buvidal vs. methadone. During the period, a prospective qualitative interview trial, exploring the potential of long-acting buprenorphine therapy in vulnerable people who use drugs and are homeless, was initiated in Scotland. In Germany, the investigator sponsored observational study ARIDE, comparing Buvidal with treatment with daily buprenorphine or methadone with regards to quality of life and other patient reported outcomes, continued.

Alongside the progress of the investigator sponsored studies, Camurus' applications for market approval in New Zealand and Switzerland as well as the application by the partner Medison in Israel, are being reviewed by local authorities. Furthermore, applications for market approvals in the Middle East and North Africa (MENA) region are being prepared in collaboration with the partner NewBridge. In the US, a request for final approval of Brixadi™ for treatment of opioid use disorder was submitted to the FDA, which was accepted with a Prescription Drug User Fee Act (PDUFA) date set to 1 December 2020.

Pipeline products

CAM2038 – Chronic pain

CAM2038 is being developed to provide round-the-clock pain relief, while decreasing the risk of respiratory depression and fatal overdoses associated with full mu-opioid agonists, and at the same time protect against misuse, abuse and illicit diversion. CAM2038 is primarily addressing needs for patients on high doses – there are currently more than 1 million patients in the US, Europe and Japan on daily opioid doses of 99 mg morphine equivalents or more. CAM2038 has been evaluated in a pivotal Phase 3 study in opioid experienced patients with chronic low-back pain. The study met both the primary and secondary endpoints. In addition, CAM2038 was studied in a Phase 3 extension study in patients with chronic, non-cancer pain.

STATUS Q2

Preparations for a marketing authorization application in EU progressed and a scientific advice meeting was held in preparation for a planned MAA submission in the second half of 2020.

CAM2029 –Acromegaly and neuroendocrine tumors

CAM2029 is a ready-to-use long-acting subcutaneous depot of octreotide in late stage development for the treatment of acromegaly and neuroendocrine tumors (NET). Somatostatin analogues, including octreotide, represent pharmacological standard of care with annual sales of more than 2.8 billion USD in 2019.[1]

CAM2029 is designed for easy self-administration by patients, using a prefilled syringe or autoinjector devices, with potential for improved patient convenience. In addition, CAM2029 provides significantly higher octreotide bioavailibility and exposure compared existing long-acting octreotide products, with the potential for imprioved efficacy in patients not responding satisfactory to current therapies.

CAM2029 has been studied in four Phase 1 and 2 studies, in healthy volunteers and acromegaly and NET patients, with positive results. In 2019, two Phase 3 studies of CAM2029 for the treatment of acromegaly were initiated.

STATUS Q2

Due to the ongoing Covid-19 pandemic, recruitment to the ongoing Phase 3 studies in acromegaly was stalled. However, during the second quarter clinical sites have started to open up for recruitment again. Currently, a three to six months delay of the acromegaly clinical program is expected, implying that the ongoing pivotal Phase 3 efficacy and long-term safety studies will be completed during in H2 2021 and H1 2022, respectively.

In parallel, we are preparing the start of a pharmacokinetic bridging clinical study for the autoinjector device in H2 2020 and start of the the pivotal Phase 3 program for NET early 2021. Furthermore, the development program for a third indication, polycystic liver disease (PLD), is being prepared. During the period a new patent for CAM2029 was granted in the US, extending the patent life for the product until 2037.

References

1. GlobalData 2020

CAM2043 – Pulmonary arterial hypertension and Raynaud's phenomenon

CAM2043 is a long-acting subcutaneous treprostinil formulation developed as a patient-friendly and effective treatment option for pulmonary arterial hypertension (PAH) and Raynaud's phenomenon (RP). Annual sales of current treprostinil products amount to more than 1 billion USD, the majority being parenteral treprostinil. Besides providing less frequent administration, CAM2043 can reduce the risks associated with current parenteral products for PAH, such as infusion related reactions, or the need to continuously carry an infusion pump. CAM2043 has been investigated in a completed open-label Phase 1 trial.

STATUS Q2

Preparations for a Phase 2 study of CAM2043 for the treatment of Raynaud's phenomenon have been completed and a clinical trial application has been granted by MHRA. The study is planned to start as soon the Covid-19 situation allows for the study to start.

