

# Corporate Governance Report 2020

Vicore Pharma Holding AB (publ)



# Corporate Governance Report 2020

## Introduction

The Board of Directors of Vicore Pharma Holding AB (publ), company reg. no. 556680-3804 ("Vicore" or the "company") hereby submits the 2020 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](http://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.

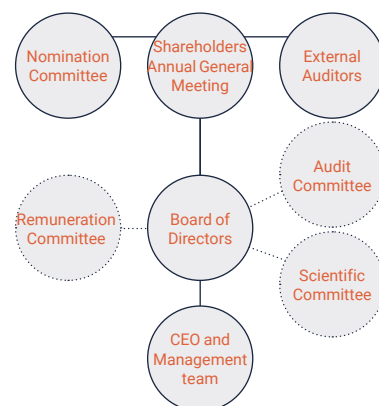
The group comprises the parent company Vicore Pharma Holding AB and the subsidiaries Vicore Pharma AB ("Vicore Pharma") and INIM Pharma AB ("INIM

Pharma"). 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 2020. 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 shareholders, 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 2020, Vicore had 6,767 shareholders and the number of shares was 60,418,239 with a quotient value of SEK 0.5 each. After the year-end, an additional 142,054 shares have been issued via a share issue in kind and an additional 11,200,000 shares have been issued via a directed share issue. The total number of shares in Vicore amounts to 71,618,239 after the directed share issue. 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, 2020, HealthCap VII L.P. was the single largest shareholder in Vicore, with a total of 15,663,908 shares, corresponding to 25.9 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 27-28 in the 2020 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, guidelines for remuneration to the CEO and other senior executives as well as the remuneration report.

The Articles of Association stipulate that the Annual General Meeting shall be held in 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 six (6) banking 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](http://www.vicorepharma.com)).

## 2020 AGM

The Annual General Meeting 2020 was held on May 20, 2020 in Gothenburg. At the AGM, approximately 55.5 percent of the total votes were represented. Wibeke Sorling was elected chairman of the meeting.

At the AGM the following principal resolutions were passed:

- ◉ Jacob Gunterberg, Maarten Kraan, Sara Malmus, Hans Schikan and Peter Ström were re-elected as board members. Michael Wolff Jensen and Heidi Hunter were elected as new board members. Michael Wolff Jensen was 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 Board's members elected by the Annual General Meeting and the auditor were established.
- ◉ Resolution on adoption of a long-term performance-based incentive program (Board LTIP 2020) of a maximum 525,000 options to the two new board members.
- ◉ 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 2020 AGM.

- ◉ Resolution on adoption of balance sheet and income statement.
- ◉ No dividend will be paid for 2019 and the company's earnings shall be carried forward.
- ◉ Discharge from liability of the Board of Directors and CEO for the financial year 2019.

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

## AGM 2021

The 2021 Annual General Meeting will be held on Wednesday, May 11, 2020. The continued spread of COVID-19 is still difficult to assess with any certainty. In light of the current extraordinary situation, Vicore's Annual General Meeting 2021 will be held in a different way than usual. No meeting with the opportunity to attend in person or by proxy will take place; it thus becomes a meeting without physical participation. Information on the decisions made at the Annual General Meeting will be published on 11 May 2021 as soon as the outcome of the voting is finally compiled. For the right to participate and more information, see Vicore's website ([www.vicorepharma.com](http://www.vicorepharma.com)). The minutes of the Annual General Meeting

will be available on Vicore's website ([www.vicorepharma.com](http://www.vicorepharma.com)).

