



Remuneration report 2020

Introduction

This report describes how the guidelines for executive remuneration of Vicore Pharma Holding AB (publ) (“Vicore” or “company”), adopted by the Annual General Meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and a summary of the company’s outstanding share-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 7 (Employees and personnel costs) on pages 47-49 in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report available on page 72 in the annual report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 7 on page 48 in the Annual Report 2020.

Key developments 2020

The CEO summarizes the company’s overall performance in his statement on page 7-8 in the annual report 2020.

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

A prerequisite for the successful implementation of the company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company’s remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

The complete guidelines for executive remuneration can be found on pages 32-33 in the annual report 2020. During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor’s report regarding the company’s compliance with the guidelines is available on <https://vicorepharma.com/investors/corporate-governance/remuneration-and-incentives/>. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings have resolved to implement long-term share-related incentive plans, Co-worker LTIP 2018).



Table 1 – Total CEO remuneration in 2020 (KSEK)*

Name (position)	Fixed remuneration		Variable remuneration			Total remuneration	Proportion of fixed and variable remuneration****
	Base salary **	Other benefits ***	One-year variable	Extraordinary items	Pension expense		
Carl-Johan Dalsgaard (CEO)	2,540	1	787	0	689*****	4,016	75/25

* Except for long-term share-related incentive plans, the table reports remuneration earned in 2020. Share-based remuneration is reported in table 2 below.

** Including holiday pay of 77 KSEK

*** Healthcare insurance benefit. Due to tax benefit

**** Pension expense, which in its entirety relates to base salary and is premium defined, has been counted entirely as fixed remuneration

***** Excludes pension tax

Share-based remuneration

Outstanding share-related and share price-related incentive plans

Vicore has one active incentive programme (Co-worker LTIP 2018) for members of management and key persons. According to the program participants will be granted, free of charge, options subject to 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 in Vicore Pharma 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.

The CEO has been granted 300,000 options in Co-worker LTIP 2018. In total, 1,325,800 options have been granted, which corresponds to 2% of the shares in the company on a diluted basis.



Table 2 – Share option plans (CEO)

Name of director (position)	Name of plan	The main conditions of the share option plan				Information regarding the reported financial year*				
		Award date	Vesting date	Exercise period	Exercise price (SEK)**	Share options held at beginning of year	Opening balance	During the year	Closing balance	Share options subject to retention period
						Share options awarded**	Share options vested	Share options awarded and unvested		
Carl-Johan Dalsgaard (CEO)	Co-worker LTIP 2018	September 27, 2018	September 27, 2018 – September 27, 2021	September 27, 2021 – September 27, 2022	25.26	0	100,000	91,667	8,333	25,000
		September 27, 2019	September 27, 2019 – September 27, 2022	September 27, 2022 – September 27, 2023	26.17	100,000	100,000	68,056	31,944	34,723
		September 24, 2020	September 24, 2020 – September 24, 2023	September 24, 2023 – September 24, 2024	29.25	200,000	100,000	15,278	84,722	15,278
Total						300,000	300,000	175,001	124,999	75,001

* In Co-worker LTIP 2018, the CEO was awarded 100,000 options in 2020

** The aggregate market value of the underlying shares at the time of the award is 5,379 KSEK. The aggregate exercise price is 26.89.



Table 3 – Share award plans (CEO)

There are no issued share award plans for the CEO in Vicore.

Variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable criteria. The criteria for variable cash remuneration to management and key persons, shall be designed so as to contribute to the company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or the executive’s long-term development. These criteria can be measurable advancements in the company’s preclinical and clinical trials and other associated activities. The criteria can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives.

Payments shall take place in the form of yearly cash remuneration after the remuneration committee and the board have reviewed and approved the outcome of the set goals, normally decided in the beginning of the year. The board and remuneration committee can at any time revise or cancel set goals and remunerations.

In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account. The criterias are the same for CEO, management and key persons. The variable cash remuneration may amount to a maximum of 40 percent of the annual fixed cash salary for the CEO. Further variable cash remuneration may be awarded in extraordinary circumstances. Such remuneration may not exceed an amount corresponding to 50 per cent of the fixed annual cash salary and may not be paid more than once per year for each individual.

Table 4(a) - Performance of the CEO in the reported financial year: variable cash remuneration

Name (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Carl-Johan Dalsgaard (CEO)*	Preclinical and clinical criteria	80%	a) 75% b) 590,25 KSEK
	Financial criteria	20%	a) 100% b) 196,75 KSEK
Total remuneration			787 KSEK

*No additional individual variable cash remuneration have been paid to the CEO during 2020



Table 4(b) - Performance of the CEO in the reported financial year: share-related remuneration

Since the performance period is still ongoing for all incentive programmes in which the CEO holds instruments, there is nothing to report in this section.

Comparative information on the change of remuneration and company performance

Table 5 – Change of remuneration and company performance over the last five reported financial years (RFY) (KSEK)

Since this is the first established remuneration report, the information in the table below pertains only to the 2020 financial year.

	RFY 2020
CEO remuneration*	4,016
Group operating profit	-149,538
Average remuneration on a full-time equivalent basis of employees** of the group company	1,869

* Including pension, variable cash remuneration and holiday pay. Excluding social fees and pension tax.

** Including members of the management team but excluding CEO remuneration. Including pension, variable cash remuneration and holiday pay. Excluding social fees and pension tax.