

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Remuneration report 2023

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives of Saniona AB (“**Saniona**”), adopted by the annual general meeting 2023, were implemented in 2023. The report also provides information on remuneration to the CEO as well as a summary of the company’s outstanding share-related and share price-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Stock Market Self-Regulation Committee.

The figures presented in this report represent all remuneration paid or otherwise attributable to the financial year 2023 regardless of accrual in Saniona's accounts. The figures may therefore differ from those presented in the company's annual report for 2023. Further information on remuneration to senior executives is available in note 12 (Number of employees, salaries, other remuneration and social security expenses) on pages 55-56 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 pages 87–97 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 12 on pages 55-56 in the annual report 2023. During 2023, the chairman of the board of directors Jørgen Drejer and the board member Pierandrea Muglia have received remuneration for consultancy services corresponding to MSEK 1.5 and MSEK 0.4, respectively.

Key developments during 2023

The CEO summarizes the company’s overall performance in his statement on page 5 in the annual report 2023.

The company’s remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company’s business strategy and safeguarding of the company’s long-term interests, including its sustainability, is that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, the company must offer a competitive total remuneration on market terms. The company’s remuneration guidelines enable the company to offer executives a competitive total remuneration on market terms. Under the remuneration guidelines, remuneration to senior executives may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized quantitative or qualitative objectives. The criteria shall be designed to contribute to the company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive’s long-term development.

The guidelines adopted by the annual general meeting 2023 are found on pages 28-29 in the annual report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting in 2023. No deviations from the guidelines have been made 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 the company’s website, <https://saniona.com/investors/shareholder-meetings/>.

No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the general meetings of the company have resolved to implement long-term share-related incentive programs.

Table 1 – Total remuneration of the CEO in 2023 (kSEK)

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense ⁴⁾	5 Total remuneration	6 Proportion of fixed and variable remuneration
	Base salary ¹⁾	Other benefits ²⁾	One-year variable	Multi-year variable ³⁾				
Thomas Feldthus (CEO)	2,417	35	0	737	0	241	3,430	79/21

¹⁾ No holiday pay paid.

²⁾ This column includes the value of benefits and perquisites such as social security expenses and other benefits in kind or perquisites.

³⁾ Vested employee options as set out in column 10 of Table 2(a) below.

⁴⁾ Pension expense (column 4), which in its entirety is based on Base salary.

Share-based remuneration

Ended share-related and share price-related incentive programs during 2023

The 2018 annual general meeting resolved to implement an incentive program (2018:2) involving the allotment of 34,500 options, free of charge, to certain employees and consultants in the Saniona Group. Each option entitled the holder to acquire 1.03 new shares in Saniona for a subscription price of SEK 29.71. Allotted and vested options could be exercised during 2022–2023.

The 2019 annual general meeting resolved to implement an incentive program (2019:2) involving the allotment of 12,000 options, free of charge, to certain board members of Saniona, as well as 3,770 options that were issued for hedging of costs for social security contributions. Each option entitled the holder to acquire 1.03 new shares in Saniona for a subscription price of SEK 17.83. Allotted and vested options could be exercised during 2022–2023.

No options were exercised under the above programs for subscription of shares in Saniona.

Outstanding share-related and share price-related incentive programs

The general meetings of Saniona have resolved to implement long-term share-related incentive programs. A summary of Saniona’s outstanding incentive programs is presented in Table 2 below.

As of December 31, 2023, there were 4,524,013 outstanding options in Saniona. In case all outstanding options in relation to the existing incentive programs were exercised for subscription of shares, a total of 4,536,489 new shares would be issued, which corresponds to a dilution of approximately 6.6 per cent of the company’s share capital and votes.

More information about Saniona’s outstanding incentive programs is available in note 13 (Share-based payments) on pages 57-60 in the annual report 2023.