## Nomination Committee

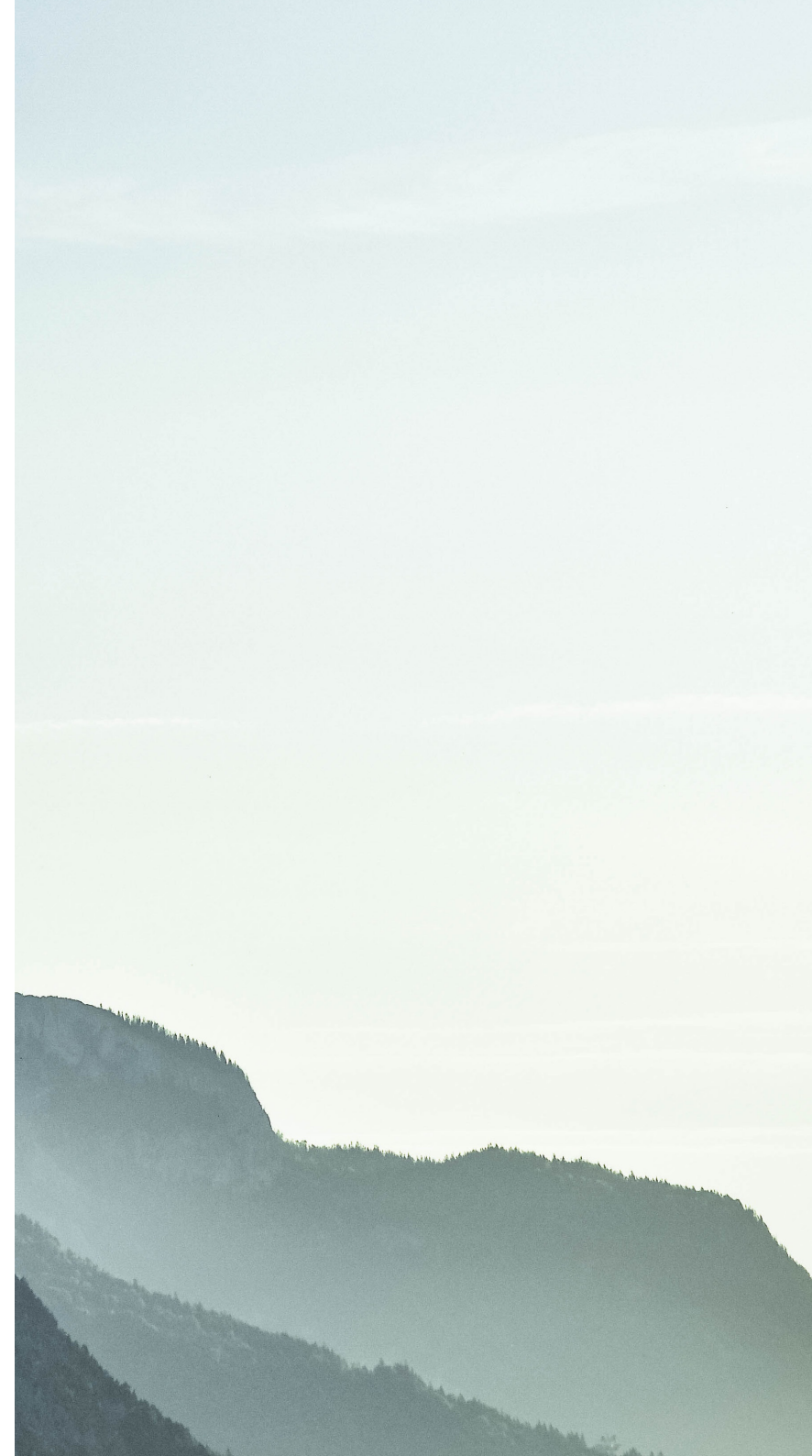
The Nomination Committee for the AGM 2021 consists of Staffan Lindstrand (Chairman) appointed by HealthCap VII L.P., Johannes Eckerstein appointed by Proteum Wessman AB, Evert Carlsson appointed by Swedbank Robur. Staffan Lindstrand is chairman of the Nomination Committee. The Committee also includes the Chairman of the Board, Michael Wolff Jensen, 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 2021.

## 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,



Vicare 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. Andreas Mast is member of the Swedish Institute of Authorized Public Accountants. For information regarding fees paid to the auditors, please refer to Note 5 of the 2020 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 is responsible for, among other things, setting goals and strategies, ensuring routines and systems for evaluating established goals, continuously evalua-

ting the company's results and financial position and evaluating the operational management. The Board of Directors is 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 2020, the Board of Directors held 13 board meetings, of which 8 were ordinary meetings. At the board meetings, the company's CEO and CFO were also present when needed.

