

A photograph of a misty, foggy landscape with several large, bare trees in the background. In the middle ground, two people are walking a dog across a field. The scene is hazy and atmospheric.

Corporate Governance Report 2019

Vicore Pharma Holding AB (publ)



Corporate Governance Report 2019

Introduction

The Board of Directors of Vicore Pharma Holding AB (publ), company reg. no. 556680-3804 ("Vicore" or the "company") hereby submits the 2019 corporate governance report in accordance with the requirements of the Swedish Annual Accounts Act) (Sw. årsredovisningslagen) and the Swedish Code of Corporate Governance (the "Code"; see the Swedish Corporate Governance Board website at www.bolagsstyrning.se). The company's shares have been listed on Nasdaq Stockholm since September 27, 2019. The company's shares were previously, since December 2015, listed on the Nasdaq First North Growth Market. The company's corporate governance is mainly regulated by the provisions of the company's articles of association, the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen) and other Swedish legislation, the Nasdaq Stockholm Rulebook for issuers and the Code.

The corporate governance report has been reviewed by the company's auditors in accordance with the Swedish Annual Accounts Act. It does not constitute a part of the formal annual report documents.

The group comprises the parent company Vicore Pharma Holding AB and the subsidiaries Vicore Pharma AB ("Vicore Pharma") and INIM Pharma AB

("INIM Pharma") and the dormant company, ITIN Holding AB. The company's research and development operations are conducted in Vicore Pharma and INIM Pharma.

There are no deviations from the Swedish Corporate Governance Code (the "Code") to report for the financial year of 2019. No infringements of Nasdaq Stockholm's rules and no breach of good practice on the securities market was reported by the stock exchange's disciplinary committee or the Swedish Securities Council during the financial year.

Corporate governance within Vicore

The purpose of Vicore's corporate governance is to create a clear allocation of



roles and responsibilities among the owners, the Board of Directors and management. Corporate governance, management and control of Vicore are allotted among the general meeting, the Board of Directors, its elected committees and the CEO.

Important external and internal regulations and policies that affect corporate governance:

Significant external regulations:

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Accounts Act
- International standards for audits and financial reporting (IFRS)
- Nasdaq Stockholm Rulebook for issuers
- Swedish Code of Corporate Governance
- Other applicable rules and recommendations

Significant internal regulations and policies:

- Articles of association
- Rules of procedure for the Board of Directors

- Instruction for the CEO, including the financial reporting instruction
- Finance policy
- Financial handbook
- Internal control policy
- Risk management policy
- Information policy
- Insider policy
- IT policy

Shareholders and the share

At the end of 2019, Vicore had 1,798 shareholders and the number of shares was 50,174,714 with a quotient value of SEK 0.5. After the turn of the year, an additional 243,525 shares were issued under the incentive program LTIP 2016, which means that there are now a total of 50,418,239 shares. There is only one class of shares. The company's shares are issued in one class and each share carries one vote at the AGM.

On December 31, 2019, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 13,763,908 shares, corresponding to 27.4 percent of the votes and capital. No shareholder other than HealthCap VII L.P. has a direct or indirect shareholding that represents one tenth, or more, of the voting rights for all shares in the company. Further

information on shareholders and Vicore's share is presented on pages 26-27 in the 2019 annual report.

General meetings of shareholders

According to the Companies Act (2005: 551), the General Meetings of shareholders is the company's highest decision-making body. At the General Meetings, the shareholders exercise their voting rights in the company. The Annual General Meeting shall be held within six (6) months from the end of the financial year. At the Annual General Meeting, the shareholders decide, among other things, on the Board of Directors and, where applicable, auditors, how the Nomination Committee is to be appointed and on discharge from liability for the Board of Directors and the CEO for the past year. Decisions are also made on the adoption of Annual Report, the appropriation of profit or loss, fees for the Board of Directors and auditors, as well as guidelines for remuneration to the CEO and other senior executives.

The Articles of Association stipulate that the Annual General Meeting shall be held in Mölndal, Stockholm or Gothenburg. Shareholders who wish to attend General Meetings, in person or through a representative, must be included in the share book kept by Euroclear Sweden

AB five (5) working days before the General Meeting and make a notification to the company in accordance with the notice. Notice of General Meetings is made through advertising and via the company's website (www.vicorepharma.com).

2019 AGM

The Annual General Meeting 2019 was held on May 15, 2019 in Mölndal. At the AGM, approximately 50.1 percent of the total votes were represented. Leif Darner was elected chairman of the meeting.

At the AGM the following principal resolutions were passed:

- ◉ Leif Darner, Jacob Gunterberg, Maarten Kraan, Sara Malmus, Hans Schikan and Peter Ström were re-elected as board members. Leif Darner was re-elected Chairman of the Board.
- ◉ EY AB with principal auditor Andreas Mast was re-elected as auditor.
- ◉ Remuneration to the Chairman of the Board and the members elected by the Board of Directors and the auditor were established.
- ◉ Proposed guidelines for remuneration to senior executives were approved
- ◉ Authorization for the Board of Directors to resolve, on one or more occasions, with or without deviation from the shareholders' preferential rights, and no later than the time for the next Annual General Meeting, to resolve to increase the company's share capital through a new share issue. The number of shares that may be issued pursuant to the authorization may not have a dilution

effect exceeding 20 percent of the number of shares and votes in the company at the 2019 AGM.

