

Remuneration report

INTRODUCTION

This report describes the guidelines for remuneration of members of senior management of Oncopeptides AB, as adopted by the 2021 AGM and implemented in 2021. The report also includes information on the remuneration of the CEO as well as a summary of the company's share-based and share price-related incentive programs outstanding. The report was prepared in accordance with the Swedish Companies Act and the rules on remuneration issued by the Swedish Corporate Governance Board.

More information on remuneration of members of senior management is available in Note 10 Employees and personnel costs on pages 48-50 of the 2021 Annual Report. Information on the work of the Remuneration Committee in 2021 can be found in the Corporate Governance Report, which is on pages 26-33 in the 2021 Annual Report.

Remuneration of the Board of Directors is not encompassed by this report. Such remuneration is resolved by the AGM and published in Note 10 on page 49 in the 2021 Annual Report.

Performance in 2021

The CEO provides a summary of the company's overall performance on pages 4-5 of the 2021 Annual Report.

COMPANY'S REMUNERATION GUIDELINES: AREA OF APPLICATION, PURPOSES AND DEVIATIONS

Oncopeptides is a biotech company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The company uses its patented PDC platform to develop

peptide-drug conjugates. The first drug from the PDC platform, Pepaxto (melphalan flufenamide), also known as melflufen, received conditional approval in the U.S. on February 26, 2021, but was voluntarily withdrawn from the U.S. market on October 22, 2021*.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among

other things, share-based or share price-based remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives.

The criteria shall be designed so as to promote the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or to promote the executive's long-term development.

These guidelines enable the company to offer the members of senior management a competitive total remuneration. Variable cash remuneration

covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Long-term share-based incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The programs include senior management, Board members, founders and other personnel, and are reported under Note 27, Share-based remuneration on pages 57-60 of the 2021 Annual Report. For more information about these programs, including the criteria determining outcomes, refer to oncopeptides.com/en/company/governance/remuneration.

The guidelines are reported on pages 28-32 in the 2021 Annual Report. No deviations from the guidelines occurred during 2021.

TOTAL REMUNERATION OF THE CEO, 2021 (SEK THOUSAND)¹

| 2021 | Basic salary | Invoiced fees | Variable remuneration | Pension expenses ² | Share-based remuneration ³ | Total | Ratio of fixed/variable remuneration ⁵ |
|---|---------------|---------------|-----------------------|-------------------------------|---------------------------------------|---------------|---|
| CEO, Marty J Duvall (until Nov 14) ⁴ | 10,652 | – | – | 92 | – | 10,744 | 100% |
| CEO, Jakob Lindberg (from Nov 15) | 475 | – | – | 57 | – | 532 | 100% |
| Total | 11,127 | – | – | 149 | – | 11,276 | 100% |

1) With the exception of multi-year variable remuneration (share-based remuneration above), the table presents remuneration in 2021. Multi-year variable remuneration is presented to the extent it vested in 2021 pursuant to that stated in the following table presenting the CEO's Option programs. This applies irrespective of whether payment has, or has not, been made in the same year.

2) Pension expenses, which are defined contribution and pertain entirely to basic salary, have been fully recognized as fixed remuneration.

3) The value of the employee options vested during the year and thereby exercised, as shown below in the CEO's Option programs table. The employee options vested during the year have not been exercised, whereby share-based remuneration is calculated to SEK 0 thousand. At the vesting date, the market value of the underlying shares amounted to SEK 3,900 thousand. The exercise price for them was SEK 1,850 thousand.

4) The remuneration was issued by the subsidiary Oncopeptides Inc. and refers to the regular monthly salary for the employment period and 15 months' severance pay, which is less than the company's maximum policy of two years' salary.

5) Pension expenses (column 4), which are defined contribution and pertain entirely to basic salary, have been fully counted as fixed remuneration.

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No claim for repayment of remuneration has been made. In addition to the remuneration encompassed by these guidelines, the company's AGMs pass resolutions on the implementation of long-term share-based incentive programs.

For information about the guidelines applicable until the 2022 AGM, refer to the Corporate Governance Report on pages 28-32 of the 2021 Annual Report.

SHARE-BASED REMUNERATION

Share-based incentive programs outstanding

The objective of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management, founders and other personnel in line with the shareholders' interests. Oncopeptides currently has nine active programs encompassing management, certain Board members, founders and employees.

"Employee Option Program 2016/2023" was introduced in 2016. "Co-worker LTIP 2017" was introduced in 2017. The 2018 AGM introduced incentive programs: "Co-worker LTIP 2018" and "Board LTIP 2018", the latter of which matured in 2021. At an EGM in December 2018, "Board LTIP 2018.2" was introduced, and at the 2019 AGM, it was resolved that two new incentive programs were to be introduced: "Co-worker LTIP 2019" and "Board LTIP 2019". At the 2020 AGM, a resolution was passed to introduce the program "Board LTIP 2020", and at the EGM in December 2020, it was resolved to introduce the program "US Co-worker LTIP 2020," which was withdrawn in its entirety during the year. At the 2021 AGM, it was resolved

to introduce two incentive programs: "Board LTIP 2021" and "Co-worker LTIP 2021".

The options are allotted free of charge and have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to, Oncopeptides.

The share awards will be allotted free of charge to participants in the program. The share awards are vested over approximately three years and are also subject to performance-based vesting, based on the performance of Oncopeptides' share price during the period from the allotment date up to and including the final vesting date. For further information about these programs, refer to Note 27 in the 2021 Annual Report.

The full utilization of granted options and share awards as of December 31, 2021, corresponding to a total of 2,254,457 shares, would result in a dilution for shareholders of 2.9 percent, based on full dilution. The full utilization of all resolved options corresponding to a total of 4,397,484 shares (including unallotted employee options and performance shares as well as warrants intended for hedging of social security contributions) would result in a dilution for shareholders of 5.5 percent based on full dilution.

Application of performance criteria for variable share-based remuneration As the company voluntarily withdrew Pepaxto from the U.S. market, the company decided to close down its commercial operations in the U.S. and Europe and to restructure its Parent Company. CEO Marty J Duvall left the company on November 15. Upon his departure, all options previously allotted to him were recalled.

CEO'S PERFORMANCE DURING THE REPORTED FISCAL YEAR: VARIABLE CASH REMUNERATION

| Description of criteria pertaining to variable remuneration | a) Measured performance and b) actual remuneration |
|--|---|
| Goals linked to launch - Achieved milestones attributable to the sale of Pepaxto - Applying for approval in Europe - Planning and implementing EU launch | a) N/A b) N/A |
| Goals linked to strategy - Developing the clinical program for melflufen - Developing the product portfolio - Increased exposure through participation in scientific congresses and journals | |

COMPARATIVE INFORMATION PERTAINING TO CHANGES IN REMUNERATION AND THE COMPANY'S PERFORMANCE CHANGES IN REMUNERATION AND THE COMPANY'S PERFORMANCE OVER THE LAST TWO REPORTED FISCAL YEARS (SEK THOUSAND)

| | Income statement vs Income statement-1 | Income statement 2021 |
|---|---|--------------------------|
| Total remuneration of the CEO ¹ | +5,028 (+80%) | 11,276 |
| Consolidated operating result | -1,591,279 | -1,420,916 |
| Average remuneration based on the number of FTEs employed ² in the company | +456 (0%) | 1,736 |

1) Includes severance pay of 15 monthly salaries to Marty J Duvall, who resigned on November 15, 2021.

2) Excluding members of Group management.

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CEO OPTION PROGRAMS¹

INFORMATION FOR THE REPORTED FISCAL YEAR

| CEO | Option name | Subname | Vesting period | Allotment date | Expiry date of exercise period | Last vesting date | Exercise period | Exercise price | Options Jan 1, 2021 | Allotted 2021 | Exercised 2021 | Revoked 2021 | Options Dec 31, 2021 | Vested 2021 |
|----------------|--------------------------|-------------|----------------|----------------|--------------------------------|-------------------|-------------------------------|----------------|---------------------|---------------|----------------|------------------|----------------------|-------------|
| Jakob Lindberg | Employee Option Programs | 2016/2023:2 | 2016-2020 | Nov 22, 2016 | Jun 30, 2020 | Jun 30, 2020 | Jun 30, 2020– Nov 31, 2023 | 0.11 | 175 | – | 175 | – | – | – |
| Jakob Lindberg | Co-worker LTIP | 2017:1 | 2017-2020 | May 18, 2017 | May 18, 2020 | May 18, 2020 | May 18, 2020– May 18, 2024 | 44.48 | 181,000 | – | – | – | 181,000 | – |
| Jakob Lindberg | Co-worker LTIP | 2017:3 | 2018-2021 | Feb 21, 2018 | Feb 21, 2021 | Feb 21, 2021 | Feb 21, 2025– Feb 21, 2025 | 79.77 | 23,190 | – | – | – | 23,190 ² | 100,00% |
| Jakob Lindberg | Co-worker LTIP | 2018:2 | 2019-2022 | May 3, 2019 | May 3, 2022 | May 3, 2022 | May 3, 2022– May 3, 2026 | 126.09 | 45,860 | – | – | – | 45,860 | – |
| Jakob Lindberg | Co-worker LTIP | 2019:3 | 2020-2023 | Jan 2, 2020 | Jan 2, 2023 | Jan 2, 2023 | Jan 2, 2023– Jan 2, 2027 | 128.68 | 65,373 | – | – | – | 65,373 | – |
| Jakob Lindberg | Co-worker LTIP | 2019:7 | 2021-2024 | Jan 4, 2021 | Jan 4, 2024 | Jan 4, 2024 | Jan 4, 2021– Jan 4, 2028 | 169.53 | – | 32,245 | – | – | 32,245 | – |
| Marty J Duvall | Co-worker LTIP | 2019:6 | 2020-2023 | Jul 8, 2020 | Jul 8, 2023 | Jul 8, 2023 | Jul 8, 2023– Jul 8, 2027 | 131.93 | 243,212 | – | – | - 243,212 | – | – |
| Total | | | | | | | | | 558,810 | 32,245 | 175 | - 243,212 | 347,668 | |

1) The total market value of the underlying shares at the allotment date was SEK 29,588 thousand. The total exercise price was SEK 29,562 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2021 is SEK 2,920 thousand.

2) The total market value of the underlying shares at the vesting date in 2021 was SEK 3,900 thousand. The total exercise price for the underlying shares amounts to SEK 1,850 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2021 is SEK 195 thousand.