

**Ultimovacs ASA -
Remuneration Report** | **2021**

Remuneration report 2021

Background

The board of Ultimovacs shall prepare a remuneration report describing how the Company complies with its own guidelines for remuneration to senior executives. The report covers remuneration to senior executives defined as the company's management team. The report has been prepared in accordance with the Public Limited Liability Companies Act § 6-16b and associated regulations as well as the European Commission's template for a report on remuneration.

Purpose and general remuneration principles

These guidelines constitute a framework for which remuneration to the executive management may be decided during the period for which the guidelines are in force. The Company is a pharmaceutical company developing novel immunotherapies against cancer. Consequently, the Company competes for senior management talent within the international pharmaceutical industry. These guidelines attempt to ensure the Company's competitiveness as an employer within the industry.

The Company's remuneration principles shall be designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy, long-term interests, and sustainable business practices. To this end, salaries and other employment terms shall enable the Company to retain, develop and recruit skilled senior executives with relevant experience and competence. The remuneration shall be on market terms, competitive, and reflect the performance and responsibilities of individual senior executives.

The remuneration guidelines apply to the executive management team of the Company. For the purposes of these guidelines, the executive management team includes the CEO and certain other executives who, from time to time, are members of the management and directly report to the CEO. The management team had two additions during 2021 and now consists of 10 people.

Ultimovacs' guidelines for remuneration to senior executives are available on the company's website, www.ultimovacs.com. The auditor's confirmation of the company's compliance with the guidelines is available in this report.

Compliance with the guidelines

The complete remuneration for 2021 has been in accordance with the guidelines approved by the General Assembly in 2021.

The base management salary is regarded as competitive in order to attract and retain the most attractive managers. The salary level is in our view not of a size that could harm the Company's reputation, or significantly above the norm for employees with similar background and in similar positions in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

There has been no variable remuneration, bonuses or new severance payments in 2021.

There were no outstanding loans or guarantees made to related parties, the Board of Directors, the Management Team or any other employees as of 31 December 2021 or as of 31 December 2020.

Information on shareholder vote

In relation to the management remuneration guidelines program presented at the General Assembly in 2021, the Company received input from one of its shareholders that the share option program should be capped at a maximum profit level for the individual participants. The shareholder therefore voted against the proposed remuneration guidelines and the related authorization to the board to issue shares related to the option program. The board of directors has considered such input, but concluded that the current structure of the option program aligns with the Company's approved strategy and purpose of the option program.

Remuneration of the Management Team

Management remuneration

Below is an overview of the remuneration received by the Management team in 2021 and 2020. 'Salary' comprise fixed salary including holiday pay. 'Benefits in kind' comprise telephone and insurance for all employees. In addition, the CEO, CFO, CMO, CTO and CBO have either company cars or receive a cash car allowance. The Company also covers the costs of an apartment in Norway for the CEO up to a certain amount.

'Share option' is the IFRS cost in relation to the share option plan, not exercised. Please refer to the next page for more information regarding the allocated and outstanding share options. With the exception of options, the Management team does not have any other regular variable pay or other variable benefits.

Pension costs are in line with the Remuneration guidelines. CEO and Management in the Norwegian entity participate in a defined contribution pension plan with the same terms as all other employees in the Norwegian entity.

The Chief Business Officer, who is employed in the Swedish entity, is entitled to a defined contribution pension plan where the annual accrual is currently 20% of the annual salary. The Head of Regulatory and QA, who is also employed in the Swedish entity, has a pension accrual of 25% of the annual salary.

The CBO and Head of Regulatory and QA who are employed in Ultimovacs AB, receive their remuneration in SEK (Swedish Kroner). The amounts in the tables below are translated to NOK by using the average SEK/NOK rate for the respective year. The share option remuneration is in NOK.

MANAGEMENT REMUNERATION 2021 (NOK 1 000)	BASE SALARY	BENEFITS IN KIND	VARIABLE REMUNER.	SHARE OPTIONS	PENSION COST	TOTAL REMUNER- ATION
Carlos de Sousa (CEO from 1 June 2020)	4 443	458	-	2 825	96	7 822
Øyvind Arnesen (CEO until 30 April 2020)	1 802	152	-	43	-	1 997
Hans Vassgård Eid (CFO)	2 554	248	-	1 031	96	3 929
Jens Egil Torbjørn Bjørheim (CMO)	2 428	212	-	1 002	96	3 738
Audun Tornes (CTO)	1 523	155	-	623	96	2 397
Gudrun Trøite (Head of Project Coordin.)	1 506	6	-	623	96	2 231
Ingunn Hagen Westgaard (Head of R&D)	1 512	14	-	623	96	2 244
Øivind Foss (Head of Clinical Operations)	1 534	6	-	623	96	2 259
Ton Berkien (CBO)	2 405	169	-	470	495	3 539
Anne Worsøe (Head of IR and Comm.)	400	1	-	-	24	426
Orla Mc Callion (Head of Reg. and QA)	326	-	-	-	81	407
Total remuneration	20 432	1 421	-	7 863	1 273	30 989