- ◉ Resolution on adoption of balance sheet and income statement.
- ◉ No dividend will be paid for 2018 and the company's earnings shall be carried forward.
- ◉ Discharge from liability of the Board of Directors and CEO for the financial year 2018.

Full minutes and information from the AGM are available on Vicore's website (www.vicorepharma.com).

Extraordinary General Meeting 2019

At the Extraordinary General Meeting on January 7, 2019, approximately 49.6 percent of the total number of votes were represented. The following resolutions were made at the meeting:

- ◉ Resolution to amend the articles of association.
- ◉ Resolution to approve the Board of Directors proposal to issue new shares.

AGM 2020

The AGM 2020 will be held on May 20, 2020, at 16: 00 in Gothenburg. In order to participate and for more information see Vicore's website (www.vicorepharma.com). The minutes of the AGM will be available on Vicore's website (www.vicorepharma.com).

Nomination Committee

The Nomination Committee for the AGM 2020 consists of Staffan Lindstrand (Chairman) appointed by oHealthCap VII L.P., Göran Wessman

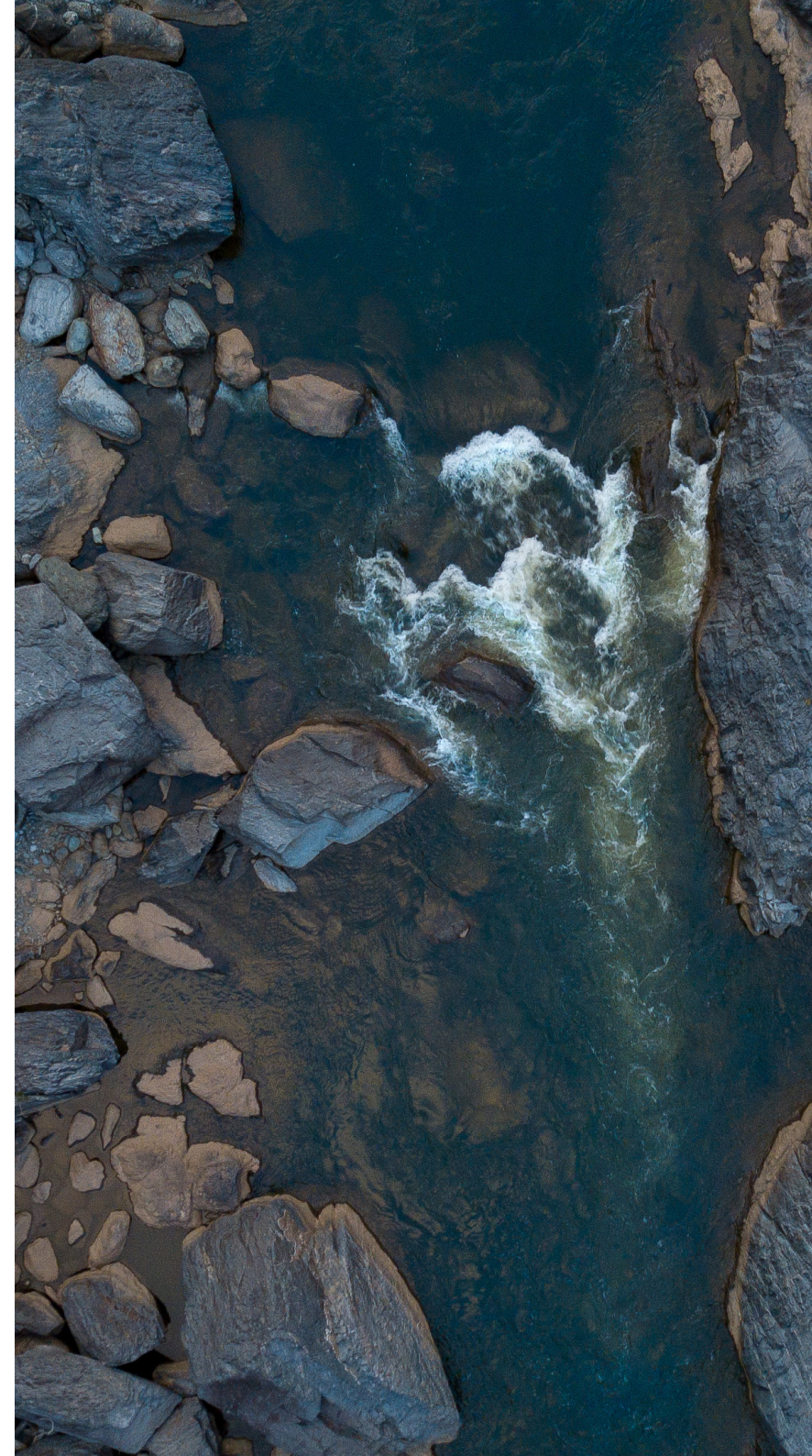
appointed by Protem Wessman AB, Evert Carlsson appointed by Swedbank Robur. Staffan Lindstrand is chairman of the Nomination Committee. The Committee also includes the Chairman of the Board, Leif Darner, as convener.

