camurus®

ANNUAL REPORT 2017

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"Changing the treatment paradigm in opioid dependence„

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camurus.

Camurus is a Swedish research-based pharmaceutical company committed to developing and commercialising innovative and differentiated medicines for the treatment of severe and chronic conditions. New drug products with best-in-class potential are conceived based on the proprietary FluidCrystal® drug delivery technologies and an extensive R&D expertise. Camurus' clinical pipeline includes products for treatment of cancer, endocrine diseases, pain and addiction, developed in-house and in collaboration with international pharmaceutical companies. The company's shares are listed on Nasdaq Stockholm under the ticker "CAMX".

Simpler, smarter, safer medications

- Long-acting medications for better treatment outcomes and quality of life for patients
- Focus on underserved specialty markets
- Entrepreneurial company culture
- Strong, experienced and dynamic management team
- Agile, passionate and result focused

FluidCrystal® delivery technology

- Developed in-house with strong IP protection
- Validated in 20 clinical trials
- 1 marketed product, approval processes ongoing

Broad, late-stage R&D pipeline

- +10 clinical programs in opioid dependence, pain, cancer, obesity, endocrine and CV disease
- Anticipated FDA/EMA/TGA approvals in 2018

Emerging European commercial organization

- Leadership and key functions in place
- Fully operational for launch of long-acting opioid dependence treatment following anticipated approval in 2018

Strong pharma partnerships

- Partners include Novartis, Braeburn Pharmaceuticals and Rhythm
- R&D investments, milestones and royalty on sales

2017 MILESTONES

Pre-MAA/NDA meetings with EMA and FDA

Pre-MAA/NDA meetings held with EMA and FDA for weekly and monthly buprenorphine depots for treatment of opioid dependence

Strengthening of management team

Urban Paulsson appointed as VP Corporate Development and General Counsel and Cecilia Callmer as VP Human Resources

Q1

Completed pivotal clinical program for CAM2038 in opioid dependence

Positive clinical results from Phase 3 long-term safety study of CAM2038 in opioid dependence

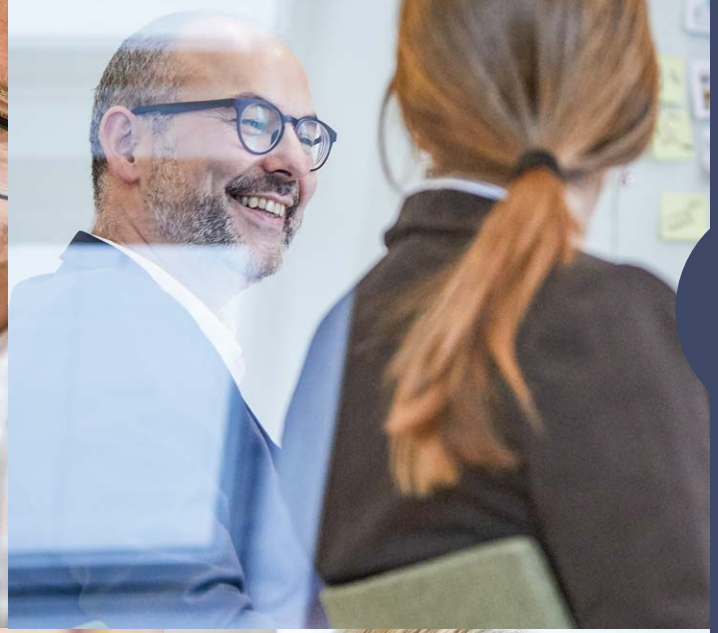
Presentations of Phase 2 and Phase 3 results from CAM2038 program

- Publication of opioid blockade and pharmacokinetic results for CAM2038 in JAMA Psychiatry and Journal of Substance Abuse Therapy
- Four presentations of Phase 2 and Phase 3 results for CAM2038 at the CPDD Annual Meeting in Montreal, June 2017

Q2

Positive initial Phase 1 results by partner Rhythm

Positive initial Phase 1a results for weekly setmelanotide FluidCrystal® depot under development for the treatment of rare genetic obesity disease by our partner Rhythm



Q3

Regulatory submissions for CAM2038

- NDA submission to FDA for CAM2038 weekly and monthly buprenorphine depots for treatment of opioid dependence
- MAA submission to EMA for CAM2038
- CAM2038 NDA acceptance with Priority Review by FDA
- CAM2038 MAA validation by EMA

Significant progress in CAM2038 pain program

- Positive phase 2 results for CAM2038 in opioid dependent patients with chronic pain
- Phase 3 long-term safety extension study of CAM2038 initiated in patients with chronic non-cancer pain

Phase 1 completed for CAM2047 and CAM2048/58

Target specifications met in Phase 1 study of CAM2047 and CAM2048/58 for chemotherapy-induced nausea and vomiting and postoperative pain, respectively

Q4

CAM2038 for opioid dependence recommended for approval in the US

Recommendation of approval by FDA advisory committee for CAM2038 for treatment of opioid use disorder

New clinical program in pulmonary arterial hypertension

Initiation of phase 1 clinical study of long-acting treprostinil subcutaneous injection for the treatment of PAH

Significant events after the year end (until March 22, 2018)

Complete Response Letter received by our partner Braeburn Pharmaceuticals from US FDA regarding the CAM2038 NDA for the treatment of opioid use disorder.

New product candidates and late stage pipeline progress

2017 was a productive and successful year for Camurus. We continued to expand and advance our product pipeline, generating new, positive clinical data and passing several important regulatory milestones for our most important development programs.

Camurus' overall goal continues to be to develop and commercialize novel, breakthrough treatments for severe and chronic diseases, based on our leading drug-delivery technologies, development expertise and emerging commercial capabilities. In 2017 we broadened and diversified our R&D portfolio of potential new and improved treatment options in disease areas with high unmet needs, including opioid dependence, pain, cancer, endocrine and cardiovascular diseases – all designed to provide important treatment benefits over existing therapies.

> "I was moved by the strong patient testimonials of how CAM2038 can change lives„

THREE MARKET APPROVAL APPLICATIONS SUBMITTED FOR CAM2038

During 2017 we made great strides in the development of our lead program, CAM2038 for opioid dependence. Weekly or monthly buprenorphine injections, which allow for individualized dosing and are administered by a healthcare professional, promote treatment adherence and minimize the risk of misuse, abuse, diversion and accidental pediatric exposure. We completed the comprehensive clinical program for CAM2038, demonstrating its robust efficacy and good safety profile. The results from our pivotal Phase 3 study, the first and only head-to-head study against standard daily sublingual treatment, showing superiority in overall opioid-free patient assessments, were presented at leading international addiction conferences around the world, while results from our opioid blockade and pharmacokinetic studies were published in leading psychiatry and addiction journals.

During the year we further deepened our understanding of opioid dependence and how it affects people's lives by interacting with patients, investigators and key opinion leaders. Important new insight was also gained about the market dynamics and prospects for pricing and reimbursement in different regions by analyzing medical and societal needs and through discussions with payors, regulators and policy makers.

Early in 2017 we held pre-submission meetings with the FDA and EMA, and subsequently submitted marketing authorization applications for CAM2038 in the US (through our partner Braeburn Pharmaceuticals), Europe and Australia by mid-year. The expeditious preparation of these applications was a great accomplishment and I am deeply thankful to our development teams for their important contributions to this major milestone.

In November we were delighted to receive the positive FDA Advisory Committee recommendation by a convincing 17 to 3 vote for CAM2038. Participating myself in the meeting, I was moved by the strong patient testimonials of how CAM2038 can change lives. This was of course very inspiring and drives our purpose to as soon as possible bring this new treatment option to patients across the globe.

Our hopes for an early 2018 launch in the US were set back when our US partner for CAM2038, Braeburn Pharmaceuticals, received a complete response letter from the FDA, requiring further information for the New Drug Application. While no additional clinical studies are required, this unexpected request has led to a delay in the US approval for CAM2038. However, the complete response letter also provided a clear pathway to NDA approval and we are looking positively at the prospects of a Q2 2018 resubmission.

OPIOID DEPENDENCE

is a chronic and relapsing medical condition diagnosed by signs and symptoms of compulsive opioid use causing significant mental, physical, and social problems, including transmission of infectious diseases, unintentional overdose, criminal activity, and incarceration. Opioid dependence results in clear changes in the brain, related to cognition, memory, and rewards in both conscious and unconscious circuits.

Diagnosed patients

- US: ~2.5 million[1]
- Europe: ~1.3 million[2]

~35 MILLION
OPIOID USERS WORLDWIDE[3]

US OPIOID CRISIS
USD 504 BILLION
ESTIMATED COST TO SOCIETY[4]

CHRONIC PAIN

is continuous, long-term pain that extends beyond normal healing time, typically more than 3 months.

1 IN **5** INDIVIDUALS SUFFERING FROM CHRONIC PAIN[5]

ESTIMATED TO AFFECT

100 MILLION AMERICANS[6]

75 MILLION EUROPEANS[5]

> "Positive FDA Advisory Committee recommendation„

Marketing authorization applications for CAM2038 in other markets progressed according to plan and our European launch preparations continued at a high pace. In line with our ambition to build a strong and profitable specialty pharmaceutical company, we continued the establishment of our commercial infrastructure and onboarding of the future leadership for the planned European launches of CAM2038. We have now established regional teams with cross-functional expertise in key markets, including the UK, Germany, France and the Nordics. Our teams have been working on pre-commercialization plans for CAM2038, with a focus on distribution, market access, marketing and medical affairs.

Clearly, we have a very exciting year ahead of us with anticipated market approvals of CAM2038 for the three largest global markets – the US, EU and Australia.

Alongside our clinical success and regulatory progress in the opioid dependence area, we have also been busy advancing other important clinical and early phase programs, both on our own and with our partners:

PIVOTAL PHASE 3 CHRONIC PAIN STUDY OF CAM2038 UNDER COMPLETION

CAM2038 is currently being investigated for a second indication as an effective treatment for chronic pain. There is a significant unmet need for new and improved pain management strategies for patients with severe, chronic pain. CAM2038 has the potential to provide long-acting, round-the-clock pain relief, while avoiding the risk of diversion, misuse, dependence and overdose associated with the use of current prescription opioids. Our pivotal Phase 3 clinical study evaluating the efficacy and safety of CAM2038 in patients with chronic low-back pain continued to progress during 2017. After the summer, a long-term safety extension part was added to the study and additional patients were included in the study. Patient enrollment was completed during the fourth quarter and we look forward to reporting topline efficacy results in Q2 2018 followed by safety data in Q4 2018.

Marketing authorization applications for CAM2038 in the US and the EU are planned for the first and second half of 2019, respectively.

> "CAM2038 has the potential to provide long-acting, round-the-clock pain relief„

PREPARING FOR PHASE 3 FOR CAM2029

Our long-acting octreotide depot, CAM2029, is being developed by our license collaborator Novartis for treatment of acromegaly and neuroendocrine tumors. Having successfully completed three Phase 1 studies and one Phase 2 study, Novartis is currently preparing for initiation of Phase 3. Healthcare authority interactions in 2017 resulted in a decision by Novartis to redesign the Phase 3 program per suggestions by the FDA. Novartis also conducted additional manufacturing and packaging activities to optimize product characteristics and together this led to a postponement of the Phase 3 start compared to the expected timelines. I am pleased that activities have progressed nicely during the

DELIVERING ON STRATEGY

	Achievements 2017	Outlook 2018
Commercialization infrastructure for specialty pharma products in Europe	• Regional leadership teams in place for key European markets • Market entry plan developed for CAM2038 in opioid dependence	• European launch preparations completed for CAM2038 in opioid dependence • Leadership team onboarded and market entry plan for CAM2038 in Australia in place
Value creating partnerships	• Positive Phase 1 results from single and repeat dose study of weekly setmelanotide, CAM4072, announced by Rhythm • New patent applications granted for CAM2029	• Decision by Novartis to commence Phase 3 program for CAM2029 in acromegaly and NET • Continued clinical development of CAM4072 by Rhythm • Partnerships entered for new product candidates
Advancing product pipeline and launches of new products	• NDA and MAA submitted for CAM2038 in opioid dependence in the US, Europe and Australia • Phase 3 chronic pain study fully recruited • First clinical trial for CAM2043 for treatment of PAH initiated	• Approvals for CAM2038 in opioid dependence in the US, Europe and Australia • Start of Phase 3b study to further evaluate HEOR and QoL outcomes with CAM2038 • Pivotal Phase 3 results for CAM2038 in chronic pain • Phase 1 results from single and repeat dose study of CAM2043 for PAH
Leading drug delivery technologies	• New patent applications and approvals • Improved solutions for drug administration and manufacturing	• Continue broadening FluidCrystal® applications and strengthening the IP position • Further validate our FluidCrystal® technology platform through product approvals

GLOBAL PAH MARKET EXPECTED TO REACH

USD **4.7 BILLION**

IN 2026[7]

PULMONARY ARTERIAL HYPERTENSION

is characterized by an abnormal increase in resting pulmonary artery pressure, caused by obstruction and increased resistance in the pulmonary arterial blood vessels. Since PAH is a progressive disorder, the pulmonary pressure increases as the patient advances through the later stages of the disease, leading to reduced cardiac output, heart failure and ultimately death

Affects 6.6 to 26 per million adults in developed countries[8]

Estimated number currently diagnosed patients with PAH[8]

- 24,000 in the US
- 35,000 in EU5

Annual treatment cost for market leading prostacyclin analogue, Remodulin®:[7]

USD 127,922 in the US

USD 185,228 in Germany

USD 135,892 in Japan

year and I feel confident that the adjustments made will be beneficial for the future success of CAM2029. An update on the Phase 3 program will be communicated in mid-2018.

POSITIVE RESULTS IN COLLABORATION WITH RHYTHM

Good news during the year were the positive Phase 1 results obtained in the collaboration with Rhythm Pharmaceuticals, for a weekly setmelanotide formulation under development for the treatment of rare but serious, genetic obesity diseases. In the study featuring both single and repeated dosing, CAM4072 demonstrated good tolerability and met the pharmacokinetic targets for further clinical development.

NEW CLINICAL PROGRAM IN PULMONARY ARTERIAL HYPERTENSION

The successful initiation of clinical development of CAM2043, our own long-acting, subcutaneous treprostinil formulation for the treatment of pulmonary arterial hypertension (PAH), was another significant achievement in 2017. PAH is a rare, severe and progressive disease which untreated can lead to death in less than 3 years from diagnosis. Current treatment is usually continuous treprostinil infusion, which involves a complicated and burdensome administration procedure, and which can lead to severe side effects including infusion site pain, blood infections and sepsis. The application of our FluidCrystal® delivery system to treprostinil may mitigate these problems associated with current infusion products, i.e. the currently market leading prostacyclin analogue Remodulin®. CAM2043 may provide a more patient-friendly treatment option, administered as a simple long-acting subcutaneous injection.

In Q4 2017 we received approval of our Investigational New Drug Application from the FDA and a Phase 1 trial of CAM2043 began, with the first cohort treated in a dose-escalating study. The study objective is to characterize the tolerability, safety and treprostinil pharmacokinetics after single and repeated subcutaneous injections of CAM2043. Initial results from the single dose part of the study are expected during Q2 2018, followed by results from repeated dosing in Q3 2018.

> **„CAM2043 may provide a more patient-friendly treatment option„**

ADDITIONAL PIPELINE PROGRESS

In 2017, we also completed the first clinical trial for the novel product candidates CAM2048/58 and CAM2047, for post-operative pain and nausea and vomiting respectively. Target pharmacokinetic and tolerability criteria were met and we are currently in the process of planning next steps. Our partner, Braeburn Pharmaceuticals, has acquired the North American license rights to CAM2048/58 and further development will be within the framework of our ongoing collaboration.

On a different topic, I was delighted that our licensing partner Solasia received market approval in Japan for episil® for the treatment of oral mucositis pain. The product now also has reimbursement in Japan, and Solasia and their partner Meiji Seika Pharma are currently preparing for launch of episil® in Q2 2018. Solasia is also in the process of preparing a marketing authorization application for episil® in China. In Europe, we entered into a distribution agreement for episil® in France with Ethypharm.

LOOKING AHEAD

In 2018, we are continuing the expansion of Camurus' business in-line with our long-term strategy, targeting selected disease areas and high priority programs.

Through the strengthening of our business and corporate development function, we are evaluating new in-licensing or acquisition opportunities of complementary clinical or commercial-stage assets. In May 2017, Urban Paulsson joined the company as VP Corporate Development and General Counsel.

Urban is well prepared for this important task, having more than 20 years of experience from the industry as in-house and external counsel, as well as being an entrepreneur and co-founder of biotech companies. In his role, he is working with our scientists, development and commercial teams to identify and generate new opportunities for the company. To help expedite the growth of our organization, we were also joined by Cecilia Callmer as VP Human Resources assuming the responsibility for building strong teams of employees who share the common goal of improving the lives of patients with serious and chronic diseases. Cecilia joined Camurus from recent tenures at Novo Nordisk, Diesel and Ferring Pharmaceuticals.

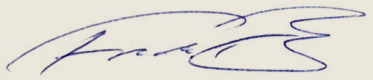
> "2018 looks to be an active and transformative year for Camurus„

With a productive 2017 behind us, during which we delivered on our key goals and business objectives, 2018 looks to be an active and transformative year for Camurus. I firmly believe that CAM2038 has the potential to make a huge impact on the lives of patients and I feel more confident than ever about it being a game changer in the treatment of opioid dependence by both improving treatment outcomes and reducing the burdens, stigma and risks of diversion and misuse associated with current daily medications.

Camurus continues to have stable finances with 315 million SEK in cash, and no debt, at year-end. With several new and promising candidates advancing into late stage clinical development, we nonetheless continuously evaluate our different options with the overriding goal to ensure efficiency in our product and corporate development as well as value generation for our shareholder.

> "We are an agile and ambitious organization working together for innovation and long-term value creation„

We are an agile and ambitious organization working together for innovation and long-term value creation. I would like to conclude by thanking our dedicated employees for all their important contributions. Their passion, along with the support of our study participants and investigators, partners and shareholders, is imperative as we work towards bringing innovative treatment options for unmet medical needs to market and of building a commercially successful, specialty pharmaceutical company.



Fredrik Tiberg, President & CEO

SEK **315** **MILLION**
CLOSING CASH

DEDICATED INVESTMENTS

- Completion of the pivotal clinical program and market authorization applications for CAM2038 in Europe and Australia
- New early phase clinical programs; CAM2047 and CAM2043
- Expansion of the commercial organisation in preparation of the planned launch of CAM2038 in Europe

References 1. *Volkow ND et al N Engl J Med.2014 29;370(22)* ***2.*** *EMCDD, European Drug Report, 2017.* ***3.*** *UNODC, World Drug Report 2015.* ***4.****The Council of Economic Advisers, November 2017.* ***5.*** *Pain Practice 2014, 14, 79–94.* ***6.****Institute of Medicine Report from the Committee on Advancing Pain Research, Care, and Education, The National Academies Press, 2011.* ***7.*** *GlobalData Opportunity Analyzer: Pulmonary Arterial Hypertension, 2017.* ***8.*** *GlobalData EpiCast Report: Pulmonary Arterial Hypertension, 2017.*

Improving patients' lives through innovative long-acting medications

OUR MISSION

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

OUR VISION

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

OUR VALUES

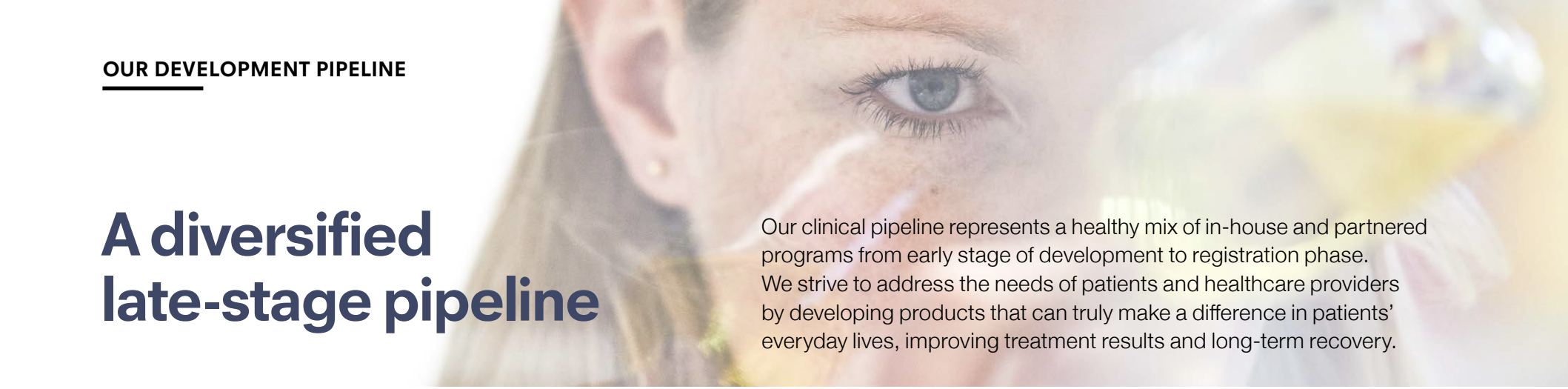
- **Innovation:** We encourage innovation and new ways of thinking
- **Expertise:** We leverage the combined expertise of employees and partners
- **Passion:** We are passionate about realizing our ideas and goals
- **Quality:** We strive for excellence in everything we do and produce
- **Ownership:** We take individual and collective ownership of what we do and how we do things

Business model

We use our strong R&D expertise and world-leading drug delivery technologies to develop new treatments that have the potential to significantly improve the lives of patients with severe and chronic diseases.

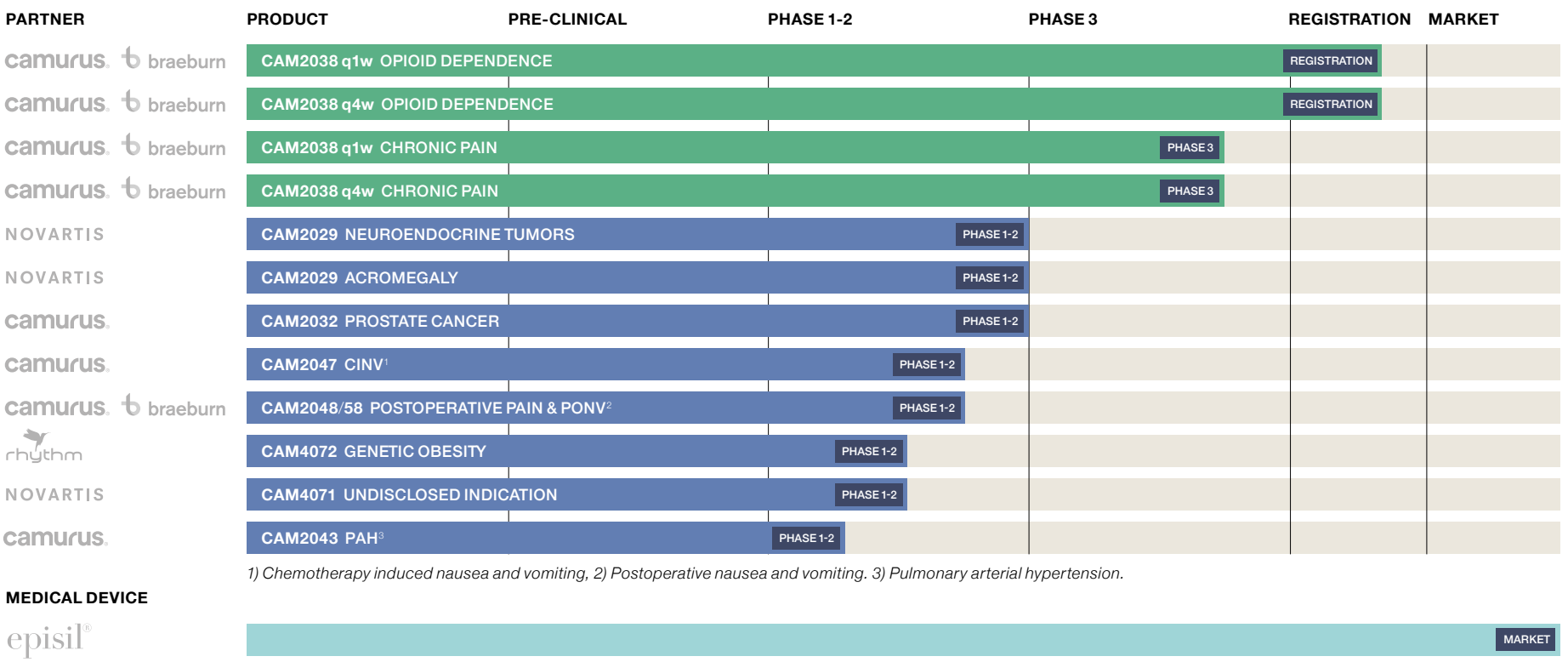
Innovative medicines are developed in-house or in partnerships with international pharmaceutical companies under technology or product licenses. To maximize the value creation for Camurus, we are building a lean and effective commercial organization with an initial focus on the opioid dependence markets in Europe and Australia and other specialty markets with suitable dynamics and a concentrated prescriber base.

MODEL	BUSINESS CONCEPT	KEY REVENUE STREAMS	
Technology collaborations	Product specific licenses to FluidCrystal® technology	• Formulation design and early stage product evaluations • License payments and development milestones • Royalty and sales milestones	**Partnerships**
Product development in partnerships	Pharmaceutical, non-clinical and clinical development of novel drug products	• Licence payments and development milestones • Royalty and sales milestones	
Own product development and commercialization	Development and commercialization of innovative specialty pharmaceuticals	• Product sales	**Own sales**



A diversified late-stage pipeline

Our clinical pipeline represents a healthy mix of in-house and partnered programs from early stage of development to registration phase. We strive to address the needs of patients and healthcare providers by developing products that can truly make a difference in patients' everyday lives, improving treatment results and long-term recovery.



1) Chemotherapy induced nausea and vomiting, 2) Postoperative nausea and vomiting. 3) Pulmonary arterial hypertension.

CAM2038 OPIOID DEPENDENCE

Changing the treatment paradigm in opioid dependence

Helping patients to rebuild their lives

Patients receiving therapy for opioid dependence often struggle with the burden of daily sublingual treatment, leading to noncompliance, relapse and risk of overdose. With the anticipated approval of CAM2038 in 2018, this can change. CAM2038 will reduce the number of times a patient needs medication – from 365 times a year to 12 for the monthly formulation – leading to better treatment compliance and improved outcomes, while also lowering the risk of medication misuse and diversion.