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Comments to 2020

On 1 June 2020, Øyvind Kongstun Arnesen resigned from his position as CEO in Ultimovacs ASA. Following his resignation, Arnesen received an 18 months severance pay, paid over the course of 18 months. Arnesen continued to receive all benefits from his employment in this period, with the exception for pension rights, which were not applicable for the last 12 months. During the last six-month period, any income from new employment/engagements, was deducted from the severance pay.

In 2020, Øyvind Arnesen exercised 36,000 options, and 36,000 options became void during the year.

Carlos de Sousa received a sign-on-fee of MNOK 0.5 when he commenced his position as CEO in June 2020.

MANAGEMENT REMUNERATION 2020 (NOK 1 000)	BASE SALARY	BENEFITS IN KIND	VARIABLE REMUNER.	SHARE OPTIONS	PENSION COST	TOTAL REMUNER- ATION
Carlos de Sousa (CEO from 1 June 2020)	2 516	309	500	2 063	54	5 443
Øyvind Arnesen (CEO until 30 April 2020)	2 905	210	-	63	100	3 278
Hans Vassgård Eid (CFO)	2 387	211	-	598	100	3 297
Jens Egil Torbjørn Bjørheim (CMO)	1 829	215	-	551	100	2 696
Audun Tornes (CTO)	1 456	197	-	366	100	2 120
Gudrun Trøite (Dir. of Reg affairs and QA)	1 388	11	-	366	100	1 865
Ingunn Hagen Westgaard (Head of R&D)	1 352	18	-	366	100	1 836
Øivind Foss (Head of Clinical Operations)	1 483	11	-	366	100	1 959
Ton Berkien (CBO)	210	15	-	-	42	267
Total remuneration	16 027	1 199	500	4 738	795	22 760

Remuneration of the Management Team

REMUNERATION TO THE MANAGEMENT TEAM (NOK 1 000)		2021	2020	2019	2018	2017
Carlos de Sousa (CEO from 1 June 2020)	Total NOK	7 822	5 443	-	-	-
	Change NOK	2 379	-	-	-	-
	Change %	n.a.	-	-	-	-
Øyvind Arnesen (CEO until 30 April 2020)	Total NOK	1 997	3 278	3 046	2 699	2 611
	Change NOK	-1 281	232	347	88	n.a.
	Change %	n.a.	7.6 %	12.9 %	3.4 %	n.a.
Hans Vassgård Eid (CFO)	Total	3 929	3 296	2 747	2 385	2 338
	Change NOK	633	549	362	47	n.a.
	Change %	19.2 %	20.0 %	15.2 %	2.0 %	n.a.
Jens Egil Torbjørn Bjørheim (CMO)	Total	3 738	2 696	2 249	1 967	1 827
	Change NOK	1 041	447	282	140	n.a.
	Change %	38.6 %	19.9 %	14.3 %	7.7 %	n.a.
Audun Tornes (Chief Technology Officer)	Total	2 398	2 120	1 815	1 651	1 581
	Change NOK	278	305	164	70	n.a.
	Change %	13.1 %	16.8 %	9.9 %	4.4 %	n.a.
Gudrun Trøite (Head of Project Coordin.)	Total	2 231	1 865	1 504	1 255	440
	Change NOK	366	361	249	815	-
	Change %	19.6 %	24.0 %	19.8 %	n.a.	-
Ingunn Hagen Westgaard (Head of R&D)	Total	2 244	1 836	1 527	1 297	1 257
	Change NOK	408	309	230	40	n.a.
	Change %	22.2 %	20.3 %	17.7 %	3.2 %	n.a.
Øivind Foss (Head of Clinical Operations)	Total	2 259	1 959	1 657	1 469	461
	Change NOK	300	302	188	1 008	-
	Change %	15.3 %	18.2 %	12.8 %	n.a.	-
Ton Berkien (Chief Business Officer)	Total	3 539	267	-	-	-
	Change NOK	3 272	-	-	-	-
	Change %	n.a.	-	-	-	-
Anne Worsøe (Head of IR and Comm.)	Total	426	-	-	-	-
	Change NOK	-	-	-	-	-
	Change %	-	-	-	-	-
Orla Mc Callion (Head of Reg. and QA)	Total	407	-	-	-	-
	Change NOK	-	-	-	-	-
	Change %	-	-	-	-	-
Profit (loss) after tax		(164 722)	(120 552)	(61 166)	(55 280)	(32 830)
FTEs in company		21.3	18.8	16.5	11.8	8.5
FTEs in company excluding Management		12.8	11.2	8.9	4.6	2.9
Average total remuneration per FTE excl. Management		1 227	1 394	1 323	1 055	1 292

