

Corporate Governance Report

Mendus Aktiebolag (publ), corporate identity number 556629-1786, is a Swedish public company with its registered office in Stockholm. The company's shares are listed on Nasdaq Stockholm Small Cap and are traded under the abbreviation IMMU. Corporate governance refers to regulations and decision-making hierarchies that contribute to the efficient and controlled management of a company's operations.

Mendus' corporate governance is based on applicable laws, rules and recommendations for listing the companies, such as the Swedish Code of Corporate Governance (the "Code"), Nasdaq Stockholm's rules for issuers, the Articles of Association and company-specific rules and guidelines. This report, which is separate from the annual report, relates to the financial year 2022 and has been reviewed by the company's auditor.

Deviations from the Code, stock exchange rules or good practice in the stock market

The Company has not deviated from the Code or stock exchange rules and has not been subject to decisions by Nasdaq Stockholm's Disciplinary Board or decisions on breaches of good practice on the stock market by the Swedish Securities Council.

Corporate governance at Mendus

The purpose of corporate governance within Mendus is to create a clear division of roles and responsibilities between owners, the Board of Directors and company management. Governance, management and control of Mendus is divided between the Annual General Meeting, the Board of Directors, its elected committees and the CEO.

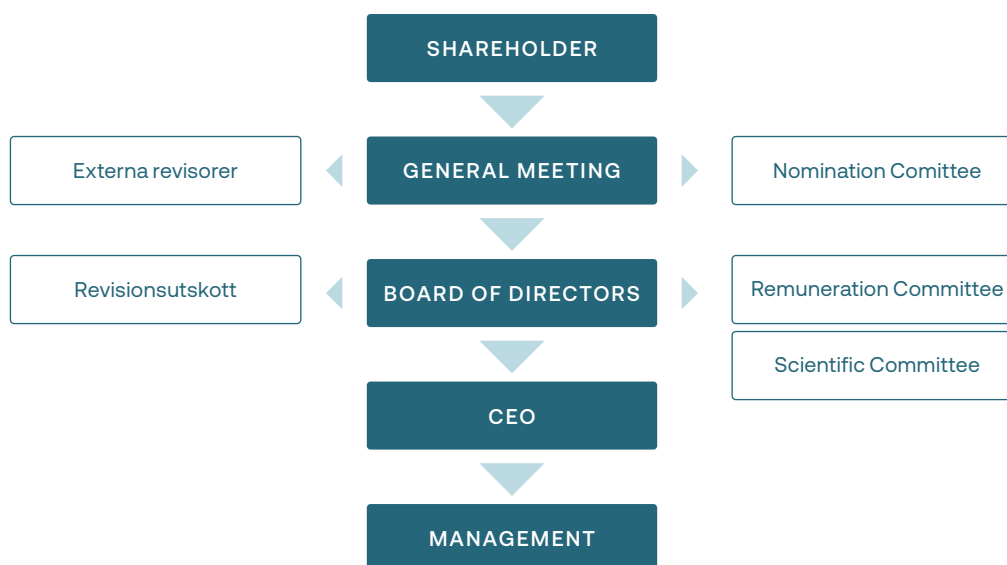
External regulations affecting corporate governance

- » Swedish Companies Act
- » Regulations for external accounting
- » Nasdaq Stockholm's Rule Book for Issuers
- » Swedish Code of Corporate Governance
- » Other applicable laws and regulations

Important internal regulations and documents

- » Incorporation
- » Rules of procedure for the Board including instructions for the Board's committees
- » CEO instruction including instructions on financial reporting
- » Guidelines for remuneration to senior executives
- » IT policy
- » Financial Handbook
- » Attestation instruction
- » Personnel handbook
- » Code
- » Information and insider policy

Corporate governance structure



Shareholders and the share

Mendus AB is a CSD-registered company, which means that the company's share register is kept by Euroclear Sweden AB. The share capital in Mendus AB consists of a class of shares entitling to equal voting value and equal rights to share in the company's assets. The Mendus share is admitted to trading on Nasdaq Stockholm in the Small Cap segment. At year-end, Mendus had 9,733 (9,720) shareholders, of which 419 (435) were registered as legal entities and 9,314 (9,206) as natural persons. The share capital is owned 51.8 (51.9) percent by Swedish-registered owners and 48.2 (48.1) percent by foreign owners. For further information about shareholders and the Mendus share, see the annual report pages 17-18 and www.mendus.se.