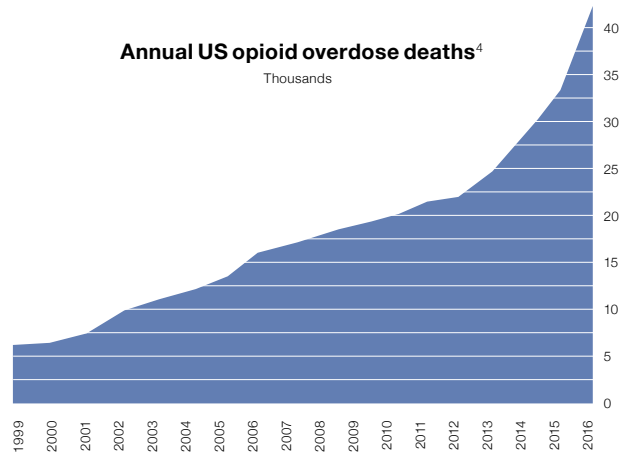
Opioid addiction is an escalating global health crisis and the largest burden to society of all drugs.[1]

The US specifically is experiencing a rampant increase in opioid dependence, caused by a widespread use of prescribed painkillers resulting in the unintended consequence of dependence. In 2016, it was estimated that 11.5 million Americans misused opioid pain relievers, at an estimated cost to society of approximately USD 504 billion.[2] Furthermore, a recent study by a health insurer in the US found that from 2010 to 2016, there was a 493% increase in the number of its members diagnosed with an addiction to opioids.[3] Yet at the same time there was only a 65% increase in the number getting medication-assisted treatment to manage their addiction.[3]

It is therefore unsurprising that mortality due to opioid overdose is also escalating at a frightening rate. In 2016, more than 42,000 Americans died of opioid overdose – a staggering 28% increase from 2015 – and overdoses due to synthetic opioids, primarily fentanyl, more than doubled.[4] This rise in mortality is not unique to the US. According to the European Monitoring Centre for Drugs and Drug Addiction, there are 1.3 million problem opioid users in Europe and in 2017 fatalities linked to drug use increased for the third consecutive year. The highest mortality rate linked to drug overdose was found in Estonia, followed by Sweden and Norway. These disturbing figures highlight the immediate

>42 THOUSAND

DEATHS DUE TO OPIOID OVERDOSES IN THE US IN 2016[4]



> "Global need for new and alternative treatment options„

global need for new and alternative treatment options and increased access to care. Yet it has been estimated that less than half of people with opioid dependence receive treatment.[5,6]

"Opioid dependence is a complex disease that impacts patients' physical health, psychological wellbeing and economic situation," explains Graham Dempsey, Camurus' General Manager for Northern Europe. "The stigma associated with opioid dependence, coupled with the burden of treatment, means that many don't seek treatment."

CURRENT STANDARD OF CARE HAS LIMITATIONS

Medication-assisted treatment – the use of medicine in combination with counseling and behavioral therapies – is the 'gold standard' of care for opioid dependence. Buprenorphine, the most frequently used medication for opioid dependence globally, effectively suppresses withdrawal and cravings, while lowering the risk of relapse and overdose fatalities. It also reduces risk behaviors associated with injection drugs, including the spread of infectious diseases such as HIV.

The current buprenorphine medications are taken every day as a sublingual tablet or film. But this form of administration has a number of drawbacks – including the risk of diversion, misuse, and accidental ingestion by children. Furthermore, daily treatment increases the risk of nonoptimal compliance – approximately 50% of patients discontinue treatment within 6 months of starting – leading to relapse and increased costs to payers and the healthcare system.[7-9]

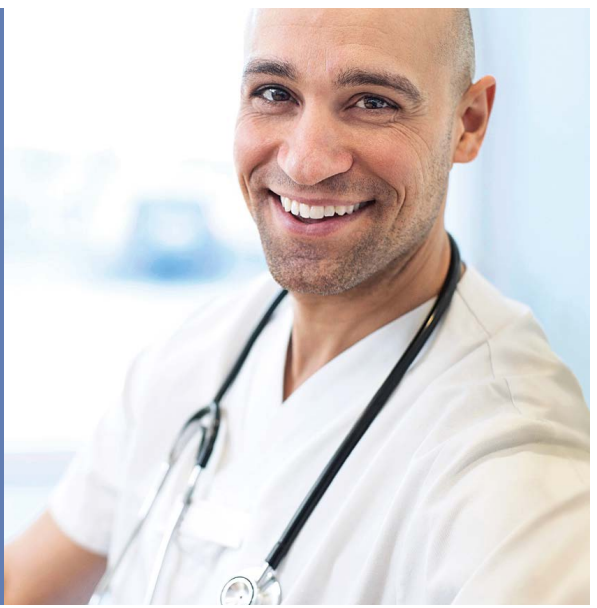
~11.5 MILLION
AMERICANS MISUSED OPIOID PAIN RELEIVERS IN 2016[5]

~4.5 MILLION
OPIOID USERS IN EUROPE[1]

Comprehensive clinical program

CAM2038 underwent a comprehensive global clinical program evaluating 944 study participants across seven clinical studies, including two Phase 3 studies:

- Four pharmacokinetic studies of weekly and monthly CAM2038 in healthy volunteers or patients, including pharmacodynamic assessments.
- A Phase 2 opioid blockade study demonstrating sustained blockade of drug liking and suppression of withdrawal by CAM2038 from the first day of treatment.
- A 24-week Phase 3 randomized, double-blind, double-dummy active-controlled study of weekly and monthly CAM2038 versus standard daily sublingual buprenorphine, including flexible dosing throughout the study period. The study met both the primary and key secondary endpoints, showing superiority for CAM2038 versus sublingual buprenorphine for the cumulative distribution function for percentage of urine tests and self-reports that were negative for illicit opioids. The safety profile of CAM2038 was generally consistent with the known safety profile of buprenorphine with the exception of mild-to-moderate injection-site adverse events.
- A 48-week Phase 3 open-label, long-term safety study confirming the safety profile and long-term effectiveness of CAM2038 in new-to-treatment patients as well as patients switched from daily buprenorphine.



> "The burden of daily treatment is significant„

"The burden of daily treatment is significant. Not only is it a constant reminder of dependence, but it is also a hindrance to the practicalities of everyday life," Graham points out. "By the very nature of the disease, decision-making can be impaired. Yet current treatment relies on them deciding every day that they are going to continue with treatment. They then have to collect their medication, knowing that this daily burden will impact their employment prospects and relationships. It is therefore no surprise that so many patients drop out of treatment – or that the burden of current treatment is a major reason why patients are not starting treatment."

POTENTIAL FOR SIGNIFICANTLY IMPROVED TREATMENT OUTCOMES

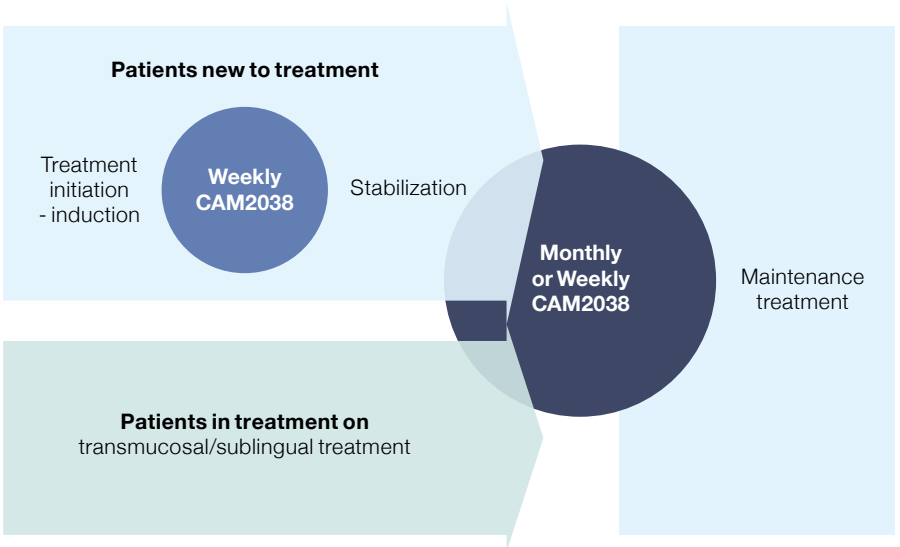
Camurus' long-acting buprenorphine, CAM2038, has the potential to overcome burdens and risks associated with daily medication-assisted treatment and improve outcomes from day one of treatment.

CAM2038 is being developed as both weekly and monthly injections, each in several doses, for individualized therapy from initiation of opioid dependence treatment up to and including the maintenance phase of treatment.

CAM2038 KEY ATTRIBUTES

- Individualized treatment adopted to "Best Clinical Practice" guidelines
- Flexible weekly or monthly dosing options
- Rapid onset and sustained treatment effect from Day 1
- Improved treatment adherence
- Safeguards against medication diversion, misuse and pediatric exposure
- Blocks the effects of illicit opioids from Day 1

Weekly injections may be more suitable at early-stages of treatment, during treatment initiation, stabilization or dose titration, and for patients needing, or preferring, more structure or intensive psychosocial support. Conversely, monthly administration may be preferred for more stable patients without need for regular healthcare visits for dose titration or counselling. In both cases, weekly or monthly administration of CAM2038 by a healthcare professional has the potential to not only increase treatment adherence, but also reduce the risks of diversion, abuse, misuse and accidental pediatric exposure which are associated with daily sublingual buprenorphine, as clinicians



CAM2038 can be used from Day 1 and allows for flexibility and individualization during all phases of opioid dependence treatment

can be confident that the medication is being used by the person for whom it was intended. CAM2038 will therefore benefit patients and clinicians, and lead to savings for the healthcare system and payers.

The weekly and monthly injections, provided as low volume doses in prefilled syringes with a thin needle for room temperature storage and administered by a healthcare professional, makes CAM2038 an attractive, safe and convenient treatment option.

Graham believes that CAM2038 has the potential to be a catalyst for change."In Europe, this represents the first treatment innovation for opioid dependence in a long time. Moving from daily treatment creates the possibility for patients to not just overcome their addiction, but to let them rebuild their lives," he says.

PATENTED TECHNOLOGY

"CAM2038's long duration of action is created using Camurus' patented FluidCrystal® injection depot technology," explains Torsten Malmström, Vice President for Technical Operations. "CAM2038 is a liquid lipid-based formulation. When it is injected into the subcutaneous tissue and being contact with aqueous fluids, it immediately starts to self-assemble to form a highly viscous encapsulating gel-like depot which slowly breaks down and releases the buprenorphine over time. We can control the release duration by adjusting the formulation's composition – thus creating weekly and monthly dosing alternatives."

CAM2038 has been successfully evaluated in seven Phase 1-3 clinical trials, including a pivotal Phase 3 efficacy and a long-term safety study, which have demonstrated its safety, pharmacokinetic and pharmacodynamics profiles, and its superiority to daily sublingual buprenorphine.

PREPARING FOR LAUNCH

The North American rights to CAM2038 are licensed to Camurus' partner Braeburn Pharmaceuticals, while Camurus holds the rights for the rest of the world. In the US, the New Drug Application for CAM2038 was granted Priority Review Designation in September 2017. The US Food and Drug Administration's Psychopharmacologic Drugs Advisory Committee and the Drug Safety and Risk Management Advisory Committee jointly recommended its approval for the treatment of opioid dependence in November 2017. In January 2018, the FDA issued a complete response letter for the new drug application for CAM2038, requesting additional information to complete its review. However, new clinical studies are not needed to respond to this request and Braeburn Pharmaceuticals with the support from Camurus is now working on addressing the FDA's questions.

CAM2038 is also currently under review by the European Medicines Agency and the Australian Therapeutic Goods Administration. We are planning for CAM2038 approvals in the US, Europe and Australia by end-2018.

The European and Australian markets will be accessed by Camurus' own commercial organization. The company has now established its presence in key European markets, including the UK, Germany, France and the Nordics. "In preparation for our launch, we have been establishing and developing a commercial organization of who are working on our marketing strategy, medical affairs,

ESTIMATED US MARKET POTENTIAL IN OPIOID DEPENDENCE:

USD 3-4 BILLION

FOR LONG-ACTING INJECTABLES[10]

€180 - €250 MILLION

PEAK SALES ESTIMATED FOR WEEKLY AND MONTHLY DEPOTS IN EUROPE AND AUSTRALIA[11]

> "We are planning for CAM2038 approvals in the US, Europe and Australia by end-2018„

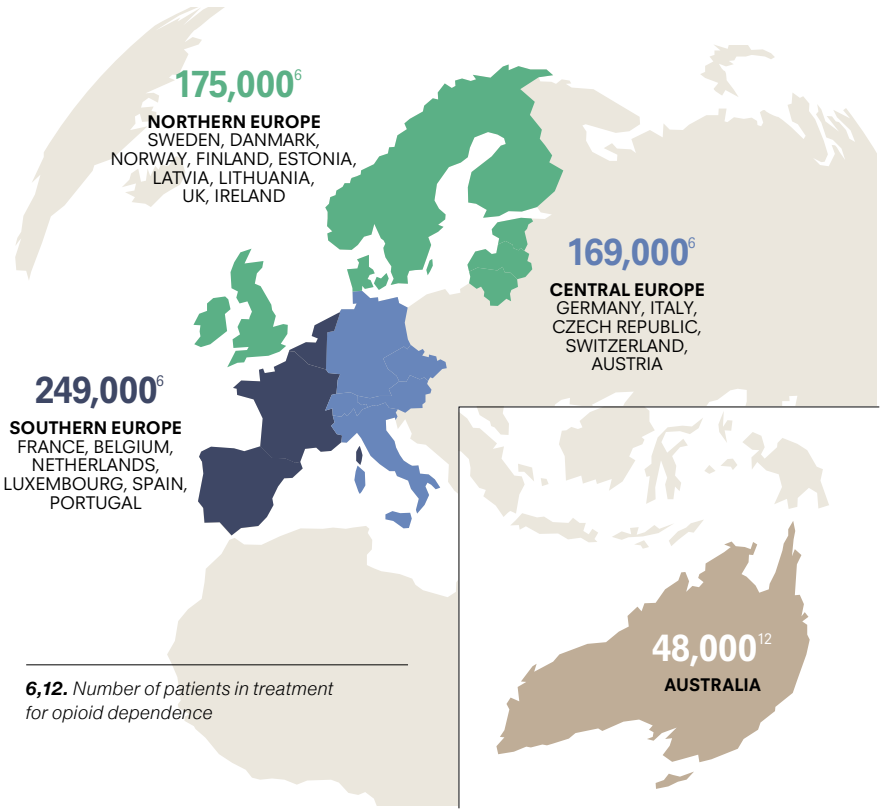
market access, pricing and health economics, and building relationships with external stakeholders including key opinion leaders and payers," says Graham.

At the same time, Camurus has been ensuring processes and procedures are in place for high quality manufacturing at its commercial supplier, explains Torsten. "As this is the first of our pharmaceutical products to launch, we are currently in the process of building an efficient distribution network. This means we have the opportunity to do it right and make sure it is fit for purpose," he says.

Excitement levels in the organization are tangible, adds Graham. "We know that CAM2038 provides a unique opportunity for us to work in partnership with multiple stakeholders and service providers in healthcare, social care, and criminal justice to redefine and improve treatment strategies and outcomes for opioid dependence. CAM2038 has the potential to be transformative – for the healthcare system and of course for patients themselves."

References 1. *UNODC, World Drug Report 2015.* ***2.*** *The Council of Economic Advisers, November 2017.* ***3.*** *BlueCross BlueShield. America's opioid epidemic and its effect on the nation's commercially-insured population. June 29, 2017.* ***4.*** *Center for Disease Control & Prevention 2016.* ***5.*** *SAHMSA, National Survey on Drug Use and Health, 2016.* ***6.*** *EMCDD, European Drug Report, 2017.* ***7.*** *Apelt SM, et al. Pharmacopsychiatry. 2013;46(3):94-107.* ***8.*** *Soyka M, et al. The International Journal of Neuropsychopharmacology. 2008;11(5):641-53.* ***9.*** *Pinto H, et al. J Subst Abuse Treat. 2010;39(4): 340-52* ***10.*** *Based on prescription volume data from Symphony Health 2017 and assuming 25% market share and a unit price of USD 1500 per month.* ***11.*** *Camurus estimate.*

Building commercial operations in Europe and Australia



6,12. *Number of patients in treatment for opioid dependence*

Milestones and anticipated regulatory timeline

May 2017	July 2017	Sept 2017	Nov 2017	Jan 2018	Q3 – Q4 2018
✓ Positive phase 3 long-term safety data	✓ NDA submission to FDA ✓ MAA submission to EMA	✓ Priority review granted by FDA ✓ MAA validation by EMA	✓ Recommendation of approval from FDA Advisory Committee ✓ TGA acceptance for evaluation of Australian MAA	✓ CRL recived	✓ NDA approval by FDA, timeline to be confirmed ✓ MAA approvals by EMA & TGA

Patient's perspective

> "The biggest thing with the CAM injection is how simple life has become and how the obsession to use was gone„

Larissa (recovering heroin addict)[1]

> "For the first time in years I was not reminded every day of the shame and failure one feels as an opiate addict. The Suboxone tablets were a daily reminder that I hated myself and what I had become. The injection removed that obstacle and slowly my self-confidence returned„

Jamie (recovering heroin addict)[1]

References 1. *FDA Advisory Committee November 1, 2017.* ***2.*** *Data on file. Phase 3 Long-Term Safety Study* ***3.*** *Market access dynamics in opioid addiction, Decision Resources 2015*

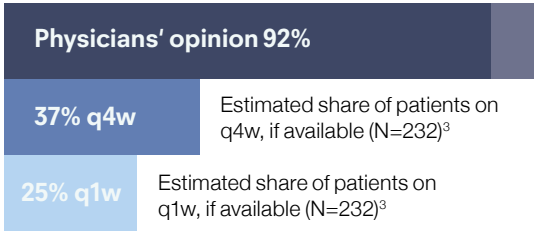
83% of patients transferred from sublingual BPN positive (N=133)[2]

Clinician's perspective

"Addiction as an illness is one of the biggest challenges in modern medicine. Opioid dependence is particularly demanding, because of the complexity of the brain disease, the sometimes-difficult psychosocial circumstances and the multiple comorbidities. Opioid dependence therefore can only be successfully treated in multidisciplinary therapy settings. We find in daily therapy that the motivation of patients and the healthcare teams has to be high to achieve good treatment outcomes, including social and professional reintegration.

It is important to have well-trained dedicated staff, a shared attitude towards the disease and the treatment vision. New and better medications can constructively support this treatment approach. The introduction of subcutaneous buprenorphine as a depot formulation is in this regard an important milestone, providing a new and innovative treatment option for patients and caregivers. The development of this depot formulation is from a pharmacological point of view also very interesting. In the clinical trials, patient satisfaction was high. The weekly and monthly administration options, providing flexible and individualized dosing alternatives, without the need for daily medication, is clearly a very promising intervention for opioid dependent patients."

Dr. Bernd Weber, M.D.
Competence Center Addiction,
„Praxiszentrum Friedrichsplatz", Kassel, Germany



92% of Physicians willing to prescribe CAM2038 (N=253)[3]

Estimated share of patients on q4w, if available (N=232)[3]

Estimated share of patients on q1w, if available (N=232)[3]

CAM2038 – Chronic pain

CAM2038 is being developed for long-acting, round-the-clock management of chronic pain.

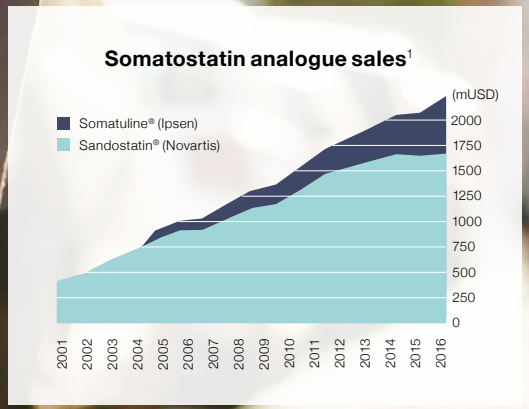
TARGET INDICATION	Management of moderate to severe chronic pain in opioid-tolerant patients
FORMULATION	Subcutaneous buprenorphine depots based on FluidCrystal®
KEY FEATURES	• Weekly and monthly durations • Round the clock pain relief • Rapid and sustained blockade of euphorigenic and sedative opioid effects • Flexible and individualized dosing • Healthcare professional administration safeguards against misuse and diversion
MARKET SIZE	Global opioid pain market ~USD 6 billion[1]
DEVELOPMENT STATUS	• Three Phase 1/2 trials completed • Phase 3 pivotal study with a long-term safety extension ongoing; top-line efficacy results expected Q2 2018 and long-term safety results in Q4 2018
PARTNER	Braeburn Pharmaceuticals (exclusive rights to North America, option to China, Korea, Japan and Taiwan)

References 1. *Current Medical Research & Opinion Vol. 26, No. 5, 2010, 1231–1245; Disease Landscape and Forecast Chronic Pain, Decision Resources 2015;* ***2****. Journal of Pain 2012, 13:715-724*

CAM2029 – Acromegaly and NET

CAM2029 is a new long-acting octreotide formulation for convenient self-administration and potential for improved efficacy for patients with acromegaly or neuroendocrine tumors.

TARGET INDICATION	Acromegaly and neuroendocrine tumors
FORMULATION	Subcutaneous octreotide depot based on FluidCrystal®
KEY FEATURES	• Convenient subcutaneous dosing and self-administration • High bioavailability and long-acting effect • Potential for enhanced treatment efficacy in currently underexposed patients
MARKET SIZE	Somatostatin analogue market >USD 2 billion[1]
DEVELOPMENT STATUS	• Four Phase 1/2 clinical trials successfully completed • Updated project timelines for initiation of the Phase 3 program to be communicated in mid-2018
KEY RESULTS	Well-maintained control of symptoms and disease biomarkers demonstrated in Phase 2 trial
PARTNER	Novartis (exclusive worldwide license)



Reference 1. *GlobalData 2017*

Maria Carlsson
CMC Regulatory Affairs Manager

In my role as CMC Regulatory Affairs Manager I contribute to regulatory filing activities for clinical trials and market authorization submissions. Camurus' early and late stage pipeline gives me the opportunity to contribute during the entire development process and ensures that my everyday tasks are very stimulating.

At Camurus, we are a dedicated team working across functions. I really appreciate the innovative and problem-solving mindset, and the ability to think outside the box that you find in the organization.

Jesper Dahl
Business Controller

I work as Business Controller and my role primarily involves synchronizing long and short term strategies into financial goals and cycles. It is fantastic to be a part of a company with the primary goal of developing new treatments for people all over the world.

Camurus is a truly entrepreneurial company with a commercial spirit and a fantastic heritage of delivering successful research and development projects for the last 25 years.

CAM2047 – CINV

CAM2047 is developed as a convenient single long-acting subcutaneous injection to cover both acute and delayed chemotherapy induced nausea and vomiting.

TARGET INDICATION	Chemotherapy induced nausea and vomiting (CINV)
FORMULATION	Subcutaneous granisetron depot based on FluidCrystal®
KEY FEATURES	• ~5 days duration to cover both acute and delayed CINV • Ready-to-use prefilled syringe • Room temperature storage
MARKET SIZE	USD 1.2 billion[1] for NK1 and 5HT-3 inhibitors
DEVELOPMENT STATUS	• Phase 1 completed • Preparations for Phase 3 ongoing
KEY RESULTS	PK and tolerability targets met in Phase 1
PARTNER	Partnering strategy under evaluation

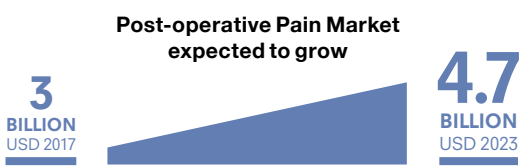
1.7 MILLION NEW CANCER CASES[1] → >50% receiving chemo-therapy[2] → **850,000** PATIENTS RECEIVING CHEMOTHERAPY → 70-80% get CINV[2] → **~600,000** PATIENTS SUFFERING FROM **CINV**

Reference 1. *GlobalData 2017*

CAM2048/58 – Post-operative pain

CAM2048/58 are developed as single subcutaneous injections to provide continuous pain relief over 5 days after surgery, and in the case of CAM2058 also to treat post-operative nausea and vomiting.

TARGET INDICATION	Acute pain (post-operative) and post-operative nausea and vomiting (PONV)
FORMULATION	Subcutaneous buprenorphine or buprenorphine/ granisetron depot based on FluidCrystal® (CAM2048and CAM2058, respectively)
KEY FEATURES	• Continuous pain relief ~5 days to cover postoperative pain (and nausea & vomiting) • Controlled administration by HCP (no diversion or misuse)
MARKET SIZE	Post-operative pain market >USD 3 billion[1]
DEVELOPMENT STATUS	• Phase 1 completed • Pivotal study program in preparation
KEY RESULTS	Pharmacokinetic and tolerability targets met in Phase 1
PARTNER	Braeburn Pharmaceuticals (exclusive rights to North America, option to China, Korea, Japan and Taiwan)



Reference 1. *GBI Research 2010*

CAM2032 – Prostate cancer

CAM2032 is a product candidate giving patients with prostate cancer the flexibility and possibility of self-administering a long-acting GnRH agonist.

TARGET INDICATION	Prostate cancer
FORMULATION	Subcutaneous leuprolide depot based on FluidCrystal®
KEY FEATURES	• Convenient subcutaneous dosing and self-administration • Small injection volume and thin injection needle (27G) • Compatible with autoinjectors
MARKET SIZE	GnRH global sales USD 3-4 billion[1]
DEVELOPMENT STATUS	Two Phase 2 trials successfully completed
KEY RESULTS	PK and PD performance and good safety profile confirmed in single and repeat dose clinical trials
PARTNER	Discussions ongoing

- ✔ **No reconstitution**
- ✔ **Small volume**
- ✔ **Thin needle (27G)**

Reference 1. *MedTrack*

Annette Mattsson
Senior Director Regulatory Affairs

Our end goal of providing patients with a new treatment option, which addresses unmet medical needs, is a main driver to me. Camurus is a slim organization, with very experienced, professional and knowledgeable colleagues. It is an organization in which it is easy to fit in and where we trust each other´s competences. Camurus is in a very interesting and exciting phase, moving from a pure research organization into a research and commercial organization. One of the most important goals is to get CAM2038 on the market in the US, EU and Australia. Regulatory Affairs, together with many other disciplines, play an important role in achieving this goal.

Carl Gibbons
Head of Public Health & Market Access Northern Europe

I am responsible for getting Camurus' products funded by the public healthcare systems in the UK and Nordic countries. At Camurus we have a principled, academic sensibility to our work coupled with the dynamism and freshness of a small company which I really enjoy.

Camurus for me feels like more of a mission than a job – a mission to reduce health inequality and revolutionise care for opioid dependent persons in a way that goes way beyond just inserting another product.

CAM4072 – Genetic obesity disorders

CAM4072 is a weekly formulation of the MC4 agonist setmelanotide developed by Camurus' partner Rhythm Pharmaceuticals for the treatment of rare genetic obesity disorders.