## 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 seven 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, 2021. Ownership in the company includes personal and / or related parties' holding.

## Board of Directors' work 2020

During 2020, the Board of Directors held 13 board meetings, including the inaugural meeting, of which 11 through digital channels. In addition, the Board

of Directors has made decisions per capsulam on 6 occasions during 2020.

The issues that the Board of Directors dealt with in 2020 are mainly: decision to carry out a new share issue, preclinical, clinical studies and organizational issues.

At the board meetings held during the financial year 2020, 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 anonymously answer 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, 2020

Board member	Function	Elected	Independent in relation to		Remuneration, KSEK <sup>1)</sup>					Attendance <sup>2)</sup>			
			The company and its management	Major shareholders	Board fees	Remuneration Committee	Audit Committee	Scientific committee	Total	Board of Directors <sup>3)</sup>	Remuneration Committee	Audit Committee	Scientific committee
Michael Wolff Jensen	Chairman	2020	Yes	Yes	300	50	-	-	350	7/7 <sup>4)</sup>	2/2 <sup>5)</sup>	-	-
Heidi Hunter	Board member	2020	Yes	Yes	100		50		150	7/7 <sup>4)</sup>	-	3/3 <sup>6)</sup>	-
Hans Schikan	Board member	2018	Yes	Yes	100	25	-	25	150	12/13	4/4	-	4/4
Jacob Gunterberg	Board member	2018	Yes	No	100	-	75	25	200	12 <sup>7)</sup> /13	-	6/6	4/4
Maarten Kraan	Board member	2018	Yes	Yes	100	25	-	50	175	12/13	4/4	-	4/4
Peter Ström	Board member	2015	Yes	Yes	100	-	-	-	100	13/13	-	3/3 <sup>6)</sup>	-
Sara Malcus	Board member	2018	Yes	Yes	100	-	50	-	150	13/13	-	6/6	-
Leif Darner <sup>8)</sup>	Chairman	2016-2020	Yes	Yes	0	-	-	-	0	6/13	2/4	-	-

1) Fee set by the AGM, excluding social security contributions, for the May 2020 to May 2021 financial year

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

3) Excluding per capsulam meetings

4) Elected to the board at the AGM 2020. Thereafter seven board meetings have been held

5) Elected to the remuneration committee at the inaugural meeting 2020. Thereafter two meetings have been held.

6) Peter Ström was a member of the audit committee until the AGM 2020. Heidi Hunter was elected as a member to the audit committee at the AGM 2020.

7) Absence due to conflict of interest on one occasion

8) Leif Darner announced at the AGM on May 20, 2020 that he had declined re-election as a member of the Board of Directors.

## Board of Directors



**Michael Wolff Jensen**  
**Chairman of the Board since 2020**

Michael Wolff Jensen has 20 years of experience from strategic leadership from Pharma/Biotech – as CFO, Chairman of the Board, responsible partner and as Chief Legal Officer. Michael has been responsible for four IPOs and has been responsible for several funding rounds. Michael has more than 15 years of experience as board member and as chairman, both in private and publicly traded companies.

**Born:** 1971

**Education:** Law degree from the University of Copenhagen.

**Other assignments:** SVP / Chief Legal Officer of Ascendis Pharma AB (publ). Chairman of XSPRAY PHARMA AB (PUBL), Ascendis Pharma AB (publ), Visen Pharmaceuticals and MIWO Invest ApS.

**Previous assignments for the past five years:** Chairman of VANX ApS and Eurocine Vaccines AB (PUBL).

**Holdings in the company:** 350,000 shares in the framework of the company's incentive program.

*Michael is chairman 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).

**Born:** 1958

**Education:** PharmD from the University of Utrecht.

**Other assignments:** Chairman of InteRNA Technologies BV, Microbiotica Ltd and Complix NV. Board member of VectivBio AG, Pharvaris NV and the Dutch Top Sector Life Sciences & Health. Advisor to various organisations in Life Sciences & Health.

**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 member of Vicore's remuneration committee and 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., SynOx Therapeutics Ltd., Tribune Therapeutics AB and former chairman of INIM Pharma AB.