General meeting

In accordance with the Swedish Companies Act, the shareholders' influence in the company is exercised at the general meeting, which is the company's highest decision-making body. At the Annual General Meeting, the shareholders decide on key issues, including amendments to the Articles of Association, adoption of income statements and balance sheets, possible dividends and appropriation of the company's earnings, election of Board members and auditors, as well as resolution on remuneration to the same and discharge from liability for the Board of Directors and the CEO. The AGM also resolves on guidelines for remuneration to senior executives.

In accordance with the Articles of Association, notice of a general meeting shall be given by advertising in Post- och Inrikes Tidningar and by making the notice available on the company's website. At the same time as notice is given, the company shall, through an advertisement in Dagens Industri, inform that notice has been given. Notice of the Annual General Meeting and notice of an Extraordinary

General Meeting where the question of amendment of the Articles of Association will be dealt with shall be issued no earlier than six weeks and no later than four weeks before the Meeting. Notice of another extraordinary general meeting shall be issued no earlier than six weeks and no later than three weeks before the meeting.

Shareholders who have been entered in the share register in the manner prescribed in the Swedish Companies Act and who have registered with the company no later than the date stated in the notice convening the meeting have the right to participate in the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting.

At the Annual General Meeting (AGM), the following matters shall be dealt with:

1. Election of chairman of the meeting
2. Preparation and approval of the voting list
3. Submission and approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated financial statements and the auditor's report on the consolidated accounts
7. Decision on:
 - a) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
 - b) the appropriation of the company's profit or loss according to the adopted balance sheet;
 - c) » discharge from liability towards the company for the members of the Board of Directors and the CEO
8. Determination of fees to the Board of Directors and auditors

9. Election of the Board of Directors and auditors and any deputy auditors
10. Other business that is the responsibility of the meeting in accordance with the Swedish Companies Act or the Articles of Association

Annual General Meeting 2022

Mendu's Annual General Meeting 2022 was held on Tuesday 10 May at Tändstickspalatset on Västra Trädgårdsgatan 15 in Stockholm. The AGM was attended by 55.57 per cent of the votes. Mats Dahlberg was elected Chairman of the Annual General Meeting. The Annual General Meeting resolved, among other things, on:

- » Discharge from liability for the Board of Directors and CEO for the financial year 2021 and that no dividend would be paid for the financial year 2021.
- » Re-election of Board members Sven Andreasson, Dharminder Chahal, Andrea van Elsa, Christine Lind, Hans Preusting and Helen Tuvesson.
- » Re-election of Christine Lind as Chairman of the Board.
- » Election of the registered accounting firm Ernst & Young AB, which has appointed Charlotte Holmstrand as auditor in charge, for the period until the end of the next Annual General Meeting.
- » Implementation of a performance-based incentive program based on employee stock options aimed at senior executives and key employees, LTI 2022/2025. The employee stock option program comprised a maximum of 3,000,000 employee stock options that could be offered and allotted to the participants in the program.
- » Authorize the Board of Directors to resolve on a new issue of shares and issue of warrants and/or convertibles during the period until the next Annual General Meeting, on one or more occasions and with or without deviation from the shareholders' preferential rights. The number of shares or warrants or convertibles entitling to subscription of shares shall amount to a maximum of 20 percent of the number of registered shares at the time of the Board's first resolution pursuant to the authorization.

Protokoll as well as complete resolutions and more detailed information from the Annual General Meeting 2022 are available at www.mendus.se, under Corporate governance.

Extraordinary General Meeting November 2022

In light of the financing arrangement based on convertible debentures that Mendus entered into with Negma Group Lt. d, an Extraordinary General Meeting was held on 18 November 2022 regarding a resolution on a new authorization to the Board of Directors to resolve on a new issue and issue of warrants and/or convertibles. The number of shares, or warrants or convertibles entitling to subscription of shares, that may be issued shall amount to a maximum of 20 percent of the number of registered shares in the Company at the time of the Board's first

resolution pursuant to the authorization. The new authorization means that the Board of Directors has the right to consider, for example with regard to convertibles, how many shares have actually been issued rather than how many shares could be issued based on the lowest conversion price for the convertible bond. The authorization replaced the current authorization from the Annual General Meeting on May 10, 2022.