The task of the Nomination Committee is to prepare and present proposals for the number of board members to be elected by the AGM, the election of a Chairman and other members of the Board of Directors, board fees and, if any, remuneration for committee work, election of a Chairman to the Annual General Meeting, election of auditors (if applicable) and auditors fees (if applicable) and proposals for rules for the appointment of a Nomination Committee for the next annual general meeting. The proposals will be published at the latest in conjunction with the notice of the AGM 2020.

External auditors

The external audit of the accounts of the parent company and the group, as well as of the management by the Board of Directors and the CEO, is carried out in accordance with generally accepted accounting standards in Sweden. The auditor participates in at least one board meeting per year, going through the accounts for the year and leading a discussion with the Board of Directors without the CEO or any other senior executive present.

Pursuant to the articles of association, Vicore must have an authorized public accountant or a registered accounting firm as its external auditor. Since the AGM 2010, the accounting firm EY AB has been auditor of the company. As of the 2019 AGM, certified public accountant Andreas Mast is the



auditor in charge. From the 2016 AGM to the AGM 2018, the certified public accountant Stefan Kylebäck was the auditor in charge. Stefan Kylebäck and Andreas Mast are members of the Swedish Institute of Authorized Public Accountants. For information regarding fees paid to the auditors, please refer to Note 5 of the 2019 Annual Report.

The Board of Directors

The Board of Directors is the company's highest decision-making body after the Annual General Meeting. According to the Companies Act, the Board of Directors is responsible for the company's management and organization, which means that the Board of Directors are responsible for, among other things, setting goals and strategies, ensuring routines and systems for evaluating established goals, continuously evaluating the company's results and financial position and evaluating the operational management. The Board of Directors

are also responsible for ensuring that the annual accounts and interim reports are prepared in a timely manner. In addition, the Board of Directors appoints the company's CEO. Board members are normally elected by the AGM for the period until the end of the next AGM.

According to the Code, the Chairman of the Board must be elected by the Annual General Meeting and have a special responsibility for the management of the Board of Directors work and for the Board of Directors work being well organized and implemented in an efficient manner. The Board of Directors adheres to written rules of procedure that is reviewed annually and is determined at the statutory board meeting each year. The rules of procedure govern, among other things, the practices and tasks of the Board of Directors, decision-making within the company, the Board of Directors meeting agenda, the Chairman's duties and the allocation of responsibilities between the Board of Directors and the CEO. Instructions for financial reporting

and instructions for the CEO are also determined in connection with the statutory board meeting.

The Board of Directors meets in accordance with a yearly schedule and essentially follows an annual cycle determined by the Board of Directors, which is decided at the statutory board meeting in conjunction with the Annual General Meeting. If necessary, special decisions are made such as acquisitions or divestments, other investment decisions, financing decisions and decisions on structural or organizational issues. In 2019, the Board of Directors held 13 board meetings, of which 9 were ordinary meetings. At the board meetings, the company's CEO and CFO were also present when needed. Currently, the company's Board of Directors consists of six ordinary members, without deputies, elected by the AGM, which are presented in the section "Board of Directors".

Board of Directors

According to the Articles of Association, Vicore's Board of Directors shall consist of a minimum of three and a maximum of nine members. The Company's Board of directors currently consists of six people without deputies. The assignment for all members runs until the end of the upcoming AGM.

On page 5-6 is a presentation of the Board of Directors with information on year of birth, year of inclusion in the Board, education, work experience, assignments in the company, other significant assignments and their respective direct and indirect holdings in the company as of March 31, 2020. Ownership in the company includes own and / or related parties holding.

Board of Directors' work 2019

During 2019, the Board of Directors held 13 board meetings, of which 6 by telephone. The Board of Directors has also made decisions per capsulam on

two occasions during 2019, one of which was the statutory meeting. The issues that the Board of Directors dealt with in 2019 are mainly: The company's listing process to Nasdaq Stockholm's main list, decision to carry out a new share issue, clinical studies and organizational issues.

At the board meetings held during the financial year 2019, the members have been present as shown below.

Evaluation of the Board of Directors' work

Pursuant to the Code, the Board of Directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the Board of Directors working methods and efficiency. The work of the Board of Directors has been evaluated by having the board members answer anonymously a number of questions about the Board of Directors activities. The results of the evaluation have been compiled and reported orally to the members of the Board of Directors and the Nomination Committee.

Reporting period January 1 – December 31, 2019

Board member	Function	Elected	Independent in relation to		Remuneration, KSEK ¹⁾					Board of Directors ³⁾	Attendance ²⁾		
			The company and its management	Major shareholders	Board fees	Remuneration Committee	Audit Committee	Scientific committee	Total		Remuneration Committee	Audit Committee	Scientific committee
Leif Darner	Chairman	2016	Yes	Yes	300	25	-	-	325	13/13	3/3	-	-
Hans Schikan	Board member	2018	Yes	Yes	100	50	-	25	175	10/13	3/3	-	2/3
Jacob Gunterberg	Board member	2018	Yes	No	100	-	75	25	200	11 ⁴⁾ /13	-	13/13	2/3
Maarten Kraan	Board member	2018	Yes	Yes	100	-	-	50	150	12/13	2/3 ⁵⁾	-	3/3
Peter Ström	Board member	2015	Yes	Yes	100	-	50	-	150	13/13	-	13/13	-
Sara Malmus	Board member	2018	Yes	Yes	100	-	50	-	150	11/13	-	12/13	-
Kjell Stenberg ⁶⁾	Board member	2010-2019	Yes	Yes	0	-	-	-	0	6/13	1/3	-	-

1) Fee set by the AGM, excluding social security contributions, for the May 2019 to May 2020 financial year

2) Figures in table show the total number of meetings attended/total number of meetings

3) Excluding per capsulam meetings

4) Absence due to conflict of interest on two occasions

5) Elected in May 2019

6) Kjell Stenberg announced at the AGM on May 15, 2019 that he had declined re-election as a member of the Board of Directors.