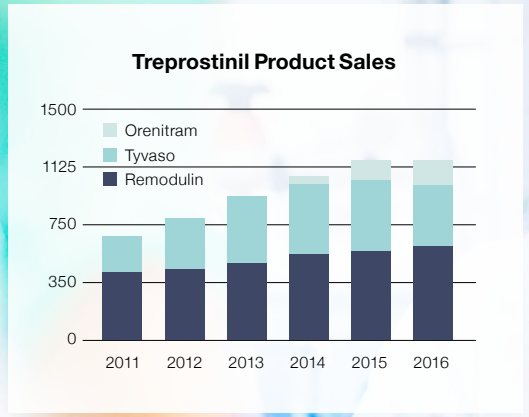
TARGET INDICATION	Genetic obesity disorders
FORMULATION	Subcutaneous setmelanotide depot based on FluidCrystal®
KEY FEATURES	• Once-weekly dosing • Ready-to-use low volume prefilled syringe with thin needle
MARKET SIZE	Not communicated
DEVELOPMENT STATUS	• Phase 1 completed • Submission earliest 2019[1]
KEY RESULTS	Single and multiple dose Phase 1 study results meeting Rhythm's PK and tolerability criteria
PARTNER	Rhythm Pharmaceuticals (exclusive worldwide license)

Reference 1. *Form S-1 Rhythm Pharmaceuticals 2017*

CAM2043 – PAH

Our long-acting treprostinil depot program, CAM2043, is being developed for treatment of patients with the rare and life-threatening disease pulmonary arterial hypertension.

TARGET INDICATION	Pulmonary arterial hypertension (PAH)
FORMULATION	Subcutaneous treprostinil depot based on FluidCrystal®
KEY FEATURES	• Long-acting formulation for weekly administration • No need for extracorporal pump and infusion hoses • Potential for reduced injection site pain and local reactions • No risk of infusion site relasted bloodborne infections and sepsis
MARKET SIZE	PAH market USD 3.8 billion[1], tresprostinil ~USD 1.2 billion[2]
DEVELOPMENT STATUS	• Phase 1 clinical study started in December 2017 • Results expected in Q2 2018
KEY RESULTS	Preclinical target PK profile confirmed



GLOBAL PAH MARKET EXPECTED TO REACH

USD **4.7 BILLION**

IN 2026[1]

Reference 1. *GlobalData Opportunity Analyzer: Pulmonary Arterial Hypertension, 2017*

“episil gave me the relief I needed to be able to start eating properly„

Patient quote

EPISIL® KEY ATTRIBUTES

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

episil® oral liquid – for effective oral pain relief

episil® oral liquid is a medical device product developed for the treatment of oral pain. The product is a lipid liquid that forms a bioadhesive film and alleviates pain by protecting inflamed and ulcerated mucous membranes in the mouth.

ORAL PAIN IS COMMON DURING CANCER THERAPIES

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

EPISIL® FOR ORAL PAIN RELIEF

In clinical trials, episil® has been proven to reduce pain in the mouth while also reducing the duration of oral mucositis. episil® is CE-marked and registered as a medical device class 1 in Europe and under a 510k clearance for medical device in the US. episil® is currently being marketed in Europe, the US and the United Arab Emirates. Sales and distribution are conducted via in-house marketing in Sweden, Denmark, Norway, and the UK, and by a number of distribution partners in various countries. In 2017, episil® was registered as a medical device in Japan, and registration applications in China have been filed by Camurus’ partner Solasia Pharma.

Reference 1. *Carulli et al, Hematol Rep. 2013 Jan 25; 5(1): 21–25.*

Early Pipeline Projects

At Camurus, we continuously assess new opportunities where our drug delivery technologies and development expertise can be used to develop new and improved medicines for people with serious and chronic disease. Our new pipeline projects are generated in-house as well as in partnership with international biotech and pharmaceutical companies.

INNOVATIVE NEW TREATMENTS

Every new product candidate is carefully evaluated with a focus on five key criteria (see figure):

1. Clear unmet medical needs
2. Technology match
3. Streamlined clinical development, including abbreviated regulatory pathways
4. Market exclusivity and patent protection
5. Market potential, including prospects for adequate pricing, reimbursement and customer base

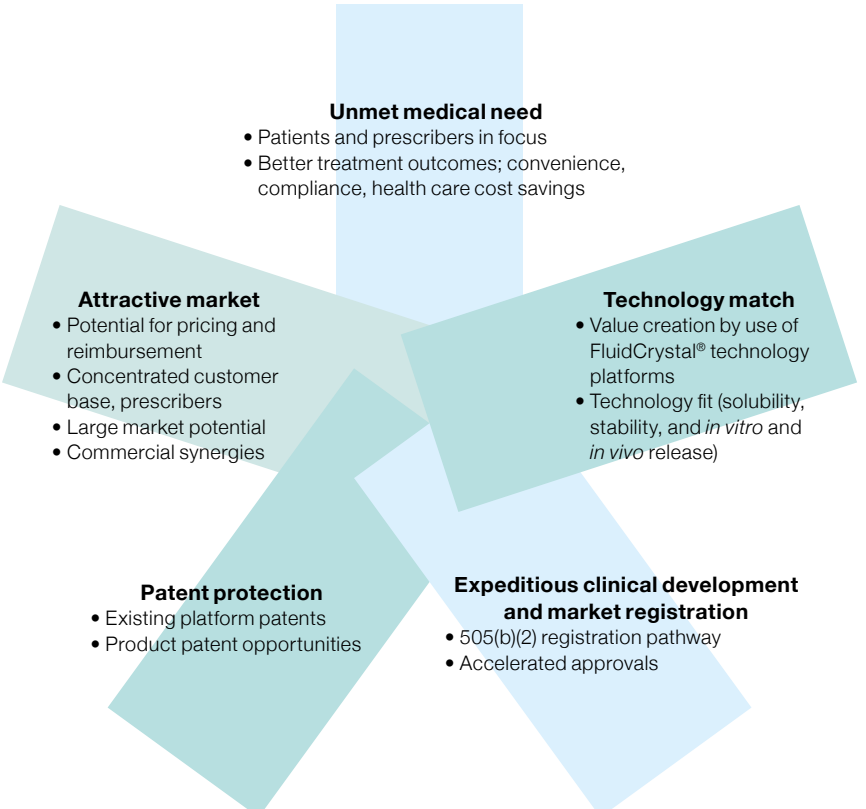
If these criteria are met, the product candidate is evaluated in preclinical studies against the target product profile in terms of drug loading, manufacture, stability and drug release *in vitro and in vivo*.

Only once this preclinical evaluation is deemed successful does planning and initiation of the clinical development program, and technology transfer for manufacturing of the product candidate, begin.

New products are usually protected by existing technology patents and supplemented by additional product-specific patent applications. An initial freedom-to-operate analysis is normally conducted when the product candidate's properties have been identified; preliminary market analyses take place early in the project and are refined during clinical development.

EARLY STAGE PARTNER PROJECTS

Camurus has ongoing collaborations in pre-clinical and clinical development with international biotech and pharmaceutical companies, where FluidCrystal® technologies are being evaluated with various active ingredients. These collaborative projects may be part of the life-cycle management for active compounds already on the market, or may involve completely new compounds in early development.



Key criteria for evaluation and selection of new product candidates

Focusing on drug delivery technologies to improve treatment outcomes

Camurus' development model is based on identifying and developing innovative treatments to help patients with serious and chronic diseases live better lives. The company's core assets, and the basis for its current development pipeline, are its patent-protected FluidCrystal® drug delivery technologies.

FluidCrystal® is a unique technology platform. It utilizes combinations of endogenous polar lipids that spontaneously form liquid crystal nanostructures in aqueous environments at tissue surfaces or in the body. When combined with active compounds that have well-documented clinical efficacy and safety, or with new chemical entities, FluidCrystal® creates new, convenient, and innovative treatments.

The technology offers an effective barrier against generics and can prolong a product's life cycle. By combining our development model with licensee partners whose position on the market is already well-established, Camurus offers streamlined development and life cycle management partnerships that not only create value, but, most importantly, improve treatment outcomes.

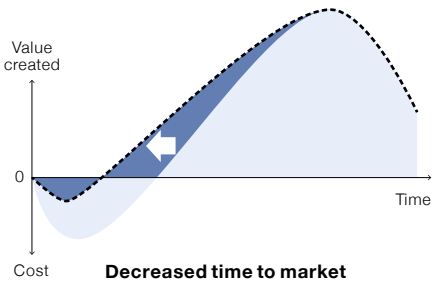
STREAMLINED DEVELOPMENT

Using established pharmaceutical compounds streamlines development and facilitates the use of abbreviated regulatory pathways such as the 505(b)(2) process in the US, and hybrid application in the EU. These pathways enable some of the information required for approval to be derived from non-clinical and clinical data on marketed products. Time-consuming and costly development phases can therefore be shortened substantially, and the risks associated with clinical development are significantly reduced.

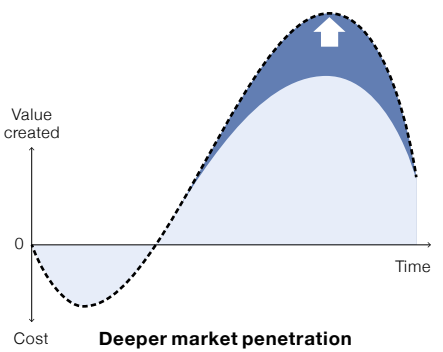
IMPROVED TREATMENT OUTCOMES

The method of administration of existing drug products may result in suboptimal exposure profiles and poor treatment compliance, which negatively affect treatment outcomes. With its convenient administration, FluidCrystal® technologies are designed to address these limitations and improve therapeutic performance and treatment adherence, thereby improving treatment outcomes, benefiting patients and enabling them to live better lives.

Significant values created by Camurus' development model



Decreased time to market
505(b)(2), hybrid regulatory pathway



Deeper market penetration
Best-in-class treatment potential

Time and cost-effective development of innovative and differentiated medications - combining clinically documented APIs with leading and proven technologies

FluidCrystal®– smart and versatile drug delivery

FluidCrystal®
INJECTION DEPOT

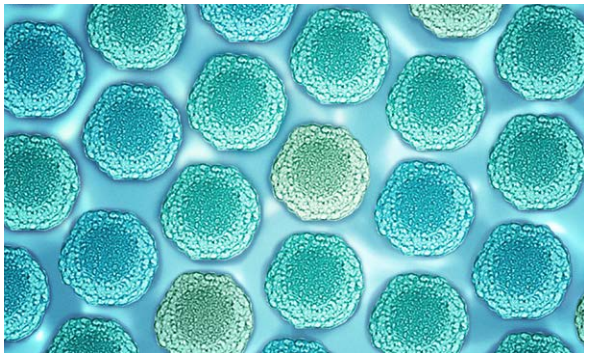
Long-acting release with user-friendly administration

FluidCrystal®
TOPICAL BIOADHESIVE

Unique bioadhesion extends and reinforces treatment efficacy

FluidCrystal®
NANOPARTICLES

Nanoparticle carriers with high solubilizing capacity increase drug absorption and bioavailability



FluidCrystal® INJECTION DEPOT

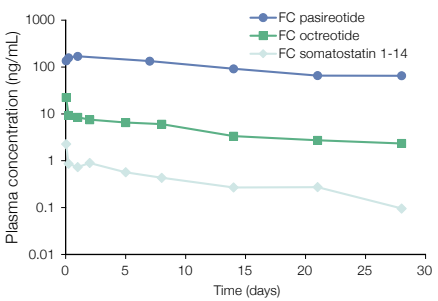
Camurus' FluidCrystal® injection depot provides treatment efficacy over extended periods – from days to months – with a single injection. It can reduce the burden of daily medication while increasing adherence to therapy. FluidCrystal® is suitable for biological peptides as well as small molecules.

FluidCrystal® injection depot comprises a homogeneous lipid-based liquid with a dissolved active ingredient that can easily be injected subcutaneously using a conventional syringe with a thin needle. Upon contact with fluids in the tissue, the lipid solution transforms into a liquid crystalline gel, which effectively encapsulates the active ingredient. The drug compound is subsequently slowly released at a controlled rate as the liquid crystalline matrix and lipid building blocks gradually degrade in the tissue. The release can be controlled, from several days to weeks or months, depending on the choice of lipid composition and other factors. The system's simplicity, including a spontaneous self-association to a functional structure in the body, eliminates complicated manufacturing procedures and the need for mixing (reconstitution) prior to administration. Medicines based on the FluidCrystal® injection depot can be administered by the patients themselves or by healthcare professionals, without time-consuming and complicated reconstitution procedures. The long-acting drug release reduces the patient's burden of administering medication daily, improves the adherence to and results of the treatment, and improves the patient's quality of life.

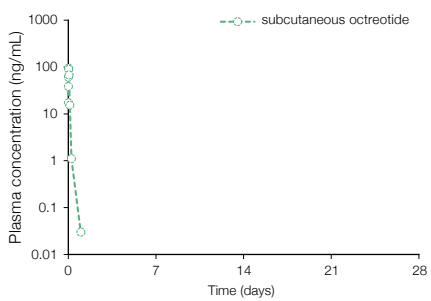
KEY ATTRIBUTES

- Easy and convenient administration
- Improved treatment adherence
- Adapted to prefilled syringes and autoinjectors
- Long-acting drug release
- Small injection volume with a thin needle
- Good safety profile
- Manufacturing by standard processes

FluidCrystal® Injection depot

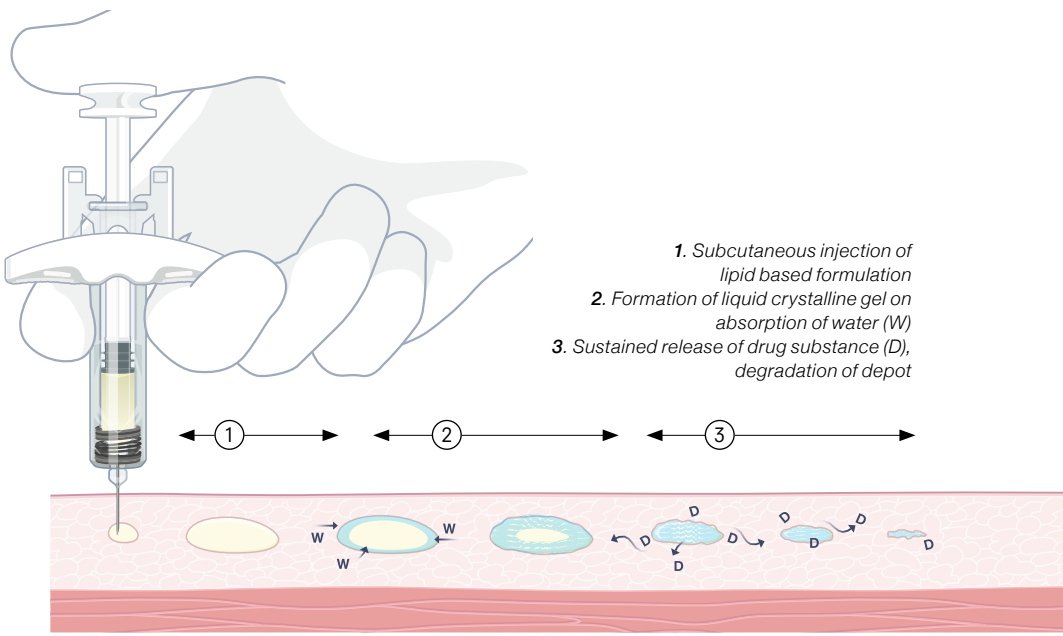


Immediate release octreotide (Sandostatin®)



Single dose injection at t=0; n=6 (SC); rodent; mean values

Pharmacokinetic profiles (plasma concentration of pharmaceutical substance over time) following the administration of different somatostatin analogues formulated in FluidCrystal® injection depot (left figure) compared to an immediate release formulation of the somatostatin analogue octreotide.



***1**. Subcutaneous injection of lipid based formulation*
***2**. Formation of liquid crystalline gel on absorption of water (W)*
***3**. Sustained release of drug substance (D), degradation of depot*

FluidCrystal® TOPICAL BIOADHESIVE

FluidCrystal® topical bioadhesive comprises a liquid product that forms a strong bioadhesive film after administration on tissue surfaces. The film functions as an invisible patch that slowly and precisely releases pharmaceutical substances systemically or locally. It also provides protection of sensitive and inflamed tissues. The formulation is suitable for prolonged local release of active ingredients on the skin and on mucosal membranes of e.g. the mouth, nose and throat.

The formulation is applied as a low-viscosity liquid on topical surfaces, where it spreads and transforms into a thin and strongly bioadhesive liquid crystalline film after absorption of minute amounts of water. The nanostructure of the film can be controlled to achieve an optimal delivery profile and bioadhesive strength. The formulation has a high solubilizing capacity, which allows relatively small dosage volumes to achieve therapeutic effects with the active ingredient. FluidCrystal® topical bioadhesive can be administered using metered dose pumps, tubes, capsules and other primary packaging forms for liquids.

KEY ATTRIBUTES

- Strong adhesion to biological surfaces
- Protects sensitive tissues
- Relieves topical pain
- High solubilizing capacity for active ingredients
- Extended local or systemic release of drug substances
- Good local tolerability
- Manufacturing by standard processes

The commercial product episil® is based on FluidCrystal® topical bioadhesive. Read more about episil® on page 26.

FluidCrystal® NANOPARTICLES

FluidCrystal® nanoparticles can resolve the issue of bioavailability for water and fat-soluble pharmaceuticals or biodegradation-sensitive drugs, such as peptides and proteins.

FluidCrystal® nanoparticles are usually water-based and comprise a stable emulsion of nanoparticles with a liquid crystalline structure. Products based on this technology are administered either parenterally via injections or as a liquid sprayed onto the skin or mucous membranes.

KEY ATTRIBUTES

- Prolonged systemic drug circulation (parenteral administration)
- Enhanced delivery over mucosal and skin surfaces (topical administration)
- Protection of sensitive drug substances
- High solubilization capacity for active ingredients
- Good systemic and local tolerability demonstrated in pre-clinical and clinical trials

Active intellectual property strategy

Camurus has an active patent strategy covering all major geographic markets, including the US, EU5, Japan and China. Our patent portfolio covers our technology platforms as well as our specific product candidates and currently consists of about 250 issued patents.

In addition, we are actively prosecuting about 170 pending patent applications worldwide and we are continuously filing new patent applications extending the protection of the technology and products. The duration of our patents for our FluidCrystal® technology and our product candidates vary, depending on the aspect, application and geography. The earliest patent expirations are expected in 2025-27, while several patents and patent applications extend until 2033 and longer.

We also have extensive know-how of all critical aspects of our formulation technology, including the components, manufacturing, devices, packaging and stability. This continues to grow and creates new IP opportunities as we and our partners further develop our different product candidates and obtain market approvals.

Scientific publications and presentations

In 2017, key results from our most advanced development programs, CAM2038 and CAM2029, were presented at numerous international conferences and regional meetings as well as in leading publications:

CAM2038 FOR OPIOID DEPENDENCE

Publications:

- Pharmacokinetic Phase 1 results in Advances in Therapy
- Opioid blockade Phase 2 results in JAMA Psychiatry
- Pharmacokinetic Phase 1 results in Journal of Substance Abuse Therapy

Conferences & meetings:

CPDD (College on Problems of Drug Dependence), June 17-22, Montréal, Canada
- Oral presentation of Phase 3 efficacy data by Assoc. Professor Michelle Lofwall, University of Kentucky
- Oral presentation of opioid blockade results by Professor Sharon Walsh, University of Kentucky
- Oral presentation of pharmacokinetic and pharmacodynamic results by Marion Coe, University of Kentucky

ATHS (Addictions Toxicomanies Hépatites SIDA), October 17-20, Biarritz, France
- Poster presentation of Phase 3 data by Adrian Dunlop, Newcastle Community Health Centre, Australia

Lisbon addictions, October 24-26, Lisbon, Portugal
- Poster presentation of Phase 3 data by Adrian Dunlop, Newcastle Community Health Centre, Australia

ISAM (International Society for Addiction Medicine), October 26-29, Abu Dhabi, UAE
- Oral presentation of Phase 3 efficacy data by Assoc. Professor Michelle Lofwall, University of Kentucky
- Oral presentation of opioid blockade results by Professor Sharon Walsh, University of Kentucky
- Oral presentation of Phase 3 safety results by Professor Nicholas Lintzeris, University of Sydney, Australia

SSA (Society for the Study of Addiction), November 9-10, Newcastle, UK
- Poster presentation of Phase 3 data by Professor John Strang, King's College London

APSAD (Australasian Professional Society on Alcohol and other Drugs), November 12-15, Melbourne, Australia
- Oral presentation of Phase 3 safety results by Professor Nicholas Lintzeris, University of Sydney, Australia

AAAP (American Academy of Addiction Psychiatry), December 7-10, San Diego, USA
- Presentation of Phase 3 efficacy data by Assoc. Professor Michelle Lofwall, University of Kentucky

CAM2029 FOR ACROMEGALY AND NET

Conferences & meetings:

ENETS (European Neuroendocrine Tumor Society), March 7-9, Barcelona
- Poster presentation of Phase 2 results for long-acting octreotide

Highly-skilled, creative and dedicated – our employees are the core of our operations

At Camurus, we value diversity, equality and responsibility. We are an agile organization with a shared ambition for growth and an innovative and collaborative culture. During 2017 the number of employees increased as we continued to build our European commercial organization. Our operations are conducted from modern, state of the art laboratories and offices at our headquarters in Lund, Sweden. With the continued development of the organization, Camurus is dedicated to anchoring our unique culture across new geographies and markets to support continued success.

ENTREPRENEURIAL COMPANY CULTURE

Camurus is a workplace where the employee's knowledge, passion, creativity, and skills are key to success. The majority of our employees work in research and development and many hold advanced university degrees. Working in dynamic teams, employees strengthen our innovative corporate culture through collaboration and knowledge sharing. Active transfer of knowledge throughout our international network and through intense collaborations with academia and industrial partners aids employee development, as does the continued expansion of our organization, which offers employees a unique opportunity to develop their expertise and make a difference, every day.

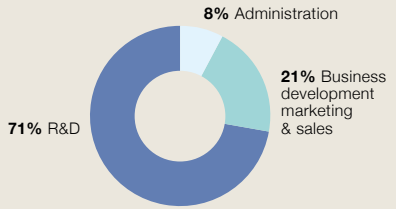
71
EMPLOYEES
AT THE END OF CLOSING

32 MEN | **39** WOMEN

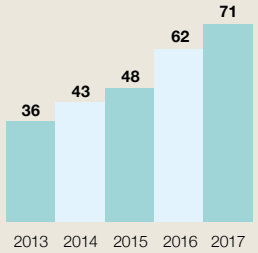
AVERAGE AGE **44**

34% PhD

Personnel distribution



Head count growth



Sustainable development creates long-term value

Social and environmental sustainability are vital aspects of Camurus' Code of Conduct and the way we operate, ensuring the long-term success of the company for the benefit of patients.

The third goal of the United Nations Sustainable Development Goals is to "Ensure healthy lives and promote well-being for all at all ages". At Camurus, we work towards this goal through the mission to improve the lives of patients suffering from serious and chronic diseases by providing innovative treatment solutions. We want to achieve this goal without damaging quality of life for future generations. We therefore take our social and environmental responsibility to heart.

One target of the United Nations Good Health and Well-being goal is to strengthen the prevention and treatment of substance abuse. Our focus on long-acting treatment options for opioid dependence can make a significant contribution towards this goal.

SOCIAL RESPONSIBILITY

In the effort to develop new pharmaceutical products, we engage with a broad range of internal and external stakeholders, including employees, healthcare professionals, regulatory authorities, payers and supply chain partners. Clear, effective and transparent communication with stakeholders is essential for ensuring sustainability throughout our entire value chain.

Social responsibility at Camurus focuses on three main areas: employee wellbeing, patient safety and business ethics.

Employee wellbeing

Our single greatest asset is our employees. The company does its utmost to provide a secure and safe workplace and a positive working environment. Guidelines and procedures have been implemented to integrate health and safety aspects in all business activities, and to prevent employees from being exposed to unnecessary risks.

Patient safety

Patient safety is our highest priority. We adhere to our internal guidelines and procedures, which have been implemented to protect patient safety and to ensure the high quality of products. Furthermore, we follow all relevant laws and regulations in our research and development, manufacture, storage and distribution activities, including the disclosure of information regarding the safety of our pharmaceutical products.

We report any side effects related to compounds in clinical development as required by relevant laws and regulations. We track and monitor products already on the market for side effects and new and unexpected safety signals; notifying regulators about relevant data in accordance with applicable regulations.

Business ethics

We operate within a strictly regulated industry. Government regulatory bodies routinely demand information through audits, evaluations and inspections. We are committed to upholding the highest standards of integrity, honesty and adhering to all relevant laws and guidelines with regard to all of our interactions with regulatory bodies and healthcare professionals. We utilize the services of healthcare professionals or organizations when there is a justifiable need. Compensation, if relevant, is in line with local legislation.

Clinical research to evaluate the safety and efficacy of medicines is a crucial component of pharmaceutical development. We are committed to protecting the patients and healthy volunteers who participate in our clinical trials, upholding the highest ethical, scientific, and clinical standards in all our research, and communicating clinical trial results in a timely, accurate and transparent way. All data from clinical research is registered, processed and stored in a manner that facilitates thorough reporting, interpretation and verification.

We are committed to providing accurate and non-misleading information about our products. The company's Code of Conduct guides our efforts against corruption and bribery.

Our suppliers play an important role in our research, development and pharmaceutical sales. We select our suppliers based on objective criteria with the expectation that they act in a manner that corresponds to our commitment to adhering to relevant laws and ethical business practices.

ENVIRONMENTAL RESPONSIBILITY

In our approach to environmental protection, we strive to continually reduce waste and energy consumption, and to minimize the environmental impact of our research and development work and products. Environmentally friendly ingredients and transportation are chosen whenever possible, and regional supply chains are established wherever practicable. To read our Code of Conduct, visit camurus.com

Share development reflecting pipeline progress

Camurus' shares are listed on Nasdaq Stockholm Mid Cap list under the ticker CAMX. At the end of 2017, the closing price of Camurus' share was SEK 136.00.

The stock listing in December 2015 was a crucial step in the strategic move to make Camurus a long-term profitable pharmaceutical company. A well-organized in-house marketing and sales organization is now being established to promote medical products within our commercial focus of specialty pharmaceuticals. The successful listing on the stock exchange enables financing of the expansion of the company's project portfolio and the advancement of early stage projects to clinical development, and in some to market. Importantly, it also enables us to launch and commercialize our own products, with a primary focus on the European market.

