IMMUNICUM

2021

Annual Report

Content

The Annual Report according to the Swedish Annual Accounts Act is included on pages 21-53 in this document. This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version should have precedence.

The year in Brief

In 2021, Immunicum concluded the integration of DCprime and established one coherent, talented and very committed organization headquartered in Stockholm, Sweden and with R&D facilities in Leiden, The Netherlands.

Significant progress was made with the development of DCP-001 as a potential novel maintenance therapy in acute myeloid myeloma (AML). The ongoing ADVANCE II monotherapy Phase II trial is now fully enrolled and strong initial clinical data were presented at ASH2021. Immunicum also initiated a new Phase I trial with DCP-001 in ovarian cancer and published a preclinical study supporting its mode-of-action. For ilixadencel, a thorough market analysis and product profile review was performed to prepare the basis for the 2022 development plan focusing on gastrointestinal stromal tumors (GIST).

Immunicum concluded 2021 with a strong basis for the company to move forward in the clinic and to continue to address key challenges in today's cancer therapy landscape.

1st Quarter

- Christine Lind was appointed interim chairman and Dharminder Chahal and Andrea van Elsas were elected as new members of Immunicum's Board of Directors.
- Immunicum received Orphan Drug Designation for ilixadencel as a treatment of soft tissue sarcoma, including gastrointestinal stromal tumors (GIST), from the FDA and as a treatment of GIST from the EMA.
- Immunicum signed a long-term lease to move its in-house research and process development activities into a new facility in Leiden, the Netherlands in 2022.
- Immunicum established an updated Executive Management Team with Erik Manting as Chief Executive Officer,

Financial overview – the Group*

KSEK	2021	2020
Net sales	–	–
Operating profit/loss	-130,100	-86 027
Profit/loss before tax	-133 410	-89 248
Profit/loss for the period	**133,410**	- 1.17
Cash flow from operating activities	-138 033	-56 626
Shareholders' equity	656,742	661 094
Cash and cash equivalents end of period	**155,313**	**167 643**

* On December 21, 2020, Immunicum AB acquired DCPrime BV. The transaction resulted in the owners of the acquired company (DCPrime) having deemed control of the acquiring company (Immunicum). The acquisition is therefore accounted for as a reverse acquisition. The consolidated financial statements, for prior period, thus only consist of DCPrime BV until the time of acquisition, December 21, 2020. This means that the result for full year 2020 refers to DCPrime BV's result for the entire financial year and Immunicum AB's result for the last 10 days of 2020. The result for 2021 refers to the consolidated group.

Alex Karlsson-Parra as Chief Scientific Officer, Jeroen Rovers as Chief Medical Officer and Lotta Ferm as interim Chief Financial Officer.

» Immunicum announced encouraging signs of survival benefit in the Phase II MERECA trial of ilixadencel in kidney cancer, with the co-primary endpoint of median overall survival reached at 35.6 months for the ilixadencel treatment group versus the 25.3 months for the sunitinib control group.

2nd Quarter

» At the company's Annual General Meeting (AGM) held on May 4, Hans Preusting was elected a member of the board of directors with re-elections of all former board members apart from Charlotte Erdenius and Steven Glazer, both of whom have stepped down from the board. Christine Lind was re-elected as chairman of the board of directors.

» Immunicum successfully completed a capital raise of approximately SEK 141.2 million through a directed share issue.

» Immunicum received an Advanced Therapy Medicinal Product Classification from the EMA for its cancer relapse vaccine candidate, DCP-001.

» Immunicum presented immunomonitoring data from the international Phase II ADVANCE II study, which is evaluating DCP-001 in acute myeloid leukemia (AML) at the European Hematology Association (EHA) conference.

» Immunicum announced the enrollment of the first patient in the Phase I ALISON study, which evaluates DCP-001 in ovarian cancer.

» A research collaboration was initiated with the group of Prof. Nina Bhardwaj, MD PhD, at Icahn School of Medicine at Mount Sinai in New York City.

» Immunicum presented data at the Association of Cancer Immunotherapy (CIMT) and the EHA conferences, supporting the mode of action of its lead programs and providing preclinical validation for potential novel combination therapies.

» Immunicum broadened the basis for its US patent covering the DCOne platform and was issued a new US patent covering novel therapies based on the combination of vaccination and intratumoral immune priming.

3rd Quarter

» Immunicum announced the appointment of Ada M. Kruisbeek, PhD, Sjoerd H. van der Burg, PhD, and Tanja D. de Gruijl, PhD, to its Scientific Advisory Board (SAB). Dr Kruisbeek serves as Chair of the SAB.

» Immunicum announced a new research collaboration with the University Medical Center Groningen (UMCG), to explore novel treatment options for ovarian cancer based on the combination of Immunicum's cell-based cancer vaccine platform with immune checkpoint inhibitors (CPI). The project is supported by a grant from Health~Holland, Top Sector Life Sciences & Health (LSH).

4th Quarter

» Immunicum appoints Lotta Ferm as Chief Financial Officer.

» Immunicum presented Phase II data demonstrating reduced minimal residual disease (MRD) and improved survival with DCP-001 treatment in AML patients at ASH 2021.

» Immunicum completed the Phase Ib portion and confirmed the early closure of the ILIAD study.

» Immunicum published DCP-001 mechanism of action in the journal CELLS and presented the data at The Society for Immunotherapy of Cancer (SITC) Annual Meeting.

» Immunicum and PCI Biotech extended their research collaboration to explore novel cancer vaccination treatments.

Immunicum in Short

Immunicum aims to improve survival outcomes and quality of life for cancer patients by focusing on treatments targeting tumor recurrence and hard-to-treat established tumors, with products that combine clinical efficacy with a benign safety profile.

Complementary Approaches From Unique Underlying Biology

Immunicum is developing off-the-shelf, cell-based products that are highly immunogenic based on underlying allogeneic dendritic cell biology and which have the potential to activate the patient's own immune system against cancer. The Company's lead programs ilixadencel and DCP-001 are derived from healthy donor material and from Immunicum's proprietary DCOne® cell line, respectively. Immunicum is developing ilixadencel to address the tumor burden of established tumors via intratumoral immune priming and DCP-001 as a cancer relapse vaccine, aimed at the reduction of tumor recurrence following initial treatment.

DCP-001 – a Novel Cancer Relapse Vaccine

DCP-001 vaccination is currently being studied in acute myeloid leukemia and ovarian cancer as a potential therapy to reduce tumor recurrence, the most common cause of cancer deaths. DCP-001 is an intradermal vaccine derived from the Company's proprietary DCOne® leukemic cell line. During manufacturing, DCOne cells are shifted towards a mature dendritic cell phenotype, resulting in cells that are highly immunogenic and expressing a multitude of tumor antigens, providing the basis for an attractive cancer vaccine candidate for a number of blood-borne and solid tumor indications. In addition to the ongoing Phase II ADVANCE II study in AML, Immunicum initiated in June 2021 a feasibility study to examine DCP-001 as a relapse vaccine in ovarian cancer. Promising clinical data with DCP-001 were presented at various conferences, including CIMT and EHA, and demonstrated its ability to induce immune responses to a broad range of tumor associated antigens in AML patients; preclinical results have shown that combining DCP-001 with established AML treatment regimens produced enhanced efficacy. At the American Society of Hematology (ASH) Annual Meeting held in December 2021, Immunicum presented Phase II data demonstrating the ability of DCP-001 to convert or significantly reduce detectable minimal residual disease (MRD) in acute myeloid leukemia (AML) patients, with fully converted patients demonstrating greater overall survival. The data provide the basis for the further development of DCP-001 as a potential novel AML maintenance therapy.

In June 2021, Immunicum initiated the ALISON Phase I trial in ovarian cancer. The trial is carried out at the University Medical Centre in Groningen, The Netherlands and aims to establish safety and feasibility of DCP-001 in ovarian cancer. Ovarian cancer is the deadliest gynecological cancer, due a high rate of tumor recurrence.

Ilixadencel – an intratumoral immune primer

The Company has been evaluating ilixadencel in combination with existing cancer therapies in several solid tumor indications, including renal cell cancer, hepatocellular cancer and gastrointestinal stromal tumors. Ilixadencel,

which consists of proinflammatory allogeneic dendritic cells sourced from healthy donors, is injected into the tumor of a cancer patient to create an inflammatory environment and ultimately a specific immune response against that tumor. In a recent analysis of the Company's ongoing Phase Ib part of the ILIAD trial by an independent data and safety monitoring board (DSMB), ilixadencel was determined to be safe in combination with the immune checkpoint inhibitor pembrolizumab, thereby underscoring its potential as safe and feasible combination therapy. Next to the successful completion of the ILIAD Phase Ib study based on safety and feasibility, signs of efficacy were observed in patients with previous exposure to checkpoint inhibitors. Based on the clinical signs of efficacy observed in the different clinical studies addressing a broad range of solid tumors, Immunicum believes that ilixadencel has the potential to provide new therapeutic solutions for hard-to-treat cancers, with gastro-intestinal stromal tumors (GIST) as a prioritized indication.

Anchoring scientific leadership with external validation

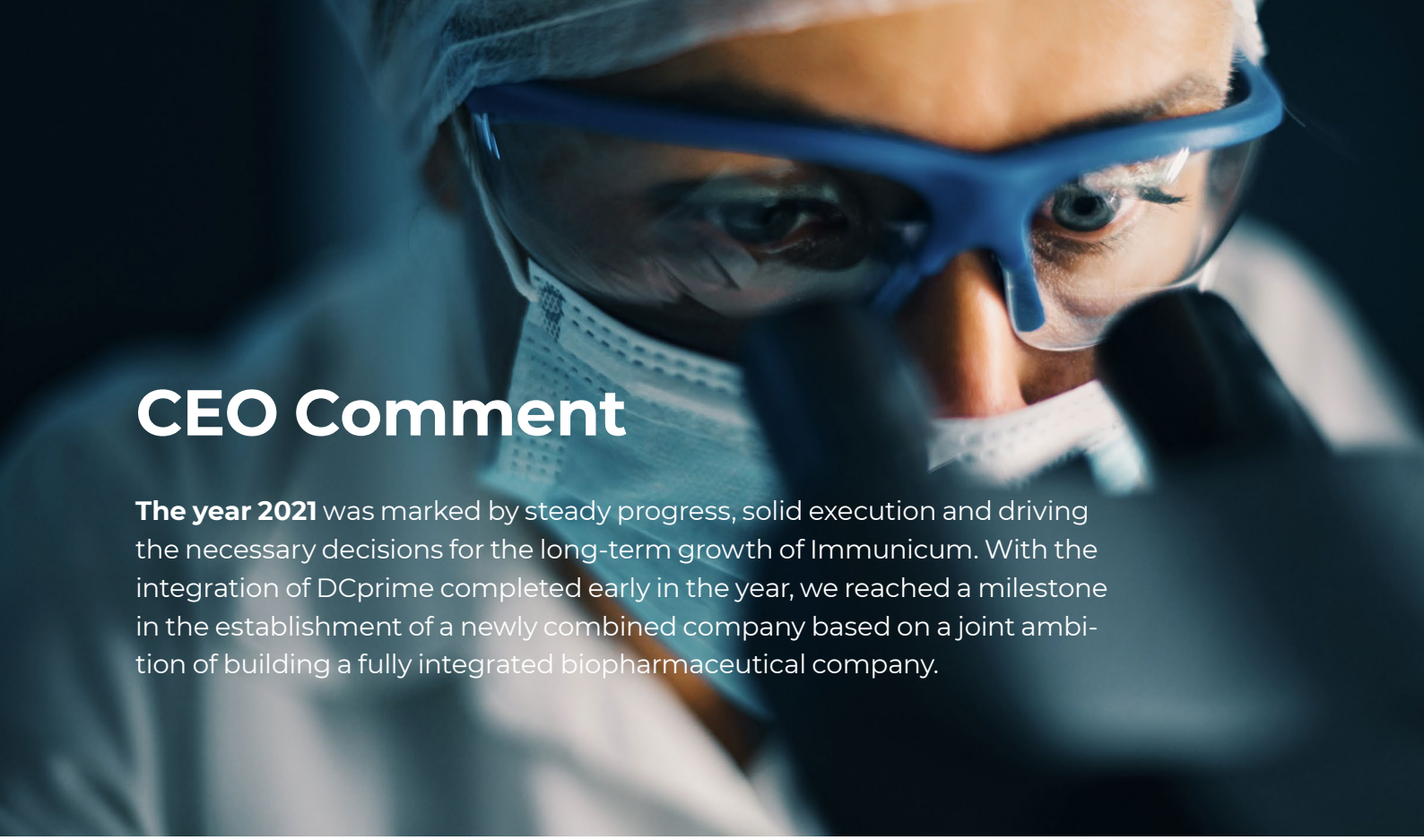
Following its merger with DCprime, Immunicum benefits from a strong combined scientific basis in applying allogeneic dendritic cell biology to design novel cancer therapies. Next to supporting the clinical pipeline, Immunicum's R&D activities are focused on improving the manufacturing processes of the Company's lead programs, to further optimize their potential as allogeneic, off-the-shelf products. Immunicum is expanding its network of scientific and corporate collaborations to further validate the Company's leading position in the field of allogeneic

dendritic cell biology and to develop additional therapeutic concepts. This includes the existing partnerships with PCI Biotech and Glycotope, as well as multiple academic collaborations.

Building value based on clinical validation and cell therapy expertise

The focus of the Company is to advance its clinical pipeline with the aim to provide improved cancer therapy options for patients and build long-term shareholder value. Immunicum aims to leverage its expertise in allogeneic dendritic cell biology through continued R&D and corporate development, including the expansion of its facilities in Leiden, The Netherlands.

Immunicum has its corporate headquarters in Stockholm and is publicly traded under ticker symbol IMMU on the Nasdaq Stockholm Main Market.



CEO Comment

The year 2021 was marked by steady progress, solid execution and driving the necessary decisions for the long-term growth of Immunicum. With the integration of DCprime completed early in the year, we reached a milestone in the establishment of a newly combined company based on a joint ambition of building a fully integrated biopharmaceutical company.

The combined company benefits from decades of expertise in applying dendritic cell biology to design novel therapeutic approaches addressing key challenges in the treatment of cancer. Our technology platforms have produced a rich pipeline of product candidates addressing multiple solid and blood-borne tumors, allowing us to select what we believe to be the most competitive positioning for our lead programs. Importantly, our specialized research and development facilities allow us to continue to fuel our pipeline with novel therapeutic approaches and to further optimize our manufacturing processes. Going into 2022 and beyond, Immunicum is a well-positioned, unified company with two clinical Phase II product candidates and several preclinical opportunities which we are developing by ourselves or in a partnership with other companies.

In the vast and growing cancer therapy landscape, two main topics remain unaddressed. First, the majority of the cancer-related deaths is not caused by the primary tumor but driven by tumor recurrence and relapse of the disease. To reduce or delay tumor recurrence is therefore a high and largely unmet medical need, particularly requiring maintenance treatments that are safe and do not harm the quality of life of the patient. Following the merger with DCprime, Immunicum has added to its pipeline DCP-001, a product candidate addressing tumor recurrence in cancers with a high probability of tumor recurrence. DCP-001 acts as a cancer relapse vaccine, aimed at boosting the immune system following successful initial treatment, in order to establish immune control over residual disease and thereby prolonging relapse-free survival. The product is administered via intradermal injection and has a benign safety profile, making it a suitable candidate for maintenance therapy.

Erik Manting, Chief Executive Officer

»In both of our focus areas – tumor recurrence and hard-to-treat established tumors – significant and broad impact across a range of cancer types is possible «

The second major challenge in today's cancer therapy is the class of tumors that poorly respond to existing therapies, including cancer immunotherapies. Our second lead program, ilixadencel, aims to direct the immune system towards such hard-to-treat tumors. Ilixadencel is administered as an intratumoral injection in established solid tumors and has been studied in clinical trials addressing a broad range of potential indications. Ilixadencel has consistently demonstrated promising signs of efficacy and an excellent safety profile in combination with other

cancer treatments, such as tyrosine kinase inhibitors (TKIs) and immune checkpoint inhibitors (CPIs).

For DCP-001, the window of opportunity for 2022 lies clearly in acute myeloid leukemia (AML). We will build on the compelling initial Phase II data from the ongoing ADVANCE II trial presented at the 2021 American Society of Hematology (ASH) Annual Meeting. The data demonstrated the ability of DCP-001 to meaningfully reduce and in several instances fully convert detectable minimal residual disease (MRD), which is associated with a high risk of relapse and low overall survival. The ADVANCE II data also showed intradermal injection of DCP-001 to be generally well tolerated, reinforcing the safety and promising efficacy data from the preceding Phase I trial. In AML, the desire to benefit from maintenance therapy has historically been held back by a lack of effective and non-toxic agents. DCP-001 is well positioned to contribute a novel therapeutic option based on its favorable safety profile, relative ease of administration and combination potential with currently available and upcoming therapies. Multiple updates of the ADVANCE II study, including complete MRD data and the initial results on relapse-free and overall survival, are expected to become available in 2022.

»Ovarian cancer is still the most common cause of death from gynecologic malignancies, due to a high recurrence rate«

Ovarian cancer is still the most common cause of death from gynecologic malignancies, due to a high recurrence rate. Developing DCP-001 as a maintenance therapy in ovarian cancer is thus similar to the opportunity we see in AML. The currently active Phase I ALISON trial, for which the first patients were enrolled in 2021, will evaluate the safety and feasibility of DCP-001 in ovarian cancer patients who have undergone debulking surgery and initial chemotherapy. The study builds on positive preclinical data demonstrating the triggering of anti-tumor immune responses and reductions in tumor growth following the administration of DCP-001. Immunicum expects to present the first results from the ALISON trial in mid-2022.

For ilixadencel, we reported positive survival data from the randomized Phase II MERECA trial, studying ilixadencel in combination with the TKI sunitinib in newly diagnosed metastatic renal cell carcinoma (mRCC) patients. The co-primary endpoint of median OS was reached at 25.3 months in the sunitinib control group in August 2020, while the median OS in the ilixadencel treatment group was reported to be 35.6 months in February 2021. In December, we announced the successful completion and early closure of the Phase Ib ILIAD trial that confirmed the safety profile and feasibility of ilixadencel in combination with PD1 inhibitor pembrolizumab (Keytruda©) in multiple cancer indications. The trial enrolled pre-treated, late-stage patients to predominantly examine safety and tolerability and this objective was met. Although it did not demonstrate clear signs of efficacy in patients who had not been treated before with pembrolizumab,

partial responses and stable disease activity was observed in patients with prior exposure to pembrolizumab, supporting ilixadencel's potential to trigger clinical responses in earlier treatment-resistant tumors.

Based on our analysis of all available clinical data and a competitive positioning within the constantly evolving therapeutic landscape, the path forward for ilixadencel will be focused on gastrointestinal stromal tumors (GIST), a tumor type notoriously known to be refractory to conventional therapy. In 2022, we will prepare for a Phase II study designed to deliver a clear and relatively fast efficacy signal based on a limited number of patients, confirming the promising exploratory Phase I trial in GIST concluded in 2020. This study demonstrated ilixadencel's safety in combination with different tyrosine kinase inhibitors (TKIs) and provided initial signs of clinical benefit in two out of six patients, showing tumor shrinkage after adding ilixadencel to TKI treatment despite previous tumor progression on the same TKI. More details of this next ilixadencel study in GIST will become available in 2022, as our preparations advance.

With a clear path forward for our clinical pipeline and a wealth of clinical data supporting our lead programs, we are confidently moving forward in 2022 and beyond. Our scientific strength has been exemplified by multiple publications and presentations at leading scientific conferences throughout 2021. Our in-house R&D expertise will continue to strengthen the basis of the company, by delivering data to support our clinical pipeline, the further optimization of our manufacturing processes and the exploration of novel therapeutic concepts. As we are moving into our new R&D facilities in Leiden, The Netherlands, we remain committed to our basis in Sweden and look forward to regularly updating our investors on our progress in addressing today's biggest challenges in cancer therapy. I wish to express my gratitude to our investor basis, the Immunicum team, the clinical centers and patients participating in our trials and all other stakeholders who continue to make this possible.

Meeting with shareholders in Gothenburg

Thank you,

Erik Manting, Ph.D.
Chief Executive Officer

Markets and Strategy

Overall Cancer Therapy Market

According to the International Agency for Research on Cancer (IARC), a specialized cancer agency of the World Health Organization, cancer is expected to surpass cardiovascular disease as the leading cause of premature death in most industrialized countries during this century. IARC's latest estimates show that the global cancer burden rose to 19.3 million new cases and 10.0 million cancer deaths in 2020. IARC also predicts that by 2040 cancer incidence will almost double, to 30.2 million new cases. [1]

Developing novel cancer therapies has been a significant growth driver for the pharmaceutical industry and is expected to continue to be a key driver for growth in this industry segment. According to a recent market research report by Market Data Forecast, the size of the global cancer therapy market is predicted to value USD 241.65 billion by 2026 from USD 155.34 billion in 2021, growing at a CAGR of 9.24% during the forecast period. [2]

AML and AML Maintenance Therapy

According to the National Cancer Institute, AML affects about 20,000 people per year in the United States and leads to more than 11,000 cancer deaths in the US alone. The five-year survival rate is estimated at about 30 percent overall, with survival rates dropping to about 10 percent for patients older than 65. Patients with AML frequently relapse, even after achieving complete remission with initial chemotherapy. [1] For several years, therapeutic options to support patients in cancer remission following a successful first line of treatment were very limited. In 2020, an oral version of azacitidine, a chemotherapy agent, was approved by the United States Food and Drug Administration specifically for AML maintenance therapy [3]. The approval in the European Union was announced in June 2021 [4]. The treatment, which is marketed under the brand name Onureg®, generated annual revenues of USD 73 million in 2021 [5]. It is expected that the need for additional therapeutic options in the AML maintenance market will further grow after this first approval of a maintenance-specific product.

Immunicum intends to provide a new therapeutic option for AML maintenance through the development of DCP-001 in this indication.

