camurus®

INTERIM REPORT FOR
THE SECOND QUARTER 2019

"Camurus had a productive quarter with significant progress in the commercial business, start of a pivotal Phase 3 study of CAM2029, and a new FluidCrystal® partnership„

camurus.

Camurus is committed to developing and commercializing innovative and long-acting medicines for the treatment of severe and chronic conditions, including opioid dependence, pain, cancer and endocrine disorders. New drug products are based on our proprietary FluidCrystal® technologies with the purpose to deliver improved quality of life, treatment outcomes and resource utilization. The company's share is listed on Nasdaq Stockholm under the ticker "CAMX". For more information, visit **camurus.com**

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SUMMARY SECOND QUARTER 2019

- Net revenues in the quarter were MSEK 11.9 (7.3), whereof product sales MSEK 11.3 (2.9)
- Half-year net revenues were MSEK 30.4 (22.3) whereof product sales MSEK 22.3 (5.9)
- Patients in treatment with Buvidal® increased from approximately 500 to 1,300 patients across 150 clinics
- Buvidal® launch expanded to Australia and Norway
- Positive pricing and reimbursement decisions achieved on key markets
- Phase 3 study of CAM2029 in acromegaly initiated following IND acceptance by the FDA
- GMP manufacturing of CAM2029 in final prefilled syringe presentation completed
- Braeburn initiated court proceedings to overturn a 3-year market exclusivity extending to 30 Nov. 2020 and seek immediate market approval of Brixadi™ (the US trade name for Buvidal®)
- Fast track (180 days) registration procedure granted for Buvidal® in Israel
- Clinical data for Buvidal® presented at several international conferences, including ASAM in Orlando, IOTOD in Frankfurt, Albatros in Paris, and CPDD in San Antonio, Texas
- Positive Phase 3 results from long-term study of Buvidal® published in the leading journal Addiction[1]

SIGNIFICANT EVENTS AFTER THE PERIOD

- License agreement with Ra Pharmaceuticals for weekly zilucoplan FluidCrystal® injection depot

FINANCIAL SUMMARY

MSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Net Revenue	11.9	7.3	30.4	22.0	49.3
– Whereof product sales	11.3	2.9	22.3	5.9	11.3
Operating result	-109.8	-81.2	-194.2	-127.6	-287.2
Result for the period	-87.6	-67.5	-155.3	-103.8	-234.7
Earnings per share SEK before and after dilution	-1.83	-1.81	-3.57	-2.78	-6.20
Cash position	283.1	199.1	283.1	199.1	134.4

1) Frost M, Bailey GL, Lintzeris N. et al, Long-term safety of a weekly and monthly subcutaneous buprenorphine depot (CAM2038) in the treatment of adult out-patients with opioid use disorder. Addiction 2019;114(8):1416-1426

FINANCIAL CALENDAR 2019

Presentation Q2 2019	**18 July 2019, 2 pm CET**
Q3 report 2019	**8 November 2019**

INVESTOR CONFERENCE CALL, ANALYSTS AND MEDIA

Q2 report for 2019 and an operational update will be presented by CEO Fredrik Tiberg and members of the Camurus management team on Thursday 18 July 2019, at 2 pm (CET). The conference call can also be followed by a link on the website, **camurus.com**

External link:
https://financialhearings.com/event/12053

Positive momentum in the launch of Buvidal®

During the second quarter we reached several important business goals.The launch of Buvidal® for the treatment of opioid dependence was expanded and pricing and reimbursement approvals were obtained in key markets in the EU and Australia. A pivotal Phase 3 study of CAM2029 octreotide SC depot was initiated after IND acceptance by the FDA. In addition, positive results in a research collaboration with Ra Pharma for a new FluidCrystal® based long-acting formulation of zilucoplan for the treatment of life threatening blood and tissue disorders resulted in a new license agreement, signed after the period.

BUVIDAL® REACHING NEW MARKETS

We have continued our launch efforts in the first wave markets, Finland, Sweden, Denmark, Germany and the UK. The feedback from patients and healthcare professionals continues to be positive and inspiring, with numerous reports of how Buvidal® is transforming lives of individuals and families with opioid dependence. Additionally, our initial estimates suggest that treatment retention rates on Buvidal® are high – similar or better than in the Phase 3 long-term safety study[1]. The number of patients in treatment with Buvidal® increased during the period from about 500 to 1,300, across more than 150 clinics. In our first market, Finland, Buvidal® already has a market share of more than 20% of buprenorphine treated patients and about 15% of all treated patients. As expected, the initial uptake has not been as fast on all markets, due to extended pricing and reimbursement processes. However, we made excellent progress during the quarter and received four positive reimbursement decisions from national authorities in key markets, including in Australia and Norway. In addition, more than 30 formularies in the UK have agreed to include Buvidal® on their listings, representing about one third of all patients with opioid dependence. Sales in other geographies continue to increase, with a high interest in both community and criminal justice settings. In addition, launch preparations have also progressed in the second and third wave markets. By the end of the year, we expect Buvidal® to be available on at least 10 markets, representing almost 400,000 patients in treatment for opioid dependence.

APPROVAL STATUS IN THE US AND ISRAEL

Early in the quarter, our partner Braeburn filed an action in the United States District Court for the District of Columbia (District Court), seeking to overturn the earlier decision by the US Food and Drug Administration (FDA) awarding a three-year period of exclusivity to Sublocade™, which blocks approval of Brixadi™ monthly until November 30, 2020. The District Court held a hearing on the proceedings on July 15th, 2019, and a decision is expected later in the third quarter. A positive outcome at the District Court could potentially give patients in the US earlier access to Brixadi™ weekly and monthly depots for treatment of opioid use disorder.

In Israel, our partner Medison was granted fast track (180 days) registration procedure for Buvidal® and is now on track for late 2019 approval.

> **„The feedback from patients and healthcare professionals continues to be positive and inspiring"**

PHASE 3 PUBLICATION IN OPIOID DEPENDENCE

In May 2019, detailed results from the global Phase 3 long-term safety study were published online in Addiction[1], showing long-term safety, efficacy and high rates of patient satisfaction with Buvidal®. Clinical results with Buvidal® were also presented at multiple international scientific conferences: ASAM in Orlando, Florida, IOTOD in Frankfurt, Germany, Albatros Addiction Congress in Paris, France, and CPDD in San Antonio, Texas. The presentations included new analysis of Phase 3 data in patients using fentanyl, a growing problem around the

1) Frost M, Bailey GL, Lintzeris N. et al, Long-term safety of a weekly and monthly subcutaneous buprenorphine depot (CAM2038) in the treatment of adult out-patients with opioid use disorder. Addiction 2019;114(8):1416-1426

> "The start of the pivotal Phase 3 study of CAM2029 represents an important milestone for Camurus„

world, showing improved outcomes with Buvidal® versus daily standard treatment with sublingual buprenorphine/naloxone. Additionally, two clinical studies of Buvidal® in outpatient and criminal justice settings respectively have been progressing according to plan. Initial results from both studies are expected in the fourth quarter.