**Born:** 1967

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

**Other assignments:** Partner at HealthCap. Board member in 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, 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. Deputy board member in BONESUPPORT 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.

**Born:** 1961

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

**Other assignments:** CMO at AM-Pharma. Maarten Kraan is a board member of Toleranzia AB and CDS GmbH.

**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.

**Born:** 1952

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

**Other assignments:** Board member of 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.

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



**Sara Malcus**  
Board member since 2018

Sara Malcus has more than 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.

**Born:** 1975

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

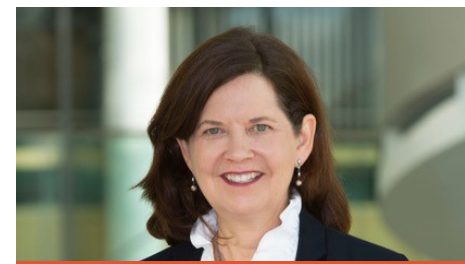
**Other assignments:** Sara Malcus is the Managing Director of MetaboGen AB.

**Previous assignments for the past five years:** Board member of Oncorena AB, Oncorena Holding AB, Cereno 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.*



**Heidi Hunter**  
Board member since 2020

Heidi Hunter (born 1958) has more than 25 years of experience from leading positions in different roles within pharmaceutical development and commercialization. She has worked strategically and operationally from clinical and commercial development to launch execution. Her leadership experience spans alliance management, investment risk mitigation, global clinical and commercial management, new business strategy development, product launch, and business sustainability.

**Born:** 1958

**Education:** M.B.A., Marketing and International Business, The University of Chicago. B.A., Economics and German, Magna cum laude, The University of Michigan

**Other assignments:** President, Cardinal Health Specialty Solutions.

**Previous assignments for the past five years:** xx

**Holdings in the company:** 175,000 shares in the framework of the company's incentive program.

*Heidi is a member of Vicore's audit committee.*

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

## Board committees

### Remuneration Committee

The Remuneration Committee is appointed by the company's Board of Directors and consists of three members: Michael Wolff Jensen (Chairman), Hans Schikan 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 2020, the Remuneration Committee held four meetings.

### Audit Committee

The Audit Committee is appointed by the Board of Directors and consists of Jacob Gunterberg (Chairman), Heidi Hunter 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 2020, the Audit Committee held six meetings.

### 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 com-

pany'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 2020, the Scientific Committee held four meetings.

## Remuneration

### Remuneration to the Board of Directors

At the Annual General Meeting on May 20, 2020, 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 2020.

### 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 2020 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 2020.

### Guidelines on remuneration to senior executives and Board of Directors 2020

This is a summary of the guidelines for executive remuneration. The complete guidelines are available in the annual report and on the company's website.

At the 2020 AGM, guidelines were adopted that are valid up to the 2021 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 CEO 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 2020, Vicore has three active programs that include the company's management and staff, and certain board members. In 2018, two long-term incentive programs were set up "Co-worker LTIP 2018" and "Board LTIP 2018". In 2020, a long-term incentive program "Board LTIP 2020" for the two new board members. Below is an account of the various programs. For other information about the incentive programs, see Note 8 in the Annual Report 2020.

### 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 3.9 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, 2020, a total of 475,000 shares have been 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, 2020, options corresponding to 1,325,800 shares have been granted in Co-worker LTIP 2018.

### Long-term incentive program 2020

The Annual General Meeting in Vicore Pharma Holding AB held on May 20, 2020, resolved, in accordance with the proposal from the Nomination Com-

mittee, to adopt a long-term incentive program for the new members of the Board of Directors ("Board LTIP 2020") in Vicore Pharma Holding AB. A maximum of 525,000 share awards may be allotted to participants in the program Board LTIP 2020. The increase in the company's share capital, assuming full utilization, amounts to a maximum of approximately SEK 262,500, corresponding to a dilution of 0.9% of the total number of shares. Taking into account also the shares which may be issued pursuant to previously implemented incentive programs in the company, the maximum dilution amounts to 4.7% on a fully diluted basis.

#### Board LTIP 2020

Board LTIP 2020 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 525,000 shares. The share awards shall vest gradually over approximately three years and are subject to performance vesting based on the development of the company's share price over the period from the date the share awards are allocated up to and including the vesting date.