Board of Directors



Leif Darner

Chairman of the Board since 2017. Board member since 2016

Leif Darner owns all shares in Darner Asset Management AB. He is also a board member of I-Tech AB and of Flowserve Corporation. Prior to that he was a member of the Board of Management at AkzoNobel Bv, responsible for Coatings from 2008 and for Chemicals from 2004. Prior to this he has held several executive positions including CEO of BU Marine & Protective Coatings at Courtaulds plc and CEO of International Färg AB.

Education: M.Sc. in Business Administration from the University of Gothenburg, School of Business, Economics and Law.

Other assignments: Board member of Darner Asset Management AB and I-Tech AB.

Previous assignments for the past five years: Board member of LKAB and Flowserve Corporation.

Holdings in the company: 173,333 shares and 125,000 shares in the framework of the company's incentive program.

Leif is a member of Vicore's remuneration committee.

Independent of the company and its senior management and independent of major shareholders of the company.



Hans Schikan

Board member since 2018

Hans Schikan is the former CEO of Prosensa (acquired by BioMarin). His previous assignments include leading roles at Genzyme (acquired by Sanofi) and Organon (acquired by Schering Plough). He has served on the Board of Directors of Hansa Biopharma, Asceneuron, Wilson Therapeutics (acquired by Alexion) and Therachon (acquired by Pfizer).

Education: PharmD from the University of Utrecht.

Other assignments: Chairman of the investment committee of Swanbridge Capital, board member of VectivBio, Pharvaris B.V. and Swedish Orphan Biovitrum. Chairman of the Board of InteRNA Technologies B.V. and Complix NV.

Previous assignments for the past five years: Board member of Prosensa Holding NV, Hansa Medical AB (publ), Wilson Therapeutics AB (publ), Therachon AG, INIM Pharma AB and the CEO of Prosensa.

Holdings in the company: 125,000 shares in the framework of the company's incentive program.

Hans is chairman of Vicore's remuneration committee and a member of the scientific committee.

Independent of the company and its senior management and independent of major shareholders of the company.



Jacob Gunterberg

Board member since 2018

Jacob Gunterberg is a partner at HealthCap since 2007 and has extensive experience in venture capital investment operations and corporate finance in life science. Jacob Gunterberg is, among others, a board member of HealthCap Orx Holdings GP AB, Carisma Therapeutics Inc. and former chairman of INIM Pharma AB.

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

Other assignments: Board member in JUSG AB, EllAug AB, Tova Skrenen Stockholm AB, Ancilla AB and Skipjack AB.

Previous assignments for the past five years: Board member in MIPS Helmet AB, MIPS AB, OxThera Intellectual Property AB, Trimb Holding AB, Trimb Healthcare AB, HealthCap Holdings GP AB, HealthCap Annex Fund I-II Bis GP AB and HealthCap Aero Holdings GP AB (which were merged in 2016) and Cenova AB. Chairman and board member in OxThera AB. Deputy board member in BONESUP-PORT AB, BONESUPPORT HOLDING AB and Wilson Therapeutics AB.

Holdings in the company: None.

Jacob is chairman of Vicore's audit committee and a member of the scientific committee.

Independent of the company and its senior management but dependent of major shareholders of the company.



Maarten Kraan
Board member since 2018

Maarten Kraan has extensive experience in biomedicine and has, among others, held a senior position at AstraZeneca AB where he was responsible for the research and development of medicines for respiratory, inflammatory and autoimmune symptoms.

Education: Doctor's degree in rheumatology at the University of Leiden.

Other assignments: Maarten Kraan is a board member of Toleranzia AB and CDS GmbH R&D Director of Pierre-Fabre SA.

Previous assignments for the past five years: None.

Holdings in the company: 125,000 shares in the framework of the company's incentive program.

Maarten is chairman of Vicore's scientific committee and a member of the remuneration committee. Independent of the company and its senior management and independent of major shareholders of the company.



Peter Ström
Board member since 2015

During 1979-2005, Peter Ström has held senior positions in Kabi Vitrum AB, Kabi Pharmacia AB, Pharmacia & Upjohn and IMS Health. Peter Ström has since 2003 been a board member of a number of listed companies, such as Active Biotech AB, Oasmia Pharmaceutical AB and LIDDS AB. Peter Ström is also a board member of Dentosystem Scandinavia AB and Stockholm Corporate Finance AB and deputy director of Comtax Support AB and Comtax Holding AB.

Education: M.Sc. in Business Administration from Stockholm School of Economics.

Other assignments: Board member of Wnt Research AB, Comtax AB, Stockholm Corporate Finance and Dentosystem AB.