A review as well as complete resolutions and more detailed information from the Extraordinary General Meeting are available at www.mendus.se, under Corporate governance.

Annual General Meeting 2023

Mendu's Annual General Meeting 2023 will be held on May 12 at 10:30 a.m. at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm. For further information and the right to participate, see page 69 in the Annual Report or www.mendus.se. The minutes from the Annual General Meeting will be available at www.mendus.se.

Nominating committee

The Nomination Committee represents Mendus' shareholders and is tasked with preparing the Annual General Meeting's resolutions on election and remuneration issues. In accordance with the instructions adopted by the Annual General Meeting on 4 May 2021, which applies until further notice, the Nomination Committee shall consist of four members appointed by the four largest shareholders, based on the ownership structure of Euroclear Sweden AB as of 31 August, who have accepted the invitation to participate in the Nomination Committee. If any of the four largest shareholders waives its right to participate in the Nomination Committee, the next largest shareholder in terms of voting rights, who does not already have the right to appoint a member of the Nomination Committee, shall be offered the opportunity to appoint a member to the Nomination Committee. The Nomination Committee shall elect a Chairman from among its members.

The members of the Nomination Committee shall be published on the company's website no later than six months before the Annual General Meeting. If four shareholders at this time have not notified their intention to participate in the Nomination Committee, the Nomination Committee shall consist of fewer members. If there is a change in the ownership structure of the Nomination Committee after 31 August but before the Nomination Committee's complete proposal for resolutions has been published, and if shareholders who after this change have become one of the four largest shareholders in terms of voting rights in the company submit a wish to the Chairman of the Nomination Committee to be a member of the Nomination Committee, this shareholder shall have the right to appoint an additional member of the Nomination Committee. The term of office of the Nomination Committee shall extend until a new Nomination Committee has been appointed. Changes in the composition of the Nomination Commit-

tee shall be announced as soon as they have occurred.

Shareholders in the company have the right to submit proposals for Board members for consideration by the Nomination Committee. The Nomination Committee shall take into account that the Board of Directors shall have an appropriate composition based on the company's operations, stage of development, etc., and demonstrate diversity and breadth in terms of qualifications, experience and background. The members of the Nomination Committee are not entitled to any remuneration. However, the company shall bear all reasonable costs for the work of the Nomination Committee. If deemed necessary, the Nomination Committee may engage external consultants to find candidates with relevant experience and the company shall bear the costs of such consultants. The company shall also assist with human resources necessary to support the work of the Nomination Committee.

Ahead of the 2022 Annual General Meeting, Chairman of Mendus, Christine Lind, contacted the largest shareholders to appoint a Nomination Committee. The following members have been appointed by the four largest shareholders who accept the invitation to participate in the Nomination Committee:

- » Erik Esveld, appointed by Van Herk Investments BV
- » Jannis Kitsakis, appointed by the Fourth Swedish National Pension Fund
- » Gunnar Hörnsten, appointed by Loggen Invest AB
- » Mats Blomstrand, appointed by Holger Blomstrand byggnads AB

The Nomination Committee has appointed Erik Esveld as Chairman of the Nomination Committee.

The composition of the Nomination Committee as described above was announced in a press release on 10 November 2022.

The Nomination Committee's assignment includes preparing the following proposals for resolutions to the Annual General Meeting 2023: (i) proposals for election of the Chairman of the Annual General Meeting; (ii) proposal for election of members of the Board of Directors; (iii) proposal for election of Chairman of the Board; (iv) proposals for directors' fees; (v) proposal for election of auditor; (vi) draft audit fees; and (vii) proposals to amend the principles for the nomination process for the Annual General Meeting (if necessary).

According to the Code, the Nomination Committee shall, in connection with the issuance of notice to the Annual General Meeting 2023, submit a reasoned opinion on the company's website regarding its proposal for the Board of Directors, taking into account the Code's rules on the composition of the Board, and in particular justify the proposal in light of the requirement that an even gender distribution shall be sought, and provide a brief account of how the Nomination Committee's work has been

conducted. On the website, the Nomination Committee shall at the same time provide relevant information about members proposed for new election or re-election, including main education and work experience, significant assignments within and outside the company and own or closely related persons' holdings of shares in the company.