Ovarian Cancer Market

According to the Centers for Disease Control and Prevention (CDC), one of the major operating components of the US Department of Health and Human Services, ovarian cancer is the second most common gynecologic cancer in the United States. Ovarian cancer causes more deaths than any other cancer of the female reproductive system [1]. The American Cancer Society estimates that some 20,000 women will receive a new diagnosis of ovarian cancer the US alone, and some 13,000 women will die from ovarian cancer. [2] Similar to the situation described in AML, recurrent ovarian cancer is increasingly approached as a disease that requires sequential therapy with available and newly developed agents. Following initial debulking surgery and consolidation chemotherapy, patients who have achieved a complete clinical response may receive maintenance therapy. Available treatment options have shown to be less effective with each recurrence, further highlighting the need for maintenance therapies aimed at reducing recurrence and extending the progression-free survival.
In the past, maintenance therapy using chemotherapy regimens showed little improvement and carried significant toxicity. The more recent development of targeted molecular therapies such as PolyADP-ribose polymerase

(PARP) inhibitors has resulted in greater maintenance therapy options with less toxicity and greater therapeutic benefit but significant room for improvement remains. [3]

Immunicum is addressing the ovarian cancer market through the development of DCP-001 in this indication.

Gastrointestinal Stromal Tumors (GIST)

Current estimates by the American Cancer Society state that a total number of GIST cases diagnosed each year in the United States range from about 4,000 to about 6,000 [1]. Sarcomas, which including GIST, are a group of heterogenous tumors which comprise more than 100 subtypes. They are broadly considered immunologically inert or "cold" tumors resulting in the need for treatment options that can help overcome the immunosuppressive strategies of the tumor.

Besides surgery, several lines of treatment are available with targeted therapies in the form of tyrosine kinase inhibitors representing the dominant treatment class. The standard therapy for unresectable or metastatic GISTs is first-line imatinib, second-line sunitinib and third-line regorafenib. Clinical outcomes and benefit measured by overall response rate, progression-free and overall survival, have shown to drop significantly with each additional line of treatment highlight the need for safe and effective combination partners for the TKI drug class in this indication.

Immunicum is aiming to become active in the Gastrointestinal Stromal Tumor market through the development of ilixadencel in this indication.

Immunicum Pipeline Strategy

Immunicum is well positioned to serve significant oncology markets in both blood-borne tumors and solid tumors. The two therapeutic approaches the company is currently evaluating in clinical trials are:

- Addressing tumor recurrence through relapse vaccination
- Targeting hard-to-treat established tumors via intratumoral immune priming

Tumor Recurrence

Thanks to the continued development of cancer therapies, many patients are treated successfully, achieving a first complete remission of their cancer. However, in the majority of cancer indications such initial responses are followed by recurrence of the tumor due to residual disease. Tumor recurrence is the primary cause for cancer deaths today.

Hard-to-treat established tumors

Hard-to-treat tumors, which poorly respond to currently available therapies including immunotherapies, have often developed mechanisms to hide or protect themselves from the immune system. This area needs novel approaches to help overcome the defense mechanisms of the tumor, by breaking immune tolerance via the recruitment and activation of immune cells.

Clinical Development

Immunicum currently has two product candidates in the clinical development stage – DCP-001 and ilixadencel.

DCP-001 is the company's lead cancer relapse vaccine candidate. Relapse vaccination addresses the recurrence of the disease following a successful initial treatment. The goal is to boost the immune system following initial treatment, in order to control residual disease and reduce or delay relapse.

During 2021, clinical results were generated in the ADVANCE II trial. The initial compelling data from this multi-center Phase II study evaluating the relapse vaccination concept in AML patients were presented at the 2021 American Society of Hematology (ASH) Annual Meeting in Q4 2021. The data demonstrated the ability of DCP-001 to meaningfully reduce and in several instances fully convert detectable minimal residual disease (MRD), which is associated with a high risk of relapse and low overall survival (OS). The ADVANCE II data also showed intradermal injection of DCP-001 to be generally well tolerated, reinforcing the safety and promising efficacy data from the preceding Phase I trial.

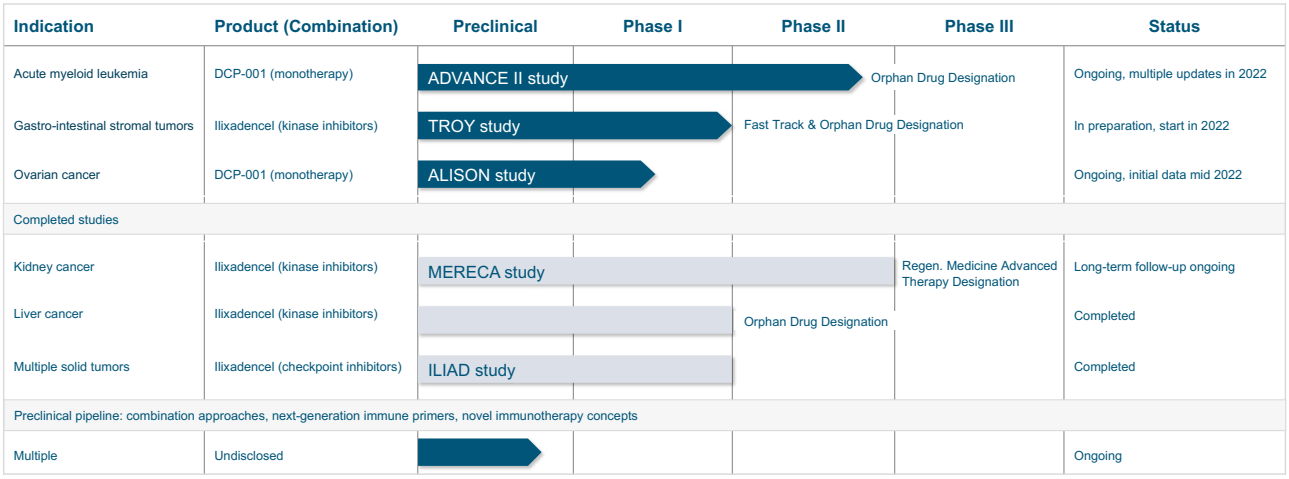
Additionally, Immunicum initiated and dosed the first patient in the ALISON clinical trial evaluating DCP-001 in High-Grade Serous Ovarian Cancer (HGSOC) patients following primary standard of care treatment. The ALISON study is carried out by Professor Hans Nijman, MD, PhD and his research group in Groningen, the Netherlands. This is the first study using Immunicum's cancer relapse vaccine approach to target a solid tumor indication and will evaluate the safety and feasibility of DCP-001 as a potential novel maintenance therapy in ovarian cancer.

Ilixadencel is the company's most advanced intratumoral immune primer candidate. The goal is to induce a local inflammatory reaction following administration of ilixadencel through intratumoral injection, leading to destruction of tumor cells via activated natural killer cells, combined with the recruitment of the patient's own dendritic cells leading to the triggering of tumor-specific T cells.

During 2021, Immunicum reported positive survival data from the randomized Phase II MERECA trial, studying ilixadencel in combination with the sunitinib in newly diagnosed metastatic renal cell carcinoma (mRCC) patients. The median OS was reported to be 35.6 months in patients treated with ilixadencel in combination with sunitinib, compared to 25.3 months in the sunitinib-only control group.

Immunicum also announced the successful completion and early closure of the Phase Ib ILIAD trial that confirmed

Clinical Pipeline Delivering Multiple Near-term Milestones



the safety profile and feasibility of ilixadencel in combination with the PD1 inhibitor pembrolizumab in multiple cancer indications.

Early-Stage Development

In addition to the clinical-stage pipeline, Immunicum continuous to explore new product opportunities based on its current technology platform, as well as novel therapeutic concepts. The company has established a broad network of collaboration partners to explore new treatment options and therapeutic concepts. The publicly disclosed alliances, which were either initiated in 2021 or were significantly updated during the course of the reporting year, include:

» A research collaboration with the University Medical Center Groningen for the ALISON study, a single-center, open-label Phase I study evaluating safety and efficacy of DCP-001 in High-Grade Serous Ovarian Cancer (HGSOC) patients. The alliance was extended in 2021 and received grant funding from Health~Holland to explore novel treatment options for ovarian cancer based on the combination of Immunicum's cell-based cancer vaccine platform with immune checkpoint inhibitors.

» A research collaboration with the laboratory of Nina Bhardwaj, M.D., Ph.D., Director of Immunotherapy and the Medical Director of the Vaccine and Cell Therapy Core Facility, The Tisch Cancer Institute, Icahn School of Medicine at Mount Sinai in New York City. As part of the of the collaboration, Immunicum and Icahn Mount Sinai will investigate the Company's proprietary allogeneic dendritic cell therapy candidates to gain further insight on their interactions with and activation of tumor specific T cells. The relationship was initiated in 2021.

» A research collaboration with PCI Biotech Holding ASA (OSE: PCIB), a cancer focused biopharmaceutical company with a unique intracellular delivery technology via Photochemical Internalization. The companies jointly research the possibility to overcome current hurdles in cancer immunotherapy by introducing tumor independent immune targets into the tumor microenvironment, in combination with vaccination or adoptive immunotherapies. The so-called Tumor Independent Antigen concept, which has been invented by Immunicum, could benefit from PCI Biotech's antigen delivery technologies based on Photochemical Internalization. The relationship was extended in 2021 following the encouraging results of the first set of in vitro experiments.

SOURCES:

(1) IARC Biennial Report 2020-2021: https://publications.iarc.fr/607
(2) Market Data Forecast, Global Cancer Therapy Market Size – Industry Forecast (2021 to 2026): https://www.marketdataforecast.com/market-reports/cancer-therapy-market
(1) https://www.cancer.org/cancer/acute-myeloid-leukemia/about/key-statistics.html
(2) https://news.weill.cornell.edu/news/2021/01/new-maintenance-treatment-for-acute-myeloid-leukemia-prolongs-the-lives-of-patients
(3) https://news.bms.com/news/corporate-financial/2020/U.S.-Food-and-Drug-Administration-Approves-Onureg-azacitidine-tablets-a-New-Oral-Therapy-as-Continued-Treatment-for-Adults-in-First-Remission-with-Acute-Myeloid-Leukemia/default.aspx
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(1 https://www.cdc.gov/cancer/ovarian/statistics/index.htm
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Technology background

Dendritic cells play a central role in adaptive immune responses. They train the immune system to recognize antigenic sequences produced by infections or tumor cells and provide for co-stimulation to facilitate the proliferation of T cells and other immune cells. Increasing evidence suggests that there are dynamic interactions between dendritic cells, involving cellular crosstalk and the exchange of cellular content.

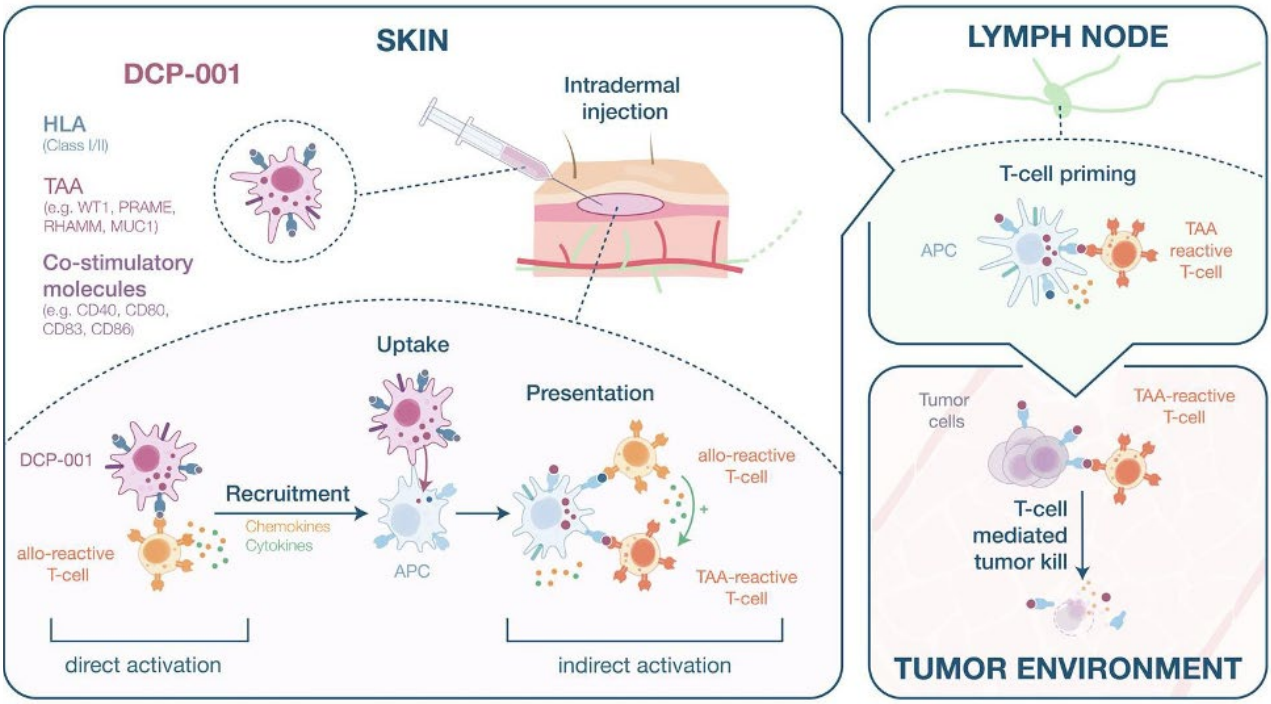
Allogeneic Dendritic Cell Biology

These mechanisms are crucial to the priming of anti-tumor responses and need to be considered when designing cancer immunotherapies based on dendritic cell biology[1,2,3,4]. These biological pathways also support the design of allogeneic cell-based therapies, which do not rely on patient material and allow for the development of highly immunogenic products with improved manufacturability. Immunicum has leveraged its expertise in allogeneic dendritic cell biology to design its lead therapeutic programs, ilixadencel and DCP-001. Each product relies on specific interactions with the patient's immune cells, including the patient's dendritic cells.

DCP-001

DCP-001 is a whole cell-based cancer vaccine derived from Immunicum's proprietary DCOne myeloid leukemic cell line. For DCP-001 manufacturing, the leukemic DCOne cells are cultured from a qualified working cell bank and are then reprogrammed towards a mature dendritic cell phenotype. This renders the cells highly immunogenic and provides for the basis for the vaccine. The resulting cells comprise a broad array of endogenous tumor antigens combined with a mature dendritic cell co-stimulatory profile. Upon intradermal injection of DCP-001, the product induces a local inflammatory reaction, leading to recruitment of antigen-presenting cells (APCs) in the skin, which phagocytose ("eat") the vaccine and become activated in the process. These activated APC subsequently migrate from the skin towards the draining lymph nodes, where they trigger a broad anti-tumor response. Immune responses against multiple tumor antigens have been observed following DCP-001 vaccination, including increased levels of tumor antigen-specific T cell activities. The proposed mode of action for DCP-001 is based on clinical observations and detailed preclinical research[5,6].

DCP-001 Mode of Action



Ilixadencel

Activated, allogeneic dendritic cells derived from healthy donor material represent the basis for ilixadencel. These cells, following the administration directly into the tumor, induce a local inflammatory reaction and lead to recruitment and activation of natural killer (NK) cells and recruitment of the patient's own dendritic cells into the tumor microenvironment. The activated NK cells are responsible for the killing of tumor cells and the recruited dendritic cells will encounter and engulf dying tumor cells and tumor cell debris, including tumor specific (neo-)antigens, that will act as an antigen source to activate tumor specific T cells. The proposed mode of action for ilixadencel has been demonstrated in preclinical studies and is supported by clinical observations[7,8].

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4. Ruhland et al., Cancer Cell 37 (2020)
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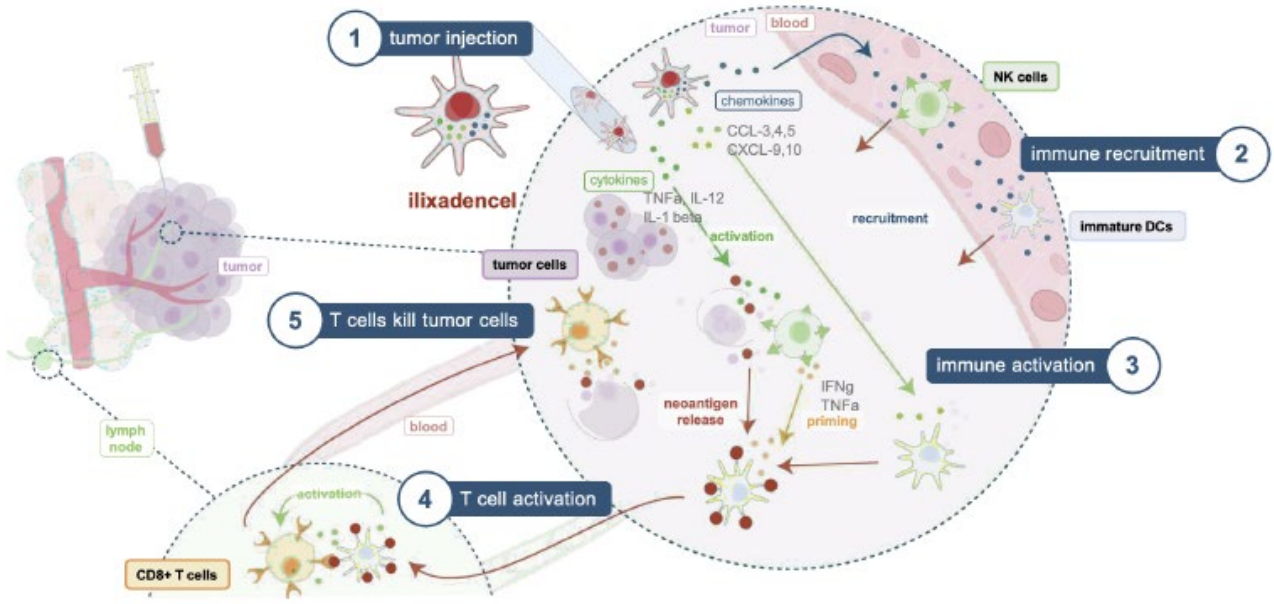
8. Laurell et al., J. Immunother. Canc. 5:52 (2017)

Ilixadencel Mode of Action



The figure above shows that ilixadencel produces recruiting and activating molecules in the tumor, which then recruit and activate natural killer (NK) cells for the release of tumor antigens and the patient's own dendritic cells (DCs) for the uptake of these tumor neoantigens. Thus, what Immunicum expects to accomplish by means of a standardized primer is to subsequently load the patients' own dendritic cells with their tumor-specific neoantigens in vivo, and in this way offer patients a more potent, individualized treatment. This is something that makes ilixadencel a unique cancer immune primer with a favorable positioning.

The Immunicum Share

Immunicum AB (publ) is a Swedish public limited liability company and is regulated by the Swedish Companies Act (2005:551). Immunicum's shares are issued in accordance with the Swedish Companies Act and are denominated in SEK. Shareholders' rights may only be changed in accordance with the procedures set out in the Companies Act.

Each share in the Company entitles the holder to one vote at general meetings. All shares carry equal rights to the Company's assets and profits. At general meetings, shareholders may vote for the total number of shares they own and represent, with no limitations on the voting rights. All shares in the Company are of the same class and are freely transferable. The share book is maintained by Euroclear Sweden AB.

The Immunicum share has been traded since April 22, 2013, on Nasdaq First North. As of January 15, 2018, the share is traded on Nasdaq Stockholm Small Cap list under the ticker IMMU.

Share Performance

In 2021, the Immunicum share price decreased by 42.1 percent. In comparison, the OMX Stockholm Small Cap PI increased by 69.7 percent in the same period. The highest closing price in 2021 was SEK 8.2 and the lowest price was SEK 3.23. Immunicum market capitalization totaled SEK 854 million at the end of 2021.

Liquidity

The average trading volume per trading day was SEK 3.7 million (compared to 6.2 million in 2020). In total, 115 million shares (compared to 136 million in 2020) in Immunicum were traded in 2021, corresponding to a value of approximately SEK 570 million (2020: 1,278).

Analyst Coverage

During 2021, one sell-side analyst initiated coverage bringing the total number of analysts covering the stock to 3. The analyst covering the stock at Year-End 2021 were: Jonas Peciulis, Edison Investment Research; Christian Binder, Redeye AB; and Ingrid Gafanhao, Kempen (new in 2021).

Share Capital

The number of shares and votes in Immunicum changed in 2021 as a result of 33,233,433 new shares being issued in the directed issue carried out by the company on 17 June 2021.

The directed issue has resulted in an increase in the number of shares in Immunicum by 33,233,433 shares, from 166,167,166 shares to 199,400,599 shares and an increase in the share capital by SEK 1,661,671.65, from SEK 8,308,358.30 to SEK 9,970,029.95.

The number of shares and votes in the Company as of December 31, 2021 amounted to 199,400,599 compared to a total of 166,167,166 shares and 166,167,166 votes at Year-End 2020.

The quotient value per share is SEK 0.05.