PREPARATIONS FOR REGULATORY SUBMISSION FOR CAM2038 IN CHRONIC PAIN

In the quarter, we also completed a 52-week Phase 3 long-term safety extension study of CAM2038 in patients with chronic pain. Data from the study, including pharmacokinetics, are currently being analyzed and the study report is being compiled. Pre-submission meetings with regulatory authorities in the EU are planned during the autumn, followed by regulatory submissions in the first half of 2020. Based on the product profile and the positive results obtained in the pivotal Phase 3 study, we believe CAM2038 has a significant potential in the chronic pain area. With effective long-acting pain relief and reduced risk of misuse, illegal diversion and overdosing, we believe that CAM2038 could become an effective, convenient and potentially safer treatment alternative for patients in need for strong opioid analgesics, such as morphine, oxycodone and fentanyl.

According to external assessments, one million patients in the seven largest global markets (7MM) are taking high doses of opioid analgesic drugs, morphine equivalent dose above 100 mg/day. About 2.5 million are estimated to be on doses above 50 mg/day.

PHASE 3 ENTRY WITH CAM2029 IS A SIGNIFICANT MILESTONE FOR CAMURUS

Following the IND acceptance for entering Phase 3 with CAM2029 octreotide subcutaneous (SC) depot, Camurus now has two innovative product candidates in Phase 3 development, each addressing significant unmet medical needs and markets with large potential. With its ready-for-use design, enabling convenient once-monthly dosing and enhanced plasma exposure, CAM2029 has an attractive target product profile with best-in-class potential on a global somatostatin analogue market currently worth more than $2.6 billion.

The start of the pivotal Phase 3 study of CAM2029 represents an important milestone for Camurus. We will enroll 78 patients in about 50 clinical sites in the US and Europe. The last patient in is expected mid-2020. In parallel, we will also conduct a Phase 3 long-term safety study in newly recruited patients and rollover patients from the pivotal study. Both studies are expected to be completed during 2021.

> "We expect a strong news flow and revenue growth in line with our guidance„

PROGRESS IN EARLY PIPELINE AND A NEW PROMISING PARTNERSHIP WITH RA PHARMA

Aside from the late stage pipeline progress, we continued advancing our early stage programs, including initiating manufacturing of clinical batches of our CAM2043 weekly treprostinil depot for a planned Phase 2 start in H2 2019. Additionally, formulation optimization was performed for two new long-acting peptide formulations targeting different endocrine disorders, which we plan to take into clinical development in 2020.

In the collaboration with Rhythm, a Phase 2 study of CAM4072, a weekly setmelanotide depot addressing rare genetic obesity disorders is ongoing, and expected to be completed by the end of the year. In parallel, manufacturing preparations are being conducted for a planned Phase 3 start in 2020.

After the quarter, following a successful feasibility study, we signed a license agreement with Ra Pharmaceuticals for a zilucoplan FluidCrystal® depot for the treatment of complement component 5 mediated disorders, including generalized myasthenia gravis and paroxysmal nocturnal hemoglobinuria. Under the agreement, Camurus will receive an upfront payment of $2 million and is eligible to receive up to $14.5 million in development milestones and other license payments, $55 million in sales milestones and a tiered single-digit royalty on product sales related to the extended release FluidCrystal® formulation of zilucoplan.

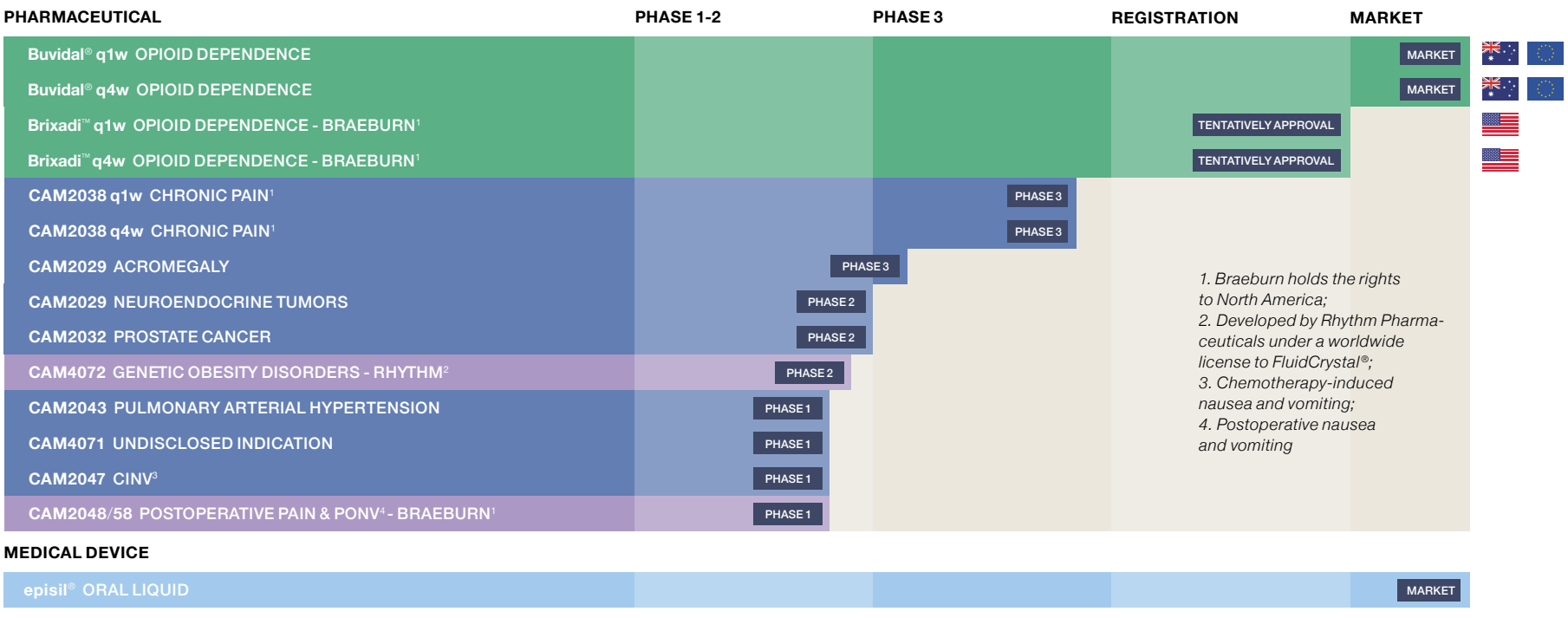
CAMURUS WELL POSITIONED FOR THE SECOND HALF OF 2019

Camurus had a productive quarter with significant progress in the commercial business, start of a pivotal Phase 3 study of CAM2029, and a new FluidCrystal® partnership. With several positive pricing and reimbursement decisions and launch expansion to new markets, we have laid the foundation for a significantly increased patient access to Buvidal® in Europe and Australia. We see a significant commercial opportunity and an increasing external interest for CAM2029 in acromegaly, neuroendocrine tumors and other indications. In addition, we have growing pipeline of attractive product candidates in clinical development, addressing unmet needs of patients with severe and chronic disease. Together with an increasing number of products and technology partnerships, we expect a strong news flow and revenue growth in line our earlier guidance.