Board

Composition and independence of the Board of Directors According to Mendus' Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of eight members without deputies. At the Annual General Meeting on 10 May 2022 six ordinary members were elected; Christine Lind (Chairman of the Board), Sven Andreasson, Andrea van Elsa, Dharminder Chahal, Hans Preusting and Helén Tuveßon, all of whom are appointed until the end of the next Annual General Meeting. Dharminder Chahal is considered to be independent in relation to the company and its management but dependent in relation to major shareholders in the company through his assignments for Van Herk Investments B.V. Other members are considered to be independent in relation to the company and its management as well as to the company's major shareholders. A major shareholder refers to a shareholder who directly or indirectly controls ten percent or more of the shares and votes in the company.

According to the Code, a majority of the members of the Board of Directors shall be independent in relation to the company and its management. At least two of the members who are independent in relation to the company and its management shall also be independent in relation to the company's major shareholders. In accordance with the above description, Mendus fulfils the requirement for board members' independence in the Code.

Information about the members of the Board of Directors with information about year of birth, year of election to the Board, education, experience, current and previous assignments and shareholding in the company can be found in the Annual Report 2022 on pages 19-20. Shareholding in the company includes own and/or closely related persons' holdings.

Responsibilities of the Board of Directors and its work

The duties of the Board of Directors are regulated in the Swedish Companies Act, the Articles of Association and the Code. The Board has also adopted written rules of procedure that regulate the Board's work, division of duties and responsibilities between the Board, committees, Chairman of the Board and CEO. In addition, the rules of procedure deal with the number of ordinary meetings and matters to be dealt with at them, the form of notices, the meeting and decision-making procedures, documentation for Board meetings, the duties of the Chairman of the Board, minutes, conflicts of interest and conflicts of

interest, mandatory matters that the CEO must submit to the Board, financial reports and signatories. The rules of procedure of the Management Board shall be adopted annually. In addition, the Board of Directors has adopted instructions for the CEO and other special policies such as ethical guidelines (so-called Code of Conduct), finance policy and authorization instructions, as well as information and insider policy. In addition to Board meetings, the Chairman and CEO have an ongoing dialogue regarding the company for material issues.

The Board of Directors is responsible for the company's organization and management of its affairs, the company's overall business plan, significant organizational changes, changes in the company's business focus and income statement and balance sheet. The Board of Directors shall also decide on investments, acquisitions or disposals of significant assets, shares or businesses, loans and credits, the provision of guarantees, and the conclusion or amendment of significant agreements or agreements between the company and shareholders. In addition, the Board of Directors shall deal with matters referred to the Board by the CEO. The Board of Directors has overall responsibility for ensuring that the company's organization is designed so that accounting, asset management and the company's financial conditions in general are controlled in a satisfactory manner and is responsible for ongoing evaluation of the CEO's work. The Board is also responsible for ensuring the quality of financial reporting, including systems for monitoring and internal control of the company's financial reporting and position. In addition, the Board of Directors is responsible for ensuring that the company's external disclosure of information is characterized by openness and is correct, relevant and clear. The Board is also responsible for drawing up the necessary guidelines and other policy documents.

The Chairman of the Board leads and organises the work of the Board and has a special responsibility for ensuring that the Board's work is well organised and conducted efficiently. The Chairman of the Board is responsible, in consultation with the company's CEO, for ensuring that an agenda for each meeting and the necessary decision documentation are provided to the members in sufficient time before each Board meeting. The Chairman of the Board shall also ensure that each Board member continuously updates and deepens his or her knowledge of the company and that a new Board member undergoes the necessary introductory training and other training that the Chairman of the Board and the new member deem appropriate. The Chairman of the Board is also responsible for contacts with shareholders on ownership issues and for conveying the views of the shareholders to the Board and also for ensuring that the Board's work is evaluated annually through a systematic and structured process with the aim of developing the Board's working methods and methodology. The results of the evaluation are reported to the company's Nomination Committee.

The Board's work and significant events during 2022

The Board normally meets six times a year. In addition to these meetings, additional meetings may be organised to deal with matters that cannot be referred to a regular meeting. During 2022, the Board held twelve (12) recorded meetings excluding per capsulam meetings. The attendance of members at Board meetings is shown in the table on page 65. During 2022, the Board dealt with the following issues:

- » The company's strategic direction
- » Financing
- » Product development
- » Risk management and risk assessment
- » Governing documents
- » Evaluation of the CEO
- » Financial reports including reporting from the auditors

For 2023, the Board has scheduled six (6) meetings.