SHARE PRICE TREND

Camurus' shares increased by 17 percent during the year, and the closing price on December 29, 2017 of SEK 136.00. The Nasdaq Stockholm 30 index (OMXS30) rose by 3,3 percent during the same period. The highest price paid for the Camurus share was SEK 145.75 (June 26, 2017) and the lowest was SEK 103.00 (March 21, 2017). At the end of the year, market capitalization was MSEK 5,070.

SHARE DATA

On December 31, 2017, Camurus had 37,281,486 registered common shares, corresponding to 37,281,486 votes.

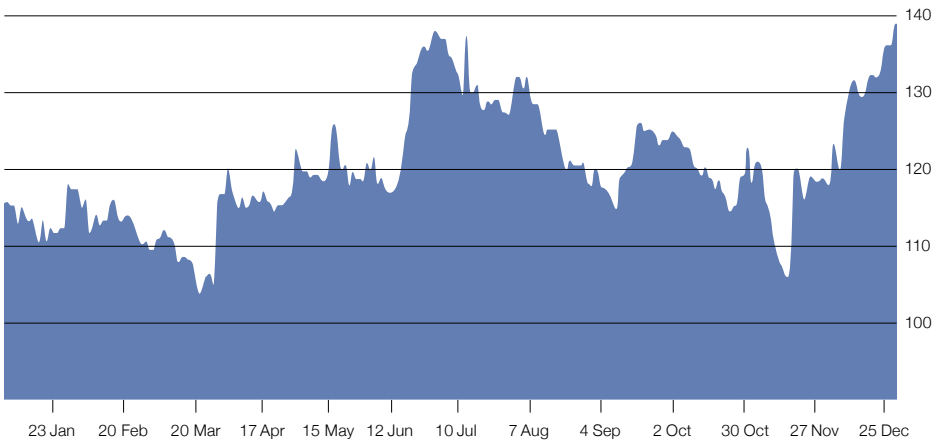
OWNERSHIP STRUCTURE

At the end of 2017, Camurus AB had 4,767 shareholders, of whom 420 comprised financial and institutional investors with holdings amounting to 85 percent of the share capital, and 4,347 comprised private individuals with holding totaling 15 percent of the share capital. Foreign shareholders accounted for 6 percent of the votes and capital. The ten largest shareholders accounted for 80 percent of the votes and capital.

SHARE CAPITAL AND CAPITAL STRUCTURE

At the year's end, the share capital totaled SEK 932,037; distributed among 37,281,486 shares with a quotient value of SEK 0.025. In accordance with the Articles of Association, the share capital shall comprise a minimum of SEK 500,000 and a maximum of SEK 2,000,000, divided among a minimum of 20,000,000 shares and a maximum of 80,000,000 shares. Camurus' Articles of Association contains a record day provision, and the company's shares are registered with Euroclear Sweden AB who administer the company's shareholder register and registers the shares of individuals and organizations. All shareholders are entitled to an equal share in the company's profits and a percentage of the surplus in the event of liquidation.

Share performance from 1 January 2017 to 31 December 2017



INCENTIVE PROGRAM

In accordance with a decision at the Shareholder's General Meeting in May 2016, an incentive program TO2016 / 2019 was introduced for the company's employees, under which a maximum of 550,000 warrants can be issued. The number of warrants issued with the program is 550,000, and they give the right to subscribe for an equal number of shares

during the period May 15, 2019 – December 15, 2019. The strike price for subscription of shares upon exercise of the transferred warrants was set at SEK 99.50. The dilution of a full utilization of program corresponds to 1.5% of the share capital and voting rights. As per December 31, 2016, 47 employees had chosen to participate in the program TO2016/2019 with 404,300 warrants subscribed. No further warrants have been subscribed for thereafter as transfer of subscription warrants to future employees may not occur after the Annual General Meeting 2017.

In May 2017, it was decided by the Shareholder's General Meeting to introduce another incentive program TO2017/2020. Under this program a maximum of 750,000 warrants can be issued and which give the right to subscribe for an equal number of shares during the period May 15, 2020 – December 15, 2020. The strike price for subscription of shares upon exercise of the transferred warrants was set at SEK 167.20. The dilution of a full utilization of the program correspondes to 1.5 percent of the share capital and voting rights. As per December 31, 2017, 44 employees had joined the program and signed up for 658,932 subscription warrants.

In total, TO2016/2019 and TO2017/2020 may result in a maximum dilution effect of approximately 3.1 percent.

The programs, which offers employees the opportunity to benefit from an increase in the company's value, are expected to promote commitment and responsibility and result in an increased motivation to work for the company's positive financial development. The incentive programs are also expected to improve recruitment and retain competent, motivated and committed employees. For further information, see Note 24.

DIVIDEND POLICY AND PROPOSED DIVIDEND

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

Shareholders as of 31 december 2017

	Numbers of shares	% of capital	% of votes
Sandberg Development AB	20,014,978	53.54	53.54
Gladiator	1,812,500	4.85	4.85
Tiberg, Fredrik	1,512,551	4.05	4.05
Swedbank Robur fonder	1,372,309	3.67	3.67
Catella Fondförvaltning	1,133,548	3.03	3.03
SEB S.A. Client Asstes UCITS.	951,269	2.54	2.54
Backahill Utveckling AB	877,193	2.35	2.35
Fjärde AP-Fonden	797,731	2.13	2.13
Enter Fonder	682,865	1.83	1.83
Försäkringsbolaget Avanza Pension	569,461	1.52	1.52
Other shareholders	7,657,081	20.48	20.48
	37,381,486	**100.00**	**100.00**

Ownership Distribution as of 31 December 2017

	% of votes	% of capital	Number of shareholders	Number of shares
Swedish Institutions	80.1	80.1	251	29,692,606
Foreign Institutions	4.8	4.8	169	1,784,591
Swedish private shareholders	14.2	14.2	4,317	5,468,241
Foreign private shareholders	0.9	0.9	30	336,048
	100.0	**100.0**	**4,767**	**37,281,486**

Ownership Distribution size classes as of 31 december 2017

	Number of shareholders	Number of shares	% of capital	% of votes
1 - 500	3,719	562,159	1.5	1.5
501 - 1,000	471	399,981	1.1	1.1
1,001 - 5,000	405	968,583	2.6	2.6
5,001 - 10,000	71	536,341	1.4	1.4
10,001 - 15,000	18	217,219	0.6	0.6
15,001 - 20,000	17	268,439	0.7	0.7
20,001 -	66	34,428,764	92.1	92.1
Total	**4,767**	**37,381,486**	**100.0**	**100.0**

GLOSSARY

505(b)(2) US submission which contains full reports of investigations of safety and effectiveness, where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use.

5HT3 inhibitor A class of drugs that act as receptor antagonists at the 5-HT3 receptor, a subtype of serotonin receptor

Acromegaly A disorder caused by overproduction of growth hormones resulting in abnormal body growth

Agonist A drug or other substance that binds to and blocks a receptor and thereby stimulates the activity of the receptor

Analogue Similar molecular structure

Antagonist A drug or other substance that binds to and blocks a receptor without stimulating the activity of the receptor

API Active pharmaceutical ingredient

Bioadhesive A substance that is adhesive to biological surfaces

Bioavailability The degree and rate at which a substance (as a drug) is absorbed by the body

Buprenorphine Active ingredient that is strongly analgesic and that may be used for treatment of opioid dependence

CAGR Compound Annual Growth Rate, average annual growth

CINV Chemotherapy-induced nausea and vomiting

Clinical trials Investigations performed in humans in order to study the properties of an investigational product

CV Cardiovascular

EMA European Medicines Agency, a decentralized agency of the EU, responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the EU

Endocrine diseases Diseases affecting the endocrine system, i.e. the body's production, secretion and response to hormones

Endogenous Produced within the body

EU5 France, Germany, Italy, the United Kingdom and Spain

FDA Food and Drug Administration, the US food and drug authority

Gauge The dimension of the outer diameter of an injection needle. The gauge value decreases when the outer diameter increases

Generic drug A drug that has the same active ingredient as a brand name drug

GMP Good Manufacturing Practice

GnRH Gonadotropin-Releasing Hormone

In vitro Biological process that takes place outside a living cell or organism

In vivo Biological process that takes place in living cells and tissues in an organism

Incidence Number of new cases per population at risk

IND Investigational New Drug, classification that is required for development of a new drug in the US

Hybrid application EU hybrid application depends partly on the results of tests on a reference medicine and partly on new data from nonclinical and clinical trials, and other data to establish the properties of the product

Leuprolide Active ingredient used for treatment of e.g. prostate cancer Lipids Group of compounds consisting of fat or fat-like substances

MAA Marketing Authorisation Application, application for marketing authorisation of a drug within the EU/EAA

MC4 agonist A class of drugs that act as receptor agonists at the melanocortin 4 receptor

Milestone payment Economic compensation obtained within a framework of a partner program when a specific goal has been achieved

Nanoparticle Microscopic particle that behaves as a whole unit

NDA New Drug Application, application for approval from the FDA to commercialise a new drug in the US

NK1 inhibitor A novel class of drugs that act as receptor antagonists at the neurokinin-1 receptor, and that possess unique antidepressant, anxiolytic, and antiemetic properties

NET Neuroendocrine tumors. A group of different kinds of hormone producing tumors

Octreotide Active ingredient used for treatment of e.g. cancer

Oral mucositis Inflammation of the oral mucosa that leads to ulcers and pain in the oral cavity

Orphan drugs Drugs intended to treat serious or life-threatening diseases that are so rare that pharmaceutical companies are reluctant to develop them for economic reasons

PAH Pulmonary arterial hypertension. PAH is characterized by an abnormal rise in the resting mean pulmonary artery pressure, caused by obstruction and increased resistance in the pulmonary arterial blood vessels. Pulmonary pressure increases as the patient advances through the later stages of the disease, leading to reduced cardiac output, heart failure and ultimately death

Peptide Molecule consisting of a chain of amino acids

Pharmacodynamics The biochemical and physiological effects of a drug on the body

Pharmacokinetics The fate of a drug within the body (i.e. the absorption, distribution, metabolism and excretion)

PONV Postoperative nausea and vomiting

Pre-clinical studies Studies performed in model systems, i.e. not in humans

Reconstitution Preparation of a drug before administration, often addition of a diluent to a powder

Setmelanotide A MC4 receptor agonist peptide for the treatment of rare genetic disorders of obesity

Subcutaneous injection Injection of a drug under the skin injection

Sublingual administration Administration of a drug under the tongue

TGA Therapeutic Goods Administration, the Australian drug authority

Toxicology Scientific studies of the degree to which a substance is toxic

Viscosity A measure of the flowing thickness of a fluid

Financial Reports

GROUP AND PARENT COMPANY

The Board of Directors and Chief Executive Officer of Camurus AB (publ), with its registered office in Lund and company registration number 556667-9105, hereby present the Annual Report for the 2017 financial year, for the Group and the Parent Company. The annual accounts and the auditor's report are presented on pages 40-79. The earnings from the year's activities and the Parent Company's and the Group's financial position are presented in the director's report and the subsequent income statement and balance sheet, comprehensive income statement, statement of cash flow, statement of changes in equity as well as supplementary disclosures and notes, all of which collectively constitute the annual accounts.

CAMURUS' OPERATIONS

Camurus is a research-based pharmaceutical company committed to developing and commercialising innovative and differentiated pharmaceuticals for the treatment of 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 unique proprietary formulation technology, such as the longacting injection depot FluidCrystal® injection depot. 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.

The company's shares are listed on Nasdaq Stockholm under the ticker "CAMX".

In preparation for the commercial launch of CAM2038, we are continuing to add experts to our regional teams in the UK, Germany, France and the Nordics. In parallel, we are engaging with key opinion leaders and payors to demonstrate the value CAM2038 will bring to health economies and the wider society.

During the year the marketing authorization applications for CAM2038 for the treatment of opioid dependence were accepted for review by the U.S. FDA, European EMA and Australian TGA. The NDA for CAM2038 was accepted with Priority Review by the U.S. FDA. Furthermore, the FDA Advisory Committees recommended approval of CAM2038 NDA.

During the year, Phase 3 results from our comprehensive clinical study program for CAM2038 for opioid dependence were presented by our study investigators at several leading international addiction conferences and regional meetings: CPDD, ISAM and AAAP Annual Meetings. The CAM2038 products have the potential to transform the treatment of opioid dependent patients with prospects of improved treatment outcomes and longterm recovery, while reducing the stigma associated with current treatments of opioid and heroin dependence. CAM2038 also presents the opportunity to overcome some of the difficult and complex problems associated with current daily treatments of opioid dependence, including misuse, abuse and diversion.

After the year end, on the 19 January 2018, Braeburn Pharmaceuticals, our US partner for CAM2038, received a complete response letter from the FDA, requiring further information to the New Drug Application (NDA) for CAM2038. While no additional clinical studies are required, this unexpected request has led to a delay in the US approval for CAM2038. However, the complete response letter provided a clear pathway to NDA approval and we are looking positively at the prospects of a Q2 2018 resubmission.

For CAM2043 an Investigational New Drug Application (IND) was submitted to the FDA and the first cohort was treated with our weekly treprostinil depot. Initial results from this study are expected during Q2 2018. PAH is a rare and severe chronic disease of the heart and lungs. The current PAH market exceeds USD 5 billion globally, of which almost one quarter is treprostinil sales. A weekly subcutaneous depot could provide important patient benefits compared to current infusion products, which are associated with risks of serious infections, severe infusion site pain and which require a complex extracorporeal pump system. Further information about our development programs are found on pages 41-43.

HIGHLIGHTS OF THE YEAR

- Recommendation of approval of CAM2038 NDA for the treatment of opioid dependence in the US approval by FDA Advisory Committee.
- MAA of CAM2038 for treatment of opioid dependence accepted for review by the Australian TGA.
- Validation by the European EMA completed for CAM2038 MAA for treatment of opioid dependence.
- NDA of CAM2038 for treatment of opioid dependence accepted with Priority Review by the U.S. FDA.
- Completion of clinical program for CAM2038 in opioid dependence.
- Positive Phase 3 long-term safety results for CAM2038 in opioid dependence.
- All patients enrolled in Phase 3 efficacy and long-term safety extension study of CAM2038 in chronic pain
- Target specifications met in Phase 1 study of CAM2047 and CAM2048/58 for treatment of CINV and postoperative pain.
- Positive initial Phase 1a results for weekly setmelanotide FluidCrystal® (CAM4072) for treatment of genetic obesity disease by our partner Rhythm.
- First cohort treated in Phase 1 study of CAM2043 for treatment of pulmonary arterial hypertension.
- Publication of CAM2038 clinical study results in JAMA Psychiatry, Journal of Substance Abuse Therapy, and Advances in Therapy.
- Presentations of CAM2038 efficacy and safety results at leading scientific addiction conferences, including CPDD, ISAM, and AAAP Annual Meetings.
- Strengthening of the management team; Urban Paulsson, appointed as VP Corporate Development and General Counsel, and Cecilia Callmer as VP Human Resources.

RESEARCH AND DEVELOPMENT

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

Camurus' research and development organization includes pre-clinical, pharmaceutical and analytical, as well as clinical and regulatory functions. The company's research and development expenditure in 2017 amounted to MSEK 222.9 (MSEK 172.1 in 2016), corresponding to 75 percent (80 percent in 2016) of the operating expenses.

Alongside our clinical success and regulatory progress in the opioid dependence area, we have also been busy advancing other important clinical and early phase programs, both on our own and with our partners.

CAM2038 – weekly and monthly buprenorphine depots for treatment of 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 represents current standard of care and has been shown effective in reducing withdrawal and cravings, misuse and spreading of diseases. However, these treatments are also associated with limitations such as poor treatment adherence, misuse, medication diversion, and accidental pediatric exposure. CAM2038 includes two long-acting subcutaneous buprenorphine depots for the treatment of opioid dependence. The investigational products are based on Camurus' proprietary FluidCrystal® injection depot technology and are intended for either weekly or monthly subcutaneous administration by healthcare personnel using prefilled syringes, provided in multiple doses, to allow individualized treatment of patients with opioid dependence. In addition, patients being treated with CAM2038 are freed from the burden and stigma associated with the daily, often supervised, distribution and administration of current buprenorphine medications. Treatment with CAM2038 also has the potential to generate substantial savings for the healthcare system and society by reducing the costs of frequent supervised treatment, improving treatment compliance, and lowering diversion, misuse and abuse.

A New Drug Application (NDA) for CAM2038 in opioid use disorder was submitted by our partner Braeburn Pharmaceuticals to the US Food and Drug Administration (FDA) during Q3 2017. Later in Q3, the FDA informed that they accepted the NDA and granted a Priority Review with a PDUFA date set for 19 January 2018. In parallel, during Q3 2017, a Marketing Authorization Application (MAA) was submitted and validated by the European Medicines Agency (EMA). In Q4 2017, an MAA to the Australian authority, Therapeutic Goods Administration (TGA), was accepted for evaluation. These submissions were supported by a comprehensive clinical program comprising seven clinical studies, including two Phase 3 studies. A core component of the submissions was the positive results from a randomized, double-blind, double-dummy study of weekly and monthly CAM2038 depot injections versus daily treatment with sublingual buprenorphine/naloxone in 428 adult patients with opioid use disorder. The study met both the FDA and EMA primary endpoints for responder rate and mean percent of urines samples negative for illicit opioids. Superiority 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 CAM2038 was generally consistent with the known safety profile of buprenorphine except for mild-to-moderate injection-site adverse events.

On November 1, the FDA Advisory Committee for Psychopharmacologic Drugs and Drug Safety and Risk Management voted 17-3 recommending approval of CAM2038. After the period, in January 2018 the FDA issued a complete response letter (CRL) for the CAM2038 NDA requesting additional information to complete the review. The request, issued to Camurus' partner Braeburn Pharmaceuticals, did not request new clinical studies and the Agency's requests will be addressed in a timely manner.

CAM2038 – Round-the-clock relief from chronic pain

Chronic pain is a global health problem, and is causing deterioration in general health, reduced quality of life, decreased work capacity and dependence and misuse of strong opioids. CAM2038 is therefore 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. The properties of CAM2038 are considered to conform the targeted properties for treatments of chronic pain, i.e. the combination of long-lasting efficacious analgesia with a reduced risk of misuse, abuse and illicit diversion.

The Phase 3 efficacy study of CAM2038 in chronic lower-back pain is being completed and we have initiated a long-term safety extension study. Recruitment was completed during the quarter. Topline results from the efficacy study are expected in Q2 2018, followed by long-term safety results in Q4 2018.

CAM2029 – improved treatment for patients with acromegaly and NET

CAM2029 is being developed for the treatment of acromegaly and neuroendocrine tumours (NET). CAM2029 is a ready-to-use, long-acting subcutaneous injection depot of the active substance octreotide formulated with Camurus' proprietary FluidCrystal® Injection depot technology. It provides several potential advantages compared to presently marketed product Sandostatine® LAR® by means of higher bioavailability, fast onset of effect, and improved dosing; a prefilled syringe with a thin needle. Having successfully completed three Phase 1 studies and one Phase 2 study, Novartis is currently preparing for initiation of Phase 3. Healthcare authority interactions in 2017 resulted in a decision by Novartis to redesign the phase 3 program per suggestions by the FDA. Novartis also conducted additional manufacturing and packaging activities to optimize product characteristics and together this led to a postponement of the Phase 3 start compared to the anticipated timelines. Activities have progressed nicely during the year and an update on the Phase 3 program will be communicated in mid-2018. CAM2029 is being developed by Novartis under licence from Camurus.

CAM2032 – flexible approach to advanced prostate cancer treatment

The well-established hormone therapies for prostate 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. Additional potential indications for CAM2032 include precocious puberty, and endometriosis. CAM2032 is based on Camurus' FluidCrystal® Injection depot technology for administration as a small dose volume with a prefilled syringe and is not requiring any reconstitution or temperature conditioning. Based on simplicity of its admini-

stration, CAM2032 is being developed for easy subcutaneous injections by patients themselves.

Discussions with potential regional development and commercialization partners are currently ongoing.

EARLY PIPELINE PROJECTS

Early project development

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

Partner projects

The projects can be part of the life-cycle management for active substances already on the market, or involving completely new substances in early development. At present, our partner projects include new treatments for diabetes, obesity, viral infections, endocrine disorders, and cancer.

In-house drug development

Camurus' R&D team is continuously evaluating new opportunities to broaden the company's development pipeline with new products based on the FlyidCrystal® technology. Every idea is carefully evaluated with focus on several key criteria: the potential to fulfill unmet medical needs; technology match; efficient and expeditious clinical development; opportunities for market exclusivity (including patent protection); as well as the product's market potential. If these crucial criteria are fulfilled, the product candidate is pre-clinically evaluated against the target product profile in terms of drug loading, manufacture, stability, and drug release *in vitro* and *in vivo*.

CAM4071 – indication not disclosed

CAM4071 is a product candidate in clinical development under the option, collaboration and licensing agreement with Novartis. The product is a long-acting formulation of an undisclosed peptide based on the FluidCrystal® injection depot. A phase 1 trial of pharmacokinetics and pharmacodynamics, preformed together with Novartis, has been concluded and reported.

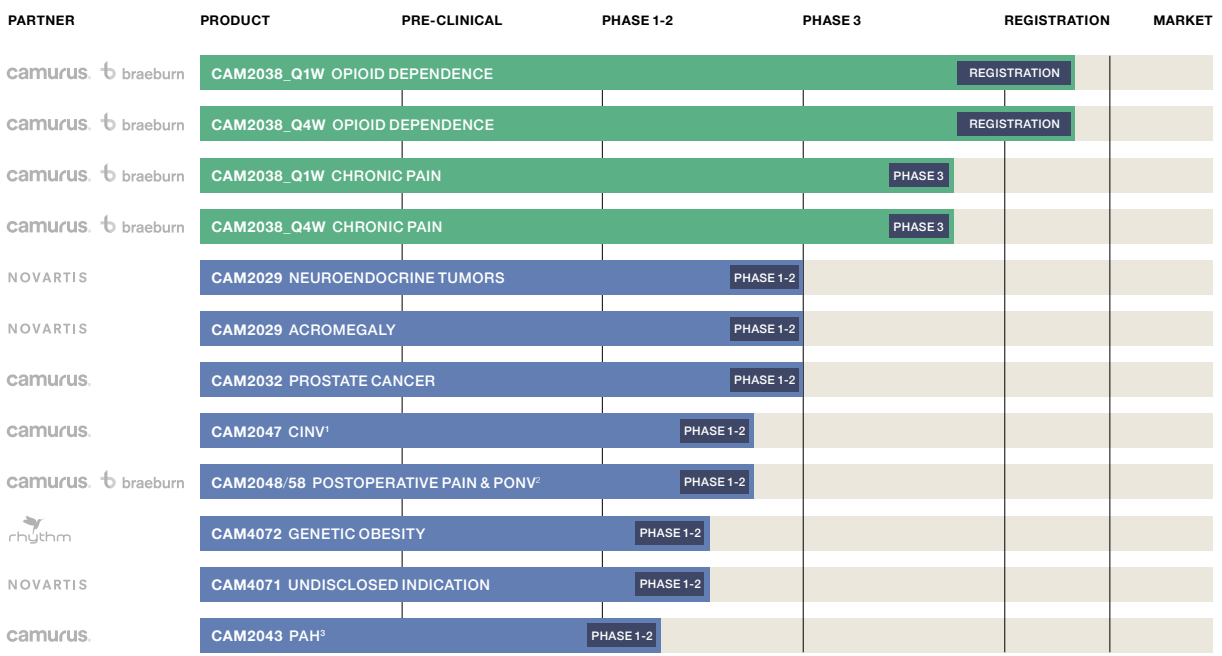
CAM2047, CAM2048 AND CAM2058 – for prevention and treatment of nausea and pain

Three new investigational products based on Camurus' FluidCrystal® Injection depot, CAM2047, CAM2048 and CAM2058, are being developed for the treatment of chemotherapy induced nausea and vomiting (CAM2047), pain (CAM2048), and combined treatment of postoperative pain, nausea and vomiting (CAM2058). A Phase 1 trial of CAM2047, CAM2048 and CAM2058 was completed in Q3 2017. Results from the study demonstrated that all products were well tolerated locally and systemically, with pharmacokinetic profiles meeting the target specifications for these product candidates. Next steps comprise in depth analysis of clinical registration programs and market potentials of the different product candidates.

CAM2043 – an innovative sustained release treatment for pulmonary arterial hypertension

CAM2043 is a new long-acting subcutaneous treprostinil depot, based on Camurus' FluidCrystal® technology, and is being developed for treatment of pulmonary arterial hypertension (PAH). Recently completed preclinical data indicate that CAM2043 is well tolerated, without any significant or

Development pipeline



1) Chemotherapy induced nausea and vomiting. 2) Postoperative nausea and vomiting. 3) Pulmonary arterial hypertension

unexpected injection site observations, and provides dose proportional plasma exposure of treprostinil suitable for weekly dosing. During Q4 2017, an IND was approved by the FDA and the first cohort of healthy volunteers was treated in a dose escalating Phase 1 study with CAM2043. Interim results from the study are expected in Q2 2018, followed by results from repeat dosing in Q3 2018.

CAM4072 – a novel melanocortin-4 receptor agonist (MC4R) for treatment of genetic obesity

Setmelanotide is a novel melanocortin-4 receptor agonist (MC4R) for treatment of genetic obesity disorders. The FDA granted Rhythm's setmelanotide Breakthrough Therapy designation for the treatment of pro-opiomelanocortin (POMC) and leptin receptor (LepR) deficiency obesity. Results from Phase 2 clinical trials of setmelanotide demonstrated significant weight loss and substantial reductions in hunger for patients with POMC and LepR deficiency obesity. Rhythm recently initiated Phase 3 clinical trials for each of these indications.

In parallel, a long-acting formulation of setmelanotide (CAM4072) is being developed, based on Camurus' FluidCrystal® technology, which has demonstrated positive pharmacokinetic and pharmacodynamic results in preclinical studies. Statistically significant decreases in body weight as well as food intake have also been demonstrated. Following the completion of a single-dose study, Rhythm recently completed a multi-dose clinical Phase 1 study evaluating the long-acting, once-weekly formulation of setmelanotide, CAM4072. The study demonstrated tolerability and pharmacokinetics that support further clinical development. According to Rhythm, a NDA could be ready for submission at earliest in 2019.

MEDICAL DEVICE PRODUCT

episil® – oral liquid for effective oral pain relief

episil® oral liquid is a medical device for the treatment of inflammatory and painful conditions in the oral cavity, currently being marketed in Europe, the US and other territories. 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.

Preparations for launch of episil® in Japan are on-going in close collaboration between our partner Solasia Pharma and their distribution partner Meiji Seika. episil® received marketing approval in Japan by the Japanese Ministry of Health, Labour and Welfare in July 2017. Reimbursement and pricing was recently announced by Solasia.