Fredrik Tiberg
President and CEO

Broad and diversified 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.



Buvidal® – opioid dependence

Opioid dependence is a serious, chronic, relapsing disease and a growing global health problem. Medication assisted treatment (MAT) with daily buprenorphine and methadone is the current standard of care, effectively reducing withdrawal and cravings, misuse and spread of diseases. However, these treatments are also associated with limitations such as stigma and burdens of daily, often supervised, dosing, limited treatment adherence, misuse, medication diversion, and accidental pediatric exposure.

Buvidal® (CAM2038) weekly or monthly subcutaneous injectable formulation of buprenorphine is developed to promote compliance and eliminate the risk of abuse and diversion compared to current daily treatments. Buvidal® is the first long-acting injectable for treatment of opioid dependence that is approved in EU and Australia. It gives healthcare providers the possibility to individualize treatment according to the patient's needs and is designed to mirror the dosing regimen of daily buprenorphine, allowing for direct transition from daily buprenorphine therapy. Buvidal® relieves the patient from the daily reminder and burden of the disease and allows the healthcare provider to focus on treating the disease and counseling the patient rather than policing medical compliance. Buvidal® may promote greater treatment adherence, thereby reducing costs for supervision and the risks of relapse, overdose and death.

Buvidal® has been studied in a comprehensive clinical program comprising seven clinical studies, including two Phase 3 studies. A pivotal efficacy study met both the FDA and EMA primary efficacy endpoints (responder rate and mean percentage of urine samples negative for illicit opioids). In addition, superiority of Buvidal® was demonstrated for the cumulative percentage of patients with no evidence of illicit opioid use during treatment weeks 4 to 24. The safety profile of Buvidal® was generally consistent with the known safety profile of buprenorphine except for mild-tomoderate injection-site adverse events. The results of clinical trials have been presented at several international scientific/clinical meetings as well as published in well-renowned international scientific/medical journals.

In November 2018, Camurus received EU approval for weekly and monthly Buvidal® for the treatment of opioid dependence in adults and adolescents aged 16 years or over. Later in the month, Buvidal® Weekly and Buvidal® Monthly depots were also approved in Australia by the Australian Therapeutic Goods Administration (TGA) for maintenance treatment of opioid dependence within a framework of medical, social and psychosocial support. In January 2019, Buvidal® was launched as the first long-acting opioid dependence treatment in the EU. In December 2018, the FDA issued a tentative approval of Brixadi™ (the US trade name for Buvidal®). With the tentative approval, Brixadi™ has met all regulatory standards of clinical and non-clinical safety, efficacy and quality for US approval. However, final approval of a monthly depot is according to the FDA subject to the expiration of an exclusivity period granted to Sublocade™ until 30 November 2020.

STATUS Q2

During the quarter, the Buvidal® launch continued in the first wave markets, Finland, Sweden, Denmark, Germany and the UK, and also expanded to Australia and Norway where positive reimbursement decisions was secured. In the first launch market, Finland, Buvidal® reached a market share of more than 20% of buprenorphine treated patients and about 15% of all treated patients. The initial uptake on other markets has been slower, waiting for reimbursement decisions and formulary listings. In the UK, more than 30 formularies have now agreed to include Buvidal® on their listings, representing about one third of all patients. Sales in other geographies continue to increase, with high interest in both community and criminal justice settings.

In May 2019, detailed results from the global Phase 3 long-term safety study were published online in Addiction, showing long-term safety, efficacy and high rates of patient satisfaction with Buvidal®. Clinical results with Buvidal® were also presented at multiple international scientific conferences, including ASAM's Annual Meeting in Orlando, Florida; IOTOD in Frankfurt, Germany; Albatros Addiction Congress in Paris, France; CPDD in San Antonio, Texas. These included new analysis of Phase 3 data in Fentanyl users showing improved outcomes with Buvidal® versus daily sublingual treatment.

In April 2019, Camurus' partner Braeburn initiated court proceedings to overturn a market exclusivity extending to 30 November 2020 and seek immediate market approval of Brixadi™ for the treatment of opioid use disorder in the US. A court hearing was held on the 15th June and a decision by the court is expected in the third quarter.

In Israel, Camurus' distribution partner Medison Pharma was granted Fast track (180 days) registration procedure for Buvidal® and is now on track for a late 2019 approval.

CAM2038 – 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, such as morphine, oxycodone and fentanyl. With CAM2038 we aim to provide the combination of longlasting efficacious analgesia with the reduced risk of misuse, abuse and illicit diversion.

CAM2038 has been successfully evaluated in a randomized Phase 3 efficacy study in opioid experienced patients with chronic low-back pain. The study met its primary and first secondary endpoints by demonstrating that treatment with CAM2038 resulted in significantly improved relief of the average and worst pain intensity compared to placebo. The additional secondary endpoints were supportive of the main results.

STATUS Q2
The 52-week Phase 3 long-term safety extension study of CAM2038 in chronic pain was completed during the quarter. Data from the study, including pharmacokinetics, are currently being analyzed and the study report is being compiled. Pre-submission meetings with regulatory authorities in the EU are planned during the autumn, followed by regulatory submissions in the first half of 2020.

CAM2029 – acromegaly and NET

CAM2029 is a ready-to-use long-acting subcutaneous depot of the active substance octreotide, a synthetic peptide analogue of the natural peptide hormone somatostatin and used for the treatment of acromegaly and neuroendocrine tumors (NET). CAM2029 is formulated with Camurus' patented FluidCrystal® injection depot technology and is being developed as a pre-filled syringe equipped with an automatic needle-stick prevention device. The current market leading somatostatin analog product Sandostatin® LAR® needs to be reconstituted in several steps before intramuscular injection by healthcare professionals. CAM2029 is designed for easy self-administration by patients themselves and thus offers the potential for improved patient convenience. In addition, CAM2029 provides higher bioavailability of octreotide in comparison to Sandostatin® LAR®, which may improve treatment efficacy for patients not responding satisfactory to current therapies.