Board committees

The Board has established three committees from among its members; The Audit Committee, the Scientific Committee and the Remuneration Committee, which work in accordance with the Board's established instructions.

Audit committee

The Board of Directors has appointed an Audit Committee consisting of Board members Dharinder Chahal (Chairman of the Committee), Sven Andreasson and Christine Lind. The committee meets the requirements of the Swedish Companies Act for independence and accounting and auditing competence.

The Board of Directors shall annually draw up instructions for the Audit Committee's duties. According to the instructions to the Audit Committee, the Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management with regard to financial reporting, keep itself informed about the audit of the annual report and other financial reports, review and monitor the auditor's impartiality and independence, paying particular attention to the auditor provides the Company with services other than auditing services. The Audit Committee shall also meet annually with the auditor to keep itself informed about the scope and focus of the auditor's review, as well as the auditor's observations in the audit work. The Audit Committee shall also evaluate the audit work and assist in the preparation of proposals to the Annual General Meeting and decisions on the election of auditors. In addition, the Audit Committee shall, together with the company's auditor, review related party transactions and significant accounting principles in connection with quarterly reports and annual reports. The Audit Committee shall hold at least four meetings per year and the Chairman of the Audit Committee shall submit

a report at Board meetings on what has been discussed during the last meeting of the Audit Committee. The Audit Committee has met four (4) times during the year. At these meetings, the committee has discussed periodic financial information, risks, internal control, accounting principles, the auditors' review of the company and the financial reports.

Scientific committee

The Board has appointed a Scientific Committee consisting of Board members Helen Tuvesson (Chairman of the Committee), Andrea van Elsas and Hans Preusting. None of the members of the committee are employees of the company.

The Management Board shall annually draw up the rules of procedure for the work of the Scientific Committee. The Chairman of the Scientific Committee and one other member of the Scientific Committee shall be members of the Board of Directors and none of these shall be employed by the company. The company's Chief Scientific Officer and/or the CEO shall prepare the meetings of the Scientific Committee. The Scientific Committee may, if necessary, seek external advice or advice from the company's Scientific Council. The Chair of the Scientific Committee shall inform the Management Board of the work of the Committee and shall annually evaluate its work and compliance with the Statutes.

The Scientific Committee has met three (3) times during the year. At these meetings, the committee has mainly discussed the development of the company's two product candidates, Iliadencel and Vividencel. The committee has also discussed the preclinical studies and has had an ongoing dialogue with the company's CMO and CSO.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of Board members Christine Lind (Chairman of the Remuneration Committee), Hans Preusting and Helén Tuvesson. The committee fulfils your Kodens requirements for independence and is deemed to have the necessary knowledge and experience in matters of remuneration to senior executives.

The main tasks of the Remuneration Committee are to prepare the Board's decisions on matters relating to remuneration principles, including the preparation of proposals for the Annual General Meeting's resolution on guidelines for remuneration to senior executives, remuneration and other terms of employment for the company's CEO and senior executives, to monitor and evaluate variable remuneration for senior executives and to monitor and evaluate the application of the guidelines for remuneration to senior executives. In addition, the Remuneration Committee shall monitor and continuously evaluate ongoing and completed programs for variable remuneration to senior executives and prepare questions regarding proposals for possible incentive programs. The Remuneration Committee has met three (3) times during the year. At these meetings, the committee discussed existing compensation systems in the company, proposed guidelines for the CEO and senior executives and ongoing incentive programs.

For information on salaries and remuneration to the CEO and senior executives, see Note 7 in the Annual Report 2022.

The 2022 annual general meeting decided the fees for the board members

	Function	Independence in relation to the		Compensation, KSEK				
		Company	Owners	Board fees	Audit Committee	Remuneration Committee	Scientific Committee	Total
Christine Lind	Chairman	x	x	600	40	35		675
Helén Tuvesson	Board member	x	x	275		20	50	345
Sven Andreasson	Board member	x	x	275	40			315
Dharminder Chahal	Board member	x		275	70			345
Andrea van Elsas	Board member	x	x	275			25	300
Hans Preusting	Board member	x	x	275		20	25	320
				1,975	150	75	100	2,300

	Attendance			
	Board	Audit Committee	Remuneration Committee	Scientific Committee
Christine Lind	12/12	4/4	3/3	
Helén Tuvesson	11/12		3/3	3/3
Sven Andreasson	10/12	4/4		
Dharminder Chahal	12/12	4/4		
Andrea van Elsas	10/12			3/3
Hans Preusting	12/12		3/3	3/3