Previous assignments for the past five years: Chairman of Wntresearch AB, board member of Wntresearch Incentive AB and Psoriasis+Creams Sweden AB.

Holdings in the company: 84,084 shares and 50,000 shares in the framework of the company's incentive program.

Peter is a member of Vicore's audit committee.

Independent of the company and its senior management and independent of major shareholders of the company.



Sara Mälcus
Board member since 2018

Sara Mälcus has ten years of experience from operational management and board work through her work with developing early drug projects at GU Ventures, Astra Zeneca AB and in smaller start-up companies.

Education: Doctor's degree in immunology and inflammatory medicine at the University of Gothenburg.

Other assignments: Sara Mälcus is the external Managing Director of MetaboGen AB.

Previous assignments: Board member of Oncorena AB, Oncorena Holding AB, Ceren Scientific AB and MetaboGen AB.

Holdings in the company: 50,000 shares in the framework of the company's incentive program.

Sara is a member of Vicore's audit committee.

Independent of the company and its senior management and independent of major shareholders of the company.



Evaluation of the Board of Directors' work

Pursuant to the Code, the Board of Directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the Board of Directors working methods and efficiency. The work of the Board of Directors has been evaluated by having the board members answer anonymously a number of questions about the Board of Directors activities. The results of the evaluation have been compiled and reported orally to the members of the Board of Directors and the Nomination Committee.

Board committees

Remuneration Committee

The Remuneration Committee is appointed by the company's Board of Directors and consists of three members: Hans Schikan (Chairman), Leif Darner and Maarten Kraan. The Remuneration Committee shall fulfill the tasks specified in the Code. The Remuneration Committee shall keep minutes at its meetings and make the minutes available to the Board of Directors.

The Remuneration Committee's main tasks are as follows:

- Prepare decisions for the Board of Directors regarding remuneration principles, remuneration and other employment terms and conditions for senior management.
- Monitor and evaluate any programs pending or adopted during the year for variable compensation for senior management.

- monitor and evaluate the application of the guidelines for remuneration adopted by the annual general meeting, as well as applicable remuneration structures and levels for the company.

In 2019, the Remuneration Committee held three meetings.

Audit Committee

The Audit Committee is appointed by the Board of Directors and consists of Jacob Gunterberg (Chairman), Peter Ström and Sara Malcus.

Primary duties of the Audit Committee:

- The Audit Committee shall, without impact on the responsibilities and duties of the Board of Directors in other respects, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit and risk management, keep informed of the audit of the annual accounts and the consolidated accounts, review and monitor the auditor's impartiality and independence and in this case pay special attention to whether the auditor provides the company with services other than audit services, and assist in the preparation of proposals for the general meeting's election of auditor.

In 2019, the Audit Committee held eleven meetings, which have been called for given the company's transition to financial reporting in accordance with IFRS, issues related to the list change, policy work and other work with the company's internal control.

Scientific Committee

The Scientific Committee shall consist of at least three non-employed board members with a broad scientific and medical understanding and experience in the field concerned. The Board of Directors shall appoint the members of the Scientific Committee, including the Chairman. Vicore's Scientific Committee consists of Maarten Kraan (chairman), Jacob Gunterberg and Hans Schikan.

The main tasks and responsibilities of the Committee are:

- Reviewing and discussing the company's preclinical and clinical product portfolio, including its commercial attractiveness and ranking.
- Reviewing and discussing the company's R&D strategy and reviewing scientific and technological trends that the company considers are of great importance.
- Providing strategic advice and recommendations for the company's ongoing R&D program.
- To review the (quality of) R&D capacity of the company and its organization, including the product development process.
- To review and discuss the company's intellectual property strategies.

In 2019, the Scientific Committee held three meetings.

Remuneration

Remuneration to the Board of Directors

At the Annual General Meeting on May 15, 2019, it was resolved that the remuneration to the members of the Board

of Directors for the period up to the end of the 2020 Annual General Meeting shall be paid with SEK 300,000 to the Chairman of the Board and SEK 100,000 to each of the other board members. As remuneration for committee work, it was decided that the Chairman of the Audit Committee should receive SEK 75,000 and the other members of the Audit Committee SEK 50,000 each. Furthermore, it was decided that the Chairman of the Remuneration Committee should receive SEK 50,000 and the other members of the Remuneration Committee SEK 25,000 each. The Chairman of the Scientific Committee shall receive SEK 50,000 and the other members of the Scientific Committee SEK 25,000 each. The table on page 4, shows the fees paid to members elected by the AGM in 2019.

Remuneration to management

Remuneration issues for senior executives are dealt with by the Board of Directors Remuneration Committee. The Board of Directors decides on the CEO's remuneration on a proposal from the Remuneration Committee. Remuneration and terms for senior executives must be based on market conditions and consist of a balanced mix of fixed salary, variable remuneration, pension benefits and terms of notice. Salaries and other remuneration for the 2019 financial year were paid to the CEO and other senior executives in accordance with what is stated in note 7 "Employees and Personnel costs" in the Annual Report 2019.

Guidelines on remuneration to senior executives and Board of Directors 2019

At the 2019 AGM, guidelines were adopted that are valid up to the 2020 AGM as follows. Vicore shall offer remuneration in accordance with market practice which enables the recruitment and retention of internationally qualified senior executives. Remunerations within Vicore shall be based on principles of performance, competitiveness and fairness.