Share capital development

Year	Event	Change in no. of shares	Total no. of shares	Change in share capital (SEK)	Total share capital (SEK)	Quota value (approx. SEK)
2010	New share issue	1,326	6,629	33,150,00	165,725	25,00
2012	New share issue	600	7,229	15,000,00	180,725	25,00
2012	Split 1,000:1	7,221,771	7,229,000	–	180,725	0,025
2012	Bonus issue	12,771,000	20,000,000	319,275,00	500 000	0,025
2013	Reverse split 2:1	-10,000,000	10,000,000	–	500,000	0,05
2013	New share issue	2,675,000	12,675,000	133,750,00	633,750	0,05
2013	New share issue	1,100,000	13,775,000	55,000,00	688,750	0,05
2014	New share issue	3,500,00	17,275,000	175,000,00	863,750	0,05
2014	New share issue	2,755,000	20,030,000	137,750,00	1,001,500	0,05
2016	New share issue	130,000	20,160,000	6,500,00	1,008,000	0,05
2016	New share issue	5,798,541	25,958,541	289,927,05	1,297,297,05	0,05
2017	New share issue	24,999,990	50,958,531	1,249,999,50	2,547,926,55	0,05
2018	New share issue	41,299,000	92,257,531	2,064,950,00	4,612 876,55	0,05
2020	New share issue	73,909,635	166,167,166	3,695,481,75	8,308,358,30	0,05
2021	New share issue	33,233,433	199,400,599	1,661,671,65	9,970,029,95	0,05

Shareholder Structure

At year-end 2021, Management and Supervisory Board of Immunicum held 1.94 percent of total Immunicum shares (up from 1.10 percent at Year-End 2020). The single largest shareholder was Adrianus Van Herk with 86,465,754 total shares at Year-End 2021 corresponding to 43.4% of total shares. Immunicum's ten largest shareholders owned 65.2 percent of the capital and votes (compared to 62.4 percent in the previous period).

With regards to the geographic split, shareholding in Sweden totaled 51.9 percent (compared to 51.6% at the end of fiscal year 2020) of total capital and 41.1 (2020: 48.4) percent foreign ownership.

Proposed Dividend

Immunicum currently has no pharmaceutical products being sold in the market, which means that the Company does not generate substantial revenues and is reporting negative earnings. For the 2022 Annual General Meeting, the Board of Directors has proposed that no dividend be paid out for the 2021 financial year.

Incentive Program

The purpose of share-based incentive programs is to promote the Company's long-term interests by motivating and rewarding the Company's senior management and other employees in line with the interest of the shareholders. There are currently two outstanding incentive programs in the Company. In accordance with a decision by the Annual General Meeting in April 2019, a share-based incentive program; "LTI 2019/2022" was introduced. For further information about this program, see the minutes of the Annual General Meeting 2019 published on the Company's website, www.immunicum.com.

In conjunction with that a couple of key employees left their employment, Immunicum has exercised its right to repurchase 538,168 subscription options from the employees that left the Company. Of those 538,168 options, 368,812 options have been cancelled and 169,356 options have been acquired by an employee according to decisions approved at the Annual General Meeting in April 2020.

Full utilization of granted options corresponding to 1,809,277 shares will result in a dilution for shareholders of 0.9 percent. Each warrant entitles the holder to subscribe for one (1) share in the Company during the period commencing on May 28, 2022 up to and including July 28, 2022.

In accordance with a decision by the Annual General Meeting in May 2021, a share-based incentive program; "LTI 2021/2024" was introduced. For further information about this program, see the minutes of the Annual General Meeting 2021 published on the Company's website, www.immunicum.com.

In total 1,286,092 options and 640,000 restricted shares have been granted, which corresponds to a dilution of 0,97% if fully utilized.

Largest Shareholders (as of 2021-12-31)

Source: Modular Finance AB.

Owners	Shares	Capital Votes
Adrianus Van Herk	86,465,754	43,36%
Fourth Swedish National Pension Fund	19,575,980	9,82%
Avanza Pension	7,995,690	4,01%
Nordnet Pension	6,074,857	3,05%
Holger Blomstrand Byggnads AB	2,975,386	1,49%
Martin Lindström	2,590,000	1,30%
Dharminder Chahal	1,323,073	0,66%
Erik Manting	1,144,474	0,57%
Swedbank Insurance	972,884	0,49%
Elivågor AB	875,000	0,44%
Handelsbanken Funds	843,728	0,42%
Ivar Nordqvist	830,256	0,42%
SEB Funds	732,449	0,37%
FCG Funds	681,048	0,34%
Alex Karlsson-Parra	621,736	0,31%
Hans Edvin Ståhlgren	600,000	0,30%
SEB Trygg Liv	587,457	0,29%
Bengt Andersson	571,319	0,29%
Futur Pension	563,815	0,28%
Mats Dahlgren	550,000	0,28%
Other	62,825 693	31,51%
Total	**199,400,599**	**100.00%**

The Board of Directors

CHRISTINE LIND
Chairman since 2021

MBA in Finance and Management from Columbia Business School, born 1974.

Shares: 80,000*

Experience: Christine Lind is an American citizen, born in 1974. Christine Lind holds a bachelor's degree in finance and information system from New York University, Stern School of Business, and an MBA-degree in finance and management from Columbia Business School. Christine Lind has extensive experience from management roles in the global biotech industry (e.g. Vice President Business Development at LifeCell Corporation and Executive Vice President Business Development and subsequently CEO of Medivir AB) and as a strategic and financial advisor to biotech and pharmaceutical companies (at Merrill Lynch & Co). Christine Lind is currently a board member of Xspray Pharma AB, CEO and chairman of the board of directors of Lind Growth Strategy AB and Vice President, Commercial of NDA Group AB.

Ongoing engagements: Board member of Xspray Pharma AB, CEO and chairman of the board of directors of Lind Growth Strategy AB and Vice President, Commercial of NDA Group AB

Independency: Christine Lind is independent in relation to the company, its senior executives and major shareholders.

SVEN ANDREASSON
Board member since 2020

MSc from Stockholm School of Economics and Business Administration. born 1952.

Shares: 25,000*

Experience: Sven Andreasson is a Swedish citizen, born in 1952 and resides in Washington DC, US. Sven holds a degree in business administration from Stockholm School of Economics and MBA-educations from IMEDE Lausanne, INSEAD Fontainebleau and Ashridge London. Sven Andreasson has broad experience from biotech and pharmaceutical companies. He was CEO of Active Biotech AB 1999-2008, Beta-Cell NV in Belgium 2008-2012 and Isconova AB 2012-2013 where he initiated and completed a sale of the company in 2013 to the American company Novavax. Sven has also held several senior management positions within Pharmacia in Sweden, Germany, Belgium and France. Previous experience from board assignments includes e.g., TiGenix NV, Belgium, Immunicum AB and Cantargia AB as well as Chairman of Erytech SA, France.

Ongoing engagements: Sven is currently working as Senior Vice President of Novavax with responsibility for business development. Board member of Cellastra Inc., US and Erytech SA, France.

Independency: Sven Andreasson is independent in relation to the company, its senior executives and major shareholders.

ANDREA VAN ELSAS
Board member since 2021

Ph.D. in Immunology and Oncology and an M.S. in Molecular and Cell Biology, born 1966.

Shares: 0

Experience: He has previously served as Chief Scientific Officer at Aduro Biotech, following the acquisition of BioNovion, a company he co-founded in 2011, and held various positions at Organon (acquired by Schering-Plough and later by Merck) in The Netherlands and Cambridge, Massachusetts, US. While working for Organon and Schering-Plough, he directed the immuno-oncology portfolio and led the anti-PD1 program that later became known as pembrolizumab. As a postdoctoral researcher, he worked in the lab of 2018 Nobel Laureate Jim Allison at the University of California, Berkeley and is a co-inventor on the original anti-CTLA-4 patents that formed the basis for the development of ipilimumab, the first checkpoint inhibitor approved in 2011 by the FDA for the treatment of melanoma.

Ongoing assignments: Venture partner with Third Rock Ventures and serves on the Scientific Advisory boards of Lava Therapeutics (chair) and InteRNA Technologies.

Independency: Andrea van Elsas is independent in relation to the company, its senior executives, and major shareholders.

* Number of shares as of December 31, 2021.

DHARMINDER CHAHAL

Board member since 2021

MBA in Finance and Management from Columbia Business School, born 1976

Shares: 1,323,073*

Experience: CEO and co-founder of SkylineDx, The Netherlands, developing diagnostic tests in oncology. He is also owner and managing director of Exponential BV in which capacity he acts as consultant to Van Herk Investments. Previously he has held various positions in investment banking and asset management including at Kempen & Co and Robeco.

Ongoing assignments: Board member of BioInvent, Ceradis, Medis Medical Imaging, Sensara and Vitalnext as well as advisory board member of BioGeneration Ventures II, Thuja Capital Fund I and Gilde Healthcare Funds II and III.

Independency: Dharminder Chahal is independent in relation to the company and its senior executives, and dependent in relation to the major shareholders.

HANS PREUSTING

Board member since 2021

Ph.D. in Biochemistry and a M.B.A. from the Rotterdam School of Management, born 1962.

Shares: 50,000*

Experience: Hans Preusting has previously served as the Chief Business Officer and interim COO of uniQure. Prior to that he was the VP of Process Development and Manufacturing at AMT, the predecessor of uniQure. Hans now works as an independent consultant for several biotech companies and is co-founder of two biotech start-up companies. He holds two patents and has published over 20 scientific articles. His expertise is focused on business development, product development and manufacturing. He earned a Ph.D. in biochemistry from the University of Groningen, the Netherlands and an M.B.A. from the Rotterdam School of Management, the Netherlands.

Ongoing engagements: Dr. Preusting is currently CEO of Synerkine Pharma B.V. and CDO of DegenRx B.V.

Independency: Hans Preusting is independent in relation to the company, its senior executives, and major shareholders.

HELÉN TUVESSON

Board member since 2020

MSc, PhD, Lund University, born 1962.

Shares: 16,000*

Experience: Helén Tuvesson is a Swedish citizen, born in 1962 and holds a doctor's degree in cellular and molecular biology in medical science at Lund University. She has more than 25 years of experience from the pharmaceutical industry in various positions within Pharmacia and Active Biotech, including as Chief Scientific Officer at Active Biotech for 6 years. In this role she was responsible for the operational research activities and the company's project portfolio in late stage clinical development in neurodegenerative diseases and cancer indications. Since 2017, Helén is the CEO of Active Biotech AB.

Ongoing engagement: CEO, Active Biotech AB

Independency: Helén Tuvesson is independent in relation to the company, its senior executives and major shareholders.

* Number of shares as of December 31, 2021.

The Executive Management Team

ERIK MANTING
Chief Executive Officer

Ph.D. in Molecular Microbiology and M.Sc. in Medical Biology

Shares: 1,144,474*

Experience: Erik Manting holds a MSc in Medical Biology and a PhD in Molecular Microbiology. He worked for a number of years as a post-doctoral researcher in the field of immunology before making a career switch to banking in 2001. He spent the next 15 years in different commercial and management roles and his last five years in banking as Executive Director Corporate Finance at Kempen & Co, an investment bank with a focus on Life Sciences & Healthcare. He was CEO of DCprime until the combination with Immunicum in December 2020 and became Immunicum's CEO in March 2021.

Ongoing engagements: Supervisory board member Synerkine Pharma BV, Independent Director Transcode Therapeutics Inc.

LOTTA FERM
Chief Financial Officer

Degree in Business Administration and Economics from Högskolan Kristianstad and Växjö University.

Shares: 200,000*

Experience: Nearly 30 years of finance and controlling experience from a range of corporations including most recently Doktor24 Healthcare AB and Medivir AB in the healthcare and life science sectors. She has held CFO, Head of Finance and Head of Controlling positions consistently over the last decade and led the corporate finance and accounting functions for multiple transitions for dynamic and innovative companies.

Ongoing engagements: –

ALEX KARLSSON-PARRA
Chief Scientific Officer

M.D., Ph.D. Adjunct Professor in Clinical Immunology, Uppsala University, Sweden

Shares: 621,736* (private and through related persons' holdings), 184,000 (warrants)

Experience: Alex Karlsson-Parra, MD, PhD has over 20 years of experience within transplantation immunology. In addition to his position as Co-Founder and CSO at Immunicum, he also serves as Associate Professor in Clinical Immunology at Uppsala University, Uppsala, Sweden, with special expertise in transplantation immunology and cancer immunotherapy and is former chairman of the Swedish Expert Group for Clinical immunology. Dr. Karlsson-Parra was awarded the Athena Prize, the Swedish healthcare´s most prestigious award for clinical research, in 2014. Prior to his current positions, he served as Associate Professor and Senior Physician at the Department of Clinical Immunology at Sahlgrenska University Hospital, Gothenburg, Sweden and Uppsala University Hospital, Sweden.

Ongoing engagements: –

JEROEN ROVERS
Chief Medical Officer

M.D., Ph.D., Dr. Rovers has a medical degree from Leiden University and a Ph.D. in Surgical Oncology

Shares: 534,000

Experience: Jeroen Rovers trained as a pharmaceutical physician at the European Center of Pharmaceutical Medicine in Basel. In the past 20 years he worked in different academic institutes and companies, such as Wyeth and Organon and most recently at Kiadis Pharma where he held the role as Chief Medical Officer. Most of the products he worked on are related to oncology, haematology and transplantation. Dr. Rovers joined DCprime as Chief Medical Officer at the end of 2018 and has been serving as Managing Director for DCprime following the business combination with Immunicum in December of last year.

Ongoing engagements: –

* Number of shares as of December 31, 2021.

FINANCIAL INFORMATION

Board of Directors' Report

The Board of Directors and the Chief Executive Officer of Immunicum Aktiebolag (publ) (556629-1786) hereby submit the Consolidated- and Annual Report for January 1, 2021 – December 31, 2021, fiscal year.

Immunicum AB was founded in 2002 as a spin-off from the Sahlgrenska University Hospital in Gothenburg. In December 2020, Immunicum acquired 100% of the shares in DCprime BV, Dutch privately owned company. The Company's share is listed on Nasdaq Stockholm. The Company is a public limited liability company registered in Sweden, with its registered office in Stockholm The Company has its laboratories and additional facilities in Leiden, The Netherlands. The address of the head office is Västra Trädgårdsgatan 15, 11153 Stockholm, Sweden.

Immunicum's Activities

Immunicum is a clinical-stage biopharmaceutical company focused on the development of immunotherapies addressing tumor recurrence and hard-to-treat established tumors, based on the Company's expertise in allogeneic dendritic cell biology.

In the first quarter of 2021, Immunicum completed the merger with DCPrime BV including the appointment of the executive leadership team and integrating both companies' activities. In 2021, Immunicum was engaged in multiple clinical development activities. The company reported data from the ongoing ADVANCE II Phase II study with its lead program DCP-001 in acute myeloid leukemia (AML) at the 2021 American Society for Hematology Conference. It also reported the safety and feasibility of its second lead program ilixadencel in combination with the immune checkpoint inhibitor pembrolizumab from the ILIAD Phase Ib study. Finally, in 2021 Immunicum initiated a Phase I study in ovarian carcinoma.

Next to the clinical activities, Immunicum engages in preclinical research activities, aimed at advancing the Company's understanding of dendritic cell biology and further optimization of its manufacturing processes.

Management Changes

As a result of the integration process with DCprime, a number of management changes were implemented through the 2021 fiscal year.

On February 1, 2021, Lotta Ferm was appointed as interim Chief Financial Officer (CFO) succeeding Peter Hein, who left the company at the end of February. Lotta Ferm was subsequently appointed as permanent CFO on October 26, 2021.

On March 1, 2021, Jeroen Rovers, M.D., Ph.D., was appointed to the position of Chief Medical Officer (CMO) succeeding Peter Suenaert, M.D., Ph.D., who transitioned into the role of a as clinical advisor.

On March 16, 2021, Immunicum presented an updated executive management team. In connection with this update, Erik Manting, Ph.D., was appointed as new Chief Executive Officer (CEO), replacing Sven Rohmann, M.D., Ph.D.

Changes to the Board Composition

On 21 January 2021, Immunicum AB announced that Michael Oredsson had decided to resign his position as Chairman and Member of Immunicum's Board of Directors, effective as of the Extraordinary General Meeting that was held on January 22, 2021.

At the Extraordinary General Meeting on 22 January 2021, the shareholder resolved to elect Dharminder Chahal and Andrea van Elsas as new board members. Sven Andreasson, Charlotte Edenius, Steven Glazer, and Helén Tuvesson were confirmed as Members of the Board of Directors for the period until the 2021 Annual General Meeting. Christine Lind was confirmed as new Chairman of Immunicum's Board of Directors.

At the 2021 Annual General Meeting on 4 May 2021 the AGM re-elected the board members Sven Andreasson, Dharminder Chahal, Andrea van Elsas, and Helén Tuvesson. Hans Preusting was elected as new board member while Charlotte Edenius and Steven Glazer had requested to not be re-elected. Christine Lind was re-elected as Chairman of the Board of Directors.

Changes to the Scientific Advisory Board

In September 2021, Immunicum announced the appointment of Prof. Em. Dr. Ada M. Kruisbeek, Prof. Dr. Sjoerd H. van der Burg and Prof. Dr. Tanja D. de Gruijl to its Scientific Advisory Board (SAB). They were previously members of the SAB of DCprime and joined the existing Immunicum SAB members Prof. Dr. Inge Marie Svane (M.D.) and Prof. Dr. Pawel Kalinski (M.D.). Dr. Kruisbeek serves as chair of the SAB.

FINANCIAL INFORMATION – THE GROUP

Reverse acquisition

The acquisition of DCPrime BV is reported as a reverse acquisition. This means that Immunicum is the legal parent company but is treated for accounting purposes as the acquired company. DCPrime BV is the legal subsidiary but is treated for accounting purposes as the acquirer. The consolidated financial statements thus only consist of DCPrime BV until the time of acquisition, December 21, 2020. The comparative figures for 2020 thus refer to DCPrime BV's results for the financial year and Immunicum AB's results for those last 10 days 2020.

Revenue

No revenue was reported for 2021 - (-). Other operating income amounts to 31 (-) for the full year and consisted of currency exchange rate gains on supplier invoices.

Operating expenses

Operating total costs for 2021 amounted to 130,131 (86,027) KSEK for the full year. The costs are mainly attributable to research and development costs related to the DCOne® technology platform and the product candidates DCP-001 and to ilixadencel. The higher costs for the full year, compared with the previous year, are related to accounting principles regarding the reverse acquisition. *

Research and development costs

Costs for research and development amounted to 85,796 (47,883) KSEK for the full year 2021. The costs are mainly explained by preclinical research, process development, product manufacturing, and the clinical studies ILIAD, ADVANCE II and ALISON. *

Administrative costs

Administrative expenses amounted to 43,490 (38,080) KSEK for the full year 2021. *

Results

Operating profit amounted to -130,100 (-86,207) for the full year 2021. Earnings per share before and after dilution amounted to SEK -0.73 (-1.17) for the full year.

Tax

No tax was reported for the full year - (-).

Cash flow, investments and financial position

Cash flow from operating activities amounted to -138,033 (-56,626) KSEK for the full year. The negative cash flow is according to the development plan and is explained by the group research and development activities for the DCOne® technology platform and the product candidates DCP-001 and ilixadencel. The increased negative cash flow in 2021 compared to 2020, are related to accounting principles concerning the reverse acquisition. *

In 2021, cash flow from investing activities amounted to KSEK -1,361 (157,298) for the full year. The positive cash flow during the previous year, is attributable to the reverse acquisition of Immunicum.

Cash flow from financing activities amounted to 127,029 (50,904) for the full year. The capital comes from a new share issue that was carried out during Q2. The company's cash and cash equivalents as of December 31, 2021 amounted to 155 313 (167 743) KSEK.

Total equity as of December 31, 2021 was 656 742 (661 094) KSEK, which corresponds to SEK 3.29 (3.98) per share. The Group's equity / assets ratio at the end of the year was 91% (91%).

Financial summary – The Group*

Amounts in KSEK	2021	2020
Net sales		
Operating profit/loss	-130,100	-86,027
Profit/loss before tax	-133,410	-89,248
Profit/loss for the period	**-133,410**	**-89,248**
Earnings per share before and after dilution (SEK)	-0,73	-1,17
Cash flow from operating activities	138,033	-56,526
Shareholders' equity	656,742	661,094
Cash and cash equivalents end of period	**155,313**	**167,643**

* On December 21, 2020, Immunicum AB acquired DCPrime BV. The transaction resulted in the owners of the acquired company (DCPrime) having deemed control of the acquiring company (Immunicum). The acquisition is therefore accounted for as a reverse acquisition. The consolidated financial statements, for prior period, thus only consist of DCPrime BV until the time of acquisition, December 21, 2020. This means that the result for full year 2020 refers to DCPrime BV's result for the entire financial year and Immunicum AB's result for the last 10 days of 2020. The result for 2021 refers to the consolidated group.

FINANCIAL INFORMATION – PARENT COMPANY

Income

No turnover was reported in 2021 - (-). Other operating income amounted to SEK 4,318 (2,444) for the full year and resulted consisted mainly of invoicing a management fee to DCprime BV. Last year's revenue consisted mainly of exchange rate gains on supplier invoices.

Operating expenses

Total operating expenses in 2021 amounted to 73,911 (109,605) KSEK. The company's main costs are attributable to clinical studies and development of products for the clinical studies and process development of the company's product ilixadencel. The lower costs during the full year compared with the previous year is mainly due to lower CMC / manufacturing costs

Research and development costs

Costs for research and development amounted to 38,953 (79,191) KSEK for the full year. The costs are mainly related to the development costs within CMC for the process development activities carried out to strengthen the manufacturing process of ilixadencel as well as costs for the ongoing clinical and preclinical studies. The lower costs full year compared to the previous year, are mainly attributable to lower CMC costs.

Administration costs

Administrative expenses for 2021 amounted to 34,157 (27) 726) for the full year. Administration costs include including the finance department, costs for executive management and business development. The higher costs during the full year compared to the previous year is mainly caused by invoicing of management fee from DCPrime BV.

Results

Operating profit for 2021 amounted to -69,593 (-106,621) KSEK. Profit for the year amounted to KSEK -69,347 (-106,308). Earnings per share before and after dilution amounted to -0.39 (-1.13) SEK for the full year. .

Tax

No tax expense was reported for 2021 - (-).

Cash flow, investments and financial position

Cash flow from operating activities amounted to -70,018 (-120,690) KSEK for the full year. The continued negative cash flow is according to the development plan and is explained by the company's clinical activities and work with process development for the manufacturing of ilixadencel. In 2021, cash flow from investing activities amounted to -71,811 (-16 597) KSEK for the full year, which is attributable to shareholder contributions to DCPrime BV. Cash flow from financing activities amounts to SEK 128,951 (-2,063) for the full year and are related to a new share issue during the second quarter.

