

Remuneration report 2023

Introduction

This report describes how the applicable guidelines for executive remuneration of BioInvent International AB were applied in 2023. 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 59-62 in the annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on page 76 in the annual report 2023.

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 59-61 in the annual report 2023.

Key developments 2023

The CEO summarizes the company's overall development in his statement on pages 5-6 in the annual report 2023.

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 44-45 in the annual report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting 2022. 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 2023 (KSEK)*

	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration					
Name of director (position)	Base salary	Other benefits**	One-year variable	Multi-year variable ***	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration****
Martin Welschhof (CEO)	2,867	103	1,161	-	-	860	4,991	77/23

* Except for Multi-year variable remuneration, the table reports remuneration earned in 2023. Multi-year variable remuneration is reported if vested in 2023, 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 2023, 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. Granting of the options took place during the second quarter of 2019. 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 2020, 2021 and 2022).

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 granting of the options took place during the second quarter of 2022. 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.

Option Program 2023/2025

The 2023 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 817,500 employee stock options and granting of the options took place during the second quarter of 2023. The participants are vesting options free of charge, with 1/3 of the options during each of the financial years 2023, 2024 and 2025, based on performance and continued employment.

Further information is available in note 4 on page 61-62 in the annual report 2023.

Application of performance criteria

The performance criteria for the CEO's variable remuneration in the financial year 2023 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 2023 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 90% and based on this outcome, 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.

Tabell 2 – Employee stock option programs (CEO)

Name of director (position)	Main terms for the employee stock option programs					Opening balance		During the year		Closing balance	
	1 Name of program	2 Performance period*	3 Exercise period**	4 Number of shares per option	5 Subscription price (SEK)	6 Granted options at the beginning of the year	7 Vested options at the beginning of the year	8 Granted options	9 Vested options***	10 Granted options at the end of the year	11 Vested options at the end of the year
Martin Welschof (CEO)	2019/2025	2019	22 February 2023 – 15 December 2025	0.04	77.25	295,492	221,619			295,492	221,619
		2020				295,492	295,492			295,492	295,492
		2021				295,492	295,492			295,492	295,492
		2022				295,492	295,492			295,492	295,492
						1,181,968	1,108,095			1,181,968	1,108,095
	2022/2024	2022	Year-end report 2024 – 28 February 2026	1.00	56.21	20,000	20,000			20,000	20,000
		2023				20,000		18,000	20,000	18,000	
		2024				20,000			20,000		
						60,000	20,000		18,000	60,000	38,000
	2023/2025	2023	Year-end report 2025 – 28 February 2027	1.00	34.91			20,000	18,000	20,000	18,000
		2024						20,000		20,000	
		2025						20,000		20,000	
								60,000	18,000	60,000	18,000

* 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.

** The exercise of options is only conditional on continued employment until the vesting of the options has been determined, which is done in connection with the adoption of the year-end report for each financial year to which the performance criteria relate. However, if the option holder's employment with the company is terminated by the participant or due to the participant's breach of contract, all options expire immediately and cannot be exercised.

*** Vested options as a result of meeting performance criteria during the 2023 business year.

Comparative information on the change of remuneration and company performance

Table 3 – Change of remuneration and company performance over the last five reported financial years (KSEK)

	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Year 2023
Remuneration* to the CEO**	+443 +12%	+707 +17%	-24 -1%	+172 +4%	+72 +1%	4,991
Group operating loss	-14,616 -12%	+62,374 +45%	-202,876 -269%	+227,429 +82%	-319,021 -627%	-369,942
Average remuneration on a full time equivalent basis of employees***	-70 -12%	+20 +4%	+111 +21%	+84 +13%	+12 +2%	732

* Excluding share-based remuneration.

** Björn Frennéus (acting CEO) 1 January 2018 - 31 August 2018, Martin Welschof, from 1 September 2018.

*** Excluding members of the group executive management.