Senior executives refer to the CEO and the other members of the executive management. The guidelines shall apply to employment agreements concluded after the annual general meeting's resolution to adopt these guidelines, as well as when changes are made to existing agreements thereafter. The remuneration to senior executives consists of fixed remuneration, variable remuneration, share and share-price related incentive programs, pension and other benefits.

The Board of Directors is entitled to deviate from the guidelines if the Board of Directors, in a certain case, deems that there are good reasons for the deviation.

Fixed salary

The fixed remuneration shall take into account the individual's responsibilities and experience. The fixed salary should be reviewed annually.

Variable salary

Variable remuneration paid in cash may amount to a maximum of 40 per cent of the annual fixed remuneration of the CEO and a maximum of 30 per cent of

the annual fixed remuneration to other senior executives. Variable remuneration must be linked to predetermined and measurable criteria, designed to promote the company's long-term value creation.

Share- and share price-based remuneration

Share- and share price-based incentive programs shall, if applicable, be decided by the AGM. Already decided incentive programs are described on page 8-9.

Pension

Pension should, where possible, be premium-based. For the CEO and other senior executives, the premium, in cases where a premium-based pension is applicable, can amount to up to 30 percent of the fixed salary. The Board of Directors has the right, without prejudice to the above, to offer other solutions that are equivalent in cost to the above.

Severance pay etc.

A notice period of up to six months between the company and the CEO shall apply if notice is given by the company. If notice is given by the company, the Board of Directors may decide that the President shall be entitled to severance pay of up to twelve months' salary. In the event of termination by the CEO, a notice period of up to six months shall apply. Other senior executives shall have a notice period of three to six months. During the notice period, normal salary shall be paid.

Other benefits

Senior executives may be awarded customary other benefits such as occupational health care, etc. Such

other benefits shall not constitute a significant part of the total remuneration.

Vetting and decision processes

The CEO's remuneration shall be vetted by the Remuneration Committee and decided by the Board of Directors. The remuneration of other senior executives shall be vetted by the CEO and the Remuneration Committee, which shall submit a proposal for approval to the Board of Directors. The Board of Directors has the right to deviate from the above guidelines if there are special reasons that justify it in an individual case.

Incentive programs

At the end of 2019, Vicore had three active programs that include the company's management, certain board members, founders and staff. In 2016, a long-term incentive program was established. In 2018, two long-term incentive programs were set up "Co-worker LTIP 2018" and "Board LTIP 2018". Below is an account of the various programs. For other information about the incentive programs, see Note 8 in the Annual Report 2019.

Long-term incentive program 2016

On January 8, 2016, Vicore issued 570,000 warrants to key individuals and researchers. Each warrant entitled the holder to subscribe for a new share in Vicore at a strike price of SEK 12. The exercise date was January 3, 2020. The warrants were sold to key individuals and researchers on market terms at a price determined on the basis of the estimated market value of the warrants using the Black & Scholes model. The value has been set at SEK 0.56 per

option based on the share price of SEK 7.025 with a future annual increase of about 14 percent.

As a consequence of the rights issue that was resolved by the General Meeting on August 13, 2018, the subscription price and number of shares per warrant was recalculated in accordance with the terms of the warrants issued. Translation in accordance with the terms of the warrants resulted in a recalculated subscription price of SEK 10.47 and a recalculated number of shares per warrant of 1,146. After year-end 2019, 243,525 shares were issued under the incentive program LTIP 2016. The increase in the company's equity amounted to SEK 121,762.50, corresponding to a dilution of 0.48 percent of the total number of shares and the total number of votes. The LTIP 2016 incentive program expired on January 3, 2020 and is therefore closed.

Long-term incentive program 2018

The Extraordinary General Meeting of Vicore Pharma Holding AB on August 13, 2018 resolved, in accordance with the Board of Directors proposal to adopt a long-term incentive program for senior executives and key employees ("Co-worker LTIP 2018") and to introduce a performance-based long-term incentive plan for certain directors ("Board LTIP 2018") in Vicore Pharma Holding AB. A maximum of 2,000,000 options (Co-worker LTIP 2018) and 475,000 share rights (Board LTIP 2018) may be granted to participants in the programs. The increase in the company's share capital upon full utilization of both incentive programs amounts to a maximum of around SEK 1,237,500, which corresponds to a dilution of approximately 4.7 per cent with respect

to the total number of shares. The participants in the programs have received the share rights / options free of charge and settlements is made with equity instruments.

Board LTIP 2018

Board LTIP 2018 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("share awards") that entitle to shares in the company to be calculated in accordance with the principles stipulated below, however a maximum of 475,000 shares.

Board LTIP 2018 is intended for members of the Board of Directors of the company independent from the main owners. The main owners believe that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors of the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders. The share awards are subject to gradual vesting over approximately three years, corresponding to three terms until the day of publication of the Q2 report 2021. The share awards shall be vested by 1/3 at the end of each term, provided that the participant is still a member of the Board of Directors of the company on said date. In addition to the vesting conditions just stated, the share awards are subject to performance vesting based on the development of the company's share price, in accordance with the vesting conditions below.