CAM2029 has been evaluated in four clinical Phase 1/2 trials and demonstrated positive results in a Phase 2 multicenter study in patients with acromegaly and NET, including well maintained or improved biochemical control in patients with acromegaly and symptom control in patients with functioning NET after switch from Sandostatin® LAR®.

STATUS Q2
During the quarter, the FDA accepted the IND for entering Phase 3 with CAM2029 once-monthly octreotide subcutaneous depot for treatment of acromegaly. The Phase 3 trial is a randomized, double-blind, placebocontrolled, multinational, multi-center study in patients with acromegaly and previously treated with long-acting somatostatin analogues. Patients will be treated with CAM2029 or placebo for 24 weeks, and the primary efficacy measure is biochemical response, as measured by insulin growth hormone-1 (IGF-1) levels. The study will be performed at around 50 clinical sites in the US and in Europe and the last patient in is expected mid-2020.

In parallel, a Phase 3 long-term safety study in newly recruited patients and rollover patients from the pivotal study will be conducted. Both studies are expected to be completed during 2021.

Manufacturing of the first clinical batches of CAM2029 in final product format have been completed and released.

CAM2043 – PAH

Pulmonary arterial hypertension (PAH) is a rare and severe progressive disease characterized by elevated blood pressure in the pulmonary arteries. Without therapeutic intervention, the disease progresses rapidly and the increased pulmonary vascular resistance and incremental strain on the right ventricle leads to heart failure and death, with a median survival of 3 years after diagnosis. Prostacyclin analogs, such as treprostinil, are known to be efficacious, and parenteral therapy with these is recommended by guidelines 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.

CAM2043 is a long-acting treprostinil formulation, based on our FluidCrystal® injection depot technology, being developed as a patient-friendly treatment option for PAH. CAM2043 is a ready-to-use subcutaneous injection which is self-administered via a prefilled syringe as a small dose volume (≤1 mL), allowing dose titration for efficacy and tolerability.

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. Injection site reactions were acceptable and resolved over time.

STATUS Q2
Further clinical development of CAM2043 is now being prepared and a Phase 2 study is planned to start in H2 2019.

Other pipeline projects

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

STATUS Q2
CAM2032
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 the FluidCrystal® injection depot technology, CAM2032 is being developed for self-administration with a prefilled syringe as a small dose volume which does not require any reconstitution or temperature conditioning. Additional

potential indications for CAM2032 include precocious puberty and endometriosis.

Discussions with potential development and commercialization partners are ongoing.

CAM2047, CAM2048 and CAM2058

Three new investigational products, based on our FluidCrystal® injection depot technology, are being developed for the treatment of chemotherapy induced nausea and vomiting (CAM2047), pain (CAM2048), and the combined treatment of postoperative pain, nausea and vomiting (CAM2058).

Results from a Phase 1 trial of CAM2047, CAM2048 and CAM2058 demonstrated that all products were well tolerated locally and systemically, with pharmacokinetic profiles meeting the target specifications for these product candidates. Planning of the registration program and analysis of market potential of these product candidates are ongoing.

CAM4071

CAM4071 is a long-acting formulation of pasireotide based on our FluidCrystal injection depot technology, which has been investigated in a completed Phase 1 trial. The results from the study were presented at the European Congress of Endocrinology 2018, demonstrating a rapid onset and long-acting release of pasireotide and pharmacodynamic response after dosing of CAM4071.

CAM4072

CAM4072 is a weekly formulation of the melanocortin 4 (MC4) agonist setmelanotide based on Camurus FluidCrystal® technology and is being developed by our partner Rhythm Pharmaceuticals for the treatment of rare genetic obesity disorders. The FDA has granted Rhythm's setmelanotide Breakthrough Therapy designation for the treatment of pro-opiomelanocortin (POMC) and leptin receptor (LepR) deficiency obesity and Orphan Drug Designation of treatment Prader-Willis Syndrome. Rhythm Pharmaceuticals has also received PRIority Medicines (PRIME) designation for setmelanotide in Rare Genetic Disorders of Obesity from the EMA. Results from Phase 2 clinical trials of setmelanotide demonstrated significant reductions in compulsive overeating and body weight for patients with POMC and LepR deficiency obesity. Phase 3 clinical trials are ongoing for the daily setmelanotide formulation and for each of these indications while the long-acting formulation of setmelanotide, CAM4072, is being developed in parallel. Rhythm has successfully completed Phase 1 studies of single and repeat doses of CAM4072 and is currently conducting a Phase 2 study along with manufacturing preparations for Phase 3.

CAM4083

CAM4083 is a weekly formulation of zilucoplan, a complement component 5 (C5) inhibitor in development by Camurus partner Ra Pharmaceuticals for the treatment of generalized myasthenia gravis (gMG), immune-mediated necrotizing myopathy (IMNM), and other tissue-based, complement-mediated disorders with high unmet medical need. In pre-clinical testing, a single dose of the zilucoplan FluidCrystal® formulation in non-human primates rapidly achieved and maintained target levels of complement inhibition for at least seven days without the need for an intravenous loading regimen.

Ra Pharmaceuticals is currently preparing for clinical development of the zilucoplan FluidCrystal® formulation.

Medical device – episil®

episil® oral liquid is a medical device for the treatment of inflammatory and painful conditions in the oral cavity, currently being marketed in Europe, the US and other territories. The product provides fast pain relief and protection of sore and inflamed mucosal surfaces caused by, for example, 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 our FluidCrystal® topical bioadhesive technology.

STATUS Q2

Camurus' partner Solasia Pharma received market approval for episil in China in February and is is being launched. Market approval in Australia was received in by our partner BioImpact Pty in February and activities are ongoing to prepare for launch in Australia in the third quarter of 2019.

FINANCIAL OVERVIEW

REVENUES

Revenues during the quarter amounted to MSEK 11.9 (7.3), an increase of 63 percent compared to the second quarter 2018. Product sales amounted to MSEK 11.3 (2.9), in alignment with the estimated number of patients in treatment with Buvidal® in the second quarter. Half-year revenues were MSEK 30.4 (22.0), an increase of 38 percent, of which 22.3 (5.9) were product sales. The reason for the similar product sales in the first and second quarter is the customary initial inventory build-up by pharmacies and wholesalers during launch of Buvidal®. For further information, see note 4.

OPERATING RESULT

Marketing and distribution costs during the quarter, were MSEK 46.3 (24.1) and MSEK 84.1 (41.6) for the half year. The increase compared to last year is mainly attributable to the expansion of the commercial organization and costs for the Buvidal® launch in Europe and Australia.

