

The board of directors' of Immunicum AB (publ), reg. no 556629-1786, (the "Company") complete proposal on resolution regarding performance based LTI 2021/2024

The board of directors proposes that the annual general meeting resolves to adopt an employee stock option program for management and key employees in Immunicum (the "**Employee Stock Option Program 2021/2024**") and a restricted share unit program (the "**Restricted Share Unit Program 2021/2024**") for other employees (together "**LTI 2021/2024**") in accordance with the proposal below.

The purpose with the proposal is to create conditions to retain and increase motivation with senior executives, employees and other key individuals in the Company. The board of directors believes that it is in the interest of all shareholders that senior executives, employees and other key individuals, which are assessed to be of importance for the development of the Company, have a long-term interest of a positive value growth in the Company's shares.

A) Adoption of Employee Stock Option Program 2021/2024

The following terms shall apply to the Employee Stock Option Program 2021/2024:

1. A maximum of 1,678,453 employee stock options may be allotted to the participants in the Employee Stock Option Program 2021/2024. Allotment shall occur as soon as practicably possible following the approval by the general meeting and at latest 31 August 2021.
2. The Employee Stock Option Program 2021/2024 shall comprise approximately ten employees in the Company or subsidiaries to the Company (the "**Participants**"). The Participants are divided into different categories based on size and responsibility classification of roles within the group. In accordance with the principles and assumptions stated herein, allocation will occur in the following way:
 - A. The CEO, who may be offered a maximum of 419,614 employee stock options;
 - B. Senior Executives, consisting of up to four positions, of which each may be offered a maximum of 188,826 employee stock options, totalling a maximum of 755,304 employee stock options; and
 - C. Key individuals, consisting of up to five individuals, of which each may be offered a maximum of 100,707 employee stock options, totalling a maximum of 503,535 employee stock options.
3. Allocation of employee stock options is in each case conditional upon that (i) the relevant Participant's employment or mission with the Company or its subsidiaries has not been terminated or discontinued, with certain exceptions, and (ii) the Participant has entered into a separate employee stock option agreement with the Company. The board of directors shall ensure that the agreements with the Participants contain terms that prohibit transfers and pledges of the employee stock options and that employee stock options not yet vested will, subject to certain exceptions, be forfeited should the employee no longer be employed in the Company or its subsidiaries.
4. The employee stock options shall be allotted to the Participants free of charge.

5. 1/3 of the allotted employee stock options will vest 12 months (the year 2022) after the time of the allotment, an additional 1/3 will vest 12 months thereafter (the year 2023) and an additional 1/3 will vest 12 months thereafter (the year 2024). Vesting requires that the Participant is still employed by the Company or its subsidiaries. If the Participant's employment is terminated by the Participant or due to the Participant's breach of contract, all employee stock options shall immediately expire and cannot be exercised. If the employment is terminated for other reasons, vested employee stock options may be exercised whereas the right to employee stock options not yet allotted or vested will expire. In individual cases, the board shall have the right to deviate from the foregoing. The final terms and conditions shall be determined by the board of directors and regulated in separate employee stock option agreements.
6. Provided that the employee stock options have been allotted and vested each employee stock option entitles the holder a right to, during the period commencing on 1 September 2024 up to and including 31 October 2024, subscribe for one (1) new share in the Company at a subscription price equivalent to 140 per cent of the volume-weighted average price paid during the period commencing at 5 May 2021 up until and including 19 May 2021 of the noted paid prices (according to Nasdaq Stockholm's official rating list) for shares in the Company (however, the exercise price may not be less than the share's quota value of SEK 0.05). Day without price quotation shall not be included in the calculation.
7. Participation in the Employee Stock Option Program 2021/2024 is in each case conditional upon that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the board of directors.
8. The board of directors shall be responsible for preparing the agreements with the Participants and the administration of the Employee Stock Option Program 2021/2024. In connection therewith, the board of directors may make adjustments in order to fulfil specific rules or market conditions outside Sweden. Further, in extraordinary cases, the board of directors is entitled to limit the extent of the Employee Stock Option Program 2021/2024, or terminate the Employee Stock Option Program 2021/2024 in advance, in whole or in part.
9. The number of shares that may be acquired for each employee stock option shall be recalculated in the event of share splits, rights issues and similar corporate actions with the aim that the economic value of the employee stock option shall be unaffected by such actions.

B) Adoption of Restricted Share Unit Program 2021/2024

The following terms shall apply to the Restricted Share Unit Program 2021/2024:

1. A maximum of 834,300 restricted share units may be allotted to the participants in the Restricted Share Unit Program 2021/2024. Allotment shall occur as soon as practicably possible following the approval by the general meeting and at latest 31 August 2021.

