

# Remuneration report 2021

## Introduction

This report describes how the guidelines for executive remuneration of BioInvent International AB, adopted by the annual general meeting 2020, were applied in 2021. 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 68-71 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on page 85 in the annual report 2021.

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 68-70 in the annual report 2021.

## Key developments 2021

The CEO summarizes the company's overall development in his statement on pages 9-11 in the annual report 2021.

## 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 52-54 in the annual report 2021. During 2021, 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 2021 (KSEK)\*

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits**	One-year variable	Multi-year variable ***	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration****
Martin Welschof (CEO)	2,700	48	1,080	109	-	810	<b>4,747</b>	75/25

\* Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021, as set out under Application of performance criteria below. Disbursement of any payments may or may not have been made the same year.

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

\*\*\* Vested stay-on bonus in 2021. In addition, a share-based remuneration has been vested, 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 option program comprising the management group. The option program comprises a maximum of 3,971,000 stock options and the participants may vest options free of charge based on performance and continued employment. 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 shall be SEK 77.25.

Martin Welschhof (CEO) has vested options, with right to subscribe for shares in BioInvent conditional upon continued employment, as follows. For the 2019 financial year 8,865 shares, for the 2020 financial year 11,820 shares, and for the 2021 financial year 11,820 shares. During the financial year 2022, Martin Welschhof has the possibility to vest an additional 295,492 options, each with a conditional right to acquire 0.04 share in BioInvent as above, 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 70-71 in the annual report 2021.

#### Application of performance criteria

The performance criteria for the CEO's variable remuneration in the financial year 2021 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 2021 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).

During 2021, the company has paid a retention bonus to the CEO for the period September 1, 2018 to August 31, 2021, which amounted to KSEK 200 (net after income tax), and was paid out after the bonus period. The receipt of the retention bonus presupposed that the CEO during 2019 acquired BioInvent shares corresponding to the value of the retention bonus, which should be held during a three-year period. The cost in 2021 amounted to KSEK 109.

In 2021, the CEO has been granted a retention bonus of maximum KSEK 500 (net after income tax) payable in October 2024, conditional upon continued employment and that the CEO has acquired BioInvent shares prior to 30 June 2022 corresponding to the value of the retention bonus and that such shares have not been divested prior to the bonus payment.

## 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)

	2017*** vs 2016	2018 vs 2017***	2019 vs 2018	2020 vs 2019	2021 vs 2020	Year 2021
Remuneration* to the CEO**	+2,503 +67%	-2,611 -42%	+443 +12%	+707 +17%	-24 -1%	<b>4,747</b>
Group operating loss	-37,773 -60%	-22,600 -22%	-14,616 -12%	+62,374 +45%	-202,876 -269%	<b>-278,350</b>
Average remuneration on a full time equivalent basis of employees****	-74 -12%	+53 +10%	-70 -12%	+20 +4%	+111 +21%	<b>636</b>

\* Excluding share-based remuneration.

\*\* Michael Oredsson 19 August 2013-31 December 2017, Björn Frenhéus (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.