CAM4072

CAM4072 is a weekly formulation of the MC-4 agonist setmelanotide developed together with our partner Rhythm Pharmaceuticals for the treatment of rare genetic disorders of obesity. During the quarter, positive Phase 2 results of CAM4072 were announced. The results showed study participants with severe obesity treated with the weekly formulation of setmelanotide achieved comparable weight loss to those treated with the daily formulation, and weekly setmelanotide was observed to be well-tolerated with a safety profile similar to the daily formulation. Rhythm is now preparing discussions with the FDA about the path to registration of the weekly formulation.

CAM4083

CAM4083 is a long-acting formulation of the complement component C5-inhibitor zilucoplan, which is being developed together with our partner Ra Pharmaceuticals for the treatment of generalized myasthenia gravis and other serious tissue-based complement-mediated disorders. Preparations for the start of the clinical development program of CAM4083 are ongoing.

CAM4071

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.

CAM2032

CAM2032 is a long-acting subcutaneous leuprolide depot for the treatment of prostate cancer. It is developed for convenient self-administration by patients and has been successfully evaluated in two Phase 2 studies in prostate cancer. Additional potential indications for CAM2032 include endometriosis and precocious puberty. Discussions with potential development and commercialization partners are ongoing.

CAM2047

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

CAM2048

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 is being developed in collaboration with Braeburn Pharmaceuticals and has been successfully evaluated in a completed Phase 1 trial. Partnering discussions are ongoing.

Medical device

episil®

episil® oral liquid is a medical device for the treatment of inflammatory and painful conditions in the oral cavity. The product provides fast 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, Finland, Denmark, Norway, and the UK, and through distribution partners in other countries like Japan, China and Australia.

Financial statements

Revenues

Net revenues during the quarter amounted to MSEK 80.9 (11.9), up 579%. Product sales totalled MSEK 75.8 (11.3), corresponding to an increase of 568% compared to Q2 2019, and 56% compared to previous quarter.

Half-year revenues were MSEK 130.2 (30.4), up 328%, whereof product sales were MSEK 124.4 (22.3), up 457%.

For further information, see Note 4.

Operating result

Marketing and distribution costs were MSEK 41.9 (46.3) in the quarter and MSEK 84.1 (84.1) for the half-year. Due to the ongoing Covid-19 pandemic, many scientific meetings and conferences have been cancelled or turned into virtual events. As a consequence, costs during the quarter and the first half of the year have decreased compared with the previous year.

Administrative expenses, including legal costs related to the initiated arbitration process, for the quarter were MSEK 9.9 (6.1) and MSEK 16.3 (13.1) for the half year.

R&D costs, including depreciation and amortization of tangible and intangible assets were MSEK 50.2 (67.7) and MSEK 118.9 (122.3) for the half year. The difference compared with the previous year is mainly due to significant start-up costs for the Phase 3 program for CAM2029 for the treatment of acromegaly in the second quarter of 2019.

The operating result for the quarter was MSEK -23.3 (-109.8), an improvement of 79%, and for the half year MSEK -100.3 (-194.2), correspondiong to an improvement by 48%.

Financial items and tax

Financial items in the period were MSEK -0.3 (-0.4) and MSEK -0.7 (-0.8) for the first half year.

Tax in the quarter was MSEK 3.7 (22.6) and for January-June MSEK 19.4 (39.8), a tax income mainly representing deferred tax for the reported loss during the period.

Result for the period

The result for the period amounted to MSEK -20.0 (-87.6), an improvement of 77% compared to 2019. Earnings per share before and after dilution were SEK -0,39 (-1,70). For the half year the result were MSEK -81.5 (-155.3), an increase of 48%, and corresponding to earnings per share before and after dilution of SEK -1,58 (-3.32).

Costs related to the ongoing arbitration process have been accounted for in the financial result at the time they occurred.

Cash flow and investment

Cash flow from operating activities, before change in working capital, was MSEK -22.2 (-108.4) during the quarter and MSEK -97.4 (-191.1) for the half year.

Change in working capital affected the cash flow by MSEK -44.0 (-13.1) in the quarter and during the half year by MSEK -34.5 (-20.9). The difference compared to previous year is mainly due to an increase in inventory of Buvidal to meet the increasing demands linked to the strong growth in our markets.