Table 2 – Outstanding incentive programs as of December 31, 2023

Program	Allotted during 2023	Forfeited during 2023	Total outstanding as of December 31, 2023	Maximum number of shares to be issued	Exercise price* (SEK)	Exercise period
2018:1	0	0	286,003	294,583	33.20	2021–2024
2018:2	0	32,792	0	0	29.71	2022–2023
2019:1	0	0	34,500	34,845	17.83	2023–2024
2019:2	0	15,770	0	0	17.83	2022–2023
2020:1	0	0	355,156	358,707	29.36	2023–2025
2020:2	0	149,200	735,500	735,500	24.12	2021–2031
2020:3	0	0	282,333	282,333	25.40	2023–2024
2021:1	0	0	700	700	19.38	2022–2031
2022:1	0	0	2,129,821	2,129,821	5.89	2025–2028
2023:1	700,000	0	700,000	700,000	8.84	2026–2028
Total	700,000	197,762	4,524,013	4,536,489		

* Weighted average.

Table 2(a) – Incentive programs (CEO)

Name of director (position)	The main conditions of the programs							Information regarding the reported financial year							
								Opening balance		During the year			Closing balance		
	1 Name of program	2 Performance period	3 Allotment date	4 End of vesting period	5 End of retention period	6 Exercise period	7 Exercise price (SEK)	8 Options held at beginning of year	9 Options vested at the beginning of year	10 Allotted	11 Vested	12 Forfeited	13 Subject to performance conditions	14 Allotted and unvested	15 Subject to retention period
Thomas Feldthus (CEO)	Employee Option Program 2022:1	N/A	2022-08-25	2025-08-25 ¹⁾	2025-08-25 ¹⁾	2025-08-26–2028-12-31 ¹⁾	5.89	1,661,928	0	0	553,876 ²⁾	0	N/A	1,108,052	553,876
Total								1,661,928	0	0	553,876	0	N/A	1,108,052	553,876

¹⁾ 1/3 of the allotted options vested during 2023. The remaining options will vest with 1/3 each on the date that falls 24 and 36 months, respectively, following the allotment date. Allotted and vested options can be exercised during the period starting on the date that falls three years after the allotment date and ending on December 31, 2028.

²⁾ Value kSEK 737, calculated as the share price that day less the exercise price multiplied by the number of vested options.

Application of performance criteria

There were no bonus agreements with the CEO, Thomas Feldthus, for 2023. Hence, no performance criteria have been applied and no variable cash remuneration is, or will be, payable to Thomas Feldthus for 2023.

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 (RFY) (kSEK)*

	RFY 2023	RFY 2022	RFY 2021	RFY 2020
CEO remuneration	3,430 (-77%)	14,872 ¹⁾ (+102%)	7,360 (+1%)	7,255 ²⁾
Deputy CEO remuneration	0 ³⁾ (-100%)	1,031 (-64%)	2,894 (+19%)	2,426 ⁴⁾
Group operating profit	-81,065 (+64%)	-225,373 ⁵⁾ (+45%)	-411,570 (-158%)	-159,375
Average remuneration on a full-time equivalent basis of employees of the Saniona Group ⁶⁾	1,003 (-32%)	1,483 (-17%)	1,786 (+39%)	1,282

* From and including the financial year 2020, which is the first financial year for this type of remuneration report.

¹⁾ Including remuneration for CEO Thomas Feldthus and former CEO Rami Levin. The increase in the remuneration for the CEO is primarily explained by a severance package of kSEK 9,902 for former CEO Rami Levin. As evidenced by Table 1, the total remuneration to the new CEO after the closing of Saniona's U.S. operations is substantially lower than the total remuneration paid to the previous U.S. based CEO.

²⁾ Including remuneration for former CEO Rami Levin and former CEO Jørgen Drejer.

³⁾ The company did not have a deputy CEO in 2023.

⁴⁾ Including remuneration for former deputy CEO Jørgen Drejer and former deputy CEO and CFO Thomas Feldthus.

⁵⁾ Group operating profit from 2022 has been restated.

⁶⁾ Excluding members of the Group executive management.

Malmö in May 2024

The Board of Directors of Saniona AB (publ)