Administrative expenses for the quarter were MSEK 6.1 (5.5) and MSEK 13.1 (10.5) for the half year.

R&D costs, including depreciation and amortization of tangible and intangible assets were MSEK 67.7 (57.3) during the quarter and MSEK 122.3 (94.8) for the half year. The increase compared to the previous year is primarily related to the start of the Phase 3 program for CAM2029 for the treatment of acromegaly.

The operating result for the quarter was MSEK -109,8 (-81.2) and MSEK -194.2 (-127.6) for the half year.

FINANCIAL ITEMS AND TAX

Financial items in the period were MSEK -0.4 (0.0) and MSEK -0.8 (0.0) for the half year. The difference is mainly related to the implementation of IFRS 16 Leases in January 2019.

Tax in the quarter was MSEK 22.6 (13.6) and for January-June MSEK 39.8 (23.7), representing mainly deferred tax for the reported loss during the period.

The Swedish corporate tax rate for 2019 has been reduced to 21.4 percent.

RESULT FOR THE PERIOD

The result for the period was MSEK -87.6 (-67.5), corresponding to earnings per share of SEK -1.83 (-1.81) before and after dilution. The difference in result compared to the second quarter 2018 is primarily due to increasing commercial costs associated with the launch of Buvidal® in the EU and Australia, and initial investments in the Phase 3 program for CAM2029. These cost increases where partly compensated by the product sales of Buvidal® during the quarter. The result for the first six months were MSEK -155.3 (-103.8), corresponding to earnings per share of SEK -3.57 (-2.78).

1 January 2019 IFRS 16 Leases was implemented. This affected the result positively by MSEK 0.1.

CASH FLOW AND INVESTMENT

Cash flow from operating activities, before change in working capital, was negative and amounted to MSEK -108.4 (-80.0) during the period and to MSEK -191.1 (-125.2) for the half year.

Change in working capital affected the cash flow negatively by MSEK -13.1 (7.9) and the difference compared to the same period last year is mainly attributable to higher trade receivables and an increase in inventory of Buvidal® to meet an increasing customer demand. During the half year change in working capital affected cash flow negatively by MSEK -20.9 (6.1).

Cash flow from investing activities was MSEK -8.0 (-1.8) in the quarter, and MSEK -12.8 (-2.4) in the half year, and relates to investments in the DEBUT study in Australia.

From financing activities cash flow in the period was MSEK 6.2 (6.7) related to transfer of warrants to employees in the program TO2019/2022 resolved by the AGM 9 May, 2019. Cash flow from financing activities the first six first months was MSEK 374.4 (6.7) and the difference is mainly related to the rights issue completed in March 2019.

CASH

The company's cash position as of 30 June, 2019 was MSEK 283.1 (199.1). The difference compared to the previous year is mainly attributable to the operating result and the rights issue completed in March 2019.

The company had no loans as of 30 June, 2019, and no loans have been taken up since.

EQUITY

Consolidated equity as of 30 June, 2019 was MSEK 480.5 (383.0). The difference compared to the previous year isrelated to the company's result and the rights issue completed in March when MSEK 376.3 in net proceeds were raised.

ACQUISITIONS

During the quarter establishment of the European commercial organization progressed and wholly owned subsidiaries have been set up in Spain and in Denmark.

CAMURUS' SHARE

Camurus' share is listed on Nasdaq Stockholm.

At the end of the period, the total number of shares and votes was 47,976,858 (38,381,486) and the difference compared to the previous year relates to the rights issue completed in March 2019.

Camurus has four subscription warrant programs active for the company's employees. During the quarter, earnings after tax were negatively impacted by MSEK 3.8 related to the stay-on bonus the participants receive as part of the programs.

For information about number of warrants, potential dilution, subscription periods, strike prices and number of employees participating in the programs, see Note 2.3.

PARENT COMPANY

Revenues for the quarter amounted to MSEK 23.1 (11.0) and to MSEK 47.1 (28.3) for the half year. The result after tax was MSEK -95.3 (-68.2) and MSEK -168.9 (-104.7) for the half year.

On 30 June, 2019, equity in the Parent Company amounted to MSEK 445.2 (364.6).

Total assets at the end of the period was MSEK 553.8 (469.5) of which MSEK 262.1 (189.3) were cash and cash equivalents. The difference compared to the previous year relates to the net result for the period and the rights issue completed in March 2019.

OTHER DISCLOSURES

PERSONNEL
At the end of the period, Camurus had 117 (76) employees, of whom 65 (52) were within research and development, 41 (15) within business development and marketing and sales, while 10 (8) were within administration. The number of employees, in terms of full-time equivalents, amounted to 99 (67) during the quarter.

SIGNIFICANT EVENTS AFTER THE PERIOD
License agreement with Ra Pharmaceuticals for weekly zilucoplan FluidCrystal® injection depot.

FINANCIAL OUTLOOK FOR 2019
Reiterated outlook; Camurus expects full-year revenue to be in the range of MSEK 130 - 160, excluding potential early milestone payments regarding Brixadi™ in the US. Product sales are expected to be in the range of MSEK 70 - 90. This outlook is based on current exchange rates in March 2019.

AUDIT
This report has not been reviewed by the company's auditors.

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. This may cause actual results to differ materially from previous judgements.

FURTHER INFORMATION
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Lund, Sweden, 17 July 2019
Camurus AB
Board of Directors

Board assurance

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, 17 July, 2019

Camurus AB

Per-Olof Wallström
Chairman of the Board

Per-Anders Abrahamsson
Board Member

Marianne Dicander Alexandersson
Board Member

Martin Jonsson
Board Member

Mark Never
Board Member

Behshad Sheldon
Board Member

Fredrik Tiberg
President and CEO, Board Member

Kerstin Valinder Strinnholm
Board Member

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

Consolidated statement of comprehensive income

KSEK	Note	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Net revenues	4	11,913	7,315	30,407	21,954	49,321
Cost of goods sold		-1,981	-1,217	-4,978	-2,764	-6,822
Gross profit		**9,932**	**6,098**	**25,429**	**19,190**	**42,499**
Marketing and distribution costs		-46,325	-24,146	-84,104	-41,648	-100,884
Administrative expenses		-6,127	-5,516	-13,061	-10,515	-21,999
Research and development costs		-67,672	-57,337	-122,319	-94,839	-207,664
Other operating income		392	46	388	227	830
Other operating expenses		–	-301	-563	–	–
Operating result		**-109,800**	**-81,156**	**-194,230**	**-127,585**	**-287,218**
Finance income		–	37	22	77	175
Finance expenses		-413	-11	-819	-18	-25
Net financial items		**-413**	**26**	**-797**	**59**	**150**
Result before tax		**-110,213**	**-81,130**	**-195,027**	**-127,526**	**-287,068**
Income tax	9	22,568	13,622	39,756	23,749	52,392
Result for the period	5	**-87,645**	**-67,508**	**-155,271**	**-103,777**	**-234,676**
Exchange-rate differences		-62	49	197	197	46
Comprehensive income for the period		**-87,707**	**-67,459**	**-155,074**	**-103,580**	**-234,630**

Total comprehensive income is attributable to Parent Company shareholders.