Cash flow from investing activities was MSEK -0.7 (-8.0) and MSEK -1.3 (-12.8) during January-June, relating to investmens in in ongoing clinical trials.

Cash flow from financing activities was MSEK -1.1 (6.2) in the quarter and MSEK -2.2 (374.4) year to date. The difference compared to last year mainly relates to proceeds from the rights issue in March 2019.

Cash

As of 30 June, 2020, the Company's cash position was MSEK 222.0 (283.1) with no loans, and no loans have been taken since then.

Equity

The consolidated equity as of 30 June, 2020 was MSEK 549.6 (480.5).

Parent company

Revenues for the quarter amounted to MSEK 82.6 (23.1) and to MSEK 135.2 (47.1) for the halft year.

Result after tax was MSEK -20.8 (-95.3) and MSEK -85.8 (-168.9) for the half year.

On 30 June 2020, equity in the Parent company was MSEK 499.5 (445.2). Total assets amounted to MSEK 629.4 (553.8), of which MSEK 190.0 (262.1) were cash and cash equivalents.

Acquisitions

No acquisitions or divestments have taken place during the period.

Camurus' share

Camurus' share is listed on Nasdaq Stockholm.

At the end of the period, the total number of shares and votes was 51,636,858 (47,976,858) and the difference compared to last year relates to the directed share issue completed in December 2019.

Currently Camurus has three subscription warrant programs active for the Company's employees. During the quarter, earnings after tax were negatively impacted by MSEK 1.2 related to the stay-on bonus the participants receive as part of the programs. More information about the programs are found in Note 2.3.

Significant event after the period

In July, Camurus completed a directed share issue of 2 million shares at a price of SEK 150/share, resulting in total proceeds of MSEK 300 before issue costs.

Personnel

At the end of the period, Camurus had 132 (117) employees, of whom 77 (65) were within research and development, 43 (41) within business development and marketing and sales, while 11 (10) were within administration. The number of employees, in terms of full-time equivalents, amounted to 118 (99) during the quarter and 115 (96) during the first six months.

Financial outlook for 2020

On June 23, Camurus revised its financial outlook for the full year 2020. Net revenues were raised to MSEK 340 – 380, from previously MSEK 290 – 330, excluding milestone payments relating to a US approval of Brixadi™. After the increase, product sales are expected between MSEK 310 – 340, increased from MSEK 240 - 280, while the full year OPEX (operating expenses) is expected to remain in the range of MSEK 570 – 610.

The outlook is based on exchange rates in June 2020.

Audit

This report has not been reviewed by the Company's auditor.

Forward-looking statements

This report includes forward-looking statements about expected and assumed future events, such as start of new development programs and regulatory approvals, and financial performance. These events are subject to risks, uncertainties and assumptions, which may cause actual results to differ materially from previous judgements.

Financial calendar 2020

Q3 2020 5 November, 2020

Further information

For further information, please contact:
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Tel. +46 46 286 46 92
e-mail: ir@camurus.com

Lund, Sweden, 15 July, 2020
Camurus AB
Board of Directors

CERTIFICATION

The Board of Directors and the CEO certify that this interim report gives a true and fair view of the Company's and Groups' operations, financial position and results and describes significant risks and uncertainties that the Company and the subsidiaries included in the Group face.