The share awards are subject to

performance vesting based on the development of the company's share price over the period from the date of 13 August, 2018, up to and including the date of the annual general meeting 2021. The development of the share price will be measured based on the volume weighted average price of the company's share price for the 30 trading days immediately following after 17 August, 2018, and the 30 trading days immediately preceding the date of the publication of the Q2 report 2021. In the event the price of the company's share has thereby increased by more than 150 percent, 100 percent of the share awards shall vest, and should the share price have increased by 50 percent, 25 percent of such share awards shall vest. In the event of an increase of the share price between 50 and 150 percent, vesting of the share awards will occur linearly. Should the increase of the share price be less than 50 percent, no vesting will occur. The earliest date at which accrued share rights may be exercised is the date of publication of the Q2 report 2021.

At the Extraordinary General Meeting of Vicore Pharma Holding AB on August 13, 2018, it was decided to grant a maximum of 475,000 share rights and to issue 475,000 options. As of December 31, 2019, a total of 475,000 shares were granted in Board LTIP 2018.

Co-worker LTIP 2018

Co-worker LTIP 2018 is an incentive program intended for members of senior management and key persons in the company. According to the program participants will be granted, free of charge, options ("Options") subject to a three-year vesting that entitle to acquire

a maximum of 2,000,000 shares in the company in total, in accordance with the terms stipulated below.

The Board of Directors of the company believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain and motivate competent members of senior management and key persons in the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

Co-worker LTIP 2018 is an incentive program under which the participants will be granted options free of charge. The Board of Directors shall resolve upon the allocation of options annually or at such time as the Board of Directors can be considered as relevant to such decision (with each respective date of granting being a "granting date"). Each option entitles the holder to acquire one share in the company for a predetermined exercise price. The exercise price per share shall correspond to 150 percent of the volume weighted average price of the company's share for the five trading days preceding the granting date. The options are subject to vesting over a three-year period whereby all options shall be vested on the third anniversary of the granting date, provided that the holder, with some customary exceptions is still employed by the company. The latest point in time at which vested options may be exercised shall be the fourth anniversary of the granting date.

As of December 31, 2019, options corresponding to 765,800 shares have been granted in Co-worker LTIP 2018.

Internal control and risk management regarding the financial reporting

Introduction

According to the Companies Act and the Annual Accounts Act, the Board of Directors are responsible for internal control. The purpose of internal control is to achieve efficient and effective operations, to ensure reliable financial reporting and information about the business, and to comply with applicable laws, regulations, policies and guidelines.

Vicare's internal control is based on principles developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which consists of five consecutive components:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring including monitoring and evaluation

Internal control of financial reporting

Internal control over financial reporting aims to provide reasonable reliability and security in financial reporting and to ensure that financial external reporting is conducted in accordance with applicable laws and accounting standards. The Board of Directors are ultimately responsible for internal control and continuously evaluates, via the Audit

Committee, Vicore's risk management and internal control.

Vicare ensures internal control of financial reporting through a qualitative and quantitative analysis of the balance sheet and income statement for the Group. The purpose of the quantitative analysis is to identify risks linked to significant and transaction-intensive items. The qualitative analysis aims to identify risks linked to complexity and irregularities. Based on the results of the analysis, significant financial processes and risks have been identified.

Vicare has designed procedures and activities to follow up on financial reporting and to ensure that any errors are detected and corrected. Key controls have been designed and followed up as part of the effort to maintain good internal control.

In addition to the abovementioned controls, the company has standardized procedures that govern the control and quality of drug development.

Vicare's group management shall annually conduct a risk assessment of strategic, operational, legal and financial risks with the aim of identifying potential problem areas and assessing the risk exposure in the company. The risk assessment includes identifying risks that may arise that may prevent the company from achieving its vision and goals, for example if the basic requirements for financial reporting in the company are not met. Within the scope of each risk area, the responsible person identifies risks and their potential consequences and probabilities, and proposes measures. The Audit Committee is

responsible for continuously evaluating the company's risk situation and shall assist the Board of Directors with proposals regarding the management of the company's financial risk exposure and risk management.

Control activities

To identify and manage the risks associated with the company's operations, the Board of Directors has adopted a risk management policy. Risk management is a high priority within Vicore. Ultimately, it is the Board of Directors that is responsible for risk management. The company's risk situation must be evaluated annually, after which an action plan will be drawn up. Vicore base its control environment on the risks identified during the risk assessment process. The company has also appointed process owners who are responsible for individual processes. The CEO and other senior executives are all involved in the ongoing work to manage the risks associated with the business.

Vicare has designed procedures and activities to follow up on financial reporting and to ensure that any errors are detected and corrected. These activities include, among other things, follow-up and comparison of earnings performance or items, account reconciliations and balance sheet specifications, as well as approval of bank transactions and cooperation agreements, proxy and attestation instructions, and accounting and valuation principles. The company's CFO has a key role in analyzing and following up the company's financial reporting and results. Authorizations

to IT systems are limited according to powers, responsibilities and roles.

Information and communication

The company also has internal control functions for information and communication that aim to ensure that correct financial and other company information is communicated to employees and other stakeholders.

The company's internal instructions and policies are available to all employees and provide detailed information on current routines in all parts of the company and describe the control functions and how they are implemented.