The company's cash and cash equivalents as of December 31, 2021 amounted to 145 156 (157 762) KSEK.

Total equity as of December 31, 2021 amounted to 786,177 (726,123) KSEK, which corresponds to SEK 3.94 (4.37) per share. The company's equity / assets ratio at the end of the year was 98% (98%).

Financial overview - Parent Company Immunicum AB*

Amounts in KSEK	2021	2020	2019	2018	2017
Net sales	–	–	–	–	–
Operating profit/loss	69,593	-106,621	-132,32	-97,846	-80,700
Profit/loss before tax	69,347	-106,308	-134,016	-97,860	-80,338
Profit/loss for the period	**69,347**	**-106,308**	**-134,016**	**-97,860**	**-80,338**
Earnings per share before and after dilution (SEK)	–	-1,13	-1,46	-1,9	-3,1
Cash flow from operating activities	-70,018	-120,690	-145,80	-104,670	-46,447
Shareholders' equity	786,177	726,123	272,781	406,041	189,556
Cash and cash equivalents end of period	**145,156**	**157,762**	**296,811**	**443,798**	**128,883**

* On December 21, 2020, Immunicum AB acquired DCPrime BV. The transaction resulted in the owners of the acquired company (DCPrime) having deemed control of the acquiring company (Immunicum). The acquisition is therefore accounted for as a reverse acquisition. The consolidated financial statements, for prior period, thus only consist of DCPrime BV until the time of acquisition, December 21, 2020. This means that the result for full year 2020 refers to DCPrime BV's result for the entire financial year and Immunicum AB's result for the last 10 days of 2020. The result for 2021 refers to the consolidated group.

Significant events during the financial year

- Christine Lind was appointed acting chairman and Dharminder Chahal and Andrea van Elsas were elected as new members of Immunicum's board.
- Immunicum was awarded the Orphan Drug Designation for ilixadencel as a treatment for soft tissue sarcoma, including gastrointestinal stromal cell tumors (GIST), from the FDA and as a treatment for GIST from EMA.
- Immunicum signed a long-term lease to be able to move its internal research and process development activities to a new facility in Leiden, the Netherlands in 2022.
- New management team was established with Erik Manting as Chief Executive Officer, Alex Karlsson-Parra as Chief Scientific Officer, Jeroen Rovers as Chief Medical Officer and Lotta Ferm as Acting Chief Financial Officer.
- Immunicum announced encouraging signs of survival benefit in the MERECA Phase II study of ilixadencel in renal cancer. Median survival, as one of two primary endpoint, was 35.6 months for the ilixadencel treatment group compared to 25.3 months for sunitinib (control group).
- At Immunicum's Annual General Meeting on May 4, Hans Preusting was elected to become board member with re-election of all former board members in addition to Charlotte Erdenius and Steven Glazer, both of whom have resigned from the board. Christine Lind was re-elected Chairman of the Board.
- Immunicum successfully completed a capital raising of approximately SEK 141.2 million through a directed share issue.
- Immunicum received Advanced Therapy Medicinal Product classification from EMA for its relapse vaccine candidate DCP-001.
- Immunicum presented immunomonitoring data from the international Phase II ADVANCE II study, which evaluates DCP-001 in acute myeloid leukemia (AML), at the European Hematology Association (EHA) conference.
- Immunicum announced recruitment of first patient in Phase I ALISON study evaluating DCP-001 in ovarian cancer.
- A research collaboration was initiated with the research group led by Prof. Nina Bhardwaj, MD PhD, at Icahn School of Medicine at Mount Sinai in New York City.
- Immunicum presented data at the Association of Cancer Immunotherapy (CIMT) and the EHA conferences, which support the mode of action of its leading programs and provides preclinical validation for potential new combination therapies.
- Immunicum broadened the base for its American patents covering the DCOne platform and received a new one U.S. patent issued covering new therapies based on the combination of vaccination and intratumoral immunoactivation.
- Immunicum announced the appointment of Ada M. Kruisbeek, PhD, Sjoerd H. van der Burg, PhD, and Tanja D. de Gruijl, PhD, to its Scientific Advisory Board (SAB). Dr Kruisbeek acts as chairman of the SAB.
- Immunicum announced a new research collaboration with University Medical Center Groningen (UMCG), to explore new treatment options for ovarian cancer based on the combination of Immunicum's cell-based cancer vaccine platform with checkpoint inhibitors (CPI). The project has received a grant from Health ~ Holland, Top Sector Life Sciences & Health (LSH).
- Immunicum appointed Lotta Ferm Chief Financial Officer.
- Immunicum presented Phase II data at ASH 2021, which shows reduced minimal residual disease (MRD) and improved survival with DCP-001 treatment in AML patients
- Immunicum completed the Phase Ib part and confirmed the early termination of the ILIAD study.
- Immunicum published the mechanism of action for DCP-001 in the journal CELLS and presented data at the annual meeting of The Society for Immunotherapy of Cancer (SITC).
- Immunicum and PCI Biotech expanded their research collaboration to explore new cancer vaccination treatments.

Covid-19 pandemic

Operational effects related to the covid-19 pandemic.
The Covid-19 pandemic is evolving rapidly and will have a significant impact on the global healthcare system. Many hospitals, regions and countries update theirs guidelines and Immunicum follows developments closely to take the necessary measures. Immunicum has also taken necessary measures to ensure safety and the well-being of the company's employees. At the time of writing there have been no significant delays in the Company's operations and the Company's facilities have continued to work.

The Covid-19 pandemic can be further extended and have a long-term impact on the company's operations and financial results.

Immunicum is a research and development company without historical earning capacity

Immunicum has not yet, either independently or via partners, launched any cancer immune primers or any other drug on the market. Therefore, the Company has not engaged in the sale of any pharmaceutical products, nor has it generated any revenue. If the present product candidates' introduction on the market is delayed, are made more expensive, or never occur, it could have a significant negative impact on the Company's business operations, financial results and financial position.

Risks related to possible future income

Immunicum's future earnings will, inter alia, be dependent on the Company being able to enter into agreements for the licensing of the Company's product candidates and/or technology platforms. If Immunicum fails to enter into agreements for the licensing of products, sales of intellectual property rights or similar transactions on terms and conditions that are favorable to the Company, if such agreements lead to delays and/or increase costs, or if payments to be made pursuant to such agreements are delayed or are not received at all, this could have a significant negative impact on the Company's business operations, financial results and financial position.

Additional financing needs

It may take a long time for the Company's pharmaceutical products to be sold commercially and generate regular cash flow from the Company's operations. The Company's planned clinical studies entail significant costs and there is a risk that the Company's development of product candidates can be more time- and resource-demanding than planned. Immunicum will therefore continue in the future to have a need to raise additional capital in order to carry out further research and development. There is a risk that new capital cannot be obtained when the need arises, that it cannot be acquired on preferential terms, or that it cannot be acquired at all. If Immunicum cannot obtain financing, the Company may be forced to seriously restrict its research and development activities or in the worst case, suspend its operations, which could have a significant negative impact on the Company's business operations, financial results and financial position.

Dependence on key people and qualified personnel

Immunicum's activities are highly dependent on a number of key individuals, some of whom hold senior positions and are shareholders in the Company. If Immunicum cannot recruit and retain key persons and other qualified personnel to the extent and under the terms and conditions that are required, it could have a significant negative impact on the Company's operations, financial results and financial position

Research and Development

The preclinical development and clinical studies that the Company pursues are based on ilixadencel and the DCone® technology platform. Neither ilixadencel nor any product based on this technology platform has yet to be approved for release on the market. Before a medicinal product can be put on the market, the safety and efficacy concerning the treatment of humans must be assured for each individual indication, which is proven by preclinical investigations carried out with animals and with clinical trials in humans. Unforeseen trial results or the late or non-recruitment of patients may delay or prevent the market launch of product candidates, should government agencies or other decision-makers decide that the Company's product candidates do not meet the established criteria. If Immunicum cannot prove to a sufficient extent via clinical studies that a product candidate is safe and effective, and thus enabling it to be commercialized, that could have a significant negative impact on the Company's business operations, financial results and financial position.

Intellectual property rights, know-how and confidentiality

Immunicum's future success will largely depend on its ability to obtain and maintain the protection of intellectual property rights, mainly patent protection, in the USA, EU, Asia and other countries, for the intellectual property rights relating to the Company's product candidates. There is a risk that the Company will not be able to maintain its intellectual property rights or that these will not provide adequate commercial protection, which would have a significant negative impact on the Company's business operations, financial results and financial position.

Competition

Immunicum operates in a competitive industry, and many companies, universities and research institutions are engaged in research and development of pharmaceutical products, including those who can, or may in the future, compete with the Company's product candidates. If the Company is not able to effectively compete in the market, it could have a significant negative impact on the Company's business operations, financial results and financial position.

Changes in the pharmaceutical industry can make the company's products obsolete

The pharmaceutical industry is characterized by rapid changes in legislation, authorization requirements, technology, new technological advances and an ongoing improvement of industrial know-how. There is a risk that such conditions could increase the Company's costs, impede the development of the company's product candidates or cause the Company's existing or future planned products to lose their commercial value, which would have a significant negative impact on the Company's business operations, financial results and financial position.

The recommendation of the Board of Directors for the appropriation of the Company's profits/losses

Amount in SEK

The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:

Share premium reserve	1,415,072,645
Retained earnings	-463,660,434
Net profit/loss for the year	-69,348,059
Warrants	450,280
Total	**882,514,432**

The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:

To be carried forward	882,514,432
Total	**882,514,432**

FINANCIAL REPORTS

The Group

Consolidated income statement

Amounts in KSEK	Notes	2021	2020
Other operating income	7	31	–
		31	–
OPERATING EXPENCES			
Administration expenses	8, 9, 10, 11	-43,490	-38,080
Research and development expenses	8, 9, 10, 11	-85,796	-47,883
Other operating expenses	12	-845	-65
Operating profit/loss		**-130,100**	**-86,027**
RESULT FROM FINANCIAL ITEMS			
Financial income		–	–
Financial costs	13	-3,310	-3,220
Profit/loss after financial items		**-133,410**	**-89,248**
TOTAL PROFIT/LOSS BEFORE TAXES		**-133,410**	**-89,248**
Income tax expense	14	–	–
PROFIT/LOSS FOR THE PERIOD		**-133,410**	**-89,248**
Earnings/loss per share before and after dilution (SEK), for profit attributable to owner of the parent company's shareholders.	15	-0,73	-1,17

Consolidated statement of comprehensive income

Amounts in KSEK	2021	2020
Result for the period	**-133,410**	**-89,248**
Other comprehensive income		
Exchange differences on translation of foreign operations	106	3,231
Other comprehensive income for the period	**106**	**3,231**
Total comprehensive income for the period	**-133,305**	**-86,017**

Profit/loss for the period and total comprehensive income, are in their entirety attributable to the parent company's shareholders.

Consolidated statement of financial position

Amounts in KSEK	Notes	2021-12-31	2020-12-31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	16	108,350	108,350
Technology	16	424,091	424,091
Right-of-use assets	8	361	1,204
Equipment	18	2,109	1,705
Other long term receivables	20	843	677
Total Non-current assets		**535,754**	**536,028**
CURRENT ASSETS			
Other receivables	21	19,702	20,230
Prepaid expenses and accrued income	22	10,214	4,760
Cash and cash equivalents	23	155,313	167,643
Total current assets		**185,229**	**192,634**
TOTAL ASSETS		**720,984**	**728,661**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	24	9,970	8,308
Additional paid-in capital		1,130,334	1,003,044
Reserves		3,637	3,532
Retained earnings (including profit/loss for the period)		-487,199	-353,790
Total equity attributable to the shareholders of the parent company		**656,742**	**661,094**
LIABILITIES			
NON-CURRENT LIABILITIES			
Other long-term liabilities	25	36,666	18,982
Lease liabilities	8	–	303
Total non-current liabilities		**36,666**	**19,285**
CURRENT LIABILITIES			
Lease liabilities	8	309	880
Accounts payable		11,610	10,365
Other liabilities	26	5,147	23,179
Accrued expenses and deferred income	27	10,510	13,857
Total current liabilities		**27,576**	**48,282**
Total liabilities		**64,242**	**67,567**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**720,984**	**728,661**

Consolidated statement of changes in equity

Attributable to owners of Immunicum AB (publ)

Amounts in KSEK	Notes	Share capital	Additional paid in capital	Reserves	Retained earnings inc. profit/loss for the period	Total
Opening shareholders' equity 2021-01-01		**8,308**	**1,003,044**	**3,532**	**-353,789**	**661,096**
Profit/loss for the period		–	–	–	-133,410	**-133,410**
Other comprehensive income		–	–	106	–	**106**
Total comprehensive income		–	–	**106**	**-133,410**	**-133,305**
Transactions with owners						
Issued warrants		–	450	–	–	450
Share issue		1,662	139,131	–	–	140,792
Costs for new share issue		–	-12,291	–	–	-12,291
Total transactions with owners		**1,662**	**127,290**	**–**	**–**	**128,951**
Shareholders' equity 2021-12-31		**9,970**	**1,130,334**	**3,638**	**-487,199**	**656,743**
Opening shareholders' equity 2020-01-01		**586**	**257,980**	**301**	**-264,541**	**-5,674**
Profit/loss for the period		–	–	–	-89,248	-89,248
Other comprehensive income		–	–	3,231	–	3,231
Total comprehensive income		**586**	**257,980**	**3,532**	**-353,789**	**-91,691**
Transactions with owners						
New share issue		5,452	-5,452	–	–	–
Issue for non-cash consideration	31	3,695	697,462	–	–	701,157
Shareholders' contribution		–	53,681	–	–	53,681
Redistribution as of reverse acquisition		-1,425	1,425	–	–	–
Issue costs		–	-2,052	–	–	-2,052
Total transaction with owners		**7,722**	**745,064**	**–**	**–**	**752,786**
Shareholders' equityl 2020-12-31		**8,308**	**1,003,044**	**3,532**	**-353,789**	**661,096**

Consolidated statement of cash flows

Amounts in KSEK	Notes	2021	2020
Operating activities			
Operating profit/loss		-130,100	-86,029
Adjustment for items not included in cash flow	32	2,298	1,774
Interest expense paid		-140	103
Cash flow from operating activities before changes in working capital		**-127,942**	**-84,358**
Increase/decrease in other current receivablesar		-4,357	22,204
Increase/decrease in accounts payable		10,729	761
Increase/decrease in other current liabilities		-16,461	4,766
Cash flow from operating activities		**-138,033**	**-56 626**
Investment activities			
Investments in tangible assets	18	-1,361	-464
Investment in financial fixed assets		–	–
Acquistion of business		–	157,762
Cash flow from investing activities		**-1,361**	**157,298**
Financing activities			
Shareholders contribution		–	53,681
New share issues		141,242	–
New share Issue costs		-12,291	-2,052
Proceeds from borrowings	25	–	3,798
Repayment of borrowings	25	-1,922	-4,523
Cash flow from financing activities		**127,029**	**50,904**
Cash and cash equivalents at the beginning of the period		167,643	14,032
Cash flow for the period		-12,365	151,576
Foreign echange difference in cash and cash equivalents		35	2,035
Cash and cash equivalents at the end of the period	23	**155,313**	**167,643**

Notes

Note 1 – General information

This report covers the Swedish company Immunicum AB (publ) (Immunicum), Swedish corporate identity no. 556629-1786. The Company is a Swedish public limited company registered in Stockholm and with its registered office in Stockholm. The Board of Directors approved this Annual Report on April 11, 2021, and it will be presented for adoption at the Annual General Meeting on May 10th, 2022.

Note 2 – Accounting policies

The note contains a list of the significant accounting principles applied when these annual and consolidated accounts were prepared. These principles have been applied consistent for all years presented, unless otherwise stated.

2.1 Basis for the preparation of the report

The annual and consolidated accounts for Immunicum have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary accounting rules for groups, and International Financial Reporting Standards (IFRS) that have been adopted by the EU. The consolidated financial statements have been prepared according to the acquisition value method. To prepare reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, the management is required to do some assessments in the application of the Group's accounting principles. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are essential for the consolidated accounts is stated in note 3.

Other

New or revised standards and interpretations with effect from 2021. As of January 1, 2021, the following changes and interpretations became applicable:

» Amendments to IFRS 9, IAS 39, IFRS 7 etc." Reform for reference rate - phase 2 " and

» Amendments to IFRS 16 -" Covid-19 related rental facilities after 30 June 2021 "applicable from 1 April 2021

The changed standards have not had any or very limited impact on the financial statements.

New or revised standards and interpretations which enters into force on 1 January 2022 or later.

Immunicum AB has not applied any of the new ones in advance or amended standards that enter into force on 1 January 2022 or later.

2.2 Consolidated financial statements Subsidiaries

Subsidiaries are all companies over which the Group has controlling influence. The Group exercises a controlling influence over a company when it is exposed to or is entitled to a variable return from its holding in the company and has the opportunity to influence the return through their influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which it controlling influence ceases. The acquisition method is used for reporting the Group's business acquisitions, see 2.3 Business acquisitions. Intra-group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated. The accounting principles for subsidiaries have, where applicable, been changed to guarantee one consistent application of the Group's principles.

2.3 Business acquisitions

The acquisition method is used for reporting the Group's business acquisitions, regardless of whether the acquisition consists of equity components or other assets. The purchase price for the acquisition of a subsidiary consists of the fair value of shares issued by the Group.

Identifiable assets acquired, liabilities assumed and assumed contingent liabilities in a business combination valued, with a few exceptions, initially at fair values on the acquisition date. Acquisition-related costs are expensed when incurred. Goodwill refers to the amount by which compensation is transferred exceeds the fair value of identifiable acquired net assets. If the amount is less than the fair value of the acquired net assets, in the event of an acquisition at a low price, the difference is reported directly in the income statement.

Reverse acquisition

A reverse acquisition exists if an entity acquires shares in another entity by issuing shares in its own entity to such an extent that the control over the newly formed Group, from an accounting perspective, is attributable to the shareholders of the acquired entity. This means that it is the acquiring entity's assets and liabilities that are assessed at fair value on the acquisition date when preparing a purchase price allocation. In the consolidated accounts, the legal Parent Company is treated as a subsidiary and the legal subsidiary as the Parent Company.

2.4 Foreign currency translation Functional currency and reporting currency

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The consolidated accounts are presented in SEK, which is the Parent Company's functional currency and the Group's presentation currency. All amounts are, unless otherwise stated, rounded off to the nearest thousand kronor (KSEK).

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on the transaction date. Receivables and liabilities in

foreign currency have recalculated at the exchange rate on the balance sheet date. Exchange rate gains and exchange losses on the business' receivables and liabilities are added to the operating profit. Gains and losses on financial receivables and liabilities are reported as financial items.

Group companies

Earnings and financial position for all Group companies which has a functional currency other than the reporting currency are converted to the Group's reporting currency as follows:

» Assets and liabilities for each of the balance sheets are translated at the exchange rate on the balance sheet date;

» Income and expenses for each of the income statements are translated at the average exchange rate, and

» All resulting exchange differences are recognized in other comprehensive income.

2.5 Government grants

Grants received are reported in the balance sheet as prepaid income and recognized in the income statement in the period when the cost which the grant is intended to be reported. Government grants are reported as other operating income when it is clear that the conditions that are associated with the contributions are met.

2.6 Leasing

The Group as a lessee

Lease contracts are normally signed for fixed periods of between one and two years with an option for extension. The conditions are negotiated separately for each lease and include a large number of different terms. Lease contracts are recognized as right-of-use assets and corresponding liabilities on the date when the leased asset becomes available for use by the Group. Each lease payment is apportioned between the finance charge and deprecation of the outstanding liability. Interest is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability recognized in the respective period. Right-of-use assets are depreciated on a straight-line basis over the shorter of the expected useful life of the asset and the lease term.

Assets and liabilities arising from leasing agreements is initially reported at present value. Included in the leasing debt the present value of fixed fees and / or variable leasing fees which depends on an index or an interest rate.

Future fees are discounted using the agreement's implicit interest. If it can not be determined, the Group's marginal borrowing rate is used instead.

Right-of-use assets are valued at acquisition value and include the following:

» The initial valuation of the lease liability and

» Payments made at or before the time when it the leased asset is made available to the lessee.

For leases where the underlying asset is of low value or for short-term leases, the Group applies the recognition exemptions in IFRS 16, which means that the lease payment is expensed on a straight-line basis over the lease term in the income statement and no right-of-use asset or lease liability is recognized in the balance sheet.

The Group recognizes a right-of-use asset in the balance sheet and a lease liability at the present value of future lease payments. In the consolidated statement of cash flows, the main payment attributable to leases is recognized in financing activities as payments pertaining to repayment of lease liabilities. The interest portion is recognized in operating activities and is included in the item "Interest paid".

Options to extend and terminate agreements

Options to extend or terminate a lease are included in the asset and the liability in cases when it is considered reasonably certain that the Company will exercise extension options or not exercise options to terminate the lease.

2.7 Remuneration to employees

Short-term benefits

Short-term employee remunerations are calculated without discounting and recognized as an expense when the related services are performed. A provision for the expected cost of payments is made when the Company has a current obligation to make such payments as a result of services received from employees and the obligation can be reliably estimated.

Termination remunerations

An expense for remuneration in connection with the termination of staff is reported when the Company is obligated, without realistic possibility of withdrawal, by a formal plan to terminate employment before the normal time.

Post-employment obligations

For defined contribution plans, the Company pays contributions to pension insurance. The Company has no further payment obligations once the contributions are paid. The contributions are recognized as personnel expenses when they fall due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments may benefit the Company.

Share-based payments

The group has a share-based compensation plan there the company receives services from employees as remuneration for the group's equity instrument.

Employee stock option program

The Group has an employee stock option program that entitles employees to allot options based on employment. The options are reported as a personnel cost with a corresponding increase in equity.
For further information, see Note 29.

2.8 Income tax

The Company is currently not in a tax position and therefore does not pay income tax. Deferred tax assets relating to unutilized losses carried forward and deductible tem-

porary differences are recognized only to the extent that it is probable that these will be able to be utilized against future taxable profits. As there is uncertainty as to when in time the Company's loss carry-forwards will be able to be used for settlement against taxable profits, deferred tax assets are only recognized to the extent that there are future taxable temporary differences. The remaining part of the loss carry-forwards is not assigned any value.

Deferred tax is reported on all temporary differences which arises between the tax value of assets and liabilities and their carrying amounts in the consolidated accounts. However, deferred tax liabilities are not reported if they arise as a result of goodwill. Deferred tax is also not reported if it arises as a result of a transaction that constitutes the first accounting of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect accounting or taxable results. Deferred income tax is calculated using tax rates and laws which has been decided or announced on the balance sheet date and which is expected to apply when the deferred tax asset is concerned realized or the deferred tax liability is settled.

Deferred taxes relating to temporary differences holdings in subsidiaries are not reported as the parent company can control the time of reversal of the temporary differences and it is not considered probable that such a return will take place in the foreseeable future.

Deferred tax assets and liabilities are reported net when there is a legal right of offset current tax receivables and liabilities and when the deferred tax assets and liabilities relate to taxes charged by one and the same tax authority and refers to either the same tax subject or different tax subjects, where there is an intention to regulate the balances through net payments.

2.9 Goodwill

Goodwill is calculated according to the principles in 2.3 Business acquisitions. Goodwill is not amortized, but is impaired annually or more often about events or changes in relationships indicates a possible depreciation. Goodwill is reported to acquisition value less accumulated write-downs

In order to test impairment, goodwill is distributed as acquired in a business combination to cash-generating units or groups of cash-generating units expected benefit from synergies from the acquisition. Each device or group of units to which goodwill has been allocated the lowest level in the Group at which the goodwill in question monitored in the internal control, which for Immunicum corresponds to the group as a whole. Thus, there is only one cash-generating unit.

2.10 Expenditures for research and development

esearch costs refer to expenditures for research aimed at obtaining new scientific or technical knowledge. Development expenditure means expenditure whenresearch findings or knowhow are applied to achieve new or improved products or processes in accordance with IAS 38 Intangible assets. Research costs are expensed in the period incurred. Development expenditure is recognized as an intangible asset in the event that the asset is expected to generate future economic benefits and then only on condition that it is technically and financially possible to complete the asset, the intention and the conditions exist to use the asset in operations or sold and the value can be measured reliably. The Company has made the assessment that there is currently no prerequisite for capitalization of development costs.

2.11 Technology

Technology that has been acquired through a business acquisition is reported at fair value on the acquisition date. Technology consists of the cell therapy product ilixadencel which is an immune activator that is storable and developed for the treatment of solid tumors. The asset is not yet in such a state that it can be used to generate income.

2.12 Equipment

Equipment is valued at acquisition value less accumulated depreciation. The acquisition value is including expenses that can be directly attributed to the acquisition of the asset. Equipment is depreciated on a straight-line basis over the assets' expectations useful life amounting to 5 years.

2.13 Impairment of non-financial assets

Goodwill and intangible assets that are not ready for use, is not written off but tested annually, or in the event of an indication of impairment, with regard to any impairment. Assets that are depreciated are assessed with respect to impairment whenever events or changes in conditions indicate that it reported the value may not be recoverable. An impairment loss is made with the amount by which the asset is reported value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. At assessment of impairment needs, assets are grouped at the lowest levels where there is essentially independence cash flows (cash-generating units). For assets (other than goodwill) that has previously been written down is made per each balance sheet date a test of whether reversal should be made.

2.14 Financial instruments

Financial instruments are any form of agreement that provides giving rise to a financial asset, financial liability or a equity instrument in another company. For the group this includes cash and cash equivalents, other current receivables, other long-term receivables, other long-term securities holdings, accounts payable, other liabilities and borrowings. Cash and cash equivalents consist of bank balances and are reported at fair value.

Accounting for financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the instrument contractual terms. Debt is taken up when the counterparty has performed and contractual obligation exists to pay, even if the invoice has not yet been received. Accounts payable is taken up when the invoice is received. A financial asset is removed from the balance sheet when the rights in the agreement are realized, fall due or the

group loses control over them. The same applies to part of a financial asset. A financial debt is removed from the balance sheet when the obligations are fullfilled.

The agreement is fulfilled or otherwise extinguished. The same applies to part of a financial liability. Acquisition and sale of financial assets are reported on the business day, which constitutes the date on which the company undertakes to acquire or divest the asset. Then the terms of a financial debt transfer. hand read, and not booked off the balance sheet, one is reported profit or loss in the statement of comprehensive income the loss is calculated as the difference between the original the contractual cash flows and the modified cash flows are discounted to the original effective interest rate.

Classification and valuation of financial instruments
The classification depends on the intention to acquire it financial instrument. The Group classifies and values its financial assets in the category of accrued acquisition value. The classification of investments in debt instruments depends on the Group's business model for management of financial assets and the contractual terms for assets' cash flows.

Financial assets at accrued acquisition value
Assets held for the purpose of collecting contractual cash flows and where these cash flows only constitute capital amounts and interest are valued at accrued acquisition value. The carrying amount of these assets is adjusted with any expected credit losses reported (see Impairment of financial assets below). Financial assets are reported as current assets exceptions for items maturing more than 12 months after the balance sheet date, which are classified as fixed assets.

Impairment of financial assets
The Group values the future expected credit losses related to investments in debt instruments reported at accrued acquisition value on forward-looking information. The Group chooses a reservation method based on whether there has been a significant increase in credit risk or not.

Financial liabilities at accrued acquisition value
Loan liabilities and accounts payable are initially reported to acquisition value after deduction of transaction costs and after the first reporting opportunity to accrued acquisition value. The reported amount differs from the amount to be repaid at the due date, the difference is accrued as interest expense over the term of the loan using the effective interest method

In this way, at the due date, it corresponds the reported amount and the amount to be repaid.

Offsetting of financial claim and financial debt
A financial asset and a financial liability are set off and reported with a net amount in the balance sheet only when there is a legal right of set-off and when a regulation with net amount is intended to take place or when a simultaneous sale of the supply and settlement of the debt is intended to take place.

2.15 Share capital
Ordinary shares are classified as equity.
Transaction costs that can be directly attributed to the issue of new ones ordinary shares are reported, net after tax.

Earnings per share before dilution
Earnings per share before dilution are calculated by divide:

- results attributable to the parent company's shareholders
- with a weighted average number of outstanding shares during the period, adjusted for the bonus issue element in ordinary shares issued during the year.

Earnings per share after dilution
For the calculation of earnings per share after dilution, the amounts used to calculate earnings per share are adjusted. share before dilution by considering:

- the weighted average of the additional ordinary shares which would have been outstanding at a conversion of all potential ordinary shares.

2.16 Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated

2.17 Accounts payable
Accounts payable are financial instruments and refer to obligations to pay for goods and services that have acquired in the day-to-day operations from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are reported as Long-term liabilities.

Accounts payable are initially reported at fair value value and thereafter to accrued acquisition value with application of the effective interestrate method.

2.18 Operating segment
t is on the basis of the Group as a whole that the Chief Executive Officer makes decisions on the allocation of resources and assesses results. Internal reporting is also based on the Group's result as a whole. The Group's operations currently consist of research and development for pharmaceuticals. In light of the above, the assessment is that the Group has one operation and thus has one operating segment, which constitutes the Group as a whole

2.19 Cash flow statement
The cash flow analysis is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflow

2.20 Cash and cash equivalents
Cash and cash equivalents in the statement of financial position and in the statement of cash flows includes bank balances.

Note 3 – Financial risks and management of capital

Financial risks

Through its operations, the Group is exposed to different financial risks: market risks (including exchange-rate risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of the financial markets and strives to reduce potential unfavorable effects on the Group's financial earnings. The Group's financial transactions and risks are managed centrally by the Company through the Company's CFO and CEO. The overall aim in relation to financial risks is to provide cost-effective financing and liquidity management as well as to ensure that all payment obligations are managed in a timely manner. Every year, the Board of Directors establishes a Finance Policy with associated risk parameters.

Currency risk

The group's foreign exchange exposure increases as development projects progress in the value chain and the costs for services in connection with clinical trials increase. These services are partially carried out outside of Sweden and paid for in foreign currency. According to the Finance Policy, the Group is not to apply any form of currency hedging activities other than cash denominated in foreign currency. The Group is primarily exposed to changes in the EUR/SEK and USD/SEK exchange rates related to accounts payable. Operating exchange rate differences for the financial year amount to a net loss of KSEK 65 (KSEK 15).

Exposure	2021-12-31	
Balance sheet exposure	EUR	USD
Trade payables	9,123	838

The Group is exposed to certain effects regarding changes in foreign exchange rates, mainly for the currencies EUR and USD. A revaluation of book values in the balance sheet as of December 31, 2021 for items in foreign currencies following a change in exchange rates of +1% (where foreign currencies increase in value against SEK) would have a earnings effect of SEK -35 thousand for EUR, and -23 KSEK for USD.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates to bank deposits, and from interest bearing liabilities. Interest rate risk exposure is considered low as the Group mainly has a fixed interest rate. During the financial year, the Group paid interest on interest-bearing liabilities totaling SEK 3,220 thousand (SEK 2,915 thousand).

Credit risk

Credit risk is the risk that a counterparty will not be able to complete its own agreed obligations towards Immunicum and thus cause a financial loss to the company. Immunicum invests its liquid assets with banks with a high credit rating. In accordance with the above investments are assessed credit risks as small.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties fulfilling its obligations associated with financial liabilities. The Board of Directors manages liquidity risk by continuously monitoring the cash flow to reduce liquidity risk and to ensure the Company's ability to pay. Considering that the Group currently does not have its own earnings capacity, it is of the utmost importance that financing can be secured from owners and independent investors so that the Group's operations can be conducted according to plan. The Board of Directors conducts long-term work with owners and independent investors to ensure that liquidity is available for the Company as the need arises. The objective is to have cash on hand for at least 12 month runway.

The table below analyzes the Group's financial liabilities broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts disclosed in the table are the contractual, undiscounted cash flows. Future cash flows in foreign currency have been calculated on the basis of the exchange rate applied on the balance sheet date.

As of December 31, 2021	Less than 1 year	Between 1 and 3 years	After 3 years	Total constractual cash flows	Carrying amount
Financial liabilities					
Other long-term liabilities	1,350	36,379	850	38,579	36,666
Lease liabilities	449	–	–	449	309
Other short-term liabilities	8 817	–	–	8,817	8,817
Accounts payable	11,610	–	–	11,610	11,610
Accrued expenses and deferred income	5,767	1,074	–	6,840	6,840
Total	**27,992**	**37,453**	**850**	**66,295**	**64,242**

Note 4 – Management of capital

An effective risk assessment combines Immunicum's business opportunities and results with shareholders' and other stakeholders' demands for sustainable profitability, stable long-term value development and control. Research and drug development until approved registration is largely both a risky and capital-intensive process. The Group's objective regarding the capital structure is to safeguard the Group's ability to continue its operations, so that it can continue to generate value growth for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep costs of capital down. In order to maintain, operate and broaden the research portfolio over time and thereby generate future values, Immunicum needs a strong capital base. The Group's equity amounts to KSEK 661,094 (-5,677). Cash and cash equivalents amount to KSEK 167,643 (14,032).

Note 5 – Key estimates and assessments for accounting purposes

The preparation of financial statements requires the use of accounting estimates, which will rarely correspond to actual profit or loss. Management also makes assessments when applying the Group's accounting principles. This note provides an overview of the areas that often involve a higher degree of complexity in assessments and over items where an adjustment due to incorrect estimates and assessments can in many cases become material.

Research and development

Development expenses are recognized as an intangible asset in the event that the asset is deemed to be able to generate future economic benefits and then only provided that it is technically and financially possible to complete the asset, the intention is and condition is that the asset can be used in the business or sold and that the value can be calculated reliably. The Group has made the assessment that there is currently no prerequisite for activation of development costs.

Impairment test for goodwill and technology

Each year, the Group examines whether there is a need for impairment for goodwill and technology that is not ready for use, in accordance with the accounting policy described in Note 2. The acquisition of Immunicum (reverse acquisition) which has given rise to the items goodwill and technology has taken place on market terms on 21 December 2020. See also Note 2.13.

Note 6 – Operating segment

Amounts in KSEK	2021-12-31	2020-12-31
Sweden	532,441	532,441
Netherlands	2,470	2,909
Total	534,911	535,350

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following table:

Note 7 – Other operating income

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Exchange rate gains	22	–
Government grants	6	–
Other	3	–
Total	31	–

Government grants consists of compensation for sick pay costs.

Not 8 – Leases

Amounts in KSEK	-2021-01-01 -2021-12-31	-2020-01-31 -2020-12-31
The statement of profit or loss shows the following amounts relating to leases:		
Right-of-use assets:		
Properties	361	1,204
Total	361	1,204
Lease liabilities:		
Current	309	880
Non-current	–	303
Total	309	1183
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets:		
Properties	859	888
Total	859	888
Interest expense (included in finance cost)	39	84
Expense relating to short-term leases (included in R&D and Adminexpenses for 2021, in administration expenses for 2020)	1,203	353
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administration expenses)	52	33

Short-term leasing agreements consist of rental costs for the company in Sweden.

Additional usufruct rights in 2021 amounted to 0 SEK and 0 KSEK during 2020

Maturity analysis for leasing liabilities is presented in Note 3.

Note 9 – Remuneration to the auditor

Amounts in KSEK	-2021-01-01 -2021-12-31	-2020-01-31 -2020-12-31
EY		
Audit fees	1,415	9
Audit-related fees	–	23
Ruitenburg		
Audit fees	363	118
Audit-related fees	19	–
Audit-related fees	6	198
Total	1,803	348

The audit assignment involves review of the Annual Report, interim reports and financial accounts and the administration by the Board of Directors and the CEO. Amounts. The amount related to EY refers to the period from the aquistion date to the closing date. The amounts relating to Ruitenburg relate to both periods in their entirety.

Note 10 – Employees and personnel

Employees and personnel costs

Due to the reverse acquisition, information regarding the Board of Directors, CEO and other senior executives for the financial year 2020 is presented in the note for the legal parent company. The costs for these persons are not considered material for separate disclosures for the Group since Immunicum AB is only included in the group for 9 days.

Average number of employees geographically broken down by country

Amounts in KSEK	-2021-01-01 -2021-12-31	-2020-01-31 -2020-12-31
Sweden	6	–
of which men	(1)	–
Netherlands	24	20
of which men	(11)	8
Group total	30	28

Salaries, other remuneration and social costs

Salaries and other remuneration	30,800	25,430
Social costs	6,597	4,320
(of which, pension costs)	(3,162)	(2,240)
Total	37,397	29,749

Salaries and other remuneration regarding other employees

Board Members and senior management	12,405	–
(of which bonus and similar remunerations)	(2,970)	–
Other employees	18,343	25,159
(of which bonus and similar remunerations)	(684)	(12,648)
Total	30,748	25,159
(of which bonus and similar remunerations)	(3,654)	(12,648)

For further information see parent company Note 7

Note 11 – Depreciation

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Equipment	992	887
Total	992	887

Note 12 – Other operating expenses

Other operating expenses amount to KSEK 845 (KSEK 65) and refers to currency exchange loss from accounts payable.

Note 13 – Finance costs

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Interest and finance charges paid/payable for lease liabilities and financial liabilities	-3,284	-3,220
Foreign exchange difference in cash and cash equivalents	-26	–
Summa	-3,310	-3,220

Note 14 – Income tax expense

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Current taxes	–	–
Deferred taxes	–	–
Tax expense	–	–

Difference between recognized tax expense and an estimated tax expense based on the current tax rate:

Total profit/loss before taxes	-133,410	-89,248
Income tax according to current tax rate	20,012	14,726
Tax effect of non-deductible expenses	-51	-12
Tax effect of non-deductible expenses	149	130
Deductible issue costs reported over equity	–	11
Tax effect of a deductible deficiency for which no deferred tax assets have been taken into account	-23,551	-14,855
Tax expense	–	–
Regarding reconciliation of effective tax, the Dutch tax rate is used. The current Dutch tax rate is 15% (16.5%). Unutilized deductible deficiency for which no deferred tax asset has been recognized	1,093,442	994,468

Note 15 – Earnings per share

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Earnings per share, before dilution		
Net profit/loss for the year	-133,410,426	-89,247,855
Average number of shares outstanding	183,983,979	76,216,073
Earnings per share, before dilution, SEK	**-0,73**	**-1,17**
Earnings per share, after dilution	–	–
Earnings per share, after dilution	-133,410,426	-89,247,855
Average number of shares outstanding	183,983,979	76,216,073
Earnings per share, after dilution, SEK	**-0,73**	**-1,17**

Earnings per share before dilution is based on the financial results for the year and the weighted average of the number of shares outstanding. Earnings per share after dilution is based on the financial results for the year and the weighted average of the number of shares outstanding plus the dilutive effect of potential shares. There is no dilution effect for the stock option program, as earnings for the periods have been negative.

Note 16 – Intangible assets

Amounts in KSEK	Godwill	Teknologi
Opening balance accumulated acquisition values, January 1 2020	–	–
Acquisition of business	108,350	424,091
Closing balance accumulated acquisition values, December 31, 2020	**108,350**	**424,091**
Opening balance accumulated depreciation	–	–
Depreciation for the year according to plan	–	–
Closing book value, December 31, 2020	**108,350**	**424,091**
Opening balance accumulated acquisition values, January 1, 2021	108,350	424,091
Acquisition during the year	–	–
Closing balance accumulated acquisition values, December 31, 2021	**108,350**	**424,091**
Opening balance accumulated depreciation, January 1, 2021	–	–
Opening balance accumulated depreciation, January 1, 2021	–	–
Closing book value, December 31, 2021	**108,350**	**424,091**

Impairment tests for goodwill

The management assesses the operating performance based on the Group as a whole and monitor goodwill at the same level.

The recoverable amount of goodwill has been determined based on calculations of the value in use. Management believes that the probability that the company's products will reach the market is the most significant assumption in the test to test the need for impairment, since the value of the assets depends on future expected revenues. The calculations of value in use are based on estimates and assumptions about future pre-tax cash flows based on market data and management's forecasts. The operating margin and discount rate used in the model are based on data from corresponding companies in the pharmaceutical industry.

Significant assumptions used for calculations of value in use:

– Discount rate before tax	16.9%
– EBIT margin	50%

Sensitivity analysis for goodwill:

The recoverable amount exceeds the carrying amounts of goodwill by a margin. This also applies to assumptions if:

- the discount rate before tax had been 1.5% higher
- the EBIT margin had been 6% lower

Note 17 – Investments in subsidiaries

The Group had the following legal subsidiary as of December 31, 2021:

Name	Country of registration and operations	Operations	Ownership interest held by the group
DCPrime B.V.	Netherlands	Research and development of cancer immuno-therapies within the field of relapse vaccines.	100%

Not 18 – Equipment

Amounts in KSEK	Equipment	Other
Opening balance accumulated acquisition values, January 1, 2020	4 169	624
Acquisition during the year	427	37
Exchange differences	-176	-26
Closing balance accumulated acquisition values, December 31, 2020	**4 419**	**636**
Opening balance accumulated depreciation	-2 278	-321
Opening balance accumulated depreciation	-775	-112
Exchange differences	120	16
Closing balance accumulated depreciation, December 31, 2020	**-2 933**	**-417**
Closing book value, December 31, 2020	**1 487**	**219**
Closing book value, December 31, 2020	4 419	636
Acquisition during the year	1 243	118
Exchange differences	93	13
Closing balance accumulated acquisition values, December 31, 2021	**5 755**	**767**
Opening balance accumulated depreciation	-2 933	-417
Depreciation for the year according to plan	-901	-91
Exchange differences	-63	-8
Closing balance accumulated depreciation, December 31, 2021	**-3 896**	**-517**
Closing book value, December 31, 2021	**1 859**	**250**

Note 19 – Other long term securities

Amounts in KSEK	2021-12-31	2020-12-31
Holdings of shares of LFF Service AB	1	1
Total	1	1

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (SEK 1,000) if Immunicum (publ) withdraws from the share agreement with LFF Service AB.

Note 20 –Other long term receivables

Amounts in KSEK	2021-12-31	2020-12-31
Deposit lease	386	223
Deposit credit card	456	452
Other deposit	1	1
Total	843	676

Note 21 – Other receivables

Amounts in KSEK	2021-12-31	2020-12-31
VAT receivable	2,858	3,257
Horizon2020 subsidy receivable	16,175	15,876
Other receivables	669	1,097
Total	19,702	20,230

Note 22 –Prepaid expenses and accrued income

Amounts in KSEK	2021-12-31	2020-12-31
Prepaid expenses relating to preclinical development/clinical trials	6,307	2,843
Prepaid insurance premiums	370	225
Prepaid rents	214	290
Other prepaid expenses	3,324	1,403
Total	10,214	4,760

Note 23 –Cash and cash equivalents

Cash and cash equivalents refers to cash at bank KSEK 155,313 (KSEK 167 643).

Note 24 – Share capital

The share capital consists of contributed capital, reserves and retained earnings including the period profit.
For information regarding equity, see the parent company's note 20.

Note 25 – Other long term liabilities

Amounts in KSEK	2021-12-31	2020-12-31
Non-current borrowings		
Conditional credits from Region Västra Götaland [1]	850	850
Innovation Credit RVO [2]	35,816	18,132
Total non-current borrowings	36,666	18,982

1) The terms of repayment for the conditional credits from Region Västra Götaland are 5% per year of the debt from potential future income. The interest is calculated as the reference rate set by the Swedish National Bank for the calendar half-year in question, plus an additional two percentage points.