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

SEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Earnings per share before dilution, SEK	-1.83	-1.81	-3.57	-2.78	-6.20
Earnings per share after dilution, SEK	-1.83	-1.81	-3.57	-2.78	-6.20

Presently, the company has four subscription warrant programs active.
For further information see page 7 Camurus' share, and Note 2.3.

Consolidated balance sheet

KSEK	Note	2019-06-30	2018-06-30	2018-12-31
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		26,095	15,609	15,975
Tangible assets				
Lease asset		27,777	–	–
Equipment		11,252	11,256	10,899
Financial assets				
Deferred tax receivables	9	219,441	141,431	170,955
Total fixed assets		**284,565**	**168,296**	**197,829**
Current assets				
Inventories				
Finished goods		14,772	2,317	4,700
Raw materials		9,614	4,004	5,130
Total inventories		**24,386**	**6,321**	**9,830**
Current receivables				
Registered but unsettled issue payment		–	94,357	–
Trade receivables		15,061	2,368	2,280
Other receivables		8,991	6,542	9,604
Prepayments and accrued income		9,097	13,156	10,804
Total current receivables	6	**33,149**	**116,423**	**22,688**
Cash and cash equivalents		283,066	199,093	134,377
Total current assets		**340,601**	**321,837**	**166,895**
TOTAL ASSETS		**625,166**	**490,133**	**364,724**

KSEK	Note	2019-06-30	2018-06-30	2018-12-31
EQUITY				
Equity attributable to parent company shareholder				
Share capital		1,199	960	960
Other contributed capital		1,127,092	743,785	744,140
Retained earnings, including comprehensive result for the period		-647,811	-361,754	-492,776
Total equity	10	**480,480**	**382,991**	**252,324**
LIABILITIES				
Long-term liabilities				
Lease liabilities		23,635	–	–
Total long-term liabilities		**23,635**	**–**	**–**
Short-term liabilities				
Trade payables		17,860	29,186	35,781
Lease liabilities		3,399	–	–
Income taxes		2,883	1,138	1,708
Other liabilities		8,570	6,078	3,549
Accrued expenses and deferred income		88,339	70,740	71,362
Total short-term liabilities		**121,051**	**107,142**	**112,400**
TOTAL EQUITY AND LIABILITIES		**625,166**	**490,133**	**364,724**

Consolidated statement of changes in equity

KSEK	Note	Share capital	Other contributed capital	Retained earnings, including result for the period	Total equity
Opening balance 1 January 2018		**932**	**642,175**	**-258,107**	**385,000**
Comprehensive income for the period		–	–	-103,580	-103,580
Transactions with shareholders					
Directed share issue		28	102,272	–	102,300
Issuance costs, net after deferred tax		–	-7,456	–	-7,456
Warrants issued		–	6,726	–	6,726
Closing balance 30 June 2018		**960**	**743,717**	**-361,687**	**382,991**
Opening balance 1 January 2018		**932**	**642,175**	**-258,107**	**385,000**
Comprehensive income for the period		–	–	-234,630	-234,630
Transactions with shareholders					
Directed share issue		28	102,272	–	102,300
Issuance costs, net after deferred tax		–	-7,456	–	-7,456
Warrants issued		–	7,110	–	7,110
Closing balance 31 December 2018		**960**	**744,101**	**-492,737**	**252,324**
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
Warrants issued		–	6,656	–	6,656
Closing balance 30 June 2019	10	**1,199**	**1,127,092**	**-647,811**	**480,480**

Consolidated statement of cash flow

KSEK	Note	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Operating activities						
Operating result before financial items		-109,800	-81,156	-194,230	-127,585	-287,218
Adjustment for non-cash items	8	2,177	1,126	4,333	2,322	4,450
Interest received		–	37	22	77	175
Interest paid		-413	-11	-819	-18	-25
Income taxes paid		-409	–	-402	–	-272
		-108,445	**-80,004**	**-191,096**	**-125,204**	**-282,890**
Increase/decrease in inventories		-8,199	-3,957	-14,556	-2,768	-6,277
Increase/decrease in trade receivables		-9,609	-1,098	-12,781	3,413	3,501
Increase/decrease in other current receivables		1,427	-7,186	1,216	-10,790	-9,884
Increase/decrease in trade payables		1,023	16,607	-17,921	14,100	20,695
Increase/decrease in other current operating liabilities		2,288	3,542	23,173	2,108	771
Cash flow from changes in working capital		***-13,070***	***7,908***	***-20,869***	***6,063***	***8,806***
Cash flow from operating activities		**-121,515**	**-72,096**	**-211,965**	**-119,141**	**-274,084**
Investing activities						
Acquisition of intangible assets		-6,639	–	-11,164	–	-1,404
Acquisition of tangible assets		-1,315	-1,758	-1,633	-2,424	-3,357
Cash flow from investing activities		**-7,954**	**-1,758**	**-12,797**	**-2,424**	**-4,761**
Financing activitie						
Increase/decrease in long-term liabilities		-821	–	-1,642	–	–
Share issue		408[1)]	–	369,378[2)]	–	92,741[3)]
Warrants issued		6,656	6,726	6,656	6,726	7,110
Cash flow from financing activities		**6,243**	**6,726**	**374,392**	**6,726**	**99,851**
Net cash flow for the period		**-123,226**	**-67,128**	**149,630**	**-114,839**	**-178,994**
Cash and cash equivalents at beginning of period		406,622	266,633	134,377	314,524	314,524
Translation difference in cash flow and liquid assets		-330	-412	-941	-592	-1,153
Cash and cash equivalents at the end of period		**283,066**	**199,093**	**283,066**	**199,093**	**134,377**

[1)] Difference between preliminary and actual issuance costs. [2)] Rights issue in March 2019. [3)] Directed share issue in June 2018.