1) Excluding board meetings per capsulam

The CEO and management

The CEO is responsible for the day-to-day management and development of Mendus in accordance with applicable legislation and applicable rules, including Nasdaq Stockholm's Rule Book for Issuers as well as the Code and the guidelines, instructions and strategies established by the Board of Directors. The CEO shall ensure that the Board receives such factual and relevant information as is required for the Board to be able to make well-founded decisions. In addition, the CEO monitors compliance with Mendus' goals, policies and strategic plans established by the Board and is responsible for informing the Board about Mendus' development between Board meetings.

Erik Manting has been the company's CEO throughout 2022. The CEO leads the work of the management team, which is responsible for the overall development of the company's operations and business. In addition to the CEO, the management team during the year consisted of Mendus' Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Scientific Officer (CSO) and, as of May, also Chief Technology Officer (a total of five people).

A presentation of the CEO and other members of the management team can be found under the section Organization on page 21-22 in the annual report.

Remuneration

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

The Nomination Committee, which is appointed according to the principles approved by the AGM, provides its proposals for fees to the Board of Directors. Fees to the Board are payable pursuant to the resolution by the AGM and are presented in the table on page 65.

REMUNERATION TO SENIOR MANAGEMENT

Remuneration matters for senior executives are addressed by the Board of Directors' Remuneration Committee. The Board of Directors decides the CEO's remuneration based on the proposal from the Remuneration Committee. Remuneration and terms for senior executives are to be based on market conditions and a balanced mix of a fixed annual salary, variable salary, pension benefits, other benefits and terms upon termination of employment.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

According to the guidelines for remuneration to senior executives that were adopted at the AGM on May 4, 2021, Immunicum shall offer a total compensation package at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of a fixed salary, variable salary based on the individual's achievement of objectives and other benefits. If the Board of Directors considers that new share-based incentive schemes – for example, employee stock options – should be introduced, the Board of Directors shall propose that such schemes are resolved upon by the General Meeting. The Board annually prepares a remuneration report regarding the implementation of the company's remuneration guidelines.

Fixed salary

The fixed salary shall take into account the individual's performance of its position considering the areas of responsibility and experience. Evaluation and re-consideration are normally made annually.

Variable salary

The variable salary shall, if applicable, be based on the individual's achievement of qualitative and quantitative goals. The variable part of the salary may, for the CEO and other senior executives, amount to a maximum of 50 percent of the fixed annual salary.

Pension

Pension benefits shall be premium-based. The pension premium for the CEO and other senior executives may not exceed 30 percent of the annual fixed salary.

Severance pay, etc.

The notice period for senior executives shall be a maximum of twelve months. In the event of termination by the company, severance pay corresponding to a maximum of twelve months' fixed salary may be paid.

Other benefits

Other benefits, which may include travel and medical insurance, shall be in line with market conditions and represent only a limited part, not exceeding 15 percent of the fixed annual salary, of the total remuneration.

Preparation and decision-making process

The CEO's compensation shall be prepared and resolved on by the Board of Directors. Other senior executives' remuneration shall be prepared by the CEO who shall propose remuneration to the Board of Directors for approval. The Board of Directors is entitled to deviate from the

forementioned guidelines if justified due to special circumstances in the individual case.

Deviation from guidelines

The Board of Directors may decide to deviate from the guidelines, in whole or in part, if there are specific reasons in an individual case and a deviation is necessary to meet the long-term interests of the Company or to ensure the financial viability of the Company. The Board has not deviated from the guidelines in 2021.

EXTERNAL AUDITOR

The Company's auditor is elected by the AGM. Immunicum's auditor is the registered accounting firm Ernst & Young AB. Authorized public accountant Charlotte Holmstrand is the auditor in charge.

The external audit plan and risk management are discussed with the Audit Committee. The auditors perform a general review of the quarterly report for the third quarter and audit the annual accounts. The auditors also express an opinion as to whether this Corporate Governance Report has been prepared and whether certain information contained within it is compatible with the annual accounts. The Auditors report the result of their audit of the annual accounts and their review of the Corporate Governance Report in the audit report and the Corporate Governance Report as well as in a special opinion on compliance with remuneration of senior executives, which are presented to the AGM. In addition, the Auditors submit accounts of performed reviews to the Audit Committee and to the Board of Directors in its entirety.