Please note that the 'total remuneration' in the table above includes share option remuneration that are based on theoretical values on the options and the vested percentage of the options during the year. This value does not reflect current market value of the vested/unvested options, and/or actual cash remuneration to the employee, only the pro rata share of booked IFRS costs in the financial statement for each individual. The NOK/%-change in total remuneration in the table is therefore in most cases higher than the actual change in cash remuneration received during the year for each respective employee with option holdings.

n.a.: if the employee has not been employed two full consecutive years.

Remuneration of the Management Team

REMUNERATION TO THE MANAGEMENT TEAM (NUMBER OF OPTIONS)	AWARD PLAN	AWARD DATE	VESTING DATE	STRIKE PRICE (NOK)	OPENING BALANCE	AWARDED DURING THE YEAR	VESTED DURING THE YEAR	CLOSING BALANCE
Carlos de Sousa (CEO from 1 June 2020)	Plan 2020	25.05.2020	1y/2y/3y	39.15	362 185		120 728	416 035
	Plan 2021	16.04.2021	1y/2y/3y	61.99		53 850	-	
Øyvind Arnesen (CEO until 30 April 2020)	Plan 2019	03.06.2019	1y/2y/3y	31.25	-	-	-	-
Hans Vassgård Eid (CFO)	Plan 2019	03.06.2019	1y/2y/3y	31.25	62 500		15 625	177 500
	Plan 2020	25.05.2020	1y/2y/3y	39.15	56 000		14 000	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		59 000	-	
Jens Egil Torbjørn Bjørheim (CMO)	Plan 2019	03.06.2019	1y/2y/3y	31.25	53 000		13 250	168 000
	Plan 2020	25.05.2020	1y/2y/3y	39.15	56 000		14 000	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		59 000	-	
Audun Tornes (Chief Technology Officer)	Plan 2019	03.06.2019	1y/2y/3y	31.25	38 000		9 500	107 500
	Plan 2020	25.05.2020	1y/2y/3y	39.15	34 500		8 625	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		35 000	-	
Gudrun Trøite (Head of Project Coordin.)	Plan 2019	03.06.2019	1y/2y/3y	31.25	38 000		9 500	107 500
	Plan 2020	25.05.2020	1y/2y/3y	39.15	34 500		8 625	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		35 000	-	
Ingunn Hagen Westgaard (Head of R&D)	Plan 2019	03.06.2019	1y/2y/3y	31.25	38 000		9 500	107 500
	Plan 2020	25.05.2020	1y/2y/3y	39.15	34 500		8 625	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		35 000	-	
Øivind Foss (Head of Clinical Operations)	Plan 2019	03.06.2019	1y/2y/3y	31.25	38 000		9 500	107 500
	Plan 2020	25.05.2020	1y/2y/3y	39.15	34 500		8 625	
	Plan 2021	16.04.2021	1y/2y/3y	61.99		35 000	-	
Ton Berkien (Chief Business Officer)	Plan 2021	16.04.2021	1y/2y/3y	61.99	-	59 000	-	59 000
Anne Worsøe (Head of IR and Comm.)								-
Orla Mc Callion (Head of Regulatory and QA)								-

Performance period: permanent employment prior to award date

Vesting date: a vesting schedule of 25%/25%/50% after 1/2/3 years applies generally, but a vesting schedule of 33%/33%/33% after 1/2/3 years applies specifically for options granted to Carlos de Sousa (CEO) in 2020.

End of holding period: 5 years from grant date

Exercise periods: February 2022, October 2021 and March 2021. Øyvind Arnesen exercised 18,000 options in March 2021 and 18,000 options in October 2021. No other members of the management team has exercised options.