Five-year summary, Group[1)]

MSEK	2017	2016	2015	2014	2013
Net revenue	54.3	113.7	154.8	208.2	197.7
Operating result before items affecting comparability	-243.5	-102.5	-30.5	62.3	127.3
Operating result	-243.5	-102.5	-204.1	62.3	127.3
Net financial items	0.2	-0.9	-0.2	0.2	0.0
Result for the period	-190.6	-81.0	-159.5	48.3	99.2
Earnings per share before dilution, SEK	-5.11	-2.17	-6.02	2.06	4.25
Earnings per share after dilution, SEK[1)]	-5.11	-2.17	-6.02	1.92	3.93
Equity ratio in Group, %	81%	88%	78%	59%	45%
Equity	385.0	564.4	640.6	123.5	50.0
Cash and cash equivalents	314.5	508.6	716.1	0.1	0.0
Number of employees at end of period	71	62	48	43	36
Number of employees in R&D at end of period	48	44	35	28	29

1) The dilutioneffect is calculated according to IAS 33

REVENUE AND EARNINGS

In 2017, the Group's net revenue amounted to MSEK 54.3 (113.7) and was generated from license agreements as well as project related activities and product sales. The difference compared with the preceding year is mainly due to that the company's revenue streams, from license and development milestones, varies from year to year.

According to plan, the main costdrivers are completion of the comprehensive pivotal clinical program of CAM2038 in opioid dependence, the continuous development of the early project pipeline and the expansion of the commercial organisation in preparation of the planed launch of CAM2038 in Europe.

Camurus' marketing and sales costs during the year amounted to MSEK 45.9 (24.7).

Administrative expenses for the year was MSEK 26.6 (18.0). Research and development costs amounted to MSEK 222.9 (172.1).

Other income during the year amounted to MSEK 0.1 (0.8) and was mainly generated from exchange gains. Other expenses amounted to MSEK 1.1 (0.0).

The operating result for the year was MSEK -243.5 (-102.5)

The Group's net financial items amounted to an expense of MSEK 0.2 (-0.9).

Following an assessment of the Parent Company's tax loss carryforwards, a tax revenue of MSEK 52.9 (22.2) was recognized.

The Group's estimated tax for the year is a tax revenue of MSEK 52.8 (22.4).

The Group's result for the year was negative MSEK -190.6 (-81.0).

OTHER COMPREHENSIVE INCOME
Total comprehensive income is the same as the result for the period, as the consolidated group contains no items that are recognized under other comprehensive income.

CASH FLOW AND INVESTMENTS
Cash flow from operating activities before change in working capital was negative MSEK -239.3 (-109.8). Change in working capital affected the cash flow negatively by MSEK 36.2 (-98.0). Cash flow from investment was MSEK -2.1 (-4.6), and from finance activities MSEK 11.1 (4.9) related to issuance of subscription warrants. Cash flow for the year amounted to SEK -194.1 (-207.5) million.

FINANCIAL POSITION
The Group's cash position as of 31:st of December 2017 was MSEK 314.5 (508.6). The change compared to previous year relates mainly to the operating result and the change in working capital.

Consolidated equity as of December 31, 2017, was MSEK 385.0 (564.4).

There were no outstanding loans as of December 31, 2017, and no loans have been taken up since.

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

PARENT COMPANY
The Group's operations are conducted in the Parent Company.

The Parent Company's revenue amounted to MSEK 64.6 (113.7) in 2017. The operating result was a negative MSEK -243.6 (-100.4). The result for the year was negative MSEK -190.6 (-80.3).

At December 31, 2017, the Parent Company's equity was MSEK 367.7 (547.1).

At the end of the period, total assets amounted to MSEK 460.1 (626.5), of which cash and cash equivalents was MSEK 309.8 (508.4).

Other information

CHANGES IN COMPANY MANAGEMENT
As we entered 2018, a minor structural change of the company's executive management group was implemented.

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

SHARE CAPITAL AND OWNERSHIP STRUCTURE
Camurus' share capital amounted SEK 932,037 divided into 37,281,486 shares, with a quota value per share of SEK 0.025. The total the number of shares outstanding at 31 December 2017 was 37,281,486 common shares, each of which carries one vote. At 31 December 2017, Sandberg Development AB was the single largest shareholder of Camurus, with a total of 20,014,978 shares, corresponding to 53.7 percent of the votes and capital.

EMPLOYEES
In 2017, the average number of employees in the Group was 63 (50), of which 35 (30) were women. At year-end, the number of employees was 71 (62) of whom 48 (44) worked within research and development.

Of the total number of employees in 2017, 58 percent were women and 42 percent men. All employees receive the same treatment and are offered the same opportunities regardless of their age, gender, religion, sexual orientation, disabilities or ethnicity.

Salaries and other remuneration amounted to MSEK 90.4 (63.2).

EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR, UNTIL MARCH 22, 2018
On the 19th of January, our partner Braeburn Pharmaceuticals received a complete response letter from the US Food and Drug Administration (FDA), requiring additional information to the new drug application (NDA) for CAM2038. No additional clinical studies are required.

GUIDLINES FOR REMUNERATION AND OTHER EMPLOYMENT TERMS FOR SENIOR EXECUTIVES, 2018
The guidelines for remuneration to senior executives which will be proposed at the AGM 2018, will be published at camurus.com by end of March. In essence, it is proposed that the guidelines in their design are unchanged against the decision by the Annual General Meeting of May 3, 2017. For current guidelines, which are valid until the AGM 2018, and remunerations in 2017, see Note 9.

PROPOSED APPROPRIATION OF PROFITS FOR THE FINANCIAL YEAR 2017
The following is at the disposal of the AGM:

The Board of Directors proposes that the retained earnings of SEK 355,400,097 be carried forward.

The Board of Directors proposes that no dividend be paid for the 2017 financial year.

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

RISKS

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

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

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

The most substantial risks

RISKS RELATED TO THE INDUSTRY AND OPERATIONS

Pharmaceutical development and projects in early stages of development
Camurus currently has, either itself or together with partners, about ten clinical programs and a number of projects undergoing pre-clinical trials. The projects require continued research and development, which are subject to standard risks that product development becomes delayed and that costs become higher than expected or that the products prove to be insufficiently effective or safe at any stage of their development.

Technology platform with limited regulatory validation
There is a risk that products based on the Company's injection depot or its technology platforms are delayed to market or never reach it, and that problems that make it more difficult to produce, or enter into partnerships for, additional products with future commercial value, are identified.

Clinical trials
Prior to launching a product candidate in the market, Camurus or its partner must carry out pre-clinical and clinical trials to document and prove that the product gives rise to significant efficacy and has an acceptable safety profile. Camurus is unable to predict with any certainty when planned clinical trials can be started or when ongoing trials can be completed since these are circumstances that are affected by numerous different factors outside Camurus' direct control, for example regulatory approval, ethical review, access to patients and clinical trial units, performing the clinical trial at the trial unit and the considerations of Camurus' partners. It is also difficult to accurately predict the costs associated with clinical trials. Actual costs for carrying out a trial may significantly exceed estimated and budgeted costs. Clinical trials may also give rise to results that do not confirm the intended treatment efficacy or an acceptable safety profile due to undesirable side effects or an unfavourable risk-benefit assessment of the product. This could lead to clinical trials being discontinued or cancelled, or the product not being granted the necessary regulatory approval for further clinical trials or sale in the market.

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

Product and technology collaborations with other pharmaceutical companies
Camurus' strategy to build a balanced project and product portfolio includes the signing of partnership agreements with other pharmaceutical and biotech companies regarding, for example, joint development and/or approval and market launch.

Regulatory review and registration of new pharmaceuticals
Obtaining licenses and approvals can be time consuming and can further delay, hinder or make the development and commercialization of a product more expensive, for example due to differing opinions on which clinical trials are required for registration, even between the authorities of different countries, or manufacturing not being deemed to meet the applicable requirements. Authorities may make different assessments compared with Camurus and Camurus' partners, for instance, regarding the interpretation of data from trials or the quality of data. Changes in authorities' practices or procedures, as well as new or changed rules, may require additional work or ultimately result in the necessary license not being obtained or withdrawn.

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

Patents and other intellectual property rights
A risk exists that existing and future patents, brands and other intellectual property rights held by Camurus will not comprise full commercial protection from infringement and competition.

MARKET RISKS

Competition
Camurus' competitors include international pharmaceutical companies, biotech companies and specialist pharmaceutical companies. Some competitors have substantial financial, technical and staffing resources as well as considerable manufacturing, distribution, sales and marketing capacities. There is also the risk of Camurus' products that are under development, becomes subject to competition from similar products or entirely new product concepts that provide greater added value to patients.

FINANCIAL RISKS

Exchange-rate risks

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

Credit risks

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

Financing risk

There are existing risks that the cash flow from operations remains neutral or negative until Camurus can generate continuous annual revenue from products in the market. Going forward, Camurus will continue to require significant capital for continuing the research and development of potential products. Both the extent and timing of the Camurus' future capital requirements depend on a number of factors, such as costs for the operations, the potential success of research and development projects and opportunities for entering into partnership and licensing agreements, the timing for the receipt and amount of milestone payments and royalties, and the market reception of potential products. Access to and the terms and conditions for additional financing are influenced by several factors, such as market conditions, the general availability of credit and Camurus' credit rating and credit capacity. There is always the risk that Camurus cannot raise financing at acceptable terms.

SIGNIFICANT RISKS AND UNCERTAINTIES

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

The company management makes estimates and assumptions about the future. Such estimates can deviate considerably from the actual outcome, since they are based on various assumptions and experiences. The estimates and assumptions that may lead to the risk of significant adjustments to reported amounts for assets and liabilities relate mainly to measurement and allocation of revenue and costs in connection with licensing agreements and deferred tax receivable.

Risks in ongoing development projects comprise technical and manufacturing-related risks (including products failing to meet set specifications post manufacturing), safety and effect-related risks that can arise in clinical trials, regulatory risks relating to applications for approval of clinical trials and market approval, commercial risks relating to the sale of proprietary and competing products and their development in the market, as well as IP risks relating to approval of patent applications and patent protection. In addition, there are risks relating to the development, strategy and management decisions of Camurus' partners.

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

The Board of Directors has not changed its outlook on future developments in relation to their outlook published in the year-end report for 2017.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KSEK	Note	Financial year 2017	2016
Net sales	5	54,308	113,737
Cost of goods sold	6	-1,356	-2,140
Gross profit		**52,952**	**111,597**
Operating expenses			
Marketing and distribution costs	6, 28	-45,893	-24,738
Administrative expenses	6, 8, 28	-26,590	-17,985
Research and development costs	6	-222,939	-172,077
Other operating income	7, 13	93	751
Other operating expenses	13	-1,147	–
Operating result		**-243,524**	**-102,452**
Finance income	10	174	95
Finance expenses	10	-18	-1,002
Net financial items		**156**	**-907**
Result before tax		**-243,368**	**-103,359**
Income tax	11	52,794	22,367
Result for the period		**-190,574**	**-80,993**

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

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

	Note	2017	2016
Earnings per share before dilution, SEK	12	-5,11	-2,17
Earnings per share after dilution, SEK	12	-5,11	-2,17

Total comprehensive income is attributable to parent company shareholders.

INCOME STATEMENT – PARENT COMPANY

KSEK	Note	Financial year 2017	2016
Net sales	5, 28	64,640	113,737
Cost of goods sold	6	-1,356	-2,140
Gross profit		**63,284**	**111,597**
Operating expenses			
Marketing and distribution costs	6	-30,234	-24,738
Administrative expenses	6, 8, 28	-54,689	-17,985
Research and development costs	6	-220,849	-169,994
Other operating income	7, 13	61	751
Other operating expenses	13	-1,147	–
Operating result		**-243,574**	**-100,370**
Interest income and similar items	10	174	95
Interest expense and similar items	10	-18	-1,002
Result after financial items		**-243,418**	**-101,277**
Appropriations			
Change in accelerated depreciation		–	-1,246
Result before tax		**-243,418**	**-102,523**
Tax on profit for the period	11	52,853	22,183
Result for the period		**-190,565**	**-80,340**

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.

The notes on pages 52 to 75 is an integral part of the annual and consolidated accounts.

CONSOLIDATED BALANCE SHEET

KSEK	Note	31-12-2017	31-12-2016
ASSETS	2		
Fixed assets			
Intangible assets			
Capitalized development expenditure	14	16,653	18,741
Tangible assets			
Equipment	15	9,902	9,759
Financial assets			
Deferred tax receivables	16	114,997	61,685
Total fixed assets		**141,552**	**90,185**
Current assets			
Inventories			
Finished goods and goods for resale	18	724	2,187
Rawmaterial		2,829	10,193
Current receivables			
Trade receivables	19, 20	5,781	8,304
Other receivables		3,285	3,855
Prepayments and accrued income	21	7,239	16,459
Total current receivables		**16,305**	**28,618**
Cash and cash equivalents	19, 22	314,524	508,594
Total current assets		**334,382**	**549,592**
TOTAL ASSETS		**475,934**	**639,776**

KSEK	Note	31-12-2017	31-12-2016
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to	2, 23		
parent company shareholders			
Share capital		932	932
Other contributed capital		642,175	631,034
Retained earnings, including result for the period		-258,107	-67,549
Total equity		**385,000**	**564,418**
LIABILITIES	2		
Short-term liabilities			
Trade payables	19	15,086	17,560
Income taxes		517	–
Other liabilities	19	2,672	2,571
Accrued expenses and deferred income	25	72,659	55,228
Total short-term liabilities		**90,934**	**75,358**
TOTAL EQUITY AND LIABILITIES		**475,934**	**639,776**

The notes on pages 52 to 75 is an integral part of the annual and consolidated accounts.

BALANCE SHEET – PARENT COMPANY

KSEK	Note	31-12-2017	31-12-2016
ASSETS	2		
Fixed assets			
Tangible assets			
Equipment	15	9,725	9,759
Financial assets			
Interests in Group companies	17	1,545	816
Deferred tax assets	16	119,426	66,574
Total fixed assets		**130,696**	**77,149**
Current assets			
Inventories			
Finished goods and goods for resale	18	724	2,187
Raw material		2,829	10,193
Current receivables			
Trade receivables	20	5,781	8,304
Other receivables		3,040	3,855
Prepayments and accrued income	21	7,202	16,459
Total current receivables		**16,022**	**28,618**
Cash and bank deposits	22	309,821	508,351
Total current assets		**329,397**	**549,351**
TOTAL ASSETS		**460,093**	**626,499**

KSEK	Note	31-12-2017	31-12-2016
EQUITY AND LIABILITIES			
EQUITY	2, 23		
Restricted equity			
Share capital		932	932
Statutory reserve		11,327	11,327
Total restricted equity		**12,259**	**12,259**
Unrestricted equity			
Retained earnings		-62,594	17,746
Share premium reserve		608,560	597,418
Result for the period		-190,565	-80,340
Total unrestricted equity		**355,401**	**534,823**
Total equity		**367,660**	**547,083**
LIABILITIES			
Untaxed reserves			
Depreciation/amortization in excess of plan		3,486	3,486
Total untaxed reserves		**3,486**	**3,486**
Long-term liabilities			
Liability to subsidiaries		571	573
Total long-term liabilities		**571**	**573**
Short-term liabilities			
Liabilities to Group companies		3,769	–
Trade payables		14,431	17,560
Other liabilities		2,053	2,571
Accrued expenses and deferred income	25	68,123	55,227
Total short-term liabilities		**88,376**	**75,358**
TOTAL EQUITY AND LIABILITIES		**460,093**	**626,499**

The notes on pages 52 to 75 are an integral part of the annual and consolidated accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	Note	Share capital	Other contributed capital	Retained earnings, including result for the period	Total equity
Opening balance at 1 January, 2016		**932**	**626,181**	**13,444**	**640,557**
Result for the period and comprehensive income				-80,993	-80,993
Transactions with shareholders					
Warrants issued			4,853[1)]		4,853
Closing balance at 31 December 2016	12	**932**	**631,034**	**-67,549**	**564,418**
Opening balance at 1 January, 2017		**932**	**631,034**	**-67,549**	**564,418**
Result for the period and comprehensive income				-190,574	-190,574
Exchange-rate differences				16	16
Transactions with shareholders					
Warrants issued			11,141[1)]		11,141
Closing balance at 31 December 2017	12	**932**	**642,175**	**-258,107**	**385,000**

1) Warrant issues according to resolution by the annual general meeting May 3, 2016 and May 3, 2017.
For further information see Notes 9 and 24.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Unrestricted equity		
KSEK	Share capital	Statutory reserve	Share premium reserve	Retained earnings, including result for the period	Total equity
Opening balance at 1 January, 2016	**932**	**11,327**	**592,565**	**17,746**	**622,570**
Profit/loss for the period and comprehensive income				-80,340	-80,340
Transactions with shareholders					
Warrants issued			4,853[1)]		4,853
Closing balance at 31 December, 2016	**932**	**11,327**	**597,418**	**-62,594**	**547,083**
Opening balance at 1 January, 2017	**932**	**11,327**	**597,418**	**-62,594**	**547,083**
Profit/loss for the period and comprehensive income				-190,565	-190,565
Transactions with shareholders					
Warrants issued			11,141[1)]		11,141
Closing balance at 31 December, 2017	**932**	**11,327**	**608,560**	**-253,159**	**367,660**

1) Warrant issues according to resolution by the annual general meeting May 3, 2016 and May 3, 2017.
For further information see Notes 9 and 24.

The notes on pages 52 to 75 are an integral part of the annual and consolidated accounts.

CONSOLIDATED STATEMENT OF CASH FLOW

KSEK	Note	Financial year 2017	2016
Operating activities			
Operating profit/loss before financial items		-243,524	-102,452
Adjustments for non-cash items	27	4,104	3,524
Interest received		174	95
Interest paid		-18	-1,002
Income taxes paid		0	-9,917
		-239,264	**-109,752**
Increase/decrease in inventories	18	8,827	-9,139
Increase/decrease in trade receivables		2,523	613
Increase/decrease in other current receivables		9,787	1,005
Increase/decrease in trade payables		-2,474	-14,272
Increase/decrease in other current operating liabilities		17,532	-76,242
Cash flow from changes in working capital		***36,196***	***-98,036***
Cash flow from operating activities		**-203,068**	**-207,788**
Investing activities			
Acquisition of tangible assets	15	-2,143	-4,567
Cash flow from investing activities		**-2,143**	**-4,567**
Financing activities			
Warrants issued		11,141	4,853
Cash flow from financing activities		**11,141**	**4,853**
Net cash flow for the period		**-194,070**	**-207,502**
Cash and cash equivalents at beginning of period	22	508,594	716,096
Cash and cash equivalents at end of period	22	**314,524**	**508,594**

PARENT COMPANY STATEMENT OF CASH FLOW

KSEK	Note	Financial year 2017	2016
Operating activities			
Operating profit/loss before financial items		-243,574	-100,370
Adjustments for non-cash items	27	1,997	1,442
Interest received		174	95
Interest paid		-18	-1,002
Income taxes paid		0	-9,917
		-241,421	**-109,752**
Increase/decrease in inventories	18	8,827	-9,139
Increase/decrease in trade receivables		2,523	613
Increase/decrease in other current receivables		7,030	1,005
Increase/decrease in trade payables		-3,129	-14,272
Increase/decrease in other current operating liabilities		19,192	-76,243
Cash flow from changes in working capital		***34,443***	***-98,036***
Cash flow from operating activities		**-206,978**	**-207,788**
Investing activities			
Acquisition of tangible assets	15	-1,963	-4,567
Investment in group companies		-730	-243
Increase/decrease in current financial investments		–	–
Cash flow from investing activities		**-2,693**	**-4,810**
Financing activities			
Increase/decrease in current financial liabilities		–	–
Warrants issued		11,141	4,853
Cash flow from financing activities		**11,141**	**4,853**
Net cash flow for the period		**-198,530**	**-207,745**
Cash and cash equivalents at beginning of period	22	508,351	716,096
Cash and cash equivalents at end of period	22	**309,821**	**508,351**

The notes on pages 52 to 75 are an integral part of the annual and consolidated accounts.

Note 1 | General information

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

The largest owner of Camurus AB is Sandberg Development AB, reg. Nr. 556091-0712, who accounts for 53.7 percent of the shares. PGS Group AB, reg. Nr. 556301-8745, is the top company in the group, which Camurus AB is consolidated to.

The company's share is listed on Nasdaq Stockholm since December 3, 2015.

This annual report was subject to approval by the Board on 22 March, 2018.

Note 2 | Summary of key accounting policies

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

2.1 BASIS OF PREPARATION OF REPORTS

The consolidated financial statements for the Camurus AB Group ("Camurus") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounting Act. Camurus adopted IFRS on the 1st of January, 2012. The parent company statements have been prepared in accordance with RFR 2 Accounting for legal entities and the Annual Accounts Act. The parent company's accounting policies are the same as for the Group, unless otherwise stated in Note 2.22.

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

2.1.1 CHANGES TO ACCOUNTING POLICIES AND DISCLOSURES

New and revised standards applied by the Group from 1 January 2017

None of the new standards, changes and interpretations from January 1, 2017 have had any significant impact on the Group's financial reports.

New and revised standards that have not come into force or been proactively applied by the Group

A number of new standards and interpretations enter into force for the financial year starting January 1, 2017, and have not been applied when preparing this financial report. Below are the standards that are deemed to be of relevance to the Group:

IFRS 9 Financial Instruments and associated amendments to various other standards

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has three classification categories: amortized cost and fair value and a third measurement category (FVOCI) for certain financial assets that are debt instruments. Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest. All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss). For financial liabilities that are measured under the fair value option entities will need to recognize the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

IFRS 9 also introduced a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial years commencing before 1 February 2015, entities can elect to apply parts of IFRS 9 earlier according to specific transition rules. If so, after 1 February 2015, the new rules must be adopted in their entirety. The group intends to apply the new standard by the financial year beginning 1 January 2018 and the assessment is that the transition will not have any impact.

IFRS 15 Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognized:

Step 1. identify contracts with customers
Step 2. identify the separate performance obligation
Step 3. determine the transaction price of the contract
Step 4. allocate the transaction price to each of the separate performance obligations, and
Step 5. recognize the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognized earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognized if they are not at significant risk of reversal.
- The point at which revenue is able to be recognized may shift: some revenue which is currently recognized at a point in time at the end of a contract may have to be recognized over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

The Company have chosen full retrospective application and based on the Company's analysis, the assessment is that the transition will not have any impact on the group. The group will apply the new standard by the financial year beginning 1 January 2018.

IFRS 16 Leases

In January 2016, IASB issued a new lease standard that will replace IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet. This model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. The accounting for lessors will in all material aspects be unchanged. The standard is effective for annual periods beginning on or after 1 January 2019. Early application is possible if IFRS 15 Revenue from Contracts with Customers is also applied.

The Group has begun its analysis of possible transition effects of IFRS 16, but these are still in the early stages. More information will be presented in future interim reports and annual reports for 2018.

None of the other IFRS or IFRIC interpretations that have yet to enter into force are expected to be of relevance to, or have any material impact on the Group.

2.2 CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

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

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

Acquisition-related costs are expensed as they arise.

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

2.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

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

2.4 FOREIGN CURRENCY TRANSLATION

Transactions and balance sheet items

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

Translation of foreign Group companies

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

2.5 SEGMENT REPORTING

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

2.6 INTANGIBLE ASSETS

Capitalized development costs

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

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

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

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

Directly attributable costs that are capitalized include development expenditure, as well as personnel costs and a reasonable proportion of indirect costs. Other development expenditure that does not satisfy the above criteria is expensed as it arises. Development expenses that have been previously expensed are not recognized as assets in the subsequent period.

2.7 PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment are recognized at cost less depreciation. The cost of acquisition includes expenditures that can be related directly to the acquisition of the asset.

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

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

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

2.8 IMPAIRMENT OF NON-FINANCIAL NON-CURRENT ASSETS

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

2.9 INVENTORIES

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

2.10 FINANCIAL INSTRUMENTS

2.10.1 Classification

The Group classifies its financial assets and liabilities into the following categories: loans and trade receivables, and other financial liabilities. The classification depends on the purpose for which the financial asset or liability is acquired.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. They are included in current assets, with the exception of items with maturities extending 12 months beyond the balance sheet date; these are classified as fixed assets. The Group's loans and receivables comprise trade receivables, cash and cash equivalents and the financial instruments that are reported in other receivables.

(b) Other financial liabilities
Liabilities to Group companies, trade payables and the part of other current liabilities that concerns financial instruments are classified as other financial liabilities.

2.10.2 Recognition and measurement
The Group's financial instruments are initially measured at fair value plus transaction costs. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument expires or is transferred and the Group has transferred virtually all risks and rewards of ownership. Financial liabilities are removed from the balance sheet when the obligation in the agreement has been completed or in some other way eliminated.

Loans and receivables and other financial liabilities are recognized after the date of acquisition at amortized cost using the effective interest method.

2.10.3 Offsetting of financial instruments
Financial assets and liabilities are offset and recognized in the balance sheet at a net amount, only when a legal right exists to offset the recognized amounts and there is an intention to settle them at a net amount, or to realize the asset and settle the liability at the same time.

2.10.4 Impairment of financial instruments
Assets measured at amortized cost
The Group performs an assessment at the end of each reporting period of whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired only if there is objective evidence of an impairment need due to one or more events occurring after the point at which the asset was initially recognized, and this event/these events has an impact on the estimated future cash flows for the financial asset or group of financial assets that can be reliably estimated. The impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted to the financial asset's original effective interest rate. The asset's carrying amount is impaired and the impairment amount is recognized in the consolidated income statement within operating profit or within net financial income/expense, depending on the kind of financial asset that is being impaired. If the impairment requirement decreases in a subsequent period and the decrease can be objectively attributed to an event that occurred after the impairment was recognized, the reversal of the previously recognized impairment is recognized in the consolidated income statement within operating profit or within net financial income/expense, depending on the kind of financial asset that is being impaired.

2.11 TRADE RECEIVABLES
Trade receivables are financial instruments comprising amounts that are due to be paid by customers for goods and services sold in the ordinary course of business. Payments expected within one year or less are classified as current assets. Otherwise they are recognized as fixed assets. Trade receivables are initially recognized at fair value and thereafter at amortized cost using the effective interest method, less any provision for decrease in value.

2.12 CASH AND CASH EQUIVALENTS
Cash and cash equivalents are financial instruments and comprise cash and bank balances.

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

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

2.14 TRADE PAYABLES
Trade payables are financial instruments and relate to obligations to pay for goods and services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if they are payable within one year. Otherwise they are recognized as long-term liabilities. Trade payables are initially recognized at fair value, and thereafter at amortized cost using the effective interest method.