Lund, Sweden, 15 July, 2020

Camurus AB

Per-Olof Wallström
Chairman of the Board

Behshad Sheldon
Board Member

Fredrik Tiberg
President and CEO, Board Member

Hege Hellström
Board Member

Kerstin Valinder Strinnholm
Board Member

Mark Never
Board Member

Martin Jonsson
Board Member

Ole Vahlgren
Board Member

This interim report has not been reviewed by the Company's auditors.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KSEK	Note	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net revenues	4	80,872	11,913	130,168	30,407	105,605
Cost of goods sold		-4 376	-1,981	-12,156	-4,978	-23,287
Gross profit		**76,496**	**9,932**	**118,012**	**25,429**	**82,318**
Operating expenses						
Marketing and distribution costs		-41,948	-46,325	-84,123	-84,104	-170,540
Administrative expenses		-9,861	-6,127	-16,324	-13,061	-23,468
Research and development costs		-50,249	-67,672	-118,905	-122,319	-249,226
Other operating income		2,240	392	2,470	388	894
Other operating expenses		–	–	-1,380	-563	–
Operating result		**-23,322**	**-109,800**	**-100,250**	**-194,230**	**-360,022**
Finance income		55	–	109	22	43
Finance expenses		-371	-413	-763	-819	-1,585
Net financial items		**-316**	**-413**	**-654**	**-797**	**-1,542**
Result before tax		**-23,638**	**-110,213**	**-100,904**	**-195,027**	**-361,564**
Income tax	9	3,678	22,568	19,392	39,756	71,699
Result for the period[1)]	5	**-19,960**	**-87,645**	**-81,512**	**-155,271**	**-289,865**
Other comprehensive income						
Exchange-rate differences		-920	-62	-480	197	258
Comprehensive income for the period		**-20,880**	**-87,707**	**-81,992**	**-155,074**	**-289,607**

1) All attributable to Parent Company shareholders.

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

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Earnings per share before dilution, SEK	-0.39	-1.70	-1.58	-3.32	-6.23
Earnings per share after dilution, SEK	-0.39	-1.70	-1.58	-3.32	-6.23

For more information about calculation of earnings per share, see Note 5.
Presently, the Company has three subscription warrant programs active.
For further information see page 14 Camurus' share, and Note 2.3.

CONSOLIDATED BALANCE SHEET

KSEK	Note	30-06-2020	30-06-2019	31-12-2019
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		36,798	26,095	37,335
Tangible assets				
Lease assets		25,264	27,777	27,722
Equipment		9,930	11,252	10,662
Financial assets				
Deferred tax receivables	9	278,376	219,441	256,637
Total fixed assets		**350,368**	**284,565**	**332,356**
Current assets				
Inventories				
Finished goods and goods for resale		54,023	14,772	14,243
Raw material		28,230	9,614	18,849
Total inventories		**82,253**	**24,386**	**33,092**
Current receivables				
Trade receivables		46,438	15,061	34,791
Other receivables		13,834	8,991	5,197
Prepayments and accrued income		8,482	9,097	7,866
Total current receivables	6	**68,754**	**33,149**	**47,854**
Cash and cash equivalents		222,004	283,066	358,744
Total current assets		**373,011**	**340,601**	**439,690**
TOTAL ASSETS		**723,379**	**625,166**	**772,046**

KSEK	Note	30-06-2020	30-06-2019	31-12-2019
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to Parent Company shareholders				
Share capital		1,291	1,199	1,291
Other contributed capital		1,412,659	1,127,092	1,412,687
Retained earnings, including result for the period		-864,336	-647,811	-782,344
Total equity	10	**549,614**	**480,480**	**631,634**
LIABILITIES				
Long-term liabilities				
Lease liabilities		20,705	23,635	22,938
Total long-term liabilities		**20,705**	**23,635**	**22,938**
Short-term liabilities				
Trade payables		31,366	17,860	17,387
Lease liabilities		4,444	3,399	4,394
Income taxes		4,807	2,883	1,687
Other liabilities		8,831	8,570	5,806
Accrued expenses and deferred income		103,612	88,339	88,200
Total short-term liabilities	6	**153,060**	**121,051**	**117,474**
TOTAL EQUITY AND LIABILITIES		**723,379**	**625,166**	**772,046**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	Note	Share capital	Other contri-buted capital	Retained earnings, including result for the period	Total equity
Opening balance 1 January, 2019		**960**	**744,101**	**-492,737**	**252,324**
Comprehensive income for the period		–	–	-155,074	-155,074
Transactions with shareholders					
Rights issue		239	402,766	–	403,005
Issuance costs, net after deferred tax			-26,431	–	-26,431
Subscripton warrants		–	6,656	–	6,656
Closing balance 30 June, 2019		**1,199**	**1,127,092**	**-647,811**	**480,480**
Opening balance 1 January, 2019		**960**	**744,101**	**-492,737**	**252,324**
Comprehensive income for the period		–	–	-289,607	-289,607
Transactions with shareholders					
Share issues[1)]		331	702,794	–	703,125
Issuance costs, net after deferred tax		–	-40,815	–	-40,815
Subscription warrants		–	6,607	–	6,607
Closing balance 31 December, 2019		**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 period		–	–	-81,992	-81,992
Subscription warrants		–	-28	–	-28
Closing balance 30 June, 2020	10	**1,291**	**1,412,659**	**-864,336**	**549,614**

1) Rights issue in March and directed share issue in December.