Remuneration of the Board of Directors

In accordance with the remuneration policy, the Board of Directors was remunerated with fixed fees. Members of the audit committee received an additional fee, kNOK 35 for the committee leader, and kNOK 20 for other members. The fees are summarized in the table below.

Ketil Fjerdingen was the Chairman of the Board from 2012 to 2018, and Jónas Einarsson has been the Chair since 2018. Leiv Askvig has been the head of the Audit Committee since 2019.

Kristin L.A. Wilhelmsen was a member of the Audit Committee from 2019 to 2020, and replaced by Haakon Stenrød as a member from 2020. Aitana Peire and Haakon Stenrød were elected as new board members in November 2020, thus the reduced fee received for 2020.

Note that the table below shows the payment of the board fees, which were accumulated during the previous year. Remuneration of board members for 2021 will be approved by the Annual General Meeting 21 April 2022.

REMUNERATION TO THE MANAGEMENT TEAM (NOK 1 000)		2021	2020	2019	2018	2017
Jónas Einarsson (Chairman of the Board)	Total NOK	400	400	275	138	125
	Change NOK	-	125	138	13	n.a.
	Change %	0 %	45 %	100 %	10 %	n.a.
Ketil Fjerdingen (Board member)	Total NOK	200	200	138	275	250
	Change NOK	-	63	-138	25	n.a.
	Change %	0 %	45 %	-50 %	10 %	n.a.
Leiv Askvig (Board member)	Total	235	235	138	138	125
	Change NOK	-	98	-	13	n.a.
	Change %	0 %	71 %	0 %	10 %	n.a.
Henrik Schüssler (Board member)	Total	200	200	138	138	125
	Change NOK	-	63	-	13	n.a.
	Change %	0 %	45 %	0 %	10 %	n.a.
Kristin L.A. Wilhelmsen	Total	220	220	138	138	52
	Change NOK	-	83	-	86	n.a.
	Change %	0 %	60 %	0 %	164 %	n.a.
Bjørn Rune Gjelsten (Board member)	Total	-	-	138	138	125
	Change NOK	-	-138	-	13	n.a.
	Change %	-	-100 %	0 %	10 %	n.a.
Ole Kristian Hjelstuen (Board member)	Total	-	-	138	138	125
	Change NOK	-	-138	-	13	n.a.
	Change %	-	-100 %	0 %	10 %	n.a.
Kari Grønås (Board member)	Total	200	200	-	-	-
	Change NOK	-	200	-	-	-
	Change %	0 %	n.a.	-	-	-
Eva S. Dugstad (Board member)	Total	200	200	-	-	-
	Change NOK	-	200	-	-	-
	Change %	0 %	n.a.	-	-	-
Håkan Englund (Deputy Board Member)	Total	200	200	-	-	-
	Change NOK	-	200	-	-	-
	Change %	0 %	n.a.	-	-	-
Aitana Peire (Board Member)	Total	30	-	-	-	-
	Change NOK	30	-	-	-	-
	Change %	n.a.	-	-	-	-
Haakon Stenrød (Board Member)	Total	30	-	-	-	-
	Change NOK	30	-	-	-	-
	Change %	n.a.	-	-	-	-
Total remuneration		1 915	1 855	1 100	1 100	927

Board of Directors' statement on the remuneration report

It is the view of the Board of Directors that remuneration of the Board of Directors and of the Management Team for the financial year 2021 has been conducted in alignment with Ultimovacs' remuneration policy as approved by the general assembly on 15 April 2021 and according to the requirements in the Norwegian Companies Act § 6-16 b.

The report will be presented for an advisory vote at the Annual General Meeting planned for 21 April 2022.

Board of Directors and CEO of Ultimovacs ASA

Oslo, 23 March 2022

Sign

Jónas Einarsson
Chairman of the Board

Sign

Kari Grønås
Board member

Sign

Eva S. Dugstad
Board member

Sign

Henrik Schüssler
Board member

Sign

Ketil Fjerdings
Board member

Sign

Leiv Askvig
Board member

Sign

Aitana Peire
Board member

Sign

Haakon Stenrød
Board member

Sign

Carlos de Sousa
CEO

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Ultimovacs ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Ultimovacs ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying



regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 24 March 2022
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

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Our mission is to extend and improve the life of patients by directing the immune system against the core of cancer.

We will provide universally accessible solutions.