2.15 CURRENT AND DEFERRED TAX
Tax expense for the period includes current income tax and deferred tax. The current income tax expense is calculated on the basis of the tax regulations that are enacted or substantively enacted on the balance sheet date in countries where the parent company and its subsidiaries operate and generate taxable revenue. Deferred tax is recognized using the balance sheet method, on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using the tax rates enacted or announced by the balance sheet date and that are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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

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

2.16 EMPLOYEE BENEFITS

Pension obligations

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

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

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

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

As per UFR 10 Classification of ITP plans financed by insurance in Alecta (a statement issued by the Swedish Financial Reporting Board), this is a multi-employer defined benefit plan. The Company has not had access to information for the period in order to report its proportional share of the plan's commitments, plan assets and costs, which has meant that it has not been possible to recognize the plan as a defined benefit plan.

The ITP 2 pension plan, secured through insurance held at Alecta, is thus recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is calculated individually and depends on such factors as salary, previously earned pension and expected remaining period of service. Anticipated contributions the next reporting period for ITP 2 insurance with Alecta amount to MSEK 2.5 (2016: MSEK 2.3, 2015: MSEK 1.7). The Group's share of the total contributions to the plan is not significant.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations, calculated in accordance with Alecta's actuarial methods and assumptions, which does not correspond with IAS 19. The collective consolidation level is normally allowed to vary between 125 and 155 percent. If Alecta's collective consolidation level falls short of 125 percent or exceeds 155 percent, measures will be taken to create conditions to restore the consolidation level to the normal interval. In the event of low consolidation, a possible measure might be to raise the agreed price of new subscription and extension of existing benefits. In the event of high consolidation, a possible measure might be to introduce premium reductions. At the end of 2017 Alecta's surplus (in the form of the collective consolidation level) was 158 percent (2017: 158 percent, 2016: 149 percent).

2.17 REVENUE RECOGNITION

Revenue is measured at the fair value of what has been received or will be received, and corresponds to the amounts received for sold goods and services, less deductions for discounts and value added tax. The Group recognizes revenue when its amount can be reliably measured, it is probable that the future economic benefits associated with the transaction will flow to the company, and certain criteria have been satisfied for each of the Group's operations as described below.

License and collaboration agreements

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

Camurus applies the criteria for revenue recognition on each individual transaction. However, in some situations it is necessary to apply the criteria to those parts of a transaction that can be separately identified, so that the financial implications of the transaction can be reflected in the financial statements. This means, for example, that the various transactions in the agreements are divided up and that identifiable parts are recognized separately. If the total value of the agreement falls short of the fair value of the transactions' separate parts, the difference ('discount') is allocated among the separate parts based on their relative fair values in the transaction.

The principles for revenue recognition of different parts (and for corresponding separate transactions) in license and collaboration agreements are described below:

Licensing rights to Camurus' intangible assets

An assessment is made as to whether the license acquired by the counterparty in the agreement means that the intangible asset has been divested from an accounting perspective (i.e. as a sold license, where the counterparty appropriates the asset), or whether it gives the counterparty a right to utilize the intangible asset.

The assessment is made based on the financial implications of the agreement. An assignment of licensing rights for a fixed fee under a non-cancellable agreement allowing the licensee to freely utilize Camurus' rights, and where Camurus does not have any remaining obligations to perform, is essentially regarded as a sale. If the agreement means that the intangible asset has been divested and satisfies the criteria for revenue recognition of a good, revenue recognition is carried out in accordance with the principles for goods sold (see 'Sale of goods' below). If the agreement does not constitute a divestment of the intangible asset, the customer has right of use and remuneration is normally allocated on a straight-line basis over the term of the agreement.

Sale of goods
Revenue from the sale of goods is recognized when significant risks and benefits associated with ownership of the goods has been transferred and Camurus no longer has any commitment in the ongoing management of business operations that is normally associated with ownership, and neither does the company exercise any real control over the sold goods. Furthermore, it must be possible to calculate the revenue in a reliable way, it should be likely that the economic benefits associated with the transaction will accrue to the company and the expenses that have arisen, or that are expected to arise as a result of the transaction, can be reliably calculated. In Camurus' case this usually means that goods are recognized as income on delivery to the customer.

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

Royalties
Remuneration in the form of royalties is recognized as revenue when it is likely that the economic benefits associated with the transaction will accrue to Camurus and the revenue can be reliably calculated. Royalties are accrued as per the relevant agreement's financial implications. In some cases, the royalties received are dependent upon a future event, for example future sales. In such cases, revenue from royalties is recognized when it is likely that the royalty remuneration will be received, usually in connection with the future sale.

Milestone payments
Remuneration received when milestones are achieved is recognized as revenue when it is likely that the economic benefits associated with the transaction will accrue to Camurus and the revenue can be reliably calculated. Payments for milestones are received when a certain result has been achieved, or a particular event has occurred in accordance with definitions in the respective collaboration agreement. Revenue for milestones is recognized when all terms for the right to remuneration in accordance with the agreement have been met, usually in connection with the contractually agreed milestone being achieved, and Camurus has satisfied all conditions for the milestone in accordance with the collaboration agreement.

Compensation for costs incurred
Compensation for costs incurred, i.e. costs that are forwarded onto the customer, is recognized in accordance with the guidance under IAS 18 for determining whether an entity is acting as a principal or as an agent. This means that Camurus analyses whether the Company is acting as a principal in the transaction, i.e. that Camurus is exposed to the significant risks and benefits on the sale of a good or service. If Camurus is a principal in the transaction, the amount received from the counterparty is recognized as revenue. If Camurus is acting as an agent, the revenue instead comprises commission received.

2.18 INTEREST INCOME
Interest income is recognized as revenue using the effective interest method. When the value of a claim in the category 'Loans and receivables' has fallen, the Group reduces the carrying amount to the recoverable value, which comprises estimated future cash flow, discounted with the original effective interest rate for the instrument, and continues to dilute the discounting effect as interest income. Interest income on impaired loans and receivables is recognized at the original effective interest rate.

2.19 SHARE-BASED PAYMENT
Warrant programs
Presently Camurus has two long-term incentive programs active. In accordance with a decision by the Annual General Meeting in May 2016 and May 2017, subscription warrant programs for the company's employees, has been introduced. The warrants are valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

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

Expenses are recognized as personnel expense in the income statements.

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

2.20 LEASES
The Group recognizes only operating leases for premises, vehicles, machinery and equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are expensed in the income statement over the lease period.

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

2.22 ACCOUNTING POLICIES, PARENT COMPANY

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

Formats

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

Interests in subsidiaries

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

Group contributions

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

Financial instruments

IAS 39 is not applied in the parent company and financial instruments are measured at cost. In subsequent periods, the financial assets that are acquired with the intention of being held on short-term, will be accounted for in accordance with the lowest value principle at the lower of acquisition cost and market value. At each balance sheet date, the parent company assesses whether there is any indication of impairment in any of the financial assets. Impairment is recognized if the impairment is deemed to be permanent.

Impairment of interest-bearing financial assets, recognized at amortized cost, is calculated as the difference between the asset's carrying amount and the present value of management's best estimate of future cash flows discounted at the asset's original effective interest rate.

The impairment amount of other financial assets is determined as the difference between the carrying value and the higher of fair value less costs to sell and the present value of future cash flows (which are based on management's best estimate).

Note 3 | Financial risk management

3.1 FINANCIAL RISK FACTORS

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

a) Market risk

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

Foreign exchange risk

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

The Group has the following balance sheet exposure for assets, which include trade receivables and cash and cash equivalents (KSEK)	31-12-2017	31-12-2016
USD	4,779	7,182
EUR	4,069	475
GBP	2,945	129
Other currencies	283	30
Total	**12,078**	**7,816**

The balance sheet exposure for trade payables are as follows (KSEK)	31-12-2017	31-12-2016
USD	-4,781	-2,814
EUR	-2,758	-8,271
DKK	-880	-1,603
GBP	-2,252	-1,276
Other currencies	-46	-1
Total	**-10,717**	**-13,965**

If the Swedish krona had weakened/strengthened by 5 percent in relation to the EUR, with all other variables remaining constant, the recalculated profit/loss for the year and equity at 31 December 2017, would have been MSEK 0.1 (0.3) higher/lower. The equivalent of the US dollar amounts to MSEK 0.0 (0.2). Changes to SEK in relation to other currencies are not deemed to have any material impact on profit/loss for the year.

(b) Credit risk

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

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

(c) Liquidity risk

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

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

Group, 31 december 2017	Up to one month	1–3 months	3 months–1 year	1–5 years
Trade payables	15,080	6	–	–
Other short-term liabilities	191	–	–	–
Total	**15,271**	**6**	**–**	**–**

Group, 31 december 2016	Up to one month	1–3 months	3 months–1 year	1–5 years
Trade payables	15,241	2,329	–	–
Other short-term liabilities	191	–	–	–
Total	**15,432**	**2,329**	**–**	**–**

3.2 MANAGEMENT OF CAPITAL

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

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

The Group is mainly engaged in research and development activities. Operations have been financed through earnings generated from successful research and development collaborations and through the issue conducted in connection with the listing of the company´s share on Nasdaq Stockholm, December 3, 2015. Equity is therefore viewed as the Group's capital.

3.3 FAIR VALUE ESTIMATION

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

Note 4 | Important estimates and assessments

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

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

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

REVENUE RECOGNITION

Camurus has complex customer agreements and the management must make assessments and estimates when applying revenue recognition principles. The section entitled 'Accounting policies' regarding revenue details the areas for which assessments and estimates need to be carried out. Key areas in the assessment include the division of agreements in various sub-transactions, how the price of these transactions should be allocated, the point in time at which transactions should be recognized and the way in which the transaction should be recognized (on a single occasion or over a period of time). Camurus also needs to decide whether an agreement that includes a license to utilize Camurus' intellectual property constitutes a sale of the license in the form of a good that is recognized as revenue on delivery, or whether the agreement constitutes right of use, which is recognized as revenue over time. The assessments made by management affect the period in which, and amount at which the revenue is recognized.

CAPITALIZED PRODUCT DEVELOPMENT EXPENDITURE

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

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

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

DEFERRED TAX RECEIVABLES

Company management also makes judgments and estimates regarding the possibility of utilizing incurred losses and temporary differences as the basis for the reported tax receivable.

Note 5 | Segment information

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

To follow is a breakdown of revenues from all products and services	Group		Parent company	
	2017	2016	2017	2016
Sales of development-related goods and services	41,394	68,112	41,394	68,112
Milestone payments	7,025	34,217	7,025	34,217
Licensing revenues	3,582	8,485	3,582	8,485
Intercompany sales	–	–	10,332	–
Other	2,307	2,923	2,307	2,923
Total	**54,308**	**113,737**	**64,640**	**113,737**

Revenues from external customers is allocated by country, based on where the customers are located	Group		Parent company	
	2017	2016	2017	2016
Europe	7,229	22,921	17,561	22,921
(of which Sweden)	(239)	(3,727)	(239)	(3,727)
North America	41,350	87,359	41,350	87,359
Other geographical areas	5,729	3,457	5,729	3,457
Total	**54,308**	**113,737**	**64,640**	**113,737**

Revenues during 2017 of approximately MSEK 39.0 (79.6 MSEK) relates to a single external customer.

Note 6 | Expenses divided by type of cost

Operating expenses are presented in the statement of comprehensive income with a classification based on the functions 'Cost of sales', 'Marketing and distribution costs', 'Administrative expenses' and 'Research and development costs'. The total costs by function were allocated according to the following cost items.

Allocation by cost item	Group		Parent company	
	2017	2016	2017	2016
Changes in stock of finished goods and work in progress	552	-240	552	-240
Raw materials and consumable supplies	804	2,257	804	2,257
Other expenses[1) 2)]	157,269	128,026	189,002	128,026
Costs of premises, including laboratory costs	44,826	20,175	41,857	20,175
Costs relating to employee benefits (Note 9)	90,386	63,199	74,063	63,199
Depreciation, amortization and impairment losses (Note 14 and 15)	4,088	3,524	1,997	1,442
Total cost of sales, research and development, sales and administration	**297,925**	**216,940**	**308,275**	**214,858**

1) This item includes costs that form the basis for research and development projects and for the Parent Company cost related to sales agent and service fee from subsidiaries of 33,265 (0) KSEK.
2) Costs incurred for partner financed activities within research and development during the period have most essentially matched the size of the revenue. See also Note 5 Segment information and the item 'Sales of development-related goods and services'.

Note 7 | Other operating income

Other operating income	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Exchange gains	–	688	–	688
Other items[1]	93	63	61	63
Total other operating income	**93**	**751**	**61**	**751**

1) The amount is mainly related to group internal recharge.

Note 8 | Audit fees

Audit and other assignments	Group 2017	Group 2016	Parent company 2017	Parent company 2016
PwC				
Auditing assignment	588	508	519	508
Auditing beyond the auditing assignment	63	305	63	305
Tax assignments	85	242	85	242
Other assignments	301	343	301	343
Total	**1,037**	**1,399**	**968**	**1,399**
Mazars SET Revisionsbyrå AB				
Auditing assignment	–	97	–	97
Total	**–**	**97**	**–**	**97**

Audit fees for PwC Sweden during 2017 amounts to 0,6 MSEK, and fees for other services performed amounted to 0,4 MSEK.

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

Average no. of employees	Group 2017 (of which women)	Group 2016 (of which women)	Parent company 2017 (of which women)	Parent company 2016 (of which women)
Sweden	56 (33)	50 (30)	56 (33)	50 (30)
United Kingdom	2 (0)	–	–	–
Germany	2 (1)	–	–	–
Norway	1 (0)	–	–	–
Finland	1 (0)	–	–	–
France[1]	1 (1)	–	1 (1)	–
Total	**63 (35)**	**50 (30)**	**57 (34)**	**50 (30)**

1) The French subsidiary is under incorporation why its personnel are employed in the Parent Company.

Gender distribution in the Group, for Board members and other senior management Number on balance sheet date (of which women)	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Board members[1]	9 (3)	8 (2)	7 (2)	8 (2)
CEO and other senior management	11 (4)	9 (3)	10 (4)	9 (3)

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

Salaries, other remuneration and social security costs	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Salaries and other compensation[1]	62,756	41,794	48,317	41,794
Social security cost	17,495	13,599	15,611	13,599
Pension expenses defined contribution plans	10,135	7,805	10,135	7,805
Total	**90,386**	**63,199**	**74,063**	**63,199**

Cont. Note 9

Salaries and other remuneration by Board members and CEO, and other employees (of which bonus)	Group		Parent company	
	2017	2016	2017	2016
Board members, CEO and other senior management[1]	19,846 (2,702)	15,485 (2,216)	15,896 (2,186)	15,485 (2,216)
Other employees	42,910	26,309	32,421	26,309
Total	**62,756**	**41,794**	**48,317**	**41,794**

1) In the fixed salary 2017 and 2016, paid and earned stay-on bonus according to the terms of the warrant program TO2016/2019 are included. See Note 24 and 28.

Pension expenses	Group		Parent company	
	2017	2016	2017	2016
Board members, CEO and other senior management	4,580	3,842	4,580	3,842
Other employees	5,555	3,963	5,555	3,963
Total	**10,135**	**7,805**	**10,135**	**7,805**

The above salaries and remuneration do not include invoiced services from the Board and senior management. For remuneration and other benefits to the Board and senior management, see Note 28 Related party transactions. See also Note 24 Share-based payment.

Guidelines and remuneration 2017
The AGM 2017 adopted the following gudelines for remuneration to senior executives 2017.

Guidelines for remuneration and other employment terms for senior executives, 2017
The Annual General Meeting of 2017 resolved to approve the Board of Directors' proposal on the principles of remuneration to the company's senior executives as follows, until the time of the 2018 Annual General Meeting. In this context, the term senior executives refer to Camurus' CEO and the managers reporting to the CEO at any time, who are part of the company's management team.

Reason for the motion
The company is to offer market aligned terms that facilitate the recruitment and retention of qualified senior executives. Remuneration comprises a balanced composition of fixed salary, variable remuneration, pension benefits, other benefits as well as conditions for termination. Cash remuneration comprises fixed salary and, when applicable, variable remuneration. The fixed salary and variable remuneration should be proportionate to the executive's responsibilities and authorities.

Long-term incentive programs may be offered as a complement to the above but must be referred to the general meeting for adoption. Remuneration is primarily based on the individual's position and performance, and the company's and the individual's fulfillment of pre-defined targets.

Fixed salary
The fixed salary of the CEO and other senior executives should be monthly, at market rates, and reflect the requirements and responsibilities that their positions entail.

Variable salaries
Variable remuneration is based on outcomes in relation to pre-determined, well-defined targets. These targets are set with the aim of advancing the company's/Group's development, and to generate value and financial growth in the long term. Variable remuneration payments are to be maximized and may not exceed fifty (50) percent of the fixed annual salary for the CEO and other senior executives. Variable remuneration may also be paid in terms of long-term incentive programs.

Share-based program
Long-term incentive programs are to be available as a complement to fixed salaries and variable remuneration. Decisions on sharebased programs are made by the general meeting. Programs for variable remuneration should be designed to allow the Board of Directors, if exceptional financial conditions prevail, to restrict or omit payment of the variable remuneration if such action is deemed reasonable and consistent with the company's responsibility towards shareholders, employees and other stakeholders.

Other remuneration and terms of employment
Pension benefits are payable in accordance with applicable ITP plans or otherwise be premium-based and amount to a maximum of 35 percent of the salary. Benefits other than fixed salary, variable remuneration and pension benefits are to be applied with restriction.

Cont. Note 9

A termination notice of 12 months from the company and 6 months from the CEO applies between the company and its CEO. In the event that the CEO's employment in the company is terminated due to, or in connection with, the transfer of the company to new owners, a 24-month notice of termination from the company applies. During the period of notice, fixed monthly salaries and other forms of remuneration are to be paid in accordance with the applicable employment contracts. In such an event, remuneration from the company is not to be reduced by other forms of compensation that the CEO may receive during the period of notice. If notice of termination is issued by the CEO, no severance payments will be made.

A mutual notice period of 3 to 6 months applies to termination of contract between the company and other senior executives.

To the extent that Board members perform work for the company, in addition to work on the Board of Directors, a market aligned consultancy fee may be payable for such work. Remuneration is to be in line with market terms and the amount, as with other terms, is decided by the Board of Directors.

Deviation from the guidelines

The Board is entitled to deviate from these guidelines if the Board warrants that there are particular grounds for doing so in individual cases. The following two deviations are explained below:

In order to market-align the remuneration to the CEO, the Board of Directors resolved at their meeting in March 2017, with effect from 1 January 2017, a maximum variable salary of forty-five (45) percent of the fixed annual salary. This represented a deviation against the guidelines resolved by the AGM in May 2016.

In order to attract employees with key skills, an agreement on maximum variable compensation of forty-five (45) percent of the fixed annual salary was reached in connection with the recruitment of a senior executive in December 2015. Information on this deviation from the guidelines resolved by the EGM October 7, 2015, and the AGM, May 3, 2016, was provided in the Corporate governance report and the annual report 2015 and 2016 respectively.

The AGM May 3, 2017 resolved that the CEO and other senior executives should be entitled to a maximum variable remuneration of fifty (50) percent of the fixed annual salary.

Guidelines for remuneration and other employment terms for senior executives, 2018

In essence it is proposed that the guidelines in its design is unchanged against the decision by the AGM of May 3, 2017.

Note 10 | Other interest income and interest expenses and similar income items

	Group		Parent company	
Finance income	**2017**	**2016**	**2017**	**2016**
Interest income, cash pool	173	86	173	86
Interest income, other	1	9	1	9
Finance income	**174**	**95**	**174**	**95**

	Group		Parent company	
Finance expenses	**2017**	**2016**	**2017**	**2016**
Interest expenses, cash pool	-7	-954	-7	-954
Interest expenses, other	-11	-48	-11	-48
Finance expenses	**-18**	**-1,002**	**-18**	**-1,002**
Total financial items – net	**156**	**-907**	**156**	**-907**

Note 11 | Income tax

	Group		Parent company	
	2017	2016	2017	2016
Income tax:				
Income tax on profit for the year	-518	–	–	–
Total current tax	**-518**	**–**	**–**	**–**
Deferred tax (see Note 16)	53,312	22,367	52,853	22,183
Total deferred tax	**53,312**	**22,367**	**52,853**	**22,183**
Income tax	**52,794**	**22,367**	**52,853**	**22,183**

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

	Group		Parent company	
	2017	2016	2017	2016
Profit/loss before tax	-243,368	-103,359	-243,418	-102,523
Income tax is calculated in accordance with the national tax rates in force prior to the results in each country	53,493	22,740	53,552	22,556
Tax effects of:				
- Non-taxable revenue	429	2	429	2
- Non-deductible expenses	-1,128	-375	-1,128	-375
- Tax loss for which no deferred tax asset has been recognized	–	–	–	–
Recognised effective tax	**52,794**	**22,367**	**52,853**	**22,183**

Weighted average tax rate for the Group is 21.7 percent (21.6 percent) and for the Parent company 21.7 percent (21.6 percent).

Note 12 | 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.

	2017	2016
Result attributable to parent company shareholders	**-190,574**	**-80,993**
Weighted average number of ordinary shares outstanding (thousands)	**37,281**	**37,281**

b) After dilution

In order to calculate earnings per share, the number of existing ordinary shares is adjusted for the dilutive effect of the weighted average number of outstanding ordinary shares. The parent company has one category of ordinary shares with anticipated dilution effect in the form of warrants. For warrants, a calculation is made of the number of shares that could have been purchased at fair value (calculated as the average market price for the year for the parent company's shares), at an amount corresponding to the monetary value of the subscription rights linked to outstanding warrants. The number of shares calculated as above is compared to the number of shares that would have been issued assuming the warrants are exercised. For further information related to warranty program, see Note 24. For further information see also Note 28 Related party transactions.

	2017	2016
Result attributable to parent company shareholders	**-190,574**	**-80,993**
Weighted average number of ordinary shares outstanding (thousands)	**37,281**	**37,281**
Adjustments:		
- warrants (thousands)	777	207
- share issues (thousands)	–	–
Weighted average no. of ordinary shares used in calculation of earnings per share after dilution (thousands)	**38,058**	**37,488**

Note 13 | Exchange rate differences

Exchange rate differences have been recognized in the income statement as follows:

	Group		Parent company	
	2017	2016	2017	2016
Other operating income (Note 7)	–	688	–	688
Other operating expenses	1,147	–	1,147	–
Total exchange rate differences in income statement	**1,147**	**688**	**1,147**	**688**

Note 14 | Intangible assets

	Group	
Capitalized development expenditure	**2017-12-31**	**2016-12-31**
Ingoing accumulated acquisition value	22,906	22,906
Capitalized expenses	–	–
Outgoing accumulated acquisition value	**22,906**	**22,906**
Ingoing accumulated depreciaton	-4,165	-2,083
Depreciation	-2,088	-2,082
Outgoing accumulated depreciation	**-6,253**	**-4,165**
Closing balance	**16,653**	**18,741**

In impairement tests, the recoverable amount consists of the cashgenerating unit's estimated value in use.
Depreciation expenses of KSEK 2,088 (KSEK 2,082) are included in their entirety among research and development expenses.

Note 15 | Property, plant, and equipment

	Group		Parent company	
Tangible assets	**31-12-2017**	**31-12-2016**	**31-12-2017**	**31-12-2016**
Ingoing accumulated acquisition value	18,293	13,726	18,293	13,726
Investments	2,143	4,567	1,963	4,567
Sales and disposals	–	–	–	–
Outgoing accumulated acquisition value	**20,436**	**18,293**	**20,256**	**18,293**
Ingoing accumulated depreciaton	-8,534	-7,092	-8,534	-7,092
Sales and disposals	–	–	–	–
Depreciation	-2,000	-1,442	-1,997	-1,442
Outgoing accumulated depreciation	**-10,534**	**-8,534**	**-10,531**	**-8,534**
Closing balance	**9,902**	**9,759**	**9,725**	**9,759**

Depreciation expenses of KSEK 2,000 (KSEK 1,442) are included in their entirety among resarch and development expenses.

Note 16 | Deferred tax

Deferred tax assets and liabilities are distributed as follows:

	Group		Parent company	
Deferred tax assets	**31-12-2017**	**31-12-2016**	**31-12-2017**	**31-12-2016**
Deferred tax assets to be used after 12 months	119,426	66,574	119,426	66,574
Deferred tax assets to be used within 12 months	–	–	–	–
Total deferred tax assets	**119,426**	**66,574**	**119,426**	**66,574**
Deferred tax liabilities				
Deferred tax liabilities to be used after 12 months	-3,972	-4,431	–	–
Deferred tax liabilities to be used within 12 months	-458	-458	–	–
Total deferred tax liabilities	**-4,430**	**-4,889**	**–**	**–**
Deferred tax assets (net)	**114,997**	**61,685**	**119,426**	**66,574**

	Group		Parent company	
Gross change regarding deferred taxes	**2017**	**2016**	**2017**	**2016**
Opening balance	**61,685**	**39,317**	**66,574**	**44,391**
Recognition in income statement (Note 11)	53,312	22,367	52,852	22,183
Closing balance	**114,997**	**61,685**	**119,426**	**66,574**

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

	Group		
Deferred tax liabilities	**Untaxed reserves**	**Intangible assets**	**Total**
On 1 January, 2016	-493	-4,581	-5,074
Recognized in income statement	-273	458	185
On 31 December, 2016	**-766**	**-4,123**	**-4,889**
On 1 January, 2017	-766	-4,123	-4,889
Recognized in income statement	0	458	458
On 31 December, 2017	**-766**	**-3,663**	**-4,430**

	Parent company			
Deferred tax assets	**Loss carry-forward**	**Temporary differences**	**Accrued revenue**	**Total**
On 1 January, 2016	44,135	256	–	44,391
Recognized in income statement	22,011	172	–	22,183
On 31 December, 2016	**66,146**	**428**	**–**	**66,574**
On 1 January, 2017	66,146	428	–	66,574
Recognized in income statement	52,823	29	–	52,852
On 31 December, 2017	**118,969**	**457**	**–**	**119,426**

Depending on the group's activities with considerable research and development costs, the company is not liable for tax. The parent company's accumulated loss carryforwards at the end of 2017 is provisionally MSEK 540.9, of which MSEK 300.7 are taxed.

Note 17 | Interests in Group companies

Parent company	
On 1 January, 2016	573
Transactions	243
On 31 December, 2016	**816**
On 1 January, 2017	816
Transactions	729
On 31 December, 2017	**1,545**

During 2017 subsidiaries have been established in United Kingdom, Finland and Norway.