Monitoring including follow-up and evaluation

Compliance and effectiveness regarding internal controls are regularly monitored. The CEO ensures that the Board of Directors receives regular reports on the development of the company's operations, including the development of the company's earnings and financial position and information on important events, such as research results and important agreements and contracts. The CEO reports on these issues at each board meeting. The company's compliance with applicable policies and governance documents and the effectiveness of internal control are subject to annual evaluation. The results of these evaluations are compiled by the company's CEO and reported to the Board of Directors annually. The Board of Directors handles all interim reports and annual reports before they are published

and follows up the audit of the internal control via the Audit Committee. The Audit Committee supports the Board of Directors by preparing questions and provides the Board of Directors with support in its work to fulfill its responsibilities in the areas of internal control and accounting and to assure the quality of Vicore's financial reporting.

Management

The Board of Directors appoints the CEO to lead the company. The management team consists of five people:

- CEO
- Chief Financial Officer
- Investor Relations Manager
- Head of Project Management
- Chief Administrative Officer

The management team holds monthly meetings to discuss the group's results and financial position, follow-up of budgets and forecasts, status in research and development projects, administration, HR and organization, IR and strategy.

The CEO's responsibility

The CEO is subordinate to the Board of Directors and is responsible for the company's day-to-day management and operations of the company. The division of duties between the Board of Directors and CEO is specified in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO shall ensure that the company's accounting is in order and that the business is conducted in accordance with relevant regulations, including Nasdaq Stockholm's Rule Book for Issuers.

The CEO shall keep the Board of Directors continuously informed of the development of the company's operations, the company's earnings and financial position, liquidity and credit situation, important business events and any other event, circumstances or conditions that may be of material importance to the company's shareholders.

The CEO is also responsible for producing reports and necessary documentation to facilitate decisions for board meetings and is the main presenter of the material at board meetings.

Management team

Vicore's management team currently consist of five individuals; CEO Carl-Johan Dalsgaard; Chief Financial Officer Hans Jeppsson; Investor Relations Manager Christian Hall; Head of Project Management Kicki Johansson and Chief Administrative Officer Nina Carlén.

For further information about Vicore's management team, including; name, position, year of employment, education, work experience, significant assignments outside the company and holdings (own and / or close relatives) in Vicore on March 31, 2020, see page 11.



Management team



Carl-Johan Dalsgaard
Chief Executive Officer since 2018

Carl-Johan Dalsgaard has been a Venture Partner at HealthCap since 2000, thereby he has served as CEO of several companies in which HealthCap has invested. Prior to that, he has ten years of experience from senior positions within the AstraZeneca Group, such as pre-clinical research director, therapeutic area manager of pain and anesthesia, CEO of Astra Pain Control AB and part of the Group's research management team.

Education: MD from the Karolinska Institute. Ph.D. in neurobiology and post-doc experience from Harvard Medical School. Carl-Johan Dalsgaard has also completed a specialist training in plastic surgery.

Other assignments: Board member and CEO of INIM Pharma AB and Vicore Pharma AB.

Holdings in the company: 477,981 shares and 200,000 options within the framework of the company's incentive program.



Hans Jeppsson
Chief Financial Officer since 2017

Hans Jeppsson has previously worked as a pharmaceutical research analyst at Danske Bank and has experience from the capital market and financing-related questions.

Education: M.Sc. and Ph.D. in Finance from the University of Gothenburg, School of Business, Economics and Law. After he obtained his doctor's degree he conducted postdoctoral studies at the UC Berkeley in the US. He also has a background in chemical engineering with a focus on biotechnology from Chalmers University of Technology.

Other assignments: Deputy board member of Vicore Pharma AB and INIM Pharma AB.

Holdings in the company: 5,000 shares and 150,000 options within the framework of the company's incentive program.



Christian Hall
Investor Relations Manager since 2019

Christian Hall is an IR professional with extensive experience. He has worked as a senior IR professional since 2012 with a number of companies, including Folksam and Academedia. Before that, Christian worked with equity research. Between 1999 and 2012 he worked for Swedbank in different positions, including Head of Equity Research, Equity Strategist and as head of several sectors.

Education: B.Sc. Major in Finance, Stockholm School of Economics.

Other assignments: Board member and CEO of Hall Konsult AB.

Holdings in the company: 25,000 options within the framework of the company's incentive program.



Christina Johansson
Head of Project Management since 2017

Christina Johansson has been active in the pharmaceutical industry for 26 years, and has during the last 19 years been directly responsible for strategy and development of nearly 50 potential drug substances in a number of different areas of disease. This has led to knowledge and experience of all aspects of drug development, focusing on development phases before Phase III.

Education: M.Sc. in Pharmacy from Uppsala University. Christina Johansson also holds a doctor's degree in tumor immunology at the University of Gothenburg.

Other assignments: Board member of KickStart Strategy AB.

Holdings in the company: 87,500 options within the framework of the company's incentive program.



Nina Carlén
Chief Administrative Officer since 2009

Nina has more than 15 years of experience working with marketing and communication in the pharmaceutical industry.

Education: Completed training in project management, PR, communication and graphic design at, among others, Bergh's School of Communication.

Other assignments: Deputy board member of North River AB and North River Maintenance AB.

Holdings in the company: 24,480 shares and 75,000 options within the framework of the company's incentive program.