CONSOLIDATED STATEMENT OF CASH FLOW

KSEK	Note	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Operating activities						
Operating profit/loss before financial items		-23,322	-109,800	-100,250	-194,230	-360,022
Adjustments for non-cash items	8	2,585	2,177	5,054	4,333	9,014
Interest received		55	–	109	22	43
Interest paid		-371	-413	-763	-819	-1,585
Income taxes paid		-1,165	-409	-1,575	-402	-2,962
		-22,218	**-108,445**	**-97,425**	**191,096**	**-355,512**
Increase/decrease in inventories		-45,200	-8,199	-49,161	-14,556	-23,262
Increase/decrease in trade receivables		-4,841	-9,609	-11,647	-12,781	-32,511
Increase/decrease in other current receivables		-9,001	1,427	-9,253	1,216	6,241
Increase/decrease in trade payables		10,398	1,023	13,979	-17,921	-18,394
Increase/decrease in other current operating liabilities		4,645	2,288	21,557	23,173	19,074
Cash flow from changes in working capital		***-43,999***	***-13,070***	***-34,525***	***-20,869***	***-48,852***
Cash flow from operating activities		**-66,217**	**-121,515**	**-131,950**	**-211,965**	**-404,364**
Investing activities						
Acquisition of intangible assets		-241	-6,639	-652	-11,164	-23,442
Acquisition of tangible assets		-430	-1,315	-658	-1,633	-2,462
Cash flow from investing activities		**-671**	**-7,954**	**-1,310**	**-12,797**	**-25,904**
Financing activities						
Amortization of lease liabilities		-1,105	-821	-2,181	-1,642	-3,513
Share issue after issuance costs		–	408	–	369,378	651,197
Subscription warrants		-28	6,656	-28	6,656	6,607
Cash flow from financing activities		-1,133	**6,243**	**-2,209**	**374,392**	**654,291**
Net cash flow for the period		**-68,021**	**-123,226**	**-135,469**	**149,630**	**224,023**
Cash and cash equivalents at beginning of the period		291,301	406,622	358,744	134,377	134,377
Translation difference in cash flow and liquid assets		-1,276	-330	-1,271	-941	344
Cash and cash equivalents at end of the period		**222,004**	**283,066**	**222,004**	**283,066**	**358,744**

INCOME STATEMENT – PARENT COMPANY

KSEK	Note	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales		82,587	23,092	135,161	47,149	123,042
Cost of goods sold		-5,657	-3,555	-16,451	-6,552	-22,965
Gross profit		**76,930**	**19,537**	**118,710**	**40,597**	**100,077**
Operating expenses						
Marketing and distribution costs		-45,231	-54,373	-92,708	-108,141	-201,261
Administrative expenses		-9,911	-11,744	-16,320	-13,189	-23,560
Research and development costs		-49,442	-73,281	-117,454	-130,950	-269,325
Other operating income		1,753	318	1,757	31	567
Other operating expenses		–	–	-1,410	-165	–
Operating result		**-25,901**	**-119,543**	**-107,425**	**-211,817**	**-393,502**
Interest income and similar items		55	–	109	22	43
Interest expense and similar items		-8	-6	-11	-18	-33
Result after financial items		**-25,854**	**-119,549**	**-107,327**	**-211,813**	**-393,492**
Result before tax		**-25,854**	**-119,549**	**-107,327**	**-211,813**	**-393,492**
Tax on result for the period	9	5,086	24,277	21,564	42,899	78,983
Result for the period		**-20,768**	**-95,272**	**-85,763**	**-168,914**	**-314,509**