The Parent company holds shares in the following subsidiaries:

Name	Corporate identity number	Country of registration and operation	Share of equity	Number of shares	Booked value 31-12-2017	Booked value 31-12-2016
Camurus Inc	43-1648843	USA	100%	1,000	83	83
Cubosome Inc	43-1648841	USA	100%	1,000	83	83
Camurus Development AB	556421-1208	Sweden	100%	3,591,143	407	407
Camurus GmbH	HRB727015	Germany	100%	25,000	243	243
Camurus Ltd	10571011	Great Britain	100%	1	0	–
Camurus Oy	2864875-7	Finland	100%	25,000	238	–
Camurus AS	920137253	Norway	100%	250,000	253	–
Camurus SAS	Under establishment[1)]	France	100%	25,000	238	–
Total					**1,545**	**816**

1) The share capital in Camurus SAS was paid during 2017 but the registration of the company is not completed. The share of voting rights corresponds to the share of equity.

Note 18 | Inventories

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Finished goods	230	291	230	291
Work in progress	2,599	1,896	2,599	1,896
Raw materials	724	10,193	724	10,193
Total	**3,553**	**12,380**	**3,553**	**12,380**

Note 19 | Financial instruments per category

	Group	
Balance sheet assets	31-12-2017	31-12-2016
Loans and receivables		
Trade receivables	5,781	8,304
Other receivables	–	–
Cash and cash equivalents	314,524	508,594
Total	**320,305**	**516,898**
Balance sheet liabilities		
Other liabilities		
Trade payables	15,086	17,560
Other liabilities	191	191
Total	**15,277**	**17,751**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL (expected credit loss), the group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both quantitative and qualitative information and analysis, based on the group´s historical experience and informed credit assessment and including forward looking information.

Note 20 | Trade receivables

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Trade receivables	5,792	8,374	5,792	8,374
Deduction: Provision for bad debts	-11	-70	-11	-70
Trade receivables – net	**5,781**	**8,304**	**5,781**	**8,304**

On 31 December 2017, overdue trade receivables totaled KSEK 2,058 (KSEK 477), but without any impairment requirement deemed to exist for the Group. The overdue receivables relate to a number of customers who have not previously had any payment difficulties.

	Group		Parent company	
Their aging analysis is as follows	31-12-2017	31-12-2016	31-12-2017	31-12-2016
1-30 days	1,723	376	1,723	376
31-60 days	65	–	65	–
> 61 days	270	71	270	71
Total receivables due	**2,058**	**477**	**2,058**	**477**

	Group		Parent company	
Reported amount, by currency, for trade receivables are as follows	31-12-2017	31-12-2016	31-12-2017	31-12-2016
SEK	482	513	482	513
EUR	259	475	259	475
USD	4,942	7,182	4,942	7,182
Other currencies	98	135	98	135
Total trade receivables	**5,781**	**8,304**	**5,781**	**8,304**

Note 21 | Prepayments and accrued income

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Prepayments	4,741	4,474	4,704	4,474
Accrued income relating to unbilled costs	1,662	11,814	1,662	11,814
Accrued income, other	836	171	836	171
Total	**7,239**	**16,459**	**7,202**	**16,459**

Note 22 | Cash and cash equivalents

	Group		Parent company	
The following is included in cash and cash equivalents in the balance sheet and cash flow statement	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Cash and bank deposits	314,522	508,591	309,819	508,348
Petty cash	2	3	2	3
Total	**314,524**	**508,594**	**309,821**	**508,351**

Note 23 | Share capital and other contributed capital

	Note	Number of shares	Share capital	Other contributed	Total
On 1 January, 2016		**37,281**	**932**	**626,181**	**627,113**
Warrants issued	24	–	–	4,853	4,853
On 31 December, 2016	24	**37,281**	**932**	**631,034**	**631,966**
On 1 January, 2017		**37,281**	**932**	**631,034**	**631,966**
Warrants issued	24	–	–	11,141	11,141
On 31 December, 2017	24	**37,281**	**932**	**642,175**	**643,107**

Share capital consists of 37,281,486 shares with a quota value of SEK 0.025. The shares carry a voting right of one (1) vote per share. All shares issued by the parent company are fully paid up.

Note 24 | Share-based Payment

WARRANT PROGRAM TO2016/2019

In accordance with a decision by the Shareholder's General Meeting in May 2016, an incentive program was introduced (TO2016 / 2019) for the company's employees, under which 550,000 warrants have been issued and which give the right to subscribe for an equal number of shares during the period May 15, 2019 - December 15, 2019. The dilution of a full utilization of the program corresponds to 1.5 percent of the share capital and voting rights. The strike price for subscription of shares upon exercise of the transferred warrants was set at 99.50 SEK. The warrants were valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

As part of the program, participants receive a three-piece stay-on bonus in the form of gross salary additions from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in connection with the participants payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occured on 1 July 2017, provided that the participant at such time remained in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs on 1 July 2018, provided that the participant at such time remains in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

Costs, dilution etc.

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants at full initial participation and at an assumed market value for the subscription warrants of SEK 9.45, is estimated to be maximum approximately MSEK 6.9 before income tax. In addition, the company may be charged minor costs for social security contributions for subscription warrants to participants in other jurisdictions. Other than that, the program is not expected to entail any significant costs for the Company. For that reason, no measures to secure the program has been taken. Assuming that all 550,000 subscription warrants are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 13,750, resulting in a maximum dilution effect equivalent to approximately 1.5 percent calculated as the number of new shares in proportion to the number of existing and new shares. The key figure earnings per share for the full year 2017 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.07 from SEK -5.11 to SEK -5.04. The above is subject to re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions. The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who may be allotted subscription warrants in the program, has not taken part in the preparation of this matter.

As per December 31, 2016, 47 employees had chosen to participate in TO2016/2019 and subscribed for 404,300 warrants. No further warrants have been subscribed for thereafter.

In 2017 MSEK 1.7, after income tax, have been expensed for the "stay-on bonus" the participants receive as part of the program.

WARRANT PROGRAM TO2017/2020

In accordance with a decision by the Shareholder's General Meeting in May 2017, an additional incentive program; TO2017 / 2020, was introduced for the company's employees, under which 750,000 warrants have been issued and which give the right to subscribe for an equal number of shares during the period May 15, 2020 - December 15, 2020. The dilution of a full utilization of the program corresponds to 2 percent of the share capital and voting rights. The strike price for subscription of shares upon exercise of the transferred warrants was set at 167.20 SEK. The warrants were valued by an independent institute in accordance with the Black&Scholes model and were acquired by the participants at market value.

As part of the program, participants receive a three-piece stay-on bonus in the form of gross salary additions from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in connection with the participant's payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs on 1 July 2018, provided that the participant at such time remains in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs on 1 July 2019, provided that the participant at such time remains in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

Costs, dilution etc.

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants at full initial participation and at an assumed market value for the subscription warrants of SEK 15.00, is estimated to be maximum approximately MSEK 14.0 before income tax. In addition, the company may be charged minor costs for social security contributions for subscription warrants to participants in other jurisdictions. Other than that, the program is not expected to entail any significant costs for the Company. For that reason, no measures to secure the program has been taken. Assuming that all 750,000 subscription warrants are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 18,750, resulting in a maximum dilution effect equivalent to approximately 2 percent calculated as the number of new shares in proportion to the number of existing and new shares. The key figure earnings per share for the full year 2017 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.10 from SEK -5.11 to SEK -5.01. The above is subject to re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions. The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who may be allotted subscription warrants in the program, has not taken part in the preparation of this matter.

As per December 31, 2017, 44 employees had chosen to participate in the program TO2017/2020 and subscribed for 658,932 warrants. No further warrants have been subscribed for thereafter. Transfer of warrants to future employees may take place until the AGM May 3, 2018.

In 2017 MSEK 5.4, after income tax, have been expensed for the "stay-on bonus" the participants receive as part of the program.

Program	Maximum number of subscription warrants	Dilution of a full utilization of the program	Number of subscribed warrants	Potential dilution of the subscribed warrants	Subscription period	Strike price for subscription of shares upon exercise	Number of employees participating in the program
TO2016/2019	550,000	1.5%	404,300[1)]	1.1%	15 May 2019-15 Dec 2019	99.50	47
TO2017/2020	750,000	2.0%	658,932[2)]	1.8%	15 May 2020-15 Dec 2020	167.20	44

1) No further allocation can be made as the AGM 3 May 2017 has been passed.
2) No further allocation can be made as the AGM 3 May 2018 has been passed.

Note 25 | Accruals and deferred income

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Accrued holiday pay and other items	13,679	10,493	11,055	10,493
Accrued social security contributions	9,792	8,612	8,965	8,612
Accrued expenses relating to clinical studies	13,928	6,376	13,928	6,376
Accrued expenses, other	6,943	3,884	5,858	3,884
Accrued licensing fees	28,317	25,863	28,317	25,863
Total	**72,659**	**55,228**	**68,123**	**55,228**

Note 26 | Leases

OPERATING LEASES

The Group only has operating leases relating to premises, cars and machinery. Future minimum lease payments in accordance with non-cancellable operating leases valid at the end of the reporting period are due for payment as follows:

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
0–1 year	5,706	7,421	5,036	7,421
1–5 years	11,102	5,014	10,497	5,014
> 5 years	–	–	–	–
Total	**16,808**	**12,435**	**15,597**	**12,435**

Costs for operating leases in the Group during the financial year have amounted to KSEK 7,800 (KSEK 7,420).

Note 27 | Other non-cash items

	Group		Parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Depreciation	4,088	3,524	1,997	1,442
Other	16	–	–	–
Total	**4,104**	**3,524**	**1,997**	**1,442**

Note 28 | Related party transactions

On December 31, 2017, Sandberg Development AB owns 53.7 percent of the shares in Camurus AB and therefore has a controlling interest in the Group. Other related parties are all subsidiaries in the Group, along with key management personnel in the Group, i.e. the Board and company management, as well as their family members and Piir & Partner AB.

(a) Purchase and sales of services	2017	2016
Purchase of services:		
– Parent company (primarily IT and administrative services)	–	132
– Piir & Partner AB	359	1,136
– Subsidiaries (sales agency fee, service fee)	33,266	–
Total	**33,625**	**1,268**
Sales of services:		
– Parent company (primarily IT and rents)	–	40
– Subsidiaries (management fee)	10,332	–
Total	**10,332**	**40**

Goods and services are purchased and sold on normal commercial terms. Transactions with the subsidiaries of Camurus AB occur regarding management fee, sales agency fee and service fee. Pricing is done in accordance with allocation of costs in relation to utilization rate and on commercial terms.

With Piir and Partner AB, transactions related to their representative's work of the management team have taken place. Billing is done in relation to the utilization, and pricing are subject to market conditions.

(b) Remuneration for executive management	2017	2016
Salaries and other short-term benefits	18,478	15,927
Other long-term benefits	4,563	3,842
Total	**23,042**	**19,769**

GUIDELINES

Remunerations are paid to the Chairman of the Board, Board members and for committee work in accordance with decisions made by the Annual General meeting May 3, 2017.

Remuneration to the CEO and other senior executives comprises basic salary, variable remuneration, pension benefits, other benefits and terms of notice. Other senior executives include those individuals who together with the CEO from the Group management. For the current composition of the Group management, see pages 90-91.

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

For further information and deviations against the guidelines, see Note 9.

Decided remuneration and other benefits 2017

	Board fee[2]	Audit committee[2]	Remuneration committee[2]	Total
Board of Directors				
Per-Olof Wallström, Chairman[1]	500	50	50	600
Svein Mathisen[1]	175	50	25	250
Martin Jonsson	175	100	25	300
Fredrik Tiberg	–	–	–	–
Per-Anders Abrahamsson	175	–	–	175
Marianne Dicander Alexandersson[1]	175	50	–	225
Kerstin Valinder Strinnholm	175	–	25	200
Total	**1,375**	**250**	**125**	**1,750**

	Basic salary	Variable remuneration	Other benefits	Pension expenses	Total
Group management					
Fredrik Tiberg, CEO	3,904	826	79	1,651	6,460
Other executive management (10 individuals)	11,201	2,040	429	2,913	16,528
Total	**15,105**	**2,866**	**507**	**4,563**	**23,042**[3]

Decided remuneration and other benefits 2016

	Board fee[2]	Audit committee[2]	Remuneration committee[2]	Total
Board of Directors				
Per-Olof Wallström,Chairman[1]	350	50	–	400
Svein Mathisen[1]	150	50	–	200
Martin Jonsson	150	100	–	250
Fredrik Tiberg	–	–	–	–
Per-Anders Abrahamsson	150	–	–	150
Per Sandberg	150	–	–	150
Marianne Dicander Alexandersson[1]	150	50	–	200
Kerstin Valinder Strinnholm	150	–	–	150
Total	**1,250**	**250**	**–**	**1,500**

	Basic salary	Variable remuneration	Other benefits	Pension expenses	Total
Group management					
Fredrik Tiberg, CEO	3,696	1,109	81	1,355	6,241
Other executive management (8 individuals)	8,900	1,721	421	2,487	13,528
Total	**12,596**	**2,830**	**501**	**3,842**	**19,769**[4]

1) Remuneration invoiced via company
2) AGM resolved fees, for the period May 2017 – May 2018 (May 2016-May 2017)for payment twice a year.
No board remuneration for CEO is paid.
3) In addition to the above agreed remuneration, earned and paid stay-on bonuses, in accordance with the terms in the subscription warrant programs TO2016/2019 and TO2017/202, to CEO of KSEK 782 (KSEK 306) and another senior executive of KSEK 2,010 (KSEK 714), been accounted for. See also Note 24.

PENSIONS

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

TERMINATION BENEFITS

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

A mutual notice period of 3–6 months applies between the company and other key management personnel.

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

Receivables from related parties	31-12-2017	31-12-2016
Subsidiaries	–	–
Total	**–**	**–**

Liabilities to related parties	31-12-2017	31-12-2016
Piir & Partner AB	63	259
Subsidiaries	3,769	–
Total	**3,832**	**259**

Liabilities to related parties are essentially derived from sales agency fee and service fee.

Note 29 | Pledged assets

Pledged assets	31-12-2017	31-12-2016
Asset liability as collateral for pension commitments	999	–
Total	**999**	**–**

Note 30 | Proposed appropriation of profits

For the financial year 2017, the Board of Directors propose that the retained earnings of SEK 355,400,097 is carried forward.

The Board of Directors proposes that no dividend be paid for the 2017 financial year.

Note 31 | Events after the balance sheet date (until March 22, 2018)

On the 19th of January, our partner Braeburn Pharmaceuticals received a complete response letter from the US Food and Drug Administration (FDA), requiring additional information to the new drug application (NDA) for CAM2038. No additional clinical studies are required.

ASSURANCE OF THE BOARD OF DIRECTORS AND PRESIDENT

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

This Annual Report was prepared in accordance with generally accepted accounting policies and provides a fair and accurate account of the Parent Company's financial position and earnings. The Administration Report for the Group and Parent Company provides a fair and accurate overview of the performance of the Parent Company and the Group's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies belonging to the Group.

The income statements and balance sheets will be presented for approval to the Annual General Meeting on 3 May 2018.

Lund, 22 March 2018

Per-Olof Wallström
Chairman of the Board

Per-Anders Abrahamsson
Board member

Marianne Dicander Alexandersson
Board member

Martin Jonsson
Board member

Svein Mathisen
Board member

Fredrik Tiberg
President, CEO and Board member

Kerstin Valinder Strinnholm
Board member

Our Audit Report was submitted on 22 March 2018

PricewaterhouseCoopers AB
Ola Bjärehäll
Auditor in Charge
Authorised Public Accountant

AUDITOR'S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Camurus AB (publ), for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 40-76 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Our audit approach

Audit scope

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

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

Materiality

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

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

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Accounting of revenue For the period January – December 2017 Camurus has reported approximately MSEK 54 in revenue, primarily consisting of sales of development related goods and services, milestone payments and licensing revenues. The sales have in all material extent been made to customers in Europe and North America. We refer to section 2.17 in the Accounting principles in the Annual report of Camurus for a description of the applied accounting principles.	We have obtained an understanding of the controls in place related to accounting of revenue and, in particular, the completeness and cut-off of sales of development related goods and services, milestone payments and licensing revenues. We have, by sample, performed test of details of customer agreements in order to verify the transfer of risks and benefits associated with the sale, amounts and basis for calculation of the revenue. We have also performed audit procedures to verify the cut-off of the revenue. By sample we have performed test of details of the sale versus third party confirmations. For sales of development related goods and services we have performed test of details of the expenses which form the base for this type of revenue and that the subsequent invoicing has been made and accounted for in the right period. For accounts receivable that existed as per the balance sheet date we have performed confirmation of balance with the customers of Camurus. For uninvoiced, accrued revenue, we have received supporting documentation from management of Camurus in order to verify that the revenue is attributable to the financial year 2017. We have not identified any material findings related to this key audit matter.
Accounting of deferred tax asset Camurus accounts for a deferred tax asset of approximately MSEK 115 on group level. The deferred tax asset is based on tax losses carried forward and is recognized to the extent that it is likely future taxable surpluses will be available, against which the losses can be utilized. As a basis for this balance sheet item Camurus uses forecasts for future taxable income.	As part of our audit we have evaluated the forecasts regarding future taxable surpluses that the board of directors and management have used for their assessment. We have obtained an understanding of the assumptions in the forecasts. We have also performed audit procedures of the other supporting documents that Camurus has presented to us related to this deferred tax asset, as well as tested the mathematical accuracy in the calculation of the deferred tax asset made by Camurus. We have not identified any material findings related to thiskey audit matter.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-39 and 80-93. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the

going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Camurus AB (publ), for the year 2017 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Camurus AB (publ) by the general meeting of shareholders on May 3, 2017 and has been the company's auditors since May 11, 2015.

Stockholm, March 22, 2018
PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized public accountant
Auditor in charge

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

Camurus' corporate governance is based on the laws, regulations and recommendations applicable to listed companies, such as the Swedish Corporate Governance Code (the "Code"), the Nasdaq Stockholm Rule Book for Issuers, Camurus' Articles of Association and other rules and guidelines specific to the company. During 2017, Camurus applied to the Code without deviations.

This report pertains to the 2017 financial year and has been reviewed by the company's auditors.

CORPORATE GOVERNANCE AT CAMURUS

The aim of Camurus' corporate governance is to create a distinct allocation of roles and responsibilities between shareholders, the Board of Directors and the company's management.

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

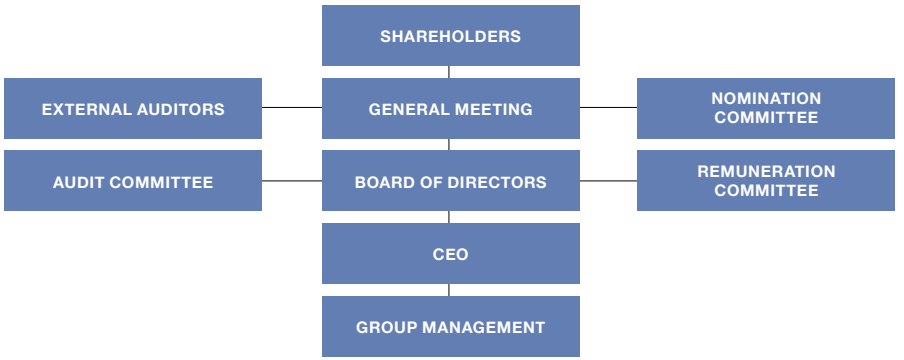
EXTERNAL REGULATORY FRAMEWORKS THAT INFLUENCE CORPORATE GOVERNANCE

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

INTERNAL REGULATORY FRAMEWORKS OF SIGNIFICANCE TO CORPORATE GOVERNANCE

- Articles of Association
- Board of Directors' rules of procedure including instructions to the Board's Committees
- Instructions relating to the allocation of work between the board and the CEO as well as the financial reporting
- Guidelines for remuneration to senior executives
- IT Policy
- Financial Manual
- Personnel Manual
- Code of Conduct
- Communication/information Policy
- Insider Policy

Corporate governance structure



Corporate governance structure

SHAREHOLDERS AND THE SHARE

Camurus AB's share capital comprises one class of shares that entitles the holders to equal voting rights and equal rights to the company's assets. For information about shareholders and the Camurus share, see pages 36-37 of the annual report 2017 and camurus.com.

GENERAL MEETINGS OF SHAREHOLDERS

Shareholders' exercise their influence at the general meeting, which is Camurus' highest decision-making body. The general meeting decides on the Articles of Association and at the Annual General Meeting (AGM), which is the scheduled annual general meeting of shareholders, shareholders elect the Board members, the Chairman of the Board and auditors, and resolve on their fees.

In addition, the AGM makes decisions on the adoption of the income statement and balance sheet, on the appropriation of the company's profits and on the discharge of Board members and the CEO from liability to the company. The AGM also makes decisions on the composition and work of the Nomination

Committee, and on remuneration guidlines and terms of employment for the CEO and other senior executives.

Shareholders have the right to participate and vote for all of their shares. Shareholders are also entitled to be represented by proxy at the meeting. The AGM is to be held in Lund each year before the end of June. Extraordinary general meetings (EGMs) are convened as needed.

Notice convening the annual general meetings and extraordinary general meetings where amendments to the articles of association are to be addressed, must be done no earlier than six weeks and no later than four weeks prior to the meeting. Notice convening other extraordinary general meetings must be done no earlier than six weeks and no later than three weeks prior to the meeting. Official notice must be given through an announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website. Simultaneously therewith, the fact that notice has been given must be published in Svenska Dagbladet.

2017 ANNUAL GENERAL MEETING (AGM)

The AGM for 2017 was held on May 3. At the meeting, approximately 64 percent of the total votes were represented. Attorney Jakob Wijkander was elected Chairman of the meeting.

The AGM resolutions:

– Re-election of the Board members Per Olof Wallström, Per-Anders Abrahamsson, Marianne Dicander Alexandersson, Martin Jonsson, Svein Mathisen, Fredrik Tiberg and Kerstin Valinder Strinnholm. Per Sandberg had declined re-election. As chairman of the Board, Per Olof Wallström was re-elected.

– Re-election of PricewaterhouseCoopers AB, with Ola Bjärehäll as authorised public accountant

– Remuneration to the Chairman of the Board and Board members elected by the AGM, and the auditor.

– Proposed guidelines for remuneration to senior executives were resolved.

– Implementation of incentive program in accordance with the Board's proposal for the company's employees by way of directed issue of subscription warrants.

– Authorization for the Board to decide on a new issue of shares with or without deviation from shareholders' preferential rights. The authorization may be exercised on one or more occasions until the Annual General Meeting 2018 and a total of 3 728 148 shares may be issued, corresponding to 10 per cent of the company's share capital.

– Resolution on discharge from liability in relation to the company for the Board members and the CEO for the financial year 2017.

The minutes and information from the 2017 AGM are available on camurus.com.

2018 AGM

Camurus' 2018 AGM will be held on Thursday May 3, 2018 at 5:00 p.m. at Elite Hotel Ideon, on Scheelevägen 27, Ideon Science Park, 223 63 Lund, Sweden. For further information and the right to participate, see page 93 of Camurus' Annual Report 2017 or camurus.com.

The minutes of the AGM will be available at camurus.com.

NOMINATION COMMITTEE

The Nomination Committee represents Camurus' shareholders and has the task of preparing resolutions on election and reimbursement issues at the AGM. According to the instructions and statutes adopted by the AGM on May 3, 2016, the Nomination Committee is to consist of four members, three of whom are to represent the company's three largest shareholders based on the ownership according to Euroclear Sweden AB as per 31 August of the year before the annual general meeting. As stipulated in the same resolution, the fourth person is to be the Chairman of the Board. The Nomination Committee observes the rules that apply to Board members' independence under the Swedish Corporate Governance Code. Furthermore, the composition of the Nomination Committee is to be announced no later than six months before the annual general meeting. The Nomination Committee of Camurus is tasked with assignments including the preparation and drafting of proposals for the election of Board members, the Chairman of the Board, the Chairman of the Meeting and the auditors. In addition, the nomination committee's mission includes proposing fees to the members of the Board, members of the Board's committees and the auditors. The Nomination Committee's duties also include proposing fees to Board members, committee members and auditors.

In 2017, the Nomination Committee held three meetings and also maintained contact by telephone. As a basis for its work, the Nomination Committee has taken note of the Chairman's presentation of the Board's work, including an anonymous external evaluation with the help of an independent part, of the Board's performance, as well as interviews with some inidividual Board members. Furthermore, the Chairman of the Board and the CEO has reported the development of the Company's operations, goals and strategy.

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

As in previous years, the Nomination Committee has devoted special attention to issues of diversity. From the Nomination Committee's proposal to the 2017 Annual General Meeting it shows that the Nomination Committee, when preparing its proposal of Board of Directors, has applied paragraph 4.1 of the Code as Diversity Policy. The aim of the policy is that, with regards to the company's operations, development stages and circumstances, the Board should have a purposeful composition, characterized by versatility and breadth regarding the members' skills, experience and background as well as the need for an even gender distribution. With regards to gender distribution in the Board, the Nomination Committee's ambition is to work towards the goals set by the College of Swedish Corporate Governance. The Annual General Meeting 2017 decided to appoint members of the Board in accordance with the nomination committee's proposal, which meant that seven members were elected, of which two women and five men (corresponding to 29 and 71 per cent respectively).

The Nomination Committee in respect of the Annual General Meeting 2018 consists of the Chairman of the Board and the three largest shareholders in terms of voting rights as of August 31, 2017, who together represents approximately 63 percent of the number of shares and votes in the company.

The Nomination Committee for the AGM 2018 consists of the following[1]

Representatives	Shareholders
Per Sandberg, appointed by Sandberg Development AB	
Max Mitteregger, appointed by Gladiator	
Jan Andersson, appointed by Swedbank Robur Fonder	
Per Olof Wallström, Chairman of the Board	

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

Board of Directors

COMPOSITION AND INDEPENDENCE

In accordance with the Articles of Association, Camurus' Board of Directors is to comprise

a minimum of three and maximum of ten Board members elected by the AGM, for the period until the end of the next AGM. At the 2017 AGM, seven (7) Board members were elected. Camurus' CEO is included among the Board of Directors and the company's CFO functions as the Secretary to the Board. Other executives of Camurus participate at Board meetings to report on specific topics. According to the Code, a majority of the AGM-elected Board members must be independent in relation to the company and the company's management. With the exception of CEO Fredrik Tiberg, all Board members are deemed to be independent in relation to the company and the company's management. Five of these Board members are also deemed to be independent in relation to the company's major shareholders. Camurus' thus meets the requirements of the Code on independence.

At the close of the financial year, Camurus' Board of Directors comprised seven (7) Board members: Chairman of the Board Per Olof Wallström and the Board members Per-Anders Abrahamsson, Marianne Dicander Alexandersson, Martin Jonsson, Svein Mathisen, Fredrik Tiberg and Kerstin Valinder Strinnholm. Information about the Board members, with data about birth years, year of election to the Board of Directors, education, experience, ongoing and previous assignments, holdings of shares in the company at 15 March, 2018 are presented on pages 88-89 in the annual report 2017. Holdings in the company include the individual's personal holdings and/or the holdings of closely related parties. Other Group assignments are not presented.