2) The Innovation Credit RVO covers the project "Therapeutic Vaccine for AML", an interest rate of 9.5% is charged annually with repayment of interest of 11,000 EUR. The remaining amount including interest needs to be repaid in case a commercial deal is closed for AML, or in case of an IPO or trade sale, but ultimately 30 June 2023. The amount outstanding of this part of the project is 1.524 TEUR per 31/12/2021 (principal plus accumulated interest). A provisional exemption was granted for the repayment of part of the project, constituting a principal of TEUR 1.301 plus accumulated interest. A final decision on the repayment of provisionally granted part will be taken on 1 May 2023. The conditions for a definitive waiver of repayment are expected to be met.

Note 26 – Other liabilities

Amounts in KSEK	2021-12-31	2020-12-31
Wage taxes	1,527	7,531
Innovation Credit RVO [1]	–	14 879
Other	3,621	768
Total	5,147	23,178

1) See note 25

Note 27 – Accrued expenses

Amounts in KSEK	2021-12-31	2020-12-31
Accrued expenses relating to preclinical development/clinical trials	4,242	8,486
Accrued personnel-related costs	5,221	1,989
Other accrued expenses	1,048	3,381
Total	10,510	13,856

Note 28 – Financial assets and liabilities

Financial assets and liabilities as of December 31, 2021

Amounts in KSEK	Financial assets at amortized cost	Non-financial assets	Total reported value
Assets			
Financial fixed assets	843	–	843
Other receivables	16,844	2,857	19,702
Prepaid expenses and accrued income	10,214	–	10,214
Cash and cash equivalents	155,313	–	155,313
Liabilities			
Account payables	11,610	–	11,610
Long term interest bearing debts	36,666	–	36,666
Other current liabilities	6,974	1,843	8,817
Accrued expenses and deferred income	5,290	1,551	6,842

ssets and liabilities as of December 31, 2020

Amounts in KSEK	Financial assets at amortized cost	Non-financial assets	Total reported value
Assets			
Financial fixed assets	843	–	843
Other receivables	677	–	677
Övriga fordringar	16,095	4,135	20,230
Prepaid expenses and accrued income	–	4,760	4,760
Cash and cash equivalents	167,643	–	167,643
Liabilities			
Account payables	–	–	–
Long term interest bearing debts	10,365	–	10,365
Other current liabilities	18,982	–	18,982
Accrued expenses and deferred income	14,879	8,300	23,179
	12,305	1,551	13,856

For all items above, the book value is one approximation of the fair value.

Note 29 – New share option program

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other employees in line with the interests of the shareholders. There are currently two active programs in the company. At the Annual General Meeting on April 25, 2019, it was resolved to introduce a warrant program "LTI 2019/2022". The warrants are deemed to have been issued at fair value and the price amounts to SEK 0.347 per option right. The fair value of the warrants on the issue date has been calculated using a customized version of the Black & Scholes valuation model that takes into account the exercise price, the term of the option, the share price on the date of allotment and expected volatility in the share price and risk-free interest for the term of the option.

The average share price at the time of valuation was SEK 7.95, the risk-free interest rate was -0.53% and the expected dividend was 0%. The expected volatility amounted to 40.8% and is based on share price developments over the last three years. A discount has been given due to the fact that the options are not listed.

The option holder shall have the right to subscribe for one new share in the company during the period from 28 May 2022 up to and including 28 July 2022 for each option right. The subscription price amounts to SEK 19.90 per share. When subscription, payment shall be made simultaneously in cash for the number of shares to which the subscription relates. The option holder shall have the right to subscribe for one new share in the company during the period from 28 May 2022 up to and including 28 July 2022 for each option right. The subscription price amounts to SEK 19.90 per share.

When subscription, payment shall be made simultaneously in cash for the number of shares to which the subscription relates. Following the above changes, the total number of warrants subscribed amounts to 1,809,277, which entitles the holder to subscribe for the same number of shares.

Full exercise of all warrants would result in a dilution of existing shareholders of 1.1 percent. The option holder shall have the right to subscribe for one new share in the company during the period from 28 May 2022 up to and including 28 July 2022 for each option right.

At the Annual General Meeting on May 4, 2021, it was resolved to introduce an incentive program with employee stock options and share rights. The employee stock option program is allotted free of charge. The exercise price of the options is based on the volume-weighted average price of the share ten days after the Annual General Meeting 2021.

The estimated fair value on the issue date regarding options allocated in 2021 was SEK 1.78 per option. The fair value of the warrants on the issue date has been calculated using a customized version of the Black & Scholes valuation model that takes into account the exercise price, the term of the option, the share price on the date of allotment and expected volatility in the share price and risk-free interest for the term of the option.

Input into the model for options that have been awarded during the year were:

- Exercise price: 7.39 SEK
- Share price on the issue date: SEK 5.28
- Expected volatility in the company's share price: 66%
- Expected dividend yield: 0%
- Risk-free interest rate: 0%

The expected volatility in the share price is based on the historical volatility (based on the remaining maturity of the option), adjusted for the expected changes in future volatility due to available public information.

The number of warrants issued amounts to 1,286,092. The number of issued share awards amounts to 680,000. During the year two employees have left whereby 40,000 subscription rights has been forfeited. As a result, the number of issued share awards amounts to 640,000. This corresponds to a dilution of approximately 0.97 percent when exercising all employee stock options and share awards.

Note 30 – Pledged assets

Amounts in KSEK	2021-12-31	2020-12-31
Pledged assets for own liabilities and provisions [1]		
Pledged bank deposit	456	452
Total	**456**	**452**

Not 31 - Business combinations

No business acquisitions have taken place in 2021.

On November 18, 2020, Immunicum AB announced that the Company had entered into a binding agreement with Van Herk Investments BV to acquire all shares in DCprime BV. The transaction was completed on December 21, 2020. The acquisition finances through a non-cash issue of 73,909,635 new shares in Immunicum. The transaction led to the acquired owner DCprime BV's previous owners, from an accounting perspective, gain control over the acquiring Company Immunicum AB. The acquisition is therefore reported as a reverse acquisition according to IFRS 3 Business Combinations.

The table below summarizes the considerations paid and the fair value of acquired net assets and goodwill that are reported on the acquisition date for Immunicum:

Consideration	
Ordinary shares issued	701 157
Total paid consideration	**701 157**

The consideration in connection with the reverse acquisition is determined based on what it would have cost to acquire Immunicum AB. Based on guidance in IFRS, the consideration is based on the share price when control passes. The consideration has been calculated based on the number of outstanding shares in Immunicum AB before the transaction, 92,257,531 shares, and the listed closing price on December 18, 2020 of SEK 7.60 per share. Transaction costs of KSEK 2,052, which are directly attributable to the share issue, have been reported as a deduction item from equity. Goodwill is attributable to employees, uncertainty about future commercialization and future gains in periods after patent protection has expired. No part of reported goodwill is expected to be tax deductible.

The assets and liabilities reported as a result of the acquisition are as follows:	Fair values
Technology	424,091
Other long-term receivables	252
Deferred tax assets	87,363
Other current receivables	3,333
Prepaid expenses and accrued income	23,159
Cash and bank balances	157,762
Other long-term liabilities	-850
Deferred tax liabilities	-87,363
Accounts payables	-7,811
Other liabilities	-2,013
Accrued expenses and deferred income	-5,116
Acquired identifiable assets	**592,807**
Goodwill	108,350
Acquired net assets	**701,157**

Revenue and profit in acquired business

The acquisition of Immunicum AB affected the Group's revenues by KSEK 0 and the profit for the period by KSEK -2,255 for the period December 21 to December 31, 2020. If the acquisition had been completed on January 1, 2020, the Group's revenues and profit for the period as of December 31, 2020 would have been affected by KSEK 0 respectively KSEK -106,308.

Acquisition-related costs

Acquisition-related costs of KSEK 19,743, which were not directly attributable to the share issue, are included in administrative expenses in the consolidated income statement and in the current operations in the cash flow statement.

Impact on cash flow	2021-12-31	2020-12-31
Cash consideration	–	–
Acquired cash and bank balances	–	157,762
Cash flow reverse acquisition	**–**	**157,762**

Note 32 – Adjustments in cashflow

Justeringar i kassaflödet	2021-12-31	2020-12-31
Adjustments for items not included in the cashflow, consists of the following		
Depreciations	1,851	1,774
Other, non cash items	447	–
Total	**2,298**	**1,774**

Note 33 – Transactions with related parties

Sven Rohmann, former CEO of Immunicum AB, has during the year invoiced the Company KSEK 2,882 in consultancy fees through the Company Suenos Advisors Establishment. Margareth Jorvid, former Head of Regulatory Affairs & Quality System and former member of Immunicum's management team, has during the year invoiced Immunicum KSEK 754 in consultancy fees through the Company Methra Uppsala AB. Peter Suenaert, former CMO and member of Immunicum's management team, has during the year invoiced Immunicum KSEK 1,704 in consultancy fees through the Company Sparkclin BV.

Note 34 – Events after the balance date

» The COVID-19 pandemic continues to have a significant impact on the global healthcare system. Many hospitals, regions and countries are updating their guidelines and Immunicum follows these developments closely to take necessary steps to fully comply with new guidance. Immunicum has also taken necessary actions to ensure the well-being, safety and security of the Company's employees. At reporting date, there have been no significant delays in the Company's operations and the Company's facilities have remained operational. The COVID-19 pandemic may be further prolonged and have long-term impact on the Company's business and financial performance.

» The crisis in the Ukraine is expected to have a significant impact on the global economy and particularly in the supply of natural resources, including natural gas. Currently, the Company is not dependent on direct supplies from the Ukraine or Russia. However, there may be indirect negative consequences to the Company's supply chain and costs of raw materials. In addition, there is a general risk associated with the impact the Ukraine crisis will have on the global economy and in particular the capital markets. If extended in time it could therefore adversely affect the Company's access to capital and have a further negative impact on the Company's business.

» In the first quarter of 2022, the Company has received a request for arbitrage by the Arbitration Institute of the Stockholm Chamber of Commerce related to a claim by a former independent adviser. The Company disputes the claim and will act accordingly.

FINANCIAL REPORTS

Parent Company

Parent Company income statement

Amounts in KSEK	Notes	2021	2020
Other operating income	4	**4,318**	**2,444**
OPERATING EXPENSES			
Sales, general and administration expenses	5, 6, 7	34,157	-27,726
Research and development expenses	5, 6, 7	-38,953	-79,191
Other operating expenses	8	-802	-2,148
Operating profit/loss		**-69,593**	**-106,621**
Financial income	9	272	2,189
Interest expense and similar items	10	-26	- 1 876
Profit/loss after financial items		**-69,347**	**-106,308**
TOTAL PROFIT/LOSS BEFORE TAXES		**-69,347**	**-106,308**
Income tax expense	11	–	–
PROFIT/LOSS FOR THE PERIOD		**-69,347**	**-106,308**

Parent Company statement of comprehensive income

Amounts in KSEK	Notes	2021	2020
Result for the period -		-69,347	-106,308
Other comprehensive income		–	–
Total comprehensive result for the period		**-69,347**	**-106,308**

Parent Company balance sheet

Amounts in KSEK	Notes	2021-12-31	2020-12-31
ASSETS			
Total tangible assets			
Participants in Group companies	14	649,980	578,311
Other long term receivables	15	394	252
Total financial assets		**650,374**	**578,563**
Total fixed assets		**650,374**	**578,563**
CURRENT ASSETS			
Intercompany receivables	27	4,283	–
Other receivables	16	1,035	3,333
Prepaid expenses and accrued income	17	5,073	4,509
Total current receivables		**10,391**	**7,842**
Cash and bank balances		145,156	157,762
Total current assets		**155,547**	**165,604**
TOTAL ASSETS		**805,921**	**744,167**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	18	9,970	8,308
Total restricted equity		**9,970**	**8,308**
Share premium reserve		1,415,523	1,287,784
Retained earnings		-463,660	-463,661
Profit/loss for the period		-175,656	-106,308
Total unrestricted equity		**776,207**	**717,815**
Total shareholders' equity		**786,177**	**726,123**
LIABILITIES			
LONG-TERM LIABILITIES			
Other long-term liabilities	19	850	850
Total long-term liabilities		**850**	**850**
CURRENT LIABILITIES			
Accounts payable		2,449	7,811
Intercompany liabilities	27	9,753	–
Other liabilities	20	1,401	2,013
Accrued expenses and deferred income	21	5,291	7,369
Total current liabilities		**18,894**	**17,193**
Total liabilities		**19,744**	**18,043**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**805,921**	**744,167**

Parent Company statement of changes in equity

Amounts in KSEK	Share capital	Share premium reserve	Retained earnings incl. profit/loss for the period	Totalt
Opening shareholders' equity 2021-01-01	**8,308**	**1,287,784**	**-569,969**	**726,123**
Profit/loss for the period	–	–	-69,347	-69,347
Comprehensive result for the period	–	–	**-69,347**	**-69,347**
Transactions with owners				
Issued warrants	–	450	–	450
Share issue	1,662	139,580	–	141,242
Costs for new share issue	–	-12,291	–	-12,291
Total transaction with owners	**1,662**	**127,739**	–	**129,401**
Shareholders' equity 2021-12-31	**9,970**	**1,415,523**	**-639,316**	**786,177**
Opening shareholders' equity 2020-01-01	**4,613**	**731,828**	**-463,661**	**272,781**
Profit/loss for the period	–	–	106,308	-106,308
Comprehensive result for the period	–	–	**-106,308**	**-106,308**
Transactions with owners				
Premiums for repurchased warrants	–	-187	–	-187
Premiums for sold warrants	–	176	–	176
Direct share issue, contribution in kind	3,695	555,966	–	559,661
Total transaction with owners	**3,695**	**555,955**	–	**559,650**
Shareholders' equity 2020-12-31	**8,308**	**1,287,784**	**-569,969**	**726,123**

Parent Company cash flow statement

Amounts in KSEK	Notes	2021 jan-dec	2020 jan-dec
Operating activities			
Operating profit/loss before financial items		-69,593	-106,621
Adjustment for items not included in cash flow (refers to share-based payments to staff)		450	–
Interest income received		–	15
Interest expense paid		-26	-2
Cash flow from operating activities before changes in working capital		**-69,169**	**-106,608**
Increase/decrease in accounts receivable		4,284	–
Increase/decrease in other current receivables		1,587	-1,076
Increase/decrease in accounts payable		-5,362	-5,008
Increase/decrease in other current liabilities		10,384	-7,998
Cash flow from operating activities		**70,018**	**-120,690**
Investment activities	14		
Increase/decrease in long term receivable, intra-group		-20,432	–
Investment in financial assets		-51,379	-16,597
Cash flow from investing activities		**-71,811**	**-16,597**
Financing activities			
New share issues		141,242	-2,052
New share issues cost		-12,291	–
Premiums for repurchased warrants		–	-187
Premiums for sold warrants		–	176
Cash flow from financing activities		**128,951**	**-2,063**
Cash and cash equivalents at the beginning of the period		157,762	296,811
Cash flow for the period		-12,878	-139,350
Foreign echange difference in cash and cash equivalents		272	300
Cash and cash equivalents at the end of the period		**145,156**	**157,762**

Notes

Note 1 – General information

This report covers the Swedish company Immunicum AB (publ) (Immunicum), Swedish corporate identity no. 556629-1786. The Company is a Swedish public limited company registered in Stockholm and with its registered office in Stockholm. The Board of Directors approved this Annual Report on April 12, 2022, and it will be presented for adoption at the Annual General Meeting on 10 May, 2022.

Note 2 – Accounting policies

The most important accounting principles applied when this annual report has been prepared are stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

The annual report for the parent company has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. In cases where the parent company applies other accounting principles than the Group's accounting principles, which are described in Note 2 to the consolidated accounts, these are stated below.

- In the Parent Company, the exemption in RFR 2 applies to IFRS 9 Financial instruments. This means, among other things, that financial instruments are valued on the basis of cost and that the principles of impairment testing of loss risk provisioning in FRS 9 on the parent company's short-term receivables and financial fixed assets are applied.

- In the Parent Company, the exemption in RFR 2 applies to IFRS 16 Leases and costs for all leases be recognized on a straight-line basis over the lease period.

- In the Parent Company, shares in group companies are cost less any write-downs.

Presentation format

The income statement and balance sheet follow the presentation of the Annual Accounts Act. The statement of changes in equity follows the Group's presentation but must contain the columns specified in the ÅRL. Furthermore, it means a difference in terms, compared with the consolidated accounts, mainly regarding financial income and expenses and equity.

Note 3 – Financial risk management and capital management

The group applies joint risk management for all entities. The description in the Group's Note 3 Financial risk management and Note 4 Capital management is therefore in all material aspects also applicable to the parent company.

Note 4 – Other operating income

Other operating income amounts to TSEK 4,318 (2,444) and relates to the invoicing of the management fee to DCPrime

Note 5 – Operating leases

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
The company's operating leases relate only to the rental of office premises where the business is conducted. Future minimum fees according to non-cancellable operating leases at the end of the reporting period fall due for payment as follows:		
Within one year	–	1,049
Later than one year, but within five years	–	–
Later than five years	–	–
Total	**–**	**1,049**
The leasing cost for renting offices has during the year amounted to	816	1,049

General description of significant leases for the company:
Lease agreement for office space in Gothenburg is an ongoing agreement with 6 months notice period. The agreement limits the company to operating within Life Science, the agreement contains an index clause based on changes in the CPI. A lease agreement for office space in Stockholm is an ongoing agreement with a 3-month notice period. The rent is listed at 3% per year from 1 January 2023.

Note 6 – Remuneration to the auditor

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
EY		
Audit fees	1 415	360
Audit-related fees	–	919
Other fees	–	9
Total	**1,415**	**1,288**

The audit assignment involves review of the Annual Report, interim reports and financial acounts and the administration by the Board of Directors and the CEO.

Note 7 – Employees and personnel costs

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Average number of employees		
Men	1	3
Women	5	7
Total	**6**	**10**
Gender breakdown of Members of the Board and senior management		
Board Members	6	6
of which, men	4	3
CEO, and others in senior management	1	7
of which, men	1	5
Salaries, other remuneration and social costs		
Salaries and other remuneration	9,329	15,775
Social costs	1,683	2,849
(of which, pension costs)	(617)	(1,298)
Total	**11,534**	**18,624**
Salaries and other remuneration distrubuted between Board Members, senior management and other employees		
Board Members and senior management	2,341	10,840
(of which bonus and similar remunerations)	(101)	(1,319
Other employees	6,936	4,934
(of which bonus and similar remunerations)	(227)	(242)
Total	**9,726**	**15,774**
(of which bonus and similar remunerations)	**(327)**	**(1,561)**
Remuneration and other benefits provided to Board Members		
Michael Oredsson, chairman until Jan 22th 2021	27	475
Charlotte Edenius	51	175
Steven Glazer	69	200
Magnus Persson, boardmember until Oct 29th, 2020	–	190
Christine Lind	574	150
Sven Andreasson	275	200
Helen Tuvesson	292	165
Magnus Nilsson, ledamot fram till årsstämman 2019	–	–
Kerstin Valinder Strinnholm, ledamot fram till årsstämmn 2020	–	–
Dharminder Singh Chahal	273	–
Andrea Van Elsas	246	–
Hans Peusting	210	–
CEO's remuneration and employmet benefits 1, 2, 3		
Fixed salary [1)]	–	934
Variable remuneration	–	–
Other benefits	–	–
Pension costs	–	–

1) Other senior management includes CSO, COO, Head of CMC, previous CFO (June 2020). Other members of the management team - CFO, CMO and Head of Regulatory Affairs and quality assuarance – receives their remuneration as concultance fees, see Note 26 Transactions with related parties. These consultancy fees are not included among the above remunerations.
2) The variable remuneration refers to bonuses for the financial year 2021. For information on how the bonus was calculated, see below.
3) Other benefits refers to housing and travelling to and from the workplace and health insurance.

Remuneration and employment benefits to other senior management 1) 1)		
Four persons (four persons)		
Fixed salary	1,782	5,365
Variable remuneration [2)]	101	1 319
Other benefits [3)]	8	108
Pension costs	82	149

1) Other senior management includes CSO, COO, Head of CMC, previous CFO (June 2020). Other members of the management team - CFO, CMO and Head of Regulatory Affairs and quality assuarance - receives their remuneration as concultance fees, see Note XX Transactions with related parties. These consultancy fees are not included among the above remunerations.
2) The variable remuneration refers to bonuses for the financial year 2021. For information on how the bonus was calculated, see below.
3) Other benefits refers to housing and travelling to and from the workplace and health insurance.

Remuneration to the Members of the Board of Directors

Fees are paid to the Board of Directors in accordance with the resolution of the Annual General Meeting. The Annual General Meeting on May 4, 2021 resolved that fees, based on a financial year comprising a period of 12 months, would be paid with SEK 275,000 to the members of the Board of Directors with an additional SEK 225,000 to the Chairman of the Board, SEK 70,000 to the Chairman of the Board and SEK 40,000 to each of the other Board members who are members of the Audit Committee, SEK 35,000 to the Chairman of the Board and SEK 20,000 each to the other Board members who are members of the Remuneration Committee and SEK 50,000 to the Board of Directors. chairman and SEK 25,000 to board members who are part of the scientific committee.

Remuneration to Senior executives

At the Annual General Meeting on May 4, 2021, it was resolved to approve the Board of Directors' proposal for guidelines for remuneration to senior executives as set out below to be valid until further notice. Remuneration, in accordance with the guidelines, to the CEO and other senior executives consists of basic salary, pension benefits and variable remuneration.

Periods of notice and severance pay

For senior executives, there is a mutual notice period of three to six months. During the notice period, senior executives are entitled to full salary and other employment benefits. No agreement has been reached on severance pay. For the senior executives who have consulting contracts, the agreements must be timed.

Pension

For the CEO and other members of the management team, pension benefits, including health insurance, shall be defined contribution and may not exceed 30% of the fixed annual salary.

Bonus

The senior management has a possibilty to earn a variable remuneration if meeting pre-set objectives. The bonus could according to the corporate guidelines not exceed 50 percent of the fixed yearly salary.

Note 8 - Other operating expenses

Other operating expenses amount to 802 (2,148) and refers to currency exchange loss from accounts payable.

Note 9 – Interest income and similar items

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Interest income	–	15
Foreign exchange difference in cash and cash equivalents	272	300
Total	**272**	**315**

Note 10 – Interest expenses and similar items

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Interest expenses	-26	-2
Total	**-26**	**-2**

Note 11 – Income tax

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Current taxes	–	–
Deferred taxes	–	–
Recognised tax expense on the year's net income	**–**	**–**
Difference between recognised tax expense and an estimated tax expense based on the current tax rate:		
Total profit/loss befor taxes	-69,347	-106,308
Income tax according to current tax rate	14,175	22,750
Tax effect of non-deductible expenses	-26	423
Tax effect of non-taxable income	–	–
Deductible issue costs reported over equity	–	–
Tax effect of a deductible deficiency for which no deferred tax assets have been taken into account	-14,149	-23,173
Tax expense	**–**	**–**
The current tax rate is 20.6% (21.4%)		
Unutilised deductible deficiency for which no deferred tax asset has been recognised	725,582	656,645

Note 12 – Earnings per share, parent company

Amounts in KSEK	-2021-01-31 -2021-12-31	-2020-01-31 -2020-12-31
Earnings per share, before dilution		
Earnings per share, before dilution	-69 348 059	-106 307 963
Average number of shares outstanding	184 195 165	93 694 663
Earnings per share, before dilution, SEK	**-0,38**	**-1,13**
Earnings per share, after dilution		
Net profit/loss for the year	-69 348 059	-106 307 963
Average number of shares outstanding	184 195 165	93 694 663
Earnings per share, after dilution, SEK	**-0,38**	**-1,13**

Earnings per share before dilution is based on the financial results for the year and the weighted average of the number of shares outstanding. Earnings per share after dilution is based on the financial results for the year and the weighted average of the number of shares outstanding plus the dilutive effect of potential shares. There is no dilution effect for the stock option program, as earnings for the periods have been negative.

Note 13 –Other long-term securities

Amounts in KSEK	2021-12-31	2020-12-31
Holdings of shares of LFF Service AB	1	1
Total	1	1

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (SEK 1,000) if Immunicum AB (publ) withdraws from the share agreement.

Note 14 – Shares in Group companies

Amounts in KSEK	2021-12-31	2020-12-31
Holdings of shares DCPrime	649,979	578,310
Total	649,979	578,310

Immunicum acquired all shares in DCprime BV, organizational number 34224535, on 21 December 2020, with Immunicum holding 100% of the capital and votes. DCprime is a Dutch company based in Leiden, The Netherlands. During the year, shareholder contributions were made with KSEK 71,669. Equity in DCprime BV amounts to -11,897 KSEK on the balance sheet date. Profit for the year amounts to -63,847 KSEK.

Note 15 – Other longterm receivables

The company has an agreed card limit for Business Card amounting to KSEK 300 (300). The company has provided collateral for this credit through a general pledge of bank funds of KSEK 251 (251). Deposit for office rent at Kapitel 8 Kontor AB amounts to KSEK 142 (0).

Note 16 –Other receivables

Amounts in KSEK	2021-12-31	2020-12-31
VAT receivable	984	2,444
Other receivables	51	889
Total	1,035	3,333

Note 17 – Share capital

At the end of 2021, the share capital amounted to 9,970,030 divided into 199,400,599 shares with a quotient value of SEK 0.05.

Note 18 – Other longterm liabilities

The Company has previously received financing in the form of conditional credits from Region Västra Götaland amounting to SEK 850,000. The terms of repayment for these loans are 5 percent of the debt per year of potential future income, with the addition of interest at the reference rate set by the Swedish National Bank for the calendar half-year in question, plus an additional two percentage points. Today, no repayment of the loan has begun.

Note 19 – Prepaid expenses and accrued income

Amounts in KSEK	2021-12-31	2020-12-31
Prepaid expenses relating to preclinical development/clinical trials	4,381	2,728
Prepaid insurance premiums	334	167
Prepaid rents	145	231
Other prepaid expenses	213	1 384
Total	5 073	4 509

Not 20 – Other liabilities

Amounts in KSEK	2021-12-31	2020-12-31
Wage taxes	692	1 244
Other	708	768
Total	1,401	2,013

Note 21 – Accrued expenses

Amounts in KSEK	2021-12-31	2020-12-31
Accrued expenses relating to preclinical development/clinical trials	4,242	3,228
Accrued personnel-related costs	431	1 223
Accrued personnel-related costs	1,048	2,918
Total	5,721	7,369

Note 22 – Financial assets and liabilities

Amounts in KSEK	Financial assets recognized at amortized cost	Not financial assets	Sum reported value
Financial assets			
Financial fixed assets	649,980	–	649,980
Other receivables	4,283	1,035	5,318
Prepaid expenses and accrued income	–	5,073	5,073
Cash and cash equivalents	145,156	–	145,156
Financial liabilities			
Account payables	12,202	–	12,202
Long term interest bearing debts	850	–	850
Other current liabilities	–	1,401	1,401
Accrued expenses and deferred income	–	5,291	5,291

Note 23 – Appropriation of profit and loss

Amounts in KSEK	2021-12-31
The following unrestricted shareholders' equity are available to the Annual General Meeting for its disposition:	
Share premium reserve	1,415,072,645
Retained earnings	-463,660,434
Net profit/loss for the year	-69,348,059
Warrants	450,280
Total	**882,514,432**
The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows	
To be carried forward	882,514,432
Total	**882,514,432**

Note 24 – Pledged assets

Amounts in KSEK	2021-12-31	2020-12-31
Pledged assets for own liabilities and provisions		
Pledged bank deposit	251	251
Total	**251**	**251**

Note 25 – Transactions with related parties

Sven Rohmann, former CEO of Immunicum AB, has during the year invoiced the Company KSEK 2,882 in consultancy fees through the Company Suenos Advisors Establishment. Margareth Jorvid, former Head of Regulatory Affairs & Quality System and former member of Immunicum's management team, has during the year invoiced Immunicum KSEK 754 in consultancy fees through the Company Methra Uppsala AB. Peter Suenaert, former CMO and member of Immunicum's management team, has during the year invoiced Immunicum KSEK 1,704 in consultancy fees through the Company Sparkclin BV.

Note 26 – Events after the balance date

» The COVID-19 pandemic continues to have a significant impact on the global healthcare system. Many hospitals, regions and countries are updating their guidelines and Immunicum follows these developments closely to take necessary steps to fully comply with new guidance. Immunicum has also taken necessary actions to ensure the well-being, safety and security of the Company's employees. At reporting date, there have been no significant delays in the Company's operations and the Company's facilities have remained operational. The COVID-19 pandemic may be further prolonged and have long-term impact on the Company's business and financial performance.

» The crisis in the Ukraine is expected to have a significant impact on the global economy and particularly in the supply of natural resources, including natural gas. Currently, the Company is not dependent on direct supplies from the Ukraine or Russia. However, there may be indirect negative consequences to the Company's supply chain and costs of raw materials. In addition, there is a general risk associated with the impact the Ukraine crisis will have on the global economy and in particular the capital markets. If extended in time it could therefore adversely affect the Company's access to capital and have a further negative impact on the Company's business.

» In the first quarter of 2022, the Company has received a request for arbitrage by the Arbitration Institute of the Stockholm Chamber of Commerce related to a claim by a former independent adviser. The Company disputes the claim and will act accordingly.

Note 27 –Counterparttransactions

The parent company Immunicum AB is related to the subsidiary DCprime BV.
Summary of related party transactions as of 2021

Amounts in KSEK	Sales of goods and services to related parties	Purchase of goods and services to related parties	Outstanding debts as of Dec 31	Outstanding receivables as of Dec 31
DCprime BV	4,283	9,753	9,753	4,283

In 2020, nothing was invoiced between Immunicum AB and DCprime BV

Assurance of the Board of Directors and CEO

The Board of Directors and the CEO hereby assure that the consolidated accounts and annual report were prepared as per the International Financial Reporting Standards (IFRS) as adopted by the EU, and generally accepted accounting principles, respectively, and provide a true and fair view of the development of the Group's and Parent Company's financial position and performance, and that the Board of Directors' report provides a true and fair view of the Group's and Parent Company's operations, financial position and performance as well as describing material risks and uncertainties faced by the companies that are part of the Group. The income statements and balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 10, 2022.

Stockholm, April 12, 2022

Christine Lind
Chairman

Hans Preusting
Board member

Sven Andreasson
Board member

Helén Tuvesson
Board member

Andrea Van Elsas
Board member

Erik Manting
Chief Executive Officer

Dharminder Chahal
Board member

Stockholm on the day shown in our electronic signature
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Immunicum AB (publ), corporate identity number 556629-1786

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Immunicum AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 21-52 in this document.
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Nedskrivningstest för goodwill och teknologi

Description: As per December 31, 2021 goodwill amounts to SEK 108 million and technology amounts to SEK 424 million in the consolidated balance sheet. The Group tests, when there is an indication of impairment and at least annually, that carrying amounts do not exceed estimated recoverable amounts for these assets. Recoverable amounts are determined through generally adopted models utilizing discounted cash flows based on management's assessments of future cash flows and other significant assumptions such as discount rate and growth that can have a major impact on the estimated recoverable amount. The impairment test of intangible assets performed by management has therefore been considered to be a key audit matter. A description of the impairment test is provided in Note 16 and in the section "Important estimates and assessments for accounting purposes" in Note 5.

How our audit addressed this key audit matter: In our audit we have reviewed management's models, assessments and assumptions that are utilized for calculating the recoverable amount of the intangible assets. We have reviewed and compared management's forecasts from prior periods against outcomes and reviewed the plausibility of the forecasts and assumptions underlying this year's impairment test. We have also reviewed assumptions made against comparable companies in the industry in which the Group operates. With the support of our valuation specialists, we have reviewed the group's models and method for conducting impairment tests. We have conducted our own sensitivity analyses of key assumptions and possible impact factors. Finally, we have reviewed disclosures provided in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-20 and 53-64. The remuneration report for the financial year 2021 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.
In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit.

We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Immunicum AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Immunicum AB (publ) for the financial year 2021.
Our examination and our opinion relate only to the statutory requirements.
In our opinion, the ESEF report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Immunicum AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.
Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, was appointed auditor by the general meeting of the shareholders on the 4 May 2021 and has been the company's auditor since the 25 April 2019.

Stockholm on the day shown in our electronic signature
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant

Corporate Governance Report

Immunicum Aktiebolag (publ), corporate identity number 556629-1786, is a Swedish public limited liability company with registered offices in Stockholm. The Company's share is listed on Nasdaq Stockholm, Small Cap, and traded under the ticker IMMU. Corporate governance refers to the rules and decision-making hierarchies that promote efficient and controlled management of the operations of a company.

Immunicum's corporate governance is based on applicable laws, rules and recommendations for listed companies, such as the Swedish Corporate Governance Code (the "Code"), Nasdaq Stockholm's Rulebook for Issuers, the Articles of Association and company-specific rules and guidelines. This report, which is separate from the annual report, pertains to the 2021 financial year and has been reviewed by the Company's auditors.

Deviations from the Code, stock exchange rules or good practice in the Swedish stock market

The Company has not deviated from the Code or stock exchange rules and has not been subject of a decision by Nasdaq Stockholm's Disciplinary Committee or a decision regarding violations of good practice in the stock market by the Swedish Securities Council.

Immunicum's corporate governance

Immunicum's corporate governance aims to create a clear delegation of roles and responsibilities among shareholders, the Board of Directors and senior management. Responsibility for governance, management and control at Immunicum is allocated among the general meeting, the Board of Directors, its elected committees and the CEO.

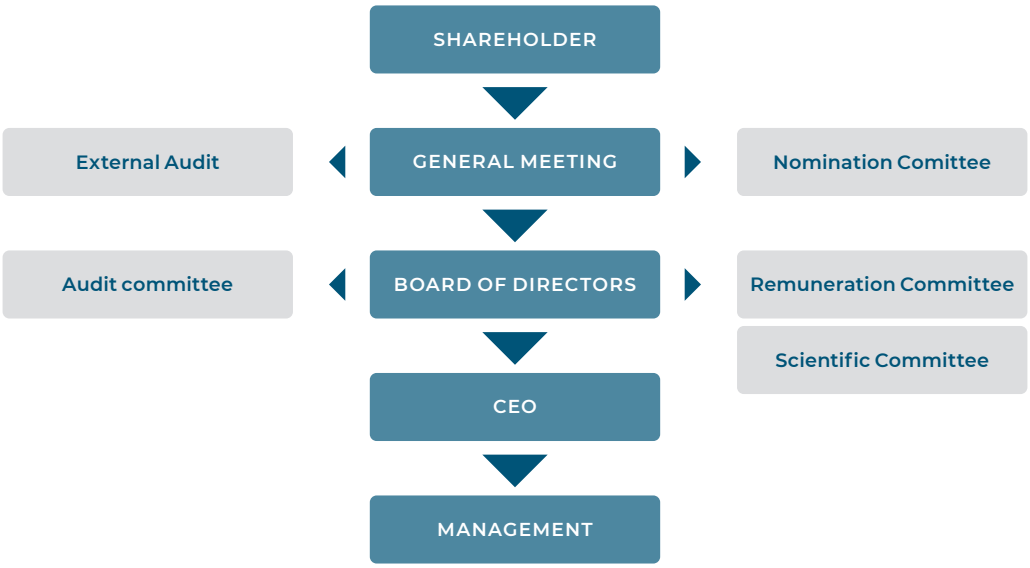
External regulations that impact corporate governance

- The Swedish Companies Act
- Regulations for external reporting
- Nasdaq Stockholm's Rulebook for Issuers
- The Swedish Corporate Governance Code
- Other applicable laws and regulations

Important internal regulations and documents

- Articles of Association
- Rules of procedure for the Board of Directors, including instructions for the Board's committees
- CEO instruction, including instructions for financial reporting
- Guidelines for remuneration to senior executives of the Company
- IT policy
- Financial manual
- Authorization instructions
- Employee handbook
- Code of Conduct
- Information and insider policy

Corporate governance structure



Corporate governance structure

Shareholders and the share

Immunicum is a CSD-registered company, which means that the company's shareholder register is maintained by Euroclear Sweden AB. The share capital of Immunicum consists of one class of share, which entitles the holder to equal voting rights and equal right to the company's assets. Immunicum's share is traded on Nasdaq Stockholm, Small Cap. At the year-end, Immunicum had 9,720 (9,656) shareholders of which 435 (450) were registered as legal entities and 9,206 (9,339) as private individuals. Swedish registered owners hold 51.9 (51.6) percent and foreign registered owner hold 48.4 (48.4) percent of the share capital. For further information regarding shareholders and Immunicum's share, refer to pages 15-16 in the Annual Report and immunicum.com.

General Meeting of Shareholders

In accordance with the Companies Act, shareholders exercise their influence of the company at the General Meeting of Shareholders, which is the company's highest decision-making body. At the General Meeting, shareholders resolve on key issues, including amendments of the Articles of Association, the adoption of income statements and balance sheets, any dividends and allocation of the company's profit, election of Board members and auditors and their remuneration, as well as discharge from liability of Board members and the CEO. The General Meeting also resolves on guidelines for remuneration of senior executives.

According to the Articles of Association, notice convening an Annual General Meeting (AGM) or an Extraordinary General Meeting (EGM) is to be given in the form of an announcement in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) and by publishing the notice on the company's website. Simultaneously with the notice, the company shall by way of announcement in Dagens Industri inform that notice has been made. Notice of summons to the Annual General Meeting and an Extraordinary General Meeting where a matter of amendment of the articles of association shall be resolved shall be made at earliest six and not later than four weeks prior the meeting. Notice of summons to other extraordinary general meetings shall be made at earliest six and not later than three weeks prior to the extraordinary general meeting.

Shareholders who are entered in the shareholders' register in the manner described in the Companies Act and who have notified the company of their participation at the meeting by the date specified in the notice of the Meeting will be entitled to participate in the Meeting. This day may not be on Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday prior to the Meeting.

At the AGM, the following matters are to be addressed:

1. Election of a chairperson of the Meeting.
2. Preparation and approval of the voting list.
3. Presentation and approval of the agenda.
4. Appointment of one or two persons to verify the minutes.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the Annual Report and the Auditor's Report, and, where applicable, the consolidated financial statements and consolidated Auditor's Report.
7. Decisions regarding:
   a) the adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet.
   b) allocation of the Company's profit or loss according to the duly adopted balance sheet.
   c) discharge from liability for the members of the Board and the CEO.

8. Determination of remuneration and other fees for the members of the Board and the Auditor.
9. Election of members to the Board and appointment of auditors and any deputy auditors.
10. Other matters that are to be addressed at the AGM pursuant to the Companies Act or the Articles of Association.

2021 Annual General Meeting

Immunicum's 2021 AGM was held on Tuesday, May 4 at the IVA Conference Center, Grev Turegatan 16 in Stockholm. Approximately 48.54 percent of the votes were present at the Meeting. Attorney Mats Dahlberg was elected to chair the Meeting. The Meeting resolved on, among other items:

- Discharge of the Board of Directors and the CEO from liability for the financial year 2020 and that no dividends shall be paid for the financial year 2020.
- Re-election of Board members Sven Andreasson, Dharminder Chahal, Andrea van Elsas, Christine Lind and Helén Tuvesson. Charlotte Edenius and Steven Glazer had requested to not be re-elected.
- Hans Preusting was elected as new Board member.
- Christine Lind was elected as new Chairman of the Board
- Re-election of the registered audit firm Ernst & Young AB, which had appointed Anna Svanberg as the auditor in charge, as auditor for the period until the end of the next AGM.
- Principles for the appointment of the Nomination Committee in accordance with the Nomination Committee's proposal.
- Amendment of guidelines for remuneration to senior executives.
- Implementation of a performance-based incentive program based on employee stock options for senior executives and key employees and an incentive program based on restricted share units directed to other employees, LTI 2021/2024. With regard to the restricted share unit program, it was decided that it should be linked to the achievement of the company objectives set by the Board annually. The employee stock option program comprised a maximum of 1,678,453 employee stock options and restricted share unit program comprised a maximum of 834,300 restricted share units which could be offered and allocated to participants in the respective program.
- Authorize the Board of Directors to resolve, for the period until the end of the next AGM, at one or more occasions and with or without deviation from the shareholders' preferential rights, to issue new shares, warrants and/or convertibles. The number of shares, or warrants or convertibles that entitle subscription of a number of shares that may be issued in directed issues shall not exceed 20 percent of the company's registered number of shares. In addition to the limitation of 20 percent for directed issues, the board shall be entitled to issue shares, or warrants or convertibles that entitle subscription of a number of shares, without deviation from the shareholders' preferential rights up to a maximum of 10 percent of the company's registered number of shares on a fully diluted basis.

Minutes, complete proposals and more detailed information from the 2021 Annual General Meeting is available at www.immunicum.se, under Corporate Governance.

2021 Extraordinary General Meeting

As a result of the merger between Immunicum and DCprime, an Extraordinary General Meeting was held on 22 January 2021 with regard to the election of the Board of Directors, wherein the Meeting, based on the proposal of the major shareholder Van Herk Investments B.V., resolved on election of Dharminder Chahal and Andrea van Elsas as new Board members and that the current Board members Sven Andreasson, Charlotte Edenius, Steven Glazer, Christine Lind and Helén Tuvesson would remain in office. Michael Oredsson announced prior to the AGM that he had decided to resign from the Board, wherein the other Board members decided to appoint Christine Lind as acting Chairman of the Board for the period until the next AGM.

Minutes, complete proposals and more detailed information from the 2021 Extraordinary General Meeting is available at www.immunicum.se, under Corporate Governance.

2022 Annual General Meeting

Immunicum's 2021 AGM will be held at 10:00 a.m. on May 10, at Tändstickspalatset, Västra Trädgårdsgatan, in Stockholm. For more information and the right to participate, refer to page 67 in the Annual Report and the consolidated financial statements or www.immunicum.com. The minutes from the AGM will be available at www.immunicum.com.

Nomination Committee

The Nomination Committee represents Immunicum's shareholders and has the task of preparing the AGM's decisions in regard to election and remuneration matters. According to the instructions adopted by the AGM on May 4, 2021, the Nomination Committee is to be comprised of four members appointed by the four largest shareholders, based on the ownership structure at Euroclear Sweden AB as of August 31, that have accepted the invitation to participate in the Nomination Committee. If any of the four largest shareholders does not exercise its right to participate in the Nomination Committee, the next largest shareholder in terms of the number of votes who has not already had the right to appoint a member of the Nomination Committee is to be offered the opportunity to appoint a member. The Nomination Committee shall appoint one of its members as Chairman of the Committee.

The members of the Nomination Committee are to be presented on the company's website no later than six months prior to the AGM. If four shareholders have not at this time informed of their intention to participate in the Nomination Committee, the Nomination Committee shall be comprised of fewer members. If a change in the

company's ownership structure occurs after August 31 but before the publication of the Nomination Committee's full proposal, and if a shareholder who, after this change has become one of the four largest shareholders in the company in terms of voting rights requests to be included in the Nomination Committee, this shareholder shall have the right to appoint an additional member of the Nomination Committee. The Nomination Committee's mandate period is until a new Nomination Committee has been appointed. Changes to the composition of the Nomination Committee are to be made public as soon as they have occurred.

Shareholders of the company are entitled to present proposals of Board members for consideration by the Nomination Committee. The Nomination Committee is to consider, based on the company's operations and stage of development, etc., that the Board is to have an appropriate composition, and a diverse and broad range of qualifications, experience and backgrounds. Members of the Nomination Committee are not entitled to any remuneration. However, the company shall carry all reasonable costs for the work of the Nomination Committee. If deemed necessary, the Nomination Committee may engage external consultants to identify candidates with relevant experience and the Company shall carry the costs for such consultants. The Company shall also provide resources in the form of personnel if needed to support the Nomination Committee in its work.