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

BALANCE SHEET – PARENT COMPANY

KSEK	Note	30-06-2020	30-06-2019	31-12-2019
ASSETS				
Fixed assets				
Tangible assets				
Equipment		9,759	11,047	10,479
Financial assets				
Interests in Group companies		2,317	2,317	2,317
Deferred tax assets	9	286,716	225,152	265,152
Total fixed assets		**298,792**	**238,516**	**277,948**
Current assets				
Inventories				
Finished goods and goods for resale		47,671	13,173	13,579
Raw material		28,230	9,614	18,849
Total inventories		**75,901**	**22,787**	**32,428**
Current receivables				
Receivables subsidiaries		10,472	–	–
Trade receivables		36,060	15,061	31,777
Other receivables		8,780	5,172	2,356
Prepayments and accrued income		9,414	10,193	8,619
Total current receivables		**64,726**	**30,426**	**42,752**
Cash and bank deposit		190,004	262,052	332,607
Total current assets		**330,631**	**315,265**	**407,787**
TOTAL ASSETS		**629,423**	**553,781**	**685,735**

KSEK	Note	30-06-2020	30-06-2019	31-12-2019
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital (51,636,858 shares)		1,291	1,199	1,291
Statutory reserve		11,327	11,327	11,327
Total restricted equity		**12,618**	**12,526**	**12,618**
Unrestricted equity				
Retained earnings		-806,432	-491,923	-491,923
Share premium reserve		1,379,045	1,093,478	1,379,073
Result for the period		-85,763	-168,914	-314,509
Total unrestricted equity		**486,850**	**432,641**	**572,641**
Total equity	10	**499,468**	**445,167**	**585,259**
LIABILITIES				
Untaxed reserves				
Depreciation/amortization in excess of plan		3,486	3,486	3,486
Total untaxed reserves		**3,486**	**3,486**	**3,486**
Long-term liabilities				
Liabilities to subsidiaries		572	572	572
Total long-term liabilities		**572**	**572**	**572**
Short-term liabilities				
Liabilities to subsidiaries		–	6,470	639
Trade payables		29,011	16,555	13,906
Other liabilities		5,825	5,894	3,576
Accrued expenses and deferred income		91,061	75,637	78,297
Total short-term liabilities		**125,897**	**104,556**	**96,418**
TOTAL EQUITY AND LIABILITIES		**629,423**	**553,781**	**685,735**

KEY FIGURES AND DEFINITIONS

Key figures, MSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net revenues	80.9	11.9	130.2	30.4	105.6
Operating expenses	-102.1	-120.1	-219.4	-219.5	-443.2
Operating result	-23.3	-109.8	-100.3	-194.2	-360.0
Result for the period	-20.0	-87.6	-81.5	-155.3	-289.9
Cash flow from operating activities	-66.2	-121.5	-132.0	-212.0	-404.4
Cash and cash equivalents	222.0	283.1	222.0	283.1	358.7
Equity	549.6	480.5	549.6	480.5	631.6
Equity ratio in Group, percent	76%	77%	76%	77%	82%
Total assets	723.4	625.2	723.4	625.2	772.0
Weighted average number of shares, before dilution*)	51,636,858	51,563,913	51,636,858	46,720,893	46,496,256
Weighted average number of shares, after dilution*)	53,557,081	53,506,864	53,557,616	48,575,331	48,601,481
Earnings per share before dilution, SEK*)	-0.39	-1.70	-1.58	-3.32	-6.23
Earnings per share after dilution, SEK*)	-0.39	-1.70	-1.58	-3.32	-6.23
Equity per share before dilution, SEK*)	10.64	9.32	10.64	10.28	13.58
Equity per share after dilution, SEK*)	10.26	8.98	10.26	9.89	13.00
Number of employees at end of period	132	117	132	117	120
Number of employees in R&D at end of period	77	65	77	65	67
R&D costs as a percentage of operating expenses	49%	56%	54%	56%	56%

*) The dilution effect, regarding 2019, is calculated according to IAS 33

Cash and cash equivalents Cash and cash bank balances

Equity ratio, percent Equity divided by total capital

Weighted average number of shares, before dilution
Weighted average number of shares before adjustment for dilution effect of net shares

Weighted 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 average number of shares at the period before dilution

Equity per share after dilution, SEK Equity divided by the weighted average 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)

Note 1 General information

Camurus AB, Corp. ID No. 556667-9105 is the parent company of the Camurus Group and has its registered office based in Lund, Sweden, at Ideon Science Park, 223 70 Lund. Camurus AB Group's interim report for the second quarter 2020 has been approved for publication by the Board of Directors and the chief executive officer.