Income statement – Parent Company

KSEK	Note	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Net sales		23,092	11,011	47,149	28,276	67,111
Cost of goods sold		-3,555	-1,217	-6,552	-2,764	-6,822
Gross profit		**19,537**	**9,794**	**40,597**	**25,512**	**60,289**
Marketing and distribution costs[1)]		-54,373	-11,854	-108,141	-22,127	-46,970
Administrative expenses[1)]		-11,744	-22,995	-13,189	-38,690	-99,890
Research and development costs		-73,281	-56,828	-130,950	-93,795	-206,709
Other operating income		318	15	31	270	838
Other operating expenses		–	-324	-165	–	–
Operating result		**-119,543**	**-82,192**	**-211,817**	**-128,830**	**-292,442**
Interest income and similar items		–	37	22	77	175
Interest expense and similar items		-6	-11	-18	-18	-24
Result after financial items		**-119,549**	**-82,166**	**-211,813**	**-128,771**	**-292,291**
Result before tax		**-119,549**	**-82,166**	**-211,813**	**-128,771**	**-292,291**
Tax on profit for the period	9	24,277	13,919	42,899	24,102	53, 527
Result for the period		**-95,272**	**-68,247**	**-168,914**	**-104,669**	**-238,764**

[1)] During 2018 group internal recharges were included in the function administrative expenses.
As of 2019 these costs have been reclassified as marketing and distribution costs.
With the same classification in 2018, administrative expenses during the second quarter previous year would have amounted to KSEK 5,485, half year to KSEK 10,484 and full year to KSEK 21,615. Marketing and distribution costs during the second quarter previous year would have amounted to KSEK 29,364, half year to KSEK 50,333 and full year to KSEK 125,245.
The increase in costs compared to previous year, is mainly related to group internal recharges regarding the commercial organization.

Total comprehensive income is the same as profit/loss for the period, as the parent company contains no items that are recognized under other comprehensive income.

Balance sheet – Parent Company

KSEK	Note	2019-06-30	2018-06-30	2018-12-31
ASSETS				
Fixed assets				
Tangible fixed assets				
Equipment		11,047	11,078	10,689
Financial fixed assets				
Interest in Group companies		2,317	1,545	1,800
Deferred tax assets	9	225,152	145,631	175,056
Total fixed assets		**238,516**	**158,254**	**187,545**
Current assets				
Inventories				
Finished goods		13,173	2,317	4,700
Raw materials		9,614	4,004	5,130
Total inventories		**22,787**	**6,321**	**9,830**
Current receivables				
Registered but unsettled issue payment		–	94,357	–
Trade receivebles		15,061	2,368	2,280
Other receivables		5,172	5,894	7,219
Prepayments and accrued income		10,193	12,961	10,679
Total current receivables		**30,426**	**115,580**	**20,178**
Cash and bank deposits		262,052	189,302	123,858
Total current assets		**315,265**	**311,203**	**153,866**
TOTAL ASSETS		**553,781**	**469,457**	**341,411**

KSEK	Note	2019-06-30	2018-06-30	2018-12-31
EQUITY AND LIABILITES				
Restricted equity				
Restricted equity (47,976,858 shares)		1,199	960	960
Statutory reserve		11,327	11,327	11,327
Total restricted equity		**12,526**	**12,287**	**12,287**
Unrestricted equity				
Retained earnings		-491,923	-253,159	-253,159
Share premium reserve		1,093,478	710,103	710,487
Result for the period		-168,914	-104,669	-238,764
Total unrestricted equity		**432,641**	**352,275**	**218,564**
TOTAL EQUITY		**445,167**	**364,562**	**230,851**
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				
Liability to subsidiaries		572	571	572
Total long-term liabilities		**572**	**571**	**572**
Short-term liabilities				
Liabilities to Group companies		6,470	2,905	9,065
Trade payables		16,555	28,845	32,650
Other liabilities		5,894	4,728	2,355
Accrued expenses and deferred income		75,637	64,359	62,432
Total short-term liabilities		**104,556**	**100,837**	**106,502**
TOTAL EQUITY AND LIABILITY		**553,781**	**469,457**	**341,411**

KEY FIGURES AND DEFINITIONS (Group)

MSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Net sales	11.9	7.3	30.4	22.0	49.3
Operating result	-109.8	-81.2	-194.2	-127.6	-287.2
Result for the period	-87.6	-67.5	-155.3	-103.8	-234.7
Cash flow from operating activities	-121.5	-72.1	-212.0	-119.1	-274.1
Cash and cash equivalents	283.1	199.1	283.1	199.1	134.4
Equity	480.5	383.0	480.5	383.0	252.3
Equity ratio, percent	77%	78%	77%	78%	69%
Total assets	625.2	490.1	625.2	490.1	364.7
Average number of shares, before dilution	47,976,858	37,305,930	43,470,744	37,293,641	37,842,034
Average number of shares, after dilution*)	49,919,809	38,567,080	45,325,182	38,455,285	39,231,356
Earnings per share before dilution, SEK	-1.83	-1.81	-3.57	-2.78	-6.20
Earnings per share after dilution, SEK*)	-1.83	-1.81	-3.57	-2.78	-6.20
Equity per share before dilution, SEK	10.01	10.26	11.05	10.26	6.67
Equity per share after dilution, SEK*)	9.63	9.93	10.60	9.96	6.43
Number of employees at the end of period	117	76	117	76	94
Number of employees in R&D at the end of period	65	52	65	52	58
R&D costs as a percentage of operating expenses	56%	66%	56%	65%	63%

**) 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 after adjustment 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 end of 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 percentage of operating expenses
Research and development costs divided by operating expenses (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. Camurus AB's registered office is based in Lund, Sweden, at Ideon Science Park, 223 70 Lund. Camurus AB Group's interim report for the second quarter 2019 was approved for publication by the Board of Directors and the chief executive officer.

All amounts are stated in SEK thousand (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 Group's accounting principles in full will be presented in the annual report for 2019.

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 2018, see camurus.com/Investors/Financial Reports. In addition, the new standard IFRS 16 Leases came into force 1 January 2019 replacing IAS 17 Leases.

At the transition to IFRS 16, Camurus have chosen to perform the transition in line with the Cumulative catch-up approach and have applied the practical approach to not restate any comparative information. Right-of-use assets have been determined as an amount equal to the lease liabilities as identified at initial application. The lease portfolio includes only a few lease contracts and covers mainly operational leases for offices, laboratories and company cars. For contracts concerning premises, Camurus has determined a contract period, taken into account how notice and extension clauses have been applied previously, the premise's importance to the Company's operations and R&D, any planned or already implemented investments to the leased facility as well as market situation for premises. A discount rate has been applied for the asset classes Buildings and Vehicles. Lease contracts shorter than 12 months or ending within 12 months at the date of application are considered short-term and hence not recognized as lease liability or right-of-use asset. Furthermore, low value contracts (with a value below USD 5,000) are also excluded from being recognized as lease liability or right-of-use asset.

As an effect of the transition, the Groups' total assets at the transition date 1 January 2019 have increased with MSEK 29,8, representing 4.2% of the balance sheet. The Group's financial liabilities have increased by MSEK 28,7, representing 4.1% of the balance sheet. For information about change in opening balance 1 January 2019, see table on next side.