Ahead of the 2022 AGM, Christine Lind, Chairman of Immunicum, invited the largest shareholders to form a Nomination Committee. The following members were nominated by the four largest shareholders who accepted the invitation to participate in the Nomination Committee:

- Erik Esveld, appointed by Van Herk Investments BV
- Jannis Kitsakis, appointed by The Fourth Swedish National Pension Fund (AP4)
- Gunnar Hörnsten, appointed by Loggen Invest AB
- Mats Andersson, appointed by Holger Blomstrand byggnads AB

The Nomination Committee has appointed Erik Esveld as Chairman of the Nomination Committee.

The composition of the Nomination Committee as set out above was announced through a press release on November 3, 2021.

The Nomination Committee's duties include preparing the following proposals to the 2021 AGM: (i) proposal regarding election of the Chair of the AGM; (ii) proposal regarding election of Board members; (iii) proposal regarding election of the Chair of the Board of Directors; (iv) proposal regarding the remuneration to the Board of Directors; (v) proposal regarding election of auditors (if instructed pursuant to Chapter 8, Section 49 b, Paragraph 2 of the Companies Act); (vi) proposal regarding remuneration to the auditors; and (vii) proposal regarding amendment of principles of the nomination process ahead of an AGM (if necessary).

According to the Code, in connection with the announcement of the 2022 AGM, the Nomination Committee is to present a statement on the company's website regarding its proposal of Board members, taking into account the Code's rules on the composition of the Board of Directors, to provide specific reasons for the proposal with respect to the requirements for an even gender distribution and to present a brief description of the Nomination Committee's work. The Nomination Committee shall also present relevant information on the website about new Board members proposed for election and members proposed for re-election, primarily their education and work experience, other significant assignments within and outside the company, and their own and related parties' shareholdings in the company.

The Board of Directors

Composition and independence of the Board of Directors

According to Immunicum's Articles of Association, the Board is to consist of no fewer than three and no more than eight members without deputies. The AGM held on May 4, 2021 elected six ordinary Board members; Christine Lind (Chairman of the Board), Sven Andreasson, Andrea van Elsas, Dharminder Chahal, Hans Preusting and Helén Tuvesson, all of whom will serve until the end of the next AGM. Dharminder Chahal is deemed to be independent in relation to the company and its management but dependent in relation to major shareholders of the company through his assignments for Van Herk Investments B.V. The other Board members are deemed to be independent of the Company and its management as well as the Company's major shareholders. Major shareholder refers to a shareholder who directly or indirectly controls ten percent or more of the shares and votes in the company.

According to the Code, the majority of Board members shall be independent of the company and its management. At least two of the Board members who are independent of the company and its management shall also be independent in relation to the company's major shareholders. In accordance with the above description, Immunicum complies with the requirement of independence of Board members in the Code.

Information on the members of the Board of Directors, including year of birth, year of election to the Board, education, experience, current and previous assignments and shareholdings in the company can be found in the Annual Report 2021 on pages 17-18. Shareholding in the company includes own and/or related parties' holdings.

The work and responsibility of the Board of Directors

The duties of the Board of Directors are regulated by the Companies Act, the Articles of Association and the Code. The Board of Directors has also adopted written rules of procedure that governs the Board of Director's work, delegation of work and responsibility among the Board, committees, Chair of the Board and CEO. Additionally, the rules of procedure includes the number of scheduled Board meetings and items to be addressed at each meeting, the forms for convening meetings, meeting and

decision-making procedures, documentation for Board meetings, the duties of the Chair of the Board, minutes, disqualification and conflicts of interest, mandatory items that the CEO shall submit to the Board of Directors, financial statements and authorized signatories. The Board of Directors' rules of procedure shall be adopted annually. In addition, the Board of Directors has adopted a CEO instruction and other specific policies, such as Code of Conduct, finance policy, authorization instructions and an information and insider policy. In addition to the Board meetings, the Chairman of the Board and the CEO have a continuous dialogue regarding matters significant for the company.

The Board is responsible for the company's organization and the administration of its affairs, the company's overall business plan, material organizational changes, changes to the focus of the company's operations and the income statement and balance sheet. The Board of Directors shall also make decisions on investments, acquisitions or divestments of material assets, shares or operations, loans and credit facilities, guarantees provided, and signing and amending material contracts or contracts between the company and the shareholders. Furthermore, the Board of Directors is to address matters referred to the Board of Directors by the CEO. The Board of Directors assumes overall responsibility for ensuring that the company's organization is designed so that accounting, asset management and the company's financial circumstances are controlled in a satisfactory manner and is responsible for continuously assessing the CEO's work. The Board of Directors is also responsible for ensuring the quality of the financial reporting, including monitoring systems and the internal control of the company's financial reporting and position. In addition, the Board is responsible for ensuring that the information the company discloses externally is transparent, correct, relevant and clear. The Board of Directors is responsible for preparing the required guidelines and other policy documents.

The Chairman leads the Board of Directors' work and has special responsibility for ensuring that the Board of Directors' work is well organized and effectively implemented. The Chairman, in consultation with the Company's CEO, is responsible for ensuring that Board members receive an agenda for every meeting and the necessary documentation in sufficient time prior to each Board meeting. The Chairman is also to ensure that each Board member continuously updates and broadens their knowledge of the company and that new Board members receive the necessary introductory training and any other training that the Chairman and the new member deem appropriate. The Chairman is responsible for contact with shareholders in owner-related matters and forwarding shareholders' opinions to the Board of Directors, and also for ensuring that the Board of Directors' work is evaluated every year following a systematic and structured process aimed at developing the Board of Directors' work forms and methods. The results of the evaluation are to be presented to the Nomination Committee

Work of the Board and important events during 2021
The Board normally meets six times per year. Additional meetings may be held to address issues which cannot be referred to an ordinary meeting. The Board of Directors held ten (10) meetings during 2021 where minutes were recorded, excluding those held per capsulam. Members' attendance at Board meetings is shown in the table on page 63. In 2021, the Board has managed the following matters:

- The Company's strategic direction and the acquisition of DCPrime BV
- Product development
- Risk management and risk assessment
- Governing documents
- Evaluation of the CEO
- Financial reports including reporting from external auditors

The Board of Directors has planned six (6) meetings for 2022.

Board committees
The Board of Directors has established three committees: The Audit Committee, the Scientific Committee and the Remuneration Committee, which work according to the established instructions from the Board of Directors.

Audit Committee
The Board of Directors has appointed an Audit Committee comprising the board members Dharminder Chahal (Chairman of the Audit Committee), Sven Andreasson and Christine Lind. The Committee fulfils the Companies Act's requirements for independence as well as accounting and auditing expertise.

The Board is to establish instructions for the tasks of the Audit Committee on an annual basis. The instructions to the Audit Committee state that the Audit Committee is, without impacting the responsibility and tasks of the Board in general, to monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management in respect of the financial reporting, keep themselves informed regarding the audit of the annual accounts and other financial reports, scrutinize and monitor the impartiality and independence of the auditor, and be particularly observant in the event that the auditor provides additional services to audit services to the company. The Audit Committee is also to meet with the auditor on an annual basis to be informed about the scope and direction of the auditor's audit, as well as the auditor's observations during the work with the audit. Furthermore, the Audit Committee is to evaluate the audit work and assist in the preparation of proposals for the General Meeting's decisions on the election of auditors. In addition, the Audit Committee shall, among other tasks, together with the company's auditor review related party transactions and significant accounting policies in connection with interim reports and annual reports. The Audit Committee is to hold at least four meetings per year and the Chairman of the Audit Committee is to present a report of matters discussed at the latest meeting of the Audit Committee at board meetings. The Audit Committee has met four (4) times during the year to discuss the period's financial information, risks, internal controls, accounting principles,

the auditors' review of the company and the financial statements.

Scientific Committee

The Board of Directors has appointed a Scientific Committee comprising Helen Tuvésson (Chairman of the Scientific Committee), Andrea van Elsas and Hans Preusting. None of the aforementioned Board members are employed by the Company.

The Board shall annually establish instructions for the work of the Scientific Committee. The Chairman of the Scientific Committee and one other member of the Scientific Committee must be members of the Board and neither of these may be employed in the Company. The Company's Chief Scientific Officer and/or the CEO is to prepare the meetings of the Scientific Committee. The Scientific Committee may, if the need arises, seek external advice or advice from the Company's Scientific Advisory Board. The Chairman of the Scientific Committee is to inform the Board of the Committee's work and evaluate its work and compliance with the articles on an annual basis.

The Scientific Committee met four (4) times during the year. At these meetings, the Committee mainly discussed the development of the company's two candidates, Ilixiadencel and DCPone. The Committee has also discussed the preclinical studies and has had an ongoing dialogue with the company's CMO and CSO.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee comprising Christine Lind (Chairman of the Remuneration Committee) Hans Preusting and Helén Tuvesson. The Committee is assessed as fulfilling the Code's requirements for independence as well as for the necessary knowledge and experience in remuneration of senior executives.

The main tasks of the Remuneration Committee are to prepare the Board's decisions in matters of remuneration principles, including preparing proposals for the AGM's decisions regarding guidelines for remuneration to senior executives of the company, remuneration and other employment terms for the Company's CEO and other senior executives, follow and evaluate variable remuneration for senior management and to follow and evaluate the application of guidelines for remuneration to senior executives and current remuneration structures and levels within the company. The Remuneration Committee is further tasked with monitoring and regularly evaluating current and concluded programs for variable remuneration to senior executives and with process questions on proposals for any incentive programs. The Remuneration Committee met four (4) times during the year. At these meetings, the Committee has discussed existing compensation systems in the company, proposals for guidelines for the CEO and senior executives as well as the ongoing incentive program.

For information about salaries and remuneration to the CEO and senior executives, refer to Note 7 in the 2021 Annual Report.

	Independence in relation to the			Compensation, KSEK				
	Function	Company	Owners	Board fees	Audit Committee	Remuneration Committee	Scientific Committee	Total
Christine Lind [1]	Chairman	x	x	600	40	35		675
Helén Tuvesson	Board member	x	x	275		20	50	345
Sven Andreasson	Board member	x	x	275	40			315
Dharminder Chahal [3]	Board member	x		275	70			345
Andrea van Elsas [3]	Board member	x	x	275			25	300
Hans Preusting [4]	Board member	x	x	275		20	25	320
Michael Oredsson [5]	Board member	x	x					
Charlotte Edenius [6]	Board member	x	x					
Steven Glazer [6]	Board member	x	x					
				1,975	**150**	**75**	**100**	**2,300**

	Attendance			
	Board[2]	Audit Committee	Remuneration Committee	Scientific Committee
Christine Lind [1]	10/10	4/4	4/4	–
Helén Tuvesson	10/10	–	4/4	4/4
Sven Andreasson	8/10	4/4	2/2	–
Dharminder Chahal [3]	10/10	4/4	–	–
Andrea van Elsas [3]	9/10	–	–	4/4
Hans Preusting [4]	7/7	–	2/2	4/4
Michael Oredsson [5]	–	–	–	–
Charlotte Edenius [6]	2/3	–	–	–
Steven Glazer [6]	2/3	–	–	1/1

CEO and management

The company's CEO is responsible for the ongoing management and development of Immunicum in accordance with applicable legislation and rules, including Nasdaq Stockholm's Rulebook for Issuers, the Code and the guidelines, instructions and strategies established by the Board of Directors. The CEO shall ensure that the Board of Directors has the necessary factual and relevant information to take well-informed decisions. The CEO also monitors compliance with Immunicum's objectives, policies and strategic plans established by the Board of Directors and is responsible for informing the Board of Directors about Immunicum's development between Board meetings.

Sven Rohman has been the company's CEO until Erik Manting was appointed CEO on March 16, 2021. The CEO leads the work of the management team, which is responsible for the overall development of the company's operations and business. In addition to the CEO, the management team has during the year consisted of Immunicum's Chief Financial Officer (CFO), Chief Medical Officer (CMO) and Chief Scientific Officer (CSO) (a total of four people). Until March 16, the management team also comprised of the Head of CMC, the Head of Regulatory Affairs and Quality Assurance, and the Chief Operating Officer (a total of seven people).

A presentation of the CEO and other members of the management team can be found on page 18 of the Annual Report and the consolidated financial statements.

1. Chairman since January 22, 2021
2. Excluding board meetings per capsulam
3. Board member since the Extraordinary General Meeting on January 22, 2021
4. Board member since the Annual General Meeting on May 4, 2021
5. Chairman and member until 22 January 2021
6. Member until and including the Annual General Meeting on May 4, 2021

Remuneration

Remuneration to the members of the Board of Directors

The Nomination Committee, which is appointed according to the principles approved by the AGM, provides its proposals for fees to the Board of Directors. Fees to the Board are payable pursuant to the resolution by the AGM and are presented in the table on page 63.

Remuneration to senior management

Remuneration matters for senior executives are addressed by the Board of Directors' Remuneration Committee. The Board of Directors decides the CEO's remuneration based on the proposal from the Remuneration Committee. Remuneration and terms for senior executives are to be based on market conditions and a balanced mix of a fixed annual salary, variable salary, pension benefits, other benefits and terms upon termination of employment.

Guidelines for remuneration to senior executives

According to the guidelines for remuneration to senior executives that were adopted at the AGM on May 4, 2021, Immunicum shall offer a total compensation package at market level that enables the recruitment and retention of qualified senior executives. Compensation to the senior executives shall be comprised of a fixed salary, variable salary based on the individual's achievement of objectives and other benefits. If the Board of Directors considers that new share-based incentive schemes – for example, employee stock options – should be introduced, the Board of Directors shall propose that such schemes are resolved upon by the General Meeting. The Board annually prepares a remuneration report regarding the implementation of the company's remuneration guidelines.

Fixed salary

The fixed salary shall take into account the individual's performance of its position considering the areas of responsibility and experience. Evaluation and re-consideration are normally made annually.

Variable salary

The variable salary shall, if applicable, be based on the individual's achievement of qualitative and quantitative goals. The variable part of the salary may, for the CEO and other senior executives, amount to a maximum of 50 percent of the fixed annual salary.

Pension

Pension benefits shall be premium-based. The pension premium for the CEO and other senior executives may not exceed 30 percent of the annual fixed salary.

Severance pay, etc.

The notice period for senior executives shall be a maximum of twelve months. In the event of termination by the company, severance pay corresponding to a maximum of twelve months' fixed salary may be paid.

Other benefits

Other benefits, which may include travel and medical insurance, shall be in line with market conditions and represent only a limited part, not exceeding 15 percent of the fixed annual salary, of the total remuneration.

Preparation and decision-making process

The CEO's compensation shall be prepared and resolved on by the Board of Directors. Other senior executives' remuneration shall be prepared by the CEO who shall propose remuneration to the Board of Directors for approval. The Board of Directors is entitled to deviate from the aforementioned guidelines if justified due to special circumstances in the individual case.

Deviation from guidelines

The Board of Directors may decide to deviate from the guidelines, in whole or in part, if there are specific reasons in an individual case and a deviation is necessary to meet the long-term interests of the Company or to ensure the financial viability of the Company. The Board has not deviated from the guidelines in 2021.

External auditor

The Company's auditor is elected by the AGM. Immunicum's auditor is the registered accounting firm Ernst & Young AB. Authorized public accountant Charlotte Holmstrand is the auditor in charge.

The external audit plan and risk management are discussed with the Audit Committee. The auditors perform a general review of the quarterly report for the third quarter and audit the annual accounts. The auditors also express an opinion as to whether this Corporate Governance Report has been prepared and whether certain information contained within it is compatible with the annual accounts. The Auditors report the result of their audit of the annual accounts and their review of the Corporate Governance Report in the audit report and the Corporate Governance Report as well as in a special opinion on compliance with remuneration of senior executives, which are presented to the AGM. In addition, the Auditors submit accounts of performed reviews to the Audit Committee and to the Board of Directors in its entirety.

The fees invoiced by the auditors for the last two financial years are reported in Note 6 in the 2021 Annual Report.

Internal control and risk management

The overall purpose of the internal control is to ensure to a reasonable degree that the company's operative strategies and goals are followed up and that the owners' investments are protected. The internal control is also to ensure that the external financial reporting is to a reasonable degree reliable and prepared in accordance with good accounting practice, that applicable laws and regulations are followed, and that the demands made on listed companies are met. At Immunicum, internal control of the financial reporting is, for example, directed at ensuring an effective and reliable handling and reporting of accrued costs.

The internal control environment is largely comprised of the following five elements: control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

The control environment at Immunicum constitutes the frame for the direction and culture communicated to the organization by the company's Board and management. Internal management and control in accordance with accepted frameworks are a prioritized area of the management work. Immunicum's Board and management define and shape decision pathways, powers and responsibilities which are clearly defined and communicated in the organization. The company's Board also strives to ensure that steering documents such as internal instructions and policies cover identified significant areas and that they provide the right guidance to the different senior executives in their work at the company.

Risk assessment

Immunicum's Board works continuously and systematically with risk assessments in order to identify risks and take appropriate measures in respect of these. The company has an annual risk process in place where risks are identified from a company perspective to provide an overview of the most important risks for Immunicum, which are followed up by the management team during the year. Each identified risk is to be documented with a potential action plan to reduce the risk whenever possible. The risk assessment is also designed to identify such risks that significantly impact the internal control of the financial reporting.

Control activities

The primary purpose of the control activities is to prevent, discover and rectify errors in the financial reporting. Routines and activities have been designed to manage and deal with significant risks which are related to the financial reporting. The activities include analytical follow-up and comparison of earnings trends or items, reconciliation of accounts and balance sheet specifications, as well as approval of all bank transactions and cooperation agreements, powers of attorney and authorization instructions, and accounting and valuation principles. Access to financial systems is restricted according to authority, responsibility and role.

Information and communication

In addition to the very high demands of Nasdaq Stockholm and supervisory authorities regarding the scope and accuracy of information, Immunicum has internal control functions for information and communication in place to ensure that correct financial and other company information is communicated to co-workers and other stakeholders.

The company's internal instructions and policies are available to all co-workers and give detailed information about routines that apply in all parts of the company and describe the control functions and how they are implemented.

The security around all information that can affect the company's market value and ensuring that such information is communicated externally in a correct and timely manner are cornerstones in the company's commitment as a listed company. These two factors and the routines for managing them ensure that the financial reports are received by the financial market's actors at the same time and present a true and fair view of the company's financial result and position.

Follow-up

Compliance with internal policies, directives, guidelines and codes, and the suitability for purpose and functionality of established control activities are followed up continuously. Measures and routines in respect of the financial reporting are subjected to continuous follow-up. The CEO ensures that the Board of Directors constantly receives reports on the development of the company's operations, including the development of the company's results and position as well as information about important events including research results and important agreements. The Board reviews the Annual Report and interim reports prior to their publication. The Board meets the company's auditors once a year to discuss the internal control and the financial reporting.

Special assessment of the need for internal audit

Immunicum has no special scrutinizing function (internal audit). The company has an uncomplicated legal and operative structure in which the Board continually follows up the company's internal control in conjunction with external and internal financial reporting. In addition, the Audit Committee monitors the efficiency of the internal control and the risk management of the financial reporting. In light of the foregoing, the Board of Directors has decided not to establish a separate internal audit function but shall evaluate the matter annually.

External audit

The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor shall review the Annual Report and financial accounts and the management by the Board of Directors and the CEO. Following each financial year, the Auditor is to submit an audit report to the AGM. Every year, the company's Auditors report their findings and their assessments of the company's internal controls to the Board of Directors.

Stockholm, April 12, 2022

Christine Lind
Chairman

Hans Preusting
Board member

Sven Andreasson
Board member

Helén Tuvesson
Board member

Andrea Van Elsas
Board member

Erik Manting
Chief Executive Officer

Dharminder Chahal
Board member

Auditor's report on the corporate governance statement

To the Annual General Meeting of Immunicum AB (publ), corporate identity number 556629-1786.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2021 on pages 58–66 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm on the day shown in our electronic signature
ERNST & YOUNG AB

Charlotte Holmstrand
Authorized Public Accountant

Welcome to the 2022 Annual General Meeting

Immunicum's Annual General Meeting will be held on May 10, 2022 at Tändstickspalatset, Västra Trädgårdgatan 15 in Stockholm at 10:30. Registration starts at 09:00. Shareholders who wish to participate shall be registered in the shareholders' register maintained by Euroclear by 2 May 2022.

Notification

Registration for participation in the Annual General Meeting must be made no later than 4 May 2022. Registration must be made in writing to Immunicum AB (publ), Västra Trädgårdsgatan 15, 111 53 Stockholm, or via e-mail to info@Immunicum.com.

In the notification, the shareholder shall provide:

» Name
» Personal/Corporate Registration Number
» Address and daytime telephone number
» Number of shares
» Where appropriate, information about any proxies/assistants

Nominee-registered shares

Shareholders who have had their shares registered with a bank or another nominee must, in order to be entitled to participate in the Annual General Meeting, temporarily re-register the shares in their own name. Shareholders who wish such re-registration, so-called registration of voting rights, must in good time before 2 May 2022, when the re-registration must be executed, request it from its trustee.

Proxy

Shareholders who will be represented by a proxy must issue a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a certified copy of relevant registration certificates for the legal entity or an equivalent document for foreign legal entities) must be attached to the power of attorney. Power of attorney is valid for one year after issuing, or the longer applicable period given in the document, though no longer than five years.

Shareholder information

Interim reports, annual reports and Immunicum's press releases are available on Immunicum.se and can be ordered from Immunicum AB, Västra Trädgårdsgatan 15, 111 53 Stockholm. The annual report for 2021 in printed format is sent to anyone who so requests and is constantly available for download on Immunicum.se.

Calendar 2022

» Interim report January – March 2022, 2022-05-10
» Annual General Meeting 2022, 2022-05-10
» Interim report January – June 2022, 2022-08-26
» Interim report January – September 2022, 2022-11-11

IMMUNICUM

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