RESPONSIBILITY AND DUTIES OF THE BOARD OF DIRECTORS

The duties of the Board of Directors are regulated under the Swedish Companies Act, the Articles of Association, and, the Swedish Corporate Governance Code. The work of the Board of Directors is further regulated by the written Rules of Procedure, which is adopted each year by the Board. The Rules of Procedure regulate the division of duties and responsibilities between the Board, the Chairman of the Board and the CEO. In addition, the Rules of Procedure govern the resolutions procedure within the Board, the Board's meeting plans and the work of the Board on financial reporting and auditing issues, as well as the financial statements. The Board has also established instructions for the CEO and adopted other separate policy documents.

The Board is responsible for the Group's organization and the management of its affairs, the establishment of the Group's overall objectives, development and follow-up activities pertaining to the overall strategies, resolutions regarding major acquisitions, divestments and capital expenditures, resolutions regarding possible investments and loans in accordance with financial policy, continuous monitoring of operations, the adoption of quarterly and year-end accounts, and the continuous assessment of the CEO and other members of Group management. The Board is also responsible for ensuring quality in financial reporting, including systems for the monitoring and internal control of Camurus' financial statements and financial position (see also "Internal controls" below). Furthermore, the Board is to ensure that Camurus' external disclosure is characterized by transparency and is correct, relevant and reliable. The Board is also responsible for the establishment of the requisite guidelines and other policy documents, such as a Code of Conduct and Communication and Insider Policy. At Board meetings, the following recurring items are on the agenda: state of business, project status, market issues, adoption of interim and annual reports, strategic review, future prospects and economic and financial reporting.

The Chairman of the Board monitors Camurus' operations through continuous contact with the CEO. The Chairman organizes and directs the work of the Board and is responsible for ensuring that other Board members receive satisfactory information and decision data. The Chairman is also responsible for ensuring that both existing and new Board members continuously update and deepen their knowledge of Camurus and that they otherwise receive further training required for the work of the board to operate effectively. It is also the Chairman who is responsible for managing contacts with shareholders on ownership issues and for the annual evaluation of work of the Board of Directors. In 2017, an anonymous survey-based evaluation was performed, through which all the Board members received the opportunity to express themselves about the work of the Board of the company. This information has been collected, compiled and presented by the company's solicitors. The Nomination Committee, through the Chairman of the Board, has reviewed the evaluation of the Board and received information about the company's development. The principal requirements that should be imposed on Camurus' Board of Directors and the importance of independent Board members have been discussed.

In addition to the inaugurating Board meeting, a minimum of five ordinary Board meetings are to be held. The Board meets with auditors at the Board meeting when the audit is reviewed.

BOARD OF DIRECTORS' WORK DURING 2017

During the year, the Board held eight (8) ordinary Board meetings, and another three (3) when decisions regarding the allocation of warrants in the TO2017 / 2020 program were taken per capsulam. The Board's work during the year has been dominated by handling and make strategic decisions on issues concerning the Company's organizational and product development, business development, partnerships, and the company's commercialization of CAM2038 in key markets in Europe including decisions to establish subsidiaries in Finland, Norway and France. The Board has taken resolutions regarding Camurus financial targets and dividend policy, financial interim reports and developed a new long-term incentive program for the Company's management and staff for proposal to the AGM 2018.

The Board has planned a total of seven (7) meetings for 2018.

BOARD COMMITTEES

Within itself, the Board of Directors has established two committees, an Audit Committee and a Remuneration Committee, which operates according to rules of procedure adopted by the Board of Directors.

Audit Committee

The main duties of the Audit Committee are to supervise the Company's financial reporting, monitor efficiency in its internal controls, and apprise itself of information regarding the audit of the annual report and consolidated financial statements, review and monitor the auditor's impartiality and independence and, in so doing take particularly into account whether the auditor provides Camurus with services other than audit services. The Audit Committee shall also assist the Nomination Committee with proposal to the general meeting for election of auditors. The Audit Committee has regular contacts with the auditors of Camurus. The members of the Audit Committee are Martin Jonsson (Chairman), Marianne Dicander Alexandersson, Svein Mathisen and Per Olof Wallström. The committee complies with the Companies Act's requirements for independence and accounting and auditing expertise. The Committee has convened five (5) times during the year. Camurus' auditors were present at four of these meetings. The meetings addressed items such as the audit plan, the auditors' observations and the review of the company and the company's financial reports.

Remuneration Committee

The main duties of the Remuneration Committee are to prepare decisions by the Board of Directors on issues concerning remuneration principles, remuneration and other employment terms for the CEO and other members of the Group management, and to monitor and assess ongoing programs for variable remuneration to the Group management, as well as such programs as have been completed during the year. Furthermore, the Committee shall monitor and assess the application of the guidelines for remuneration to the executive management resolved by the annual general meeting, as well as applicable remuneration structures and remuneration levels in the Company. The members of the Remuneration Committee are Per Olof Wallström (Chairman), Martin Jonsson, Svein Mathisen and Kerstin Valinder Strinnholm. The Committee is assessed to comply with the Code's requirements for independence and appropriate knowledge and experience in questions related to remuneration of executive management.

The Committee convened three (3) times during the year. At these meetings, the Committee discussed the company's existing remuneration systems, proposed guidelines for the remuneration of the CEO and senior executives, and the focus of future share-based incentive programs aimed at attracting and retaining competent and motivated employees. The incentive program will be presented at the AGM in May 2018, for resolution by the shareholders.

Information regarding salaries and fees to the CEO and senior executives is provided in Note 9 in the annual report 2017.

CEO AND GROUP MANAGEMENT

The CEO is responsible for the ongoing administration and development of Camurus in accordance with applicable legislation and rules, including the Nasdaq Stockholm Rule Book for Issuers and the Code, as well as the guidelines, instructions and strategies established by the Board of Directors. The CEO is to ensure that the Board of Directors receives the requisite factual and relevant information to enable taking well-founded decisions. Furthermore, the CEO is to ensure adherence to Camurus' goals, policies and strategic plans as established by the Board of Directors and the CEO is responsible for keeping the Board updated on Camurus' development in-between Board meetings.

The CEO directs the work of the Group management, which is responsible for overall business development. In addition to the CEO, Camurus' Group management during the year has comprised the CFO, the Vice President for Project Management and Planning, the Vice President for Pharmaceutical and Analytical Development, the Vice President for Technical Operations, the Vice President for Clinical and Regulatory Development, Vice President for Business Development and Alliance Management, Chief Commercial Officer, Vice President Human Resources, the Vice President for Investor Relations and Vice President Corporate Development & General Counsel (a total of eleven individuals). During the year the Group management convened 23 times. For information about current senior executives at Camurus, when they assumed their positions and their year of birth, education, experience, holdings in the Company as of 15 March, 2018, and current and previous assignments, see pages 90-91 of the annual report. Holdings in the Company include the individual's personal holdings and/or the holdings of closely related parties. Other Group assignments are not presented. CEO has no significant shareholdings and co-ownership in companies that have significant business relationships with Camurus.

The table below shows the fees paid to the elected Board members in 2017

			Remuneration, SEK[1]				Attendance[2]		
Board member	Function	Independence	Directors' fee	Audit Committee	Remuneration Committee	Total	Board of Directors	Audit Committee	Remuneration Committee
Per-Anders Abrahamsson	Board member	•	175	–	–	175	8/8	–	–
Marianne Dicander Alexandersson[6]	Board member	•	175	50	–	225	8/8	5/5	–
Martin Jonsson	Board member	3)	175	100	25	300	8/8	5/5	3/3
Svein Mathisen[6]	Board member	•	175	50	25	250	8/8	5/5	3/3
Per Sandberg[5]	Board member	3)	–	–	–	–	1/8	–	–
Fredrik Tiberg[7]	Board member, President and CEO	4)	–	–	–	–	8/8	–	–
Kerstin Valinder Strinnholm	Board member	•	175	–	25	200	8/8	–	3/3
Per Olof Wallström[6]	Chairman of the Board	•	500	50	50	600	8/8	5/5	3/3
Total			**1,375**	**250**	**125**	**1,750**			

1) AGM resolved fees excluding social security fee, for the period May 2017 – May 2018.
2) The figures in the table show total attendance/meetings. In 2017, the Board held a total of 8 meetings.
3) The Board member is to be regarded as dependent in relation to major shareholders.
4) The Board member is to be regarded as dependent in relation to the company and its Management.
5) Board member until AGM May 3, 2017.
6) The fee refers to directors' fees excluding social security contributions paid to the Board member's company.
7) For remuneration to the CEO, refer to Note 28 in the annual report 2017.

Remuneration for Board of Directors and senior executives

REMUNERATION FOR BOARD MEMBERS

The AGM of 3 May 2017 resolved that for the period up to the closing of the 2018 AGM, fees to the Board members are as follows: SEK 500,000 to the Chairman of the Board and SEK 175,000 to each of the other Board members. The AGM further resolved that for committee work, a fee of SEK 100,000 to be paid to the Chairman of the Audit Committee and SEK 50,000 to each other member of the Committee, and a fee of SEK 50,000 to be paid to the Chairman of the Remuneration Committee and SEK 25,000 to each other member of the Committee.

REMUNERATION TO GROUP MANAGEMENT

The remuneration committee of the Board of Directors handles questions of remuneration to the senior executives. Remuneration to the CEO is resolved by the Board of Directors upon the remuneration committee's proposal.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The AGM of May 3, 2017 resolved to approve the Board of Directors' proposal on the principles of remuneration to the company's senior executives until the time of the 2018 AGM.

Deviation from the guidelines

The Board of Directors may derogate from these guidelines in certain cases if there are special reasons for doing so. Reasons for derogation must be reported at the next annual general meeting.

The following two deviations are explained below:
In order to market-align the remuneration to the CEO, the Board of Directors resolved at their meeting in March 2017, that CEO from January 1, 2017 should be able to obtain a maximum variable salary of forty-five (45) percent of the fixed annual salary. This represented a deviation against the guidelines resolved by the AGM May 3, 2016.

In order to attract employees with key skills, an agreement was reached on the maximum variable compensation of forty-five (45) percent of the fixed annual salary in connection with

the recruitment of a senior executive in December 2015. Information on this deviation from the guidelines resolved by the EGM October 7, 2015 and the AGM May 3, 2016, was provided in the Corporate governance report and the annual report 2015 and 2016.

At the AGM May 3, 2017, it was decided that the CEO and other senior executives should be able to receive a maximum variable remuneration of fifty (50) percent of the fixed annual salary.

For more information on guidelines for remuneration to the Board and senior executives, see the Annual Report 2017 Note 9 and 28.

Guidelines for remuneration to senior executives 2018
The Board proposes that the guidelines in its design is unchanged against the decision by the AGM of May 3, 2017.

EXTERNAL AUDITORS

Camurus' auditor is since the AGM May 11, 2015 the auditing firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Ola Bjärehäll as auditor in charge. PwC was elected as Camurus' auditor at the AGM 2017, until the end of the AGM 2018.

The auditor performs a review of the interim report for the third quarter and audit the annual accounts and consolidated financial statements. The auditor also expresses an opinion on whether this Corporate Governance Report has been prepared in accordance with, and whether certain disclosures herein are consistent with, the annual accounts and consolidated financial statements. The auditor reports the results of their audit of the annual accounts and consolidated financial statements, their review of the Corporate Governance Report in the auditor's report, and separate opinions on the Corporate Governance Report and guidelines for remuneration to senior executives, in a presentation to the AGM. In addition, the auditor present detailed findings from their reviews to the Audit Committee three times per year, and to the Board in its entirety once per year. The fees invoiced by the auditors over the past two financial years are reported in Note 8 of the annual report for 2017.

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

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

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

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

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

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

For a description of Camuru's operational risks, see the Director's Report, pages 45-46 and for the financial risks, Note 3 Financial Risk Management, pages 58-59 in Camurus Annual Report 2017.

Control activities
The formulation of control activities is of particular importance to Camurus' work to prevent and identify risks and shortcomings in the financial reporting. The control structure comprises distinct roles in the organization that facilitate an efficient division of responsibilities for specific control activities, including authorization control, IT systems, ERP system and authorization control. The continuous analyses carried out of the financial reporting are crucial to ensuring that the financial reports do not include any material errors.

Information and communication
Camurus has information and communication procedures aimed at promoting completeness and accuracy in financial reporting. Policies, guidelines and internal instructions with regard to financial reporting are available in digital and printed form. Regular updates on amendments to accounting policies, reporting requirements or other forms of information disclosure are accessible and known to the employees concerned. For external disclosure of information, guidelines have been designed with the aim of ensuring that Camurus meets the requirements covering the disclosure of accurate information to the market.

Monitoring, evaluation and reporting
The Board of Directors continuously evaluates the information submitted by Group management. The Board of Directors obtains regularly updated financial information about Camurus' development between Board meetings. The Group's financial position, strategies and capital expenditures are discussed at each Board meeting. The Board is also responsible for monitoring the internal control and monitoring that reporting to the Board works satisfactorily. This work entails ensuring that measures are taken to manage any shortcomings, as well as following-up on any proposed measures highlighted in connection with external reviews. The company performs an annual self-assessment of its work with risk management and internal controls. This process includes a review of the manner in which established procedures and guidelines are applied. The Board of Directors receives information about important conclusions from this annual assessment process, and about proposed actions, if any, with regard to the company's internal control environment. In addition, the external auditors report on a regular basis to the Board of Directors, partly through the Audit Committee, partly to the Board of Directors in its entirety.

External audit
The AGM appoints external auditors for a period of one year at a time. The auditors review the annual accounts and bookkeeping, as well as the Board of Directors' and CEO's administration in accordance with an audit plan established in consultation with the Board's Audit Committee. In connection with the review, the auditors report their findings to Group Management for discussion and subsequently to the Board of Directors through the Audit Committee. Reporting to the Audit Committee is carried out in conjunction with the completion of the examination of the administration and the review of the hard close of the annual accounts. The Board of Directors meets with the auditors not less than once a year, when the auditors report their observations directly to the Board of Directors without the presence of Camurus' CEO and CFO. The auditor's also participate at the AGM, where they present a summary of their auditing work and their recommendations in the audit report.

Lund, March 2018

Board of Directors

More information on Camurus's corporate governance and the Board of Directors can be found in the section of "Corporate governance" at camurus.com.

THE AUDITORS' EXAMINATION OF THE CORPORATE GOVERNANCE REPORT

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

Engagement and responsibility
The Board of Directors is responsible for the Corporate Governance Report for the year 2017 on pages 80-86 of the printed version of this document having been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, the second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, the second paragraph of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 22, 2018

PricewaterhouseCoopers AB
Ola Bjärehäll
Authorized public accountant
Auditor in charge

BOARD OF DIRECTORS

PER OLOF WALLSTRÖM

Chairman of the Board since 2015 and Board member since 2010. Chairman of the Remuneration Committee and member of the Audit Committee.

Born: 1949.

Education: M.Sc. in Pharmacy from Uppsala University.

Other current appointments: Board member of Hansa Medical AB, Arosia Communication AB and Neo Dynamics AB.

Work experience: CEO of Q-Med AB, Melacure AB and Karo Bio AB. Senior management at Merck Sharpe & Dohme, Astra, Pharmacia and Bristol Myers Squibb.

Holdings: 72,748 shares

PER-ANDERS ABRAHAMSSON

Board member since 2006.

Born: 1949.

Education: B.Sc., MD, Ph.D., Professor of Urology, Lund University. Adjunct Professor, University of Rochester, New York.

Other current appointments: Vice President, Global Medical Affairs, Ferring Pharmaceuticals. Chief Physician at Skåne University Hospital, Malmö. Board member of Medisport AB, GOAR Holding A/S, and Cernelle AB. Consultant IDL Biotech Pharma AB.

Work experience: Senior Registrar in Urology - 40 years. Chairman, Department of Urology, Lund University – 20 years. Laboratory Director, Department of Urology, University of Rochester Medical Centre – 2 years and Adjunct Professor, University of Rochester, Rochester, New York 1993. Immediate Past Secretary General, European Association of Urology.

Holdings: 33,561 shares

MARIANNE DICANDER ALEXANDERSSON

Board member since 2015. Member of the Audit Committee.

Born: 1959.

Education: M.Sc. in Chemical Engineering from Chalmers University of Technology.

Other current appointments: Board member of Recipharm AB (publ), Enzymatica AB (publ), Addera Care AB (publ), Praktikertjänst and Promore AB (publ). Chairman and founder of MDA Management AB, Chairman of Sahlgrenska Science Park, Member of the council at Skandia and member of the Advisory Council of the Dental and Pharmaceutical Benefits Agency.

Work Experience: CEO of Kronans Droghandel, Global Health Partner and Sjätte APfonden, deputy CEO of Apoteket AB. Leading positions in quality and market development at Pharmacia, Imperial Chemical Industries and Volvo.

Holdings: 12,050 shares

MARTIN JONSSON

Board member since 2013. Chairman of the Audit Committee and member of the Remuneration Committee.

Born: 1961.

Education: M.Sc. in Business Adminis tration from Lund University.

Other current appointments: CEO and Board member of Sandberg Development AB. Board member of Aimpoint AB, Granuldisk AB, ISEC AB and Orbital Systems AB.

Work Experience: Over 25 years of combined experience in corporate management and working in senior positions in various industries such as medical devices, biotechnology and industrial kitchens etc.

Holdings: 22,682 shares

SVEIN MATHISEN

Board member since 2010. Member of the Audit Committee and the Remuneration Committee.

Born: 1956.

Education: M.Sc. in engineering physics from the Norwegian University of Science and Technology.

Other current appointments: Chairman of the Board of iCell Science AB and Gabather AB. Board member of Athera Biotechnologies AB, Genagon Therapeutics AB and Arild Capital AB.

Work Experience: CEO of BioInvent International AB. 15 years of experience in various senior positions in the Norsk Hydro Group.

Holdings: 41,143 shares

KERSTIN VALINDER STRINNHOLM

Board member since 2015. Member of the Remuneration Committee.

Born: 1960.

Education: Degree from the School of Journalism at the University of Gothenburg.

Other current appointments: Board member of Klifo A/S, Corline Biomedical AB, KVS Invest AB, Immunicum AB and Cavastor AB.

Work Experience: EVP Business Development for the Nycomed Group. Many years of experience in sales, marketing and business development from senior positions at Astra/AstraZeneca and Nycomed/ Takeda.

Holdings: 19,928 shares

FREDRIK TIBERG

President & Chief Executive Officer since 2003. Board member since 2002.

Born: 1963.

Education: M.Sc. in Chemical Engineering from Lund Institute of Technology and Ph.D. and Assoc. Prof. in Physical Chemistry from Lund University.

Other current appointments: Member of the Board Camurus Lipid Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Work Experience: CEO of Heptahelix AB, Head of R&D Camurus AB, Visiting Professor of Physical and Theoretical Chemistry, University of Oxford.

Holdings: 1,512,551 shares and 130,000 subscription warrants

AUDITORS

OLA BJÄREHÄLL

Authorised Public Accountant
PricewaterhouseCoopers AB

GROUP MANAGEMENT

FREDRIK TIBERG

President & Chief Executive Officer since 2003. Board member since 2002.

Born: 1963.

Education: M.Sc. in Chemical Engineering from Lund Institute of Technology and Ph.D. and Assoc. Prof. in Physical Chemistry from Lund University.

Other current appointments: Member of the Board Camurus Lipid Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Work Experience: CEO of Heptahelix AB, Head of R&D Camurus AB, Visiting Professor of Physical and Theoretical Chemistry, University of Oxford.

Holdings: 1,512,551 shares and 130,000 subscription warrants

EVA PINOTTI-LINDQVIST

Chief Financial Officer since 2014.

Born: 1963.

Education: M.Sc. in Business Administration and Economics from Lund University.

Work Experience: More than 25 years experience of Finance and 15 years experience of the pharmaceutical industry, including as CFO and Vice President Business Development at EQL Pharma AB and Market analyst at Nordic Drugs AB. Controller at Svedala Svenska AB and Finance Manager at Poseidon Yacht Charter AB.

Holdings: 36,291 shares and 25,882 subscription warrants.

RICHARD JAMESON

Chief Commercial Officer since June 2016.

Born: 1964.

Education: BSC (Hons) in Applied Biological Sciences from University West of England.

Work Experience: More than 20 years in the speciality pharmaceutical industry including executive/ senior positions in sales leadership, marketing, market access and general management for companies which include Serono, Schering Plough, Ferring and Indivior PLC.

Holdings: 16,395 shares and 80,000 subscription warrants.

AGNETA SVEDBERG

Vice President, Clinical and Regulatory Development since 2015.

Born: 1963.

Education: M.Sc. in Radiophysics and Executive MBA, Executive Foundation Lund (EFL) and B.Sc. in Medicine from Lund University.

Work Experience: More than 25 years experience in drug development, including as COO of Zealand Pharma A/S, CEO of Cantargia AB and Senior Vice President, Clinical Development at Genmab A/S.

Holdings: 9,073 shares and 45,000 subscription warrants.

FREDRIK JOABSSON

Vice President, Business Development and Alliance Management since 2011. Employed in Camurus since 2001.

Born: 1972.

Education: Ph.D. in Physical Chemistry and M.Sc. in Chemistry from Lund University.

Work Experience: More than 15 years experience in pharmaceutical R&D, business development and alliance management.

Holdings: 36,391 share and 20,000 subscription warrants.

CECILIA CALLMER

Vice President, Human Resources since 2017.

Born: 1974.

Education: Bachelor studies in Psychology at Lund University and Copenhagen University, and Master studies in Psychology at Copenhagen University and Bond University.

Work Experience: More than seventeen years experience of Human Resources in international companies and almost ten years within the pharmaceutical industry, including as HR Director at Novo NordiskSweden, HR Director Nordic at Diesel Aps, and Senior HR Manager at Ferring Pharmaceuticals A/S.

Holdings: 16,250 subscription warrants.

TORSTEN MALMSTRÖM

Vice President, Technical Operations since 2013.

Born: 1968.

Education: Ph.D. in Inorganic Chemistry and M.Sc in Chemistry from Lund University.

Work Experience: Almost twenty years experience from the pharmaceutical industry including as Director Pharmaceutical Development for Zealand Pharma and Director of Development for Polypeptide. Team Manager at AstraZeneca.

Holdings: 36,291 shares and 20,000 subscription warrants.

URBAN PAULSSON

Vice President Corporate Development & General Counsel since 2017.

Born: 1963.

Education: Master of Law from Lund University.

Work Experience: More than 20 years experience from the life science industry including as Legal Counsel at Pharmacia Corporation and General Counsel for Vitrolife AB. Partner at law firms Bird & Bird and Nordia Law.

Holdings: 6,500 shares and 75,000 subscription warrants.

KEY FIGURES AND DEFINITIONS

Key figures, MSEK	2017	2016	2015	2014	2013
Net revenues	54.3	113.7	154.8	208.2	197.7
Operating result before items affecting comparability	-243.5	-102.5	-30.5	62.3	127.3
Operating result	-243.5	-102.5	-204.1	62.3	127.3
Result for the period	-190.6	-81.0	-159.5	48.3	99.2
Cash flow from operating activities	-203.1	-207.8	-5.7	69.4	163.1
Cash and cash equivalents	314.5	508.6	716.1	0.1	0.0
Equity	385.0	564.4	640.6	123.5	50.0
Equity ratio in Group, percent	81%	88%	78%	59%	45%
Total assets	475.9	639.8	816.3	207.7	111.7
Average number of shares, before dilution	37,281,486	37,281,486	26,497,361	23,458,908	23,341,240
Average number of shares, after dilution*)	38,058,298	37,487,937	37,281,486	25,208,560	25,208,560
Earnings per share before dilution, SEK	-5.11	-2.17	-6.02	2.06	4.25
Earnings per share after dilution, SEK*)	-5.11	-2.17	-6.02	1.92	3.93
Equity per share before dilution, SEK	10.33	15.14	24.17	5.26	2.14
Equity per share after dilution, SEK*)	10.12	15.06	17.18	4.90	1.98
Number of employees at end of period	71	62	48	43	36
Number of employees in R&D at end of period	48	44	35	28	29
R&D costs as a percentage of operating expenses	75%	80%	83%	77%	71%

**) 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 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 period before dilution

Equity per share after dilution, SEK
Equity divided by the weighted number of shares at the end of the period after dilution

R&D costs as a percentage of operating expenses
Research and development costs divided by operating expenses, excluding items affecting comparability (marketing and distribution costs, administrative expenses and research and development costs)

Welcome to the Annual General Meeting 2018

Camurus' Annual General Meeting 2018 will be held on Thursday May 3, at 17.00 CET, at Elite Hotel Ideon, Scheelevägen 27, Ideon Science Park, 223 63 Lund.

Registration begins at 16.00 CET, when there will also by light refreshments served. Shareholders who wish to attend the meeting must be recorded in the share registered maintained by Euroclear Sweden AB (the Swedish Central Securities Depository) on Thursday April 26, 2018.

REGISTRATION

Notification of intention to attend the Annual General Meeting must be made no later than Thursday, April 26, 2018 in one of the following ways:

- via Camurus' website: camurus.com
- by phone: +46 46-286 38 90
- by mail: Camurus AB, c/o Euroclear Sweden AB, "Årsstämma" Box 191, 101 23 Stockholm

Upon giving notice, shareholders shall specify:

- Name
- Personal identity number/corporate registration number
- Address and telephone number
- Number of shares held
- Where applicable, information about any representatives/ advisors

NOMINEE REGISTERED SHARES

Shareholders who have registered their shares with a bank or another nominee must, to be entitled to participate in the General Meeting, register their shares in their own name so that the person concerned is recorded in the share registered maintained by Euroclear Sweden AB share register on Thursday April 26, 2018. Such registration may be temporary. Shareholders wishing to register their shares in their own name should inform the bank or nominee well before this date.

PROXIES

Shareholders who intend to be represented by proxy must issue a written and dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, a certified copy of a registration certificate or equivalent for the legal entity should be attached. The power of attorney is valid for one year from the issuance, or the longer period of validity as shown by the proxy, but not more than five years.

Registration certificates shall evidence the circumstances prevailing at the date of the General Meeting and should not be older than one year on the date of the AGM. The original power of attorney and any registration certificate should be sent to the company by mail at the address indicated above well in advance of the meeting. A proxy form is available on the company's website camurus.com, and can also be sent to shareholders upon request.

SHAREHOLDER INFORMATION

Interim reports, annual reports and Camurus' press releases are available on camurus.com and can be ordered from Camurus AB Ideon Science Park, 223 70 Lund, Sweden.

The Annual Report for 2017 in printed form will be sent to all who so requests, and it is always available for down load from: camurus.com

CALENDAR

May 3, 2018, at 13.00	CET, Interim Report January-March 2018
May 3, 2018, at 17.00	CET, Annual General Meeting
July 17, 2018	Interim Report, January-June 2018
October 25, 2018	Interim Report January-September 2018

CONTACT DETAILS

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