All amounts are stated in SEK thousands (KSEK), unless otherwise indicated. Figures in brackets refer to the year-earlier period.

Note 2 Summary of key accounting policies

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 Account Act.

This interim report has been drawn up in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company statements have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for legal entities from the Swedish Financial Reporting Board. The application of RFR 2 means that the Parent Company in the interim report for the legal entity shall apply all EU-approved IFRS standards and statements as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act (Tryggandelagen) and taking into consideration the relationship between accounting and taxation. The Parent Company's accounting policies are the same for the Group, unless otherwise stated in Note 2.2.

The most important accounting policies that are applied in the preparation of these consolidated financial statements are detailed below and are the same and consistent with those used in the preparation of Annual Report 2019, see camurus.com/Investors/Financial Reports.

2.1 BASIS OF PREPARATION OF REPORTS

2.1.1 Changes to accounting policies and disclosures

No new or revised IFRS standards, with any material impact on the Group, have come into force.

2.2 PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company applies accounting policies that differ from those of the Group in the cases stated below.

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. Impairment losses are recognized under the item "Result from interest in Group companies".

Group contributions

Group contributions paid by the Parent Company to subsidiaries and Group contributions received from subsidiaries by the Parent Company are recognized as appropriations.

Financial instruments

IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and liabilities and is applied with the exceptions that RFR2 allows, i.e. at amortized cost.

2.3 SHARE-BASED PAYMENT

Camurus has three long-term incentive programs active for the Company's employees. The warrants are valued by an independent institute in accordance with Black&Scholes model and are acquired by the participants at market value. As part of the program, the participants receive a threepiece stay-on bonus from the Company in form of gross salary additions equivalent to the amount paid by the participant for the subscription warrants. The stay-on bonus is conditional on continued employment. Costs including social security fee, are based on how much has been earned, and are expensed over the vesting period. Expenses are recognized as personnel cost in the income statement. The programs were adopted by the Annual General Meeting (AGM) in 2017, 2018 and 2019. A fifth program, of 1,2 million subscription warrants, was adopted by the AGM 7 May 2020.

Program	Number of subscribed warrants	Potential dilution of the subscribed warrants	Subscription period	Strike price SEK, for subscription of shares upon exercise	Market value[3]	Number of employees participating in the program
TO2017/2020	715,816[1,2]	1.39%[1,2]	15 May 2020-15 Dec 2020	153.91[1]	15 May 2017: 17.00 SEK 19 Sep 2017: 15.60 SEK	44
TO2018/2021	605,519[1,2]	1.17%[1,2]	15 May 2021-15 Dec 2021	133.39[1]	14 May 2018: 12.83 SEK 20 Aug 2018: 9.94 SEK	46
TO2019/2022	597,459[2]	1.16%[2]	15 May 2022-15 Dec 2022	98.90	3 Jun 2019: 11.10 SEK	63
Totalt	**1,918,794**	**3.72%**				

1) After recalculation of TO2017/2020 and 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 1,813,791, corresponding to a dilution effect of 3.51 percent.
2) No further allocation can be made.
3) 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 3 Significant risks and uncertainties

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 revenues and costs in connection with licensing agreements and deferred tax receivables. 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 non-approval or delays of clinical trial applications and market approvals, and commercial risks relating to the sale of proprietary and competing products and their development on 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. 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. An example of this is the dispute that has arisen between Camurus and Braeburn in respect of Braeburn's performance of its obligations under the license agreement for Brixadi™ and CAM2038 for treatment of chronic pain. Depending on the outcome, the usual costs of an arbitration process may be reimbursed in whole or in part by the other party if Camurus wins the process. Should the other party win the process, Camurus may have to pay both its own and the other party's reasonable legal costs.

Camurus pursues operations and its business on the international market and the Company is therefore exposed to currency risks, since revenues and costs arise in different currencies, mainly AUD, EUR, GBP, NOK, SEK and USD.