The fees invoiced by the auditors for the last two financial years are reported in Note 6 in the 2021 Annual Report.

Internal control and risk management

The overall purpose of the internal control is to ensure to a reasonable degree that the company's operative strategies and goals are followed up and that the owners' investments are protected. The internal control is also to ensure that the external financial reporting is to a reasonable degree reliable and prepared in accordance with good accounting practice, that applicable laws and regulations are followed, and that the demands made on listed companies are met. At Immunicum, internal control of the financial reporting is, for example, directed at ensuring an effective and reliable handling and reporting of accrued costs.

The internal control environment is largely comprised of the following five elements: control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

The control environment at Immunicum constitutes the frame for the direction and culture communicated to the organization by the company's Board and management. Internal management and control in accordance with accepted frameworks are a prioritized area of the management work. Immunicum's Board and management define and shape decision pathways, powers and responsibilities which are clearly defined and communicated in the organization. The company's Board also strives to ensure that steering documents such as internal instructions and policies cover identified significant areas and that they provide the right guidance to the different senior executives in their work at the company.

Risk assessment

Immunicum's Board works continuously and systematically with risk assessments in order to identify risks and take appropriate measures in respect of these. The company has an annual risk process in place where risks are identified from a company perspective to provide an overview of the most important risks for Immunicum, which are followed up by the management team during the year. Each identified risk is to be documented with

a potential action plan to reduce the risk whenever possible. The risk assessment is also designed to identify such risks that significantly impact the internal control of the financial reporting.

Control activities

The primary purpose of the control activities is to prevent, discover and rectify errors in the financial reporting. Routines and activities have been designed to manage and deal with significant risks which are related to the financial reporting. The activities include analytical follow-up and comparison of earnings trends or items, reconciliation of accounts and balance sheet specifications, as well as approval of all bank transactions and cooperation agreements, powers of attorney and authorization instructions, and accounting and valuation principles. Access to financial systems is restricted according to authority, responsibility and role.

Information and communication

In addition to the very high demands of Nasdaq Stockholm and supervisory authorities regarding the scope and accuracy of information, Immunicum has internal control functions for information and communication in place to ensure that correct financial and other company information is communicated to co-workers and other stakeholders.

The company's internal instructions and policies are available to all co-workers and give detailed information about routines that apply in all parts of the company and describe the control functions and how they are implemented.

The security around all information that can affect the company's market value and ensuring that such information is communicated externally in a correct and timely manner are cornerstones in the company's commitment as a listed company. These two factors and the routines for managing them ensure that the financial reports are received by the financial market's actors at the same time and present a true and fair view of the company's financial result and position.

Follow-up

Compliance with internal policies, directives, guidelines and codes, and the suitability for purpose and functionality of established control activities are followed up continuously. Measures and routines in respect of the financial reporting are subjected to continuous follow-up. The CEO ensures that the Board of Directors constantly receives reports on the development of the company's operations, including the development of the company's results and position as well as information about important events including research results and important agreements. The Board reviews the Annual Report and interim reports prior to their publication. The Board meets the company's auditors once a year to discuss the internal control and the financial reporting.

Special assessment of the need for internal audit

Immunicum has no special scrutinizing function (internal audit). The company has an uncomplicated legal and operative structure in which the Board continually follows up the company's internal control in conjunction with external and internal financial reporting. In addition, the Audit Committee monitors the efficiency of the internal control and the risk management of the financial reporting. In light of the foregoing, the Board of Directors has decided not to establish a separate internal audit function but shall evaluate the matter annually.

External audit

The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor shall review the Annual Report and financial accounts and the management by the Board of Directors and the CEO. Following each financial year, the Auditor is to submit an audit report to the AGM. Every year, the company's Auditors report their findings and their assessments of the company's internal controls to the Board of Directors.

Stockholm, April 14, 2022

Christine Lind
Chairman

Hans Preusting
Board member

Sven Andreasson
Board member

Helén Tuve
Board member

Andrea Van Elsas
Board member

Erik Manting
Chief Executive Officer

Dharminder Chahal
Board member

Auditor's report on the corporate governance statement

To the Annual General Meeting of Mendus AB (publ),
corporate identity number 556629-1786.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 60-68 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement

is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 2023-04-13
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant