

# Remuneration report 2022

## Introduction

This report describes how the applicable guidelines for executive remuneration of BioInvent International AB were applied in 2022. The report also provides information on remuneration to the CEO and a summary of the company's incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes*.

Further information on executive remuneration is available in note 4 (Salaries, other remuneration and social security etc.) on pages 63-66 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on page 83 in the annual report 2022.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 4 on pages 63-64 in the annual report 2022.

## Key developments 2022

The CEO summarizes the company's overall development in his statement on pages 8-13 in the annual report 2022.

## The company's remuneration guidelines: scope, purpose and deviations

BioInvent shall offer compensation and terms of employment deemed necessary to recruit and retain qualified executives who are capable of achieving established goals. The overarching principle is to offer market-based salaries and other remuneration to senior executives at BioInvent. In addition to fixed cash base salary, remuneration may be paid in the form of variable cash salary, pension benefits and other benefits. Additionally, the general meeting may resolve on share-related incentive programs.

The guidelines are found on pages 49-50 in the annual report 2022. During 2022, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on <https://www.bioinvent.com/investors/corporate-governance/general-meetings/>. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Table 1 – Total CEO remuneration in 2022 (KSEK)\*

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration****
	Base salary	Other benefits**	One-year variable	Multi-year variable ***				
Martin Welschof (CEO)	2,759	90	1,242	-	-	828	4,919	75/25

\* Except for Multi-year variable remuneration, the table reports remuneration earned in 2022. Multi-year variable remuneration is reported if vested in 2022, as set out under Application of performance criteria below.

\*\* Travel and housing expenses in connection with travel to the office in Lund, Sweden.

\*\*\* A share-based remuneration has been vested in 2022, which is reported under Share-based remuneration below.

\*\*\*\* Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

## Share-based remuneration

### ***Outstanding share-related and share price-related incentive plans***

#### **Option Program 2019/2025**

The 2019 annual general meeting resolved to adopt a long-term incentive program in the form of an employee stock option program comprising the management group. The option program comprised a maximum of 3,971,000 employee stock options and the participants have vested options free of charge based on performance and continued employment. The CEO has vested 1/4 of the options during each of the financial years 2019, 2020, 2021 and 2022 (other members of the management group have vested 1/3 of the options during each of the financial years 2019, 2020 and 2021). Each option entitles the holder to subscribe for 0.04 share in BioInvent during the period from the day of release of the company's year-end report for the financial year 2022 up to and including 15 December 2025. The subscription price per share is SEK 77.25.

Martin Welschof (CEO) has vested options, with right to subscribe for shares in BioInvent conditional upon continued employment, as follows. For the 2019 financial year 8,864 shares, for the 2020 financial year 11,819 shares, for the 2021 financial year 11,819 shares, and for the 2022 financial year 11,819 shares. The performance criteria for vesting of options has been the same as for the variable cash salary, which has mainly been based on technical and commercial milestones within proprietary drug projects.

#### **Option Program 2022/2024**

The 2022 annual general meeting resolved to adopt a long-term incentive program in the form of an employee stock option program comprising all employees and other key persons in the company. The option program comprise a maximum of 820,000 employee stock options and the participants are vesting options free of charge, with 1/3 of the options during each of the financial years 2022, 2023 and 2024, based on performance and continued employment. Each option entitles the holder to subscribe for one new share in BioInvent during the period from the day of release of the company's year-end report for the financial year 2024 up to and including 28 February 2026. The subscription price per share is SEK 56.21.

Martin Welschof (CEO) has vested options, with right to subscribe for shares in BioInvent conditional upon continued employment, as follows. For the 2022 financial year 20,000 shares. During the financial years 2023 and 2024, Martin Welschof has the possibility to vest in total additional 40,000 options, each with a conditional right to acquire one share in BioInvent, based on performance and continued employment. The performance criteria for vesting of options is the same as for the variable cash salary, which is mainly based on technical and commercial milestones within proprietary drug projects.

Further information is available in note 4 on page 65-66 in the annual report 2022.

#### **Application of performance criteria**

The performance criteria for the CEO's variable remuneration in the financial year 2022 have mainly been linked to technical and commercial milestones within proprietary drug projects. The criteria have been chosen to contribute to the company's long-term strategy and to encourage acting that is in the company's long-term interest. No performance criteria have been linked to financial objectives.

The performance criteria for 2022 have been linked to achieved milestones in clinical operations, financing of operations, achieved milestones in preclinical operations, partnering and milestones in

manufacturing operations. The measured outcome of the performance criteria achieved has been 100% and based on this outcome, full annual variable remuneration to the CEO has been paid (see Table 1 above).

The Company has granted a retention bonus to the CEO for the period October 1, 2021 to September 30, 2024. The retention bonus amounts to SEK 249 thousand (net after income tax), and will be paid after the bonus period. For future receipt of the retention bonus, the CEO should during 2022 acquire BioInvent shares corresponding to the value of the retention bonus, and such shares must be held during the three-year period for payment of the retention bonus.

### Comparative information on the change of remuneration and company performance

Table 2 – Change of remuneration and company performance over the last five reported financial years (KSEK)

	2018 vs 2017***	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Year 2022
Remuneration* to the CEO**	-2,611	+443	+707	-24	+172	<b>4,919</b>
	-42%	+12%	+17%	-1%	+4%	
Group operating loss	-22,600	-14,616	+62,374	-202,876	+227,429	<b>-50,921</b>
	-22%	-12%	+45%	-269%	+82%	
Average remuneration on a full time equivalent basis of employees****	+53	-70	+20	+111	+84	<b>720</b>
	+10%	-12%	+4%	+21%	+13%	

\* Excluding share-based remuneration.

\*\* Michael Oredsson 19 August 2013-31 December 2017, Björn Frendéus (acting CEO) 1 January 2018-31 August 2018, Martin Welschhof, from 1 September 2018.

\*\*\* In 2017, dismissal and severance pay were paid to Michael Oredsson. The total costs (affecting comparability) amounted to KSEK 2,604.

\*\*\*\* Excluding members of the group executive management.