2. The Restricted Share Unit Program 2021/2024 shall comprise approximately 20 employees in the Company or subsidiaries to the Company (the “**Participants**”). Each Participant in the Restricted Share Unit Program 2021/2024 may be offered a maximum of 41,715 restricted share units, totalling a maximum of 834,300 restricted share units.
3. Allocation of restricted share units is in each case conditional upon that (i) the relevant Participant’s employment or mission with the Company or its subsidiaries has not been terminated or discontinued, with certain exceptions, and (ii) the Participant has entered into a separate restricted share unit agreement with the Company. The board of directors shall ensure that the agreements with the Participants contain terms that prohibit transfers and pledges of the restricted share units and that restricted share units not yet vested will, subject to certain exceptions, be forfeited should the employee no longer be employed in the Company or its subsidiaries.
4. The restricted share units shall be allotted to the Participants free of charge.
5. 1/3 of the allotted restricted share units will vest 12 months (the year 2022) after the time of the allotment, an additional 1/3 will vest 12 months thereafter (the year 2023) and an additional 1/3 will vest 12 months thereafter (the year 2024). Vesting requires that the Participant is still employed by the Company or the subsidiary. If the Participant’s employment is terminated by the Participant or due to the Participant’s breach of contract, all restricted share units shall immediately expire and cannot be exercised thereafter. If the employment is terminated for other reasons, vested restricted share units may be exercised whereas the right to restricted share units not yet allotted or vested will expire. In individual cases, the board shall have the right to deviate from the foregoing. The final terms and conditions shall be determined by the board of directors and regulated in separate employee stock option agreement.
6. Provided that the restricted share units have been allotted and vested each restricted share unit entitles the holder a right to, during the period commencing on 1 September 2024 up to and including 31 October 2024, subscribe for one (1) new share in the Company to a share price corresponding to the quota value (the current quota value is SEK 0.05 per share).
7. Participation in the Restricted Share Unit Program 2021/2024 is in each case conditional upon that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the board of directors.
8. The board of directors shall be responsible for preparing the agreements with the Participants and the administration of the Restricted Share Unit Program 2021/2024. In connection therewith, the board of directors may make adjustments in order to fulfil specific rules or market conditions outside Sweden. Further, in extraordinary cases, the board of directors is entitled to limit the extent of the Restricted Share Unit Program 2021/2024, or terminate the Restricted Share Unit Program 2021/2024 in advance, in whole or in part.

9. The number of shares that may be acquired for each restricted share unit shall be recalculated in the event of share splits, rights issues and similar corporate actions with the aim that the economic value of a restricted share unit shall be unaffected by such actions.

C) Dilution and costs for LTI 2021/2024 etc.

The maximum dilution as a result of LTI 2021/2024 will not exceed 1.5 per cent of the outstanding shares and votes in the Company (with reservation for any re-calculation). The dilution is based on the maximum number of shares and votes which can be issued divided with the total number of shares and votes after such issue.

The employee stock options and restricted share units will be expensed over the vesting period, without affecting the company's cash flow. If employee stock options and restricted share units are exercised, LTI 2021/2024 will also entail costs in the form of social security contributions. The total costs for social security contributions depend on the Participant's employment status, on the number of vested employee stock options and restricted share units and on the value of the benefit that the Participant ultimately receives, i.e. the value of the employee stock options or restricted share units upon exercise in 2024. Social security contributions will be expensed in the income statement during the vesting period.

Based on the assumption that all employee stock options and restricted share units will be vested, an assumed share price of SEK 13.7 when the employee stock options and restricted share units are utilized and an assumed average social security rate of approximately 31.42 percent, the total costs for the program will amount to approximately MSEK 15. The total cost for the LTI 2021 will be distributed over the years 2021-2024. Given the above assumptions, it is calculated that the yearly costs for the LTI 2021/2024 will amount to approximately 10 percent in relation to the Company's salary costs for employees (including social security contributions) for the 2020 financial year.

Outstanding incentive programs

The Company has one outstanding incentive program, LTI 2019/2022, consisting of 1,809,277 warrants. Each warrant entitles the holder to subscribe for one (1) share in the Company for a share price of SEK 19,90 during the period commencing at 22 May 2022 up until and including 28 July 2022.

Preparation of proposal

The board of directors has prepared the LTI 2021/2024 in consultation with external advisors and the Company's main shareholders.

Majority requirements

A resolution to approve the present proposal is valid only where supported by shareholders holding not less than nine-tenths (9/10) of both the shares voted for and of the shares represented at the meeting.

Stockholm, March 2021
Immunicum AB (publ)
Styrelsen