The Group reports a deferred tax asset of MSEK278.4 MSEK as of 30 June, 2020. 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 that 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. We see the European Commission approval of Buvidal® for treatment of opioid dependence on November 22, 2018, Australian TGA's approval on November 28, 2018, the launch and ongoing sale of Buvidal in EU and Australia, and the FDA's tentative approval for Brixadi, weekly and monthly depot on December 21, 2018 (meaning that Brixadi has met all regulatory requirements but that a final approval of Brixadi (monthly depot) is dependent on the expiry of an exclusivity period which may not last longer than until November 2020), as further validation of our formulation technology FluidCrystal, and are events that confirm the likelihood assessments made by the Company when determening the amount of the deferred tax asset. Future revenues will mainly be generated from Camurus' own sales organization in markets where Camurus have own commercialization capabilities, and through partnerships for 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.

A more detailed description of the Group's risk exposure is included in Camurus Annual Report 2019 (The Director's Report).

The Board of Directors has not changed its outlook on future developments in relations to their outlook published in the interim report for the first quarter 2020.

Note 4 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 manages. As the operations in the Group, i.e. the development of pharmaceutical products based on Camurus' technology platform, 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 is 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-wide information

To follow is a breakdown of revenues from all products and services.

Revenues allocated by products and services	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Sales of development related goods and services	5,117	564	5,736	2,225	7,001
Licensing revenues and milestone payment	–	–	63	5,865	26,520
Product sale[1)]	75,755	11,349	124,369	22,317	72,084
Total	**80,872**	**11,913**	**130,168**	**30,407**	**105,605**

1) Related to Buvidal and episil

Revenues allocated by geographical area	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Europe	50,279	9,825	82,246	21,138	61,426
(whereof Sweden)	(2,828)	(817)	(5,227)	(1,076)	(4,028)
North America	5,043	347	5,721	1,656	24,803
Asia including Oceania	25,550	1,741	42,201	7,613	19,376
Total	**80,872**	**11,913**	**130,168**	**30,407**	**105,605**

Revenues during the quarter of approximately MSEK 19.8 (8.3) relate to one single external customer.

99.8 (99.7) percent of the Group's fixed assets are located in Sweden.

Note 5 Earnings per share

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.

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 are compared to the number of shares that would have been issued assuming the warrants are exercised.

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Result attributable to Parent Company shareholders	**-19,960**	**-87,645**	**-81,512**	**-155,271**	**-289,865**
Weighted average number of ordinary shares outstanding (thousands)	**51,637**	**47,977**	**51,637**	**43,471**	**45,950**

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Result attributable to Parent Company shareholders	**-19,960**	**-87,645**	**-81,512**	**-155,271**	**-289,865**
Weighted average number of ordinary shares outstanding (thousands)	**51,637**	**47,977**	**51,637**	**43,471**	**45,950**
Adjustment for fund issue element[1] (thousands)	–	3,587	–	3,250	546
Weighted average number of ordinary shares outstanding (thousands)	**51,637**	**51,564**	**51,637**	**46,721**	**46,496**
Adjustment for warrants (thousands)	1,920	1,943	1,921	1,854	2,105
Weighted average number of ordinary shares used in calculation of earnings per share after dilution (thousands)	**53,557**	**53,507**	**53,558**	**48,575**	**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 6 Financial instruments – Fair value of financial assets and liability measured at amortized cost

All of the Group's financial instruments that are measured at amortized cost are short-term and expire within one year. The fair value of these instruments is deemed to correspond to their reported amounts, since discounting effects are minimal.

Balance sheet assets, KSEK	30-06-2020	30-06-2019	31-12-2019
Trade receivables	46,438	15,061	34,791
Cash and cash equivalents	222,004	283,066	358,744
Total	**268,442**	**298,127**	**393,535**
Balance sheet liabilities, KSEK			
Trade payables	31,366	17,860	17,387
Other liabilities	190	190	190
Total	**31,556**	**18,050**	**17,577**

Note 7 Related party transaction

There were no related party transactions outside of the Camurus Group during the period.

No receivables or liabilities existed as of 30 June, 2020.

Note 8 Other non-cash items

Adjustment for non-cash items:

KSEK	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Depreciation	2,585	2,177	5,054	4,333	9,014
Total	**2,585**	**2,177**	**5,054**	**4,333**	**9,014**

Note 9 Tax

Tax income for the quarter amounted to MSEK 3.7 (22.6), primary attributable to the negative result.

Note 10 Equity

The change in equity for the quarter is mainly attributable to the loss during the period.

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