Board LTIP 2020 is intended for the newly elected, main owner independent, members of the Board of Directors in the company. The Nomination Committee believes that an equity-based incentive program is a central part of a competitive remuneration package in order to attract, retain and motivate internationally competent members of the Board of Directors, and to focus the

participants on delivering exceptional performance which contributes to value creation for all shareholders.

Board LTIP 2020 is accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the share awards shall be expensed as personnel costs over the vesting period and is accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs are expensed in the income statement according to UFR 7 during the vesting period.

As of December 31, 2020, a total of 525,000 share awards have been granted in Board LTIP 2020.

### 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.

Vicore'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.

Vicore 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.

Vicore 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.

Vicore'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.

Vicore 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 seven people:

- ◉ CEO
- ◉ Chief Financial Officer
- ◉ Chief Medical Officer

- ◉ Chief Scientific Officer
- ◉ VP Clinical Development
- ◉ Head of Preclinical Development
- ◉ 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 documen-

tation 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 seven individuals; CEO Carl-Johan Dalsgaard; Chief Financial Officer Hans Jeppsson; CMO Rohit Batta, CSO Johan Raud, VP Clinical Development Elin Rosendahl, Head of Preclinical Development Johanna Gräns 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 related parties) in Vicore on March 31, 2021, see page 11.



## Management



**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.

**Born:** 1956

**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 300,000 options within the framework of the company's incentive program.



**Hans Jeppsson**  
**Chief Financial Officer since 2017**

Hans Jeppsson has a cross-disciplinary background in finance and medicine. He has previously worked as a biotechnology analyst at Danske Bank as well as within preclinical research at AstraZeneca R&D.

**Education:** Ph.D. in Strategic Financial Management from the University of Gothenburg. After he obtained his Ph.D.-degree he conducted postdoctoral studies at the Haas School of Business 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 200,000 options within the framework of the company's incentive program.



**Elin Rosendahl**  
**VP Clinical Development since 2020**

Elin Rosendahl has more than 20 years' experience of managing global biopharmaceutical development programs and leading cross-functional teams. Solid experience of all phases of clinical drug development with focus on design of innovative and patient-focused paths to market, effective management of global, cross-functional teams and optimized collaborations with contract research organizations (CROs)

**Education:** M.Sc., Pharmacy from Uppsala University.

**Other assignments:** None.

**Holdings in the company:** 50,000 options within the framework of the company's incentive program.



**Johanna Gräns**  
**Head of Preclinical Development since 2015**

Johanna has a Ph.D and expertise in pharmaceutical metabolism. She has extensive experience in preclinical interpretation and is responsible for drug development projects.

**Education:** Ph.D. in biology with a focus on toxicology from the University of Gothenburg.

**Other assignments:** None.

**Holdings in the company:** 7,004 shares and 93,750 options within the framework of the company's incentive program.



**Rohit Batta**  
**Chief Medical Officer since 2018**

Rohit Batta has over 20 years of experience as a medical doctor with an extensive background leading medical and clinical development teams whilst developing drugs for rare diseases. His previous roles include senior level positions within Cell and Gene Therapy at GlaxoSmithKline leading the clinical development and defining the clinical strategy for haemoglobinopathy gene therapy medicines. He also led the global medical and late stage clinical development teams to launch the world's first gene therapy for patients with a paediatric rare disease.

**Education:** MBBS from Kings College London, a fellow of the Faculty of Pharmaceutical Medicine and a member of the Royal College of General Practitioners.

**Other assignments:** Visiting Senior Lecturer at Kings College London

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



**Johan Raud**  
**Chief Scientific Officer since 2018**

Johan Raud has many years of experience from drug research and managing industrial drug discovery projects.

**Education:** MD Ph.D. from the Karolinska Institute and Vanderbilt university, USA.

**Other assignments:** None.

**Holdings in the company:** 238,991 shares and 85,000 options within the framework of the company's incentive program.



**Nina Carlén**  
**Chief Administrative Officer since 2009**

Nina has more than 20 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 125,000 options within the framework of the company's incentive program.

