

Remuneration report for Immunicum AB (publ) 2020

Introduction

This report describes how the guidelines for executive remuneration of Immunicum AB (publ), adopted by the annual general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act (2005:551) (*Sw. aktiebolagslagen*) and *Rules on remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration in accordance with Chapter 5, Section 40-44 of the Swedish Annual Accounts Act (1995:1554) (*Sw. årsredovisningslagen*) is available in note 7 on pages 72-73 in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report available on pages 82-91 in the annual report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed on page 88 in the annual report 2020.

Developments in 2020

The CEO summarizes the company's overall performance in his statement on pages 12-13 in the annual report 2020.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. The company's area of operation, immunology, is an area with high demand for individuals with the right competence, both from a national and an international perspective. The company aspires to offer a competitive total compensation at market level both from a national and an international perspective and thereby be able to attract and retain qualified employees.

According to the remuneration guidelines, the remuneration to executives shall be at market level, be in relation to responsibility and authority and consist of the following components: fixed cash salary, possible variable cash remuneration, pensions and other benefits. The variable remuneration shall be linked to one or several financial or nonfinancial predetermined and measurable objectives which shall be designed to promote to the company's business strategy and long-term interests, including its sustainability.

The guidelines are found on page 89 in the annual report 2020. During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations have been made from the decision-making process that according to the guidelines shall be applied to determine the remuneration. The auditor's report regarding the company's compliance with the guidelines is available on www.immunicum.se. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Total CEO remuneration in 2020

The company's former CEO Carlos de Sousa resigned on 13 December 2019 and has during the financial year 2020 received a fixed remuneration of KSEK 2778 related to the notice period during the financial year 2020. No variable remuneration has been paid. In connection with Carlos de Sousa's resignation, Alex Karlsson-Parra entered into the position as acting CEO. Alex Karlsson-Parra has not received any additional remuneration for his position as acting CEO, i.e. Alex Karlsson-Parra's remuneration is attributable to his position as Chief Scientific Officer. During the period when Alex Karlsson-Parra was acting CEO he received remuneration of KSEK 934. On 28 August 2020 Sven Rohmann was appointed as CEO and Alex Karlsson-Parra as deputy CEO. Sven Rohmann has worked as a consultant and has invoiced consultancy fees of KSEK 1762 from 28 August 2020 up to and including 31 December 2020. Alex Karlsson-Parra has not received any additional remuneration for his position as deputy CEO.

Application of performance criteria for variable cash remuneration

The variable cash remuneration shall be linked to one or several predetermined and measurable objectives and shall be designed to promote the company's business strategy and long-term interests, including sustainability. The objectives shall be based on both the company's overall objectives with the business and on individual objectives relevant to the senior executive's position in the company. The variable cash remuneration may not exceed 35 per cent of the fixed annual salary. As stated above, no variable cash remuneration has been paid to the CEO or deputy CEO during the financial year 2020. The variable cash remuneration received by Alex Karlsson-Parra is attributable to his position as Chief Scientific Officer.

Share-based remuneration

The company has implemented one warrant program (2019/2022) for senior executives and key employees in the company. In total, 2,178,089 warrants have been granted, however, warrants have been repurchased from senior executives who have resigned, resulting that the outstanding warrants amounts to 1,809,277 which corresponds to a dilution of approximately 1.1 per cent of the number of shares and votes in the company. The company's former CEO Carlos de Sousa has been offered and granted 691,931 warrants, wherein 2/3 of these was repurchased in connection with Carlos de Sousa's resignation, resulting that Carlos de Sousa holds 230,104 options. Alex Karlsson-Parra holds 184,000 warrants which has been granted to Alex Karlsson-Parra as Chief Scientific Officer. Sven Rohmann holds no warrants. Each warrant entitles to subscription for one (1) share in the company during the exercise period for an exercise price of SEK 19.90. The exercise period for subscription of shares is from 28 May 2022 up to and including 28 July 2022.

Comparative information on the change of remuneration and company's performance

Remuneration and company's performance in 2020

	IS 2020
CEO remuneration (KSEK)	5,468*
Change from previous year	_**
Percentage change (%)	_**
Group operating income (KSEK)	-86,027
Change from previous year	_**
Percentage change (%)	_**
Average remuneration on a full-time equivalent basis of employees*** of the group (KSEK)	705
Change from previous year	_**
Percentage change (%)	_**

* This remuneration relates to the remuneration that Carlos de Sousa received during the financial year 2020 related to the notice period during the financial year 2020 and the remuneration that Alex Karlsson-Parra has received during the period when he was CEO. Furthermore, the consulting fees paid to Sven Rohman during the period 28 August 2020 up until and including 31 December 2020 are included.

** The company has not previously produced information on previous financial years in this respect, however such will be reported in the following remuneration reports for each financial year for comparative purposes.

*** Excluding members of the senior management

Stockholm, April 2021
Immunicum AB (publ)
The board of directors