During the quarter, IFRS 16 impact on the operating profit was MSEK 1.0 in increased depreciations and MSEK 1.2 in decreased other operating expenses. Thus, no material impact on operating profit and EPS.

Change in opening balance 1 January 2019 due to transition to IFRS 16 Leases

KSEK	2018-12-31	IFRS 16 adjustment	2019-01-01
ASSETS			
Fixed assets			
Intangible assets	15,975	–	15,975
Tangible assets	10,899	29,780	40,679
Financial assets	170,955	–	170,955
Total fixed assets	**197,829**	**29,780**	**227,609**
Current assets			
Current assets	166,895	-1,104	165,791
Total current assets	**166,895**	**-1,104**	**165,791**
Total assets	**364,724**	**28,676**	**393,400**
EQUITY AND LIABILITIES			
Equity	**252,324**	**–**	**252,324**
Long-term liabilities			
Lease liabilities	–	25,277	25,277
Other liabilities, non-interest bearing	–	–	–
Totalt long-term liabilities	**–**	**25,277**	**25,277**
Short-term liabilities			
Lease liabilities	–	3,399	3,399
Other liabilities, non-interest bearing	112,400	–	112,400
Total short-term liabilities	**112,400**	**3,399**	**115,799**
TOTAL EQUITY AND LIABILITIES	**364,724**	**28,676**	**393,400**

2.1 BASIS OF PREPARATION OF REPORTS

2.1.1 Changes to accounting policies and disclosures

New or revised IFRS standards that have come into force have not had any material impact on the Group.

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.

Interest in subsidiary

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 four 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 three-piece stay-on bonus from the company in form of gross salary additions equivalent to the amount paid by the participant for the subscription warrants. As 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 in 2016, 2017, 2018 and 2019. Below a summary of the programs:

Program	Number of subscribed warrants	Potential dilution of the subscribed warrants	Subscription period	Strike price SEK, for subscription of shares upon exercise	Number of employees participating in the program
TO2016/2019	438,175[1,2)]	0.91%[1,2)]	15 May 2019-15 Dec 2019	91.81[1)]	47
TO2017/2020	715,816[1,2)]	1.49%[1,2)]	15 May 2020-15 Dec 2020	153.91[1)]	44
TO2018/2021	610,950[1,2)]	1.27%[1,2)]	15 May 2021-15 Dec 2021	133.39[1)]	47
TO2019/2022	599,959[2)]	1.25%[2)]	15 May 2022-15 Dec 2022	98.90	64
Totalt	**2,364,900**	**4.98%**			

[1)] After recalculation of TO2016/2019, TO2017/2020 and TO2018/2021, which according to the terms of the programs was called for in connection with the rights issue in March 2019.
[2)] No further allocation can be made.

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. Camurus pursues operations and its business on the international market and the company is therefore exposed to current risks, since revenues and costs arise in different currencies, mainly SEK, EUR, GBP and USD. The Group reports a deferred tax asset of MSEK 219.4 as of 30 June 2019. 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, and the FDA's tentative approval for Brixadi™, weekly and monthly depot on December 21, 2018 (meaning that Brixadi™ has met all regulatory requirements regarding clinical and preclinical safety, treatment effect and quality, but that a final approval of Brixadi™ (monthly depot) is dependent on the expiry of an exclusivity period granted by the FDA to Sublocade™; 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 calculating the amount of the deferred tax asset. Future revenues will be generated through partnerships for markets where Camurus has out-licensed FluidCrystal® and/or product candidates or products such as Buvidal®, and from Camurus' own sales organization for the markets where Camurus have own commercialization capabilities to sell pharmaceutical products. 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 2018 (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 2019.

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.

KSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Sales of development related goods and services	564	4,072	2,225	7,904	11,379
License and milestone revenues	–	309	5,865	8,149	26,626
Product sales*)	11,349	2,934	22,317	5,901	11,316
Total	**11,913**	**7,315**	**30,407**	**21,954**	**49,321**

*) Relating to Buvidal® and episil®.

Revenues from external customers are allocated by country, based on where the customers are located.

KSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Europe	9,825	719	21,138	1,251	3 ,687
(of which Sweden)	(817)	(100)	(1,076)	(221)	(327)
North America	347	4,261	1,656	15,571	35,562
Asia including Oceania	1,741	2,026	7,613	4,823	9,763
Other geographical territories	–	309	–	309	309
Total	**11,913**	**7,315**	**30,407**	**21,954**	**49,321**

Revenues during the quarter of approximately MSEK 8.3 (4.1) relate to one single external customer.

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	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Result attributable to parent company shareholders	-87,645	-67,508	-155,271	-103,777	-234,676
Total	**-87,645**	**-67,508**	**-155,271**	**-103,777**	**-234,676**
Weighted average number of ordinary shares outstanding (thousands)	**47,977**	**37,306**	**43,471**	**37,294**	**37,842**

KSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Result attributable to parent company shareholders	-87,645	-67,508	-155,271	-103,777	-234,676
Total	**-87,645**	**-67,508**	**-155,271**	**-103,777**	**-234,676**
Weighted average number of ordinary shares outstanding (thousands)	**47,977**	**37,306**	**43,471**	**37,294**	**37,842**
Adjustments:					
– Warrants (thousands)	1,943	1,261	1,854	1,161	1,389
– Share issues (thousands)	–	–	–	–	–
Weighted average number of ordinary shares in calculation of earnings per share after dilution (thousands)	**49,920**	**38,567**	**45,325**	**38,455**	**39,231**

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.

Carrying amount, KSEK	2019-06-30	2018-06-30	2018-12-31
Loans and receivables			
Trade receivables	15,061	2,368	2,280
Receivables from Group companies	–	–	–
Other receivables	289	–	–
Cash and cash equivalents	283,066	199,093	134,377
Total	**298,416**	**201,461**	**136,657**
Other liabilities			
Other financial liabilities	–	–	–
Liabilities to Group companies	–	–	–
Trade payables	17,860	29,186	35,781
Other current liabilities	190	191	190
Total	**18,050**	**29,377**	**35,971**

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, 2019.

Note 8 | Other non-cash items

Adjustment for non-cash items:

KSEK	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun	2018 Jan-Dec
Depreciation	2,177	1,077	4,333	2,125	4,450
Total	**2,177**	1,077	**4,333**	**2,125**	**4,450**

Note 9 | Tax

Tax for the quarter amounted to MSEK 22.6 (13.6), 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 and the recently completed rights issue.

This information is information that Camurus AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the chief executive officer, 7.00 AM (CET) on 18 July 2019.

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