

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Medivir AB, adopted by the annual general meeting 2020, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the *Remuneration Rules* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 4 (Employees and personnel costs) on pages 45-47 in the annual report 2023. Information on the work of the board of director's management of the remuneration in 2023 is set out in the corporate governance report available on pages 28-31 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 page 45 in the annual report 2023.

Development during 2023

The CEO summarizes the company's overall performance in his statement on pages 4-5 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 its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. For this, the company needs to be able to offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration can be linked to both financial or non-financial criteria, designed to contribute to the company's long-term value creation. The criteria shall relate to the development of the company's projects and the partnerships the company enters into for acceleration of the clinical development and future commercialization, as well as the remuneration (such as upfront fees when the agreement is entered into, milestone payments, remuneration paid during the term of the agreement for a set number of full-time equivalent research positions (FTEs), or royalties) resulting from this development. Furthermore, the criteria shall be designed so as to contribute to Medivir'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 are found on page 29 in the annual report 2023. During 2023, 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.medivir.com/investors/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)*

Name of director (position)	1 Fixed remuneration		2 Variable remuneration	3	4	5	6
	Base salary*	Other benefits**	One-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration***
Jens Lindberg	2,569	83	945	-	630	4,228	78/22

* The table reports remuneration earned in 2023. Disbursement of any payments may or may not have been made the same year.

** Refers to company car

*** Pension expenses (column 4), which refer to the Base salary and is premium paid, have in full been accounted for as fixed remuneration.

Share-based remuneration

Outstanding share-related and share price-related incentive plans

Warrants - At the beginning of the period, there were 1,587,000 outstanding warrants in ongoing incentive programs. In December 2023, 527,000 warrants in the 2020 program expired. No shares were subscribed. Total outstanding warrants at the end of the period amounted to 1,060,000.

In May 2020, the annual general meeting approved a long-term incentive program with essentially the same structure as LTI 2018. During the second quarter 2020, Medivir's employees acquired 227,000 warrants to a price of SEK 1.30 per warrant. During the third quarter 2020, Medivir's CEO at the current time acquired 300,000 warrants to a price of SEK 1.00 per warrant. These warrants were issued at a market value of SEK 1.00 per share. The total amount of 527,000 warrants may be used for subscription of new class B shares during the period 1 December 2023 until 15 December 2023. Medivir partly subsidizes the participant's acquisition of warrants. The total subsidy to the participant shall be equivalent to half (after deduction of any income tax for the participant) of the participant's investment. The subsidy is paid out in connection with the options being allotted to the participants. During December 2023, 527,000 subscription options in the program expired. There were no shares subscribed.

In May 2021, the annual general meeting approved a new long-term incentive programme with the same structure as LTI 2020. During the second quarter of 2021, Medivir employees acquired 230,000 warrants to a price of SEK 1.00 per warrant. In the fourth quarter of 2021, Medivir's employees acquired an additional 305,000 warrants, of which incoming CEO acquired 240,000. These warrants were issued at a market value of SEK 1.71 per share. The warrants may be used for subscription of new class B shares during the period 1 December 2024 through 15 December 2024. Medivir partly subsidizes the participant's acquisition of warrants. The total subsidy to the participant shall be equivalent to half (after deduction of any income tax for the participant) of the participant's investment. The subsidy is paid out in connection with the options being allotted to the participants.

In May 2022, the board and the annual general meeting approved a new long-term incentive program with similar terms to the 2021 program. During the fourth quarter of 2022, Medivir's employees bought 525,000 warrants, of which the CEO bought 250,000 warrants. Warrants were bought at a market value of SEK 0.77 each with an exercise price of SEK 14.13 per share. The warrants can be used to subscribe for new B shares during the period 1 December 2025 up to and including 15 December 2025. Medivir partially subsidizes the participants' acquisition of warrants. The total subsidy accruing to the participant must correspond to half (after income tax for the participant) of the participant's investment. The subsidy is paid out in connection with the options being assigned to the participants.

As of 31 December 2023, a total of 1,060,000 (1,587,000) warrants were outstanding under LTI 2021 and 2022. The current CEO have been allotted 490,000 warrants.

Share savings program - In May 2023, the board of directors and the annual general meeting approved a new long-term incentive program in the form of a stock matching program. For each investment share, participants have the opportunity, provided certain conditions are met, to receive one (1) common share free of charge within the framework of LTIP 2023 ("matching shares") and, additionally, subject to certain performance conditions being met, a maximum of five (5) additional common shares ("performance shares") free of charge in accordance with the program's terms. As of December 31, Medivir's employees purchased 105,750 investment shares at a price of SEK 7.34, of which the CEO purchased 28,500 investment shares. The earning period extends until the announcement of the interim report for January-March 2026. Following the adjustment prompted by the rights issue in the fourth quarter of 2023, each investment share entitles to 1.22 common shares.

Application of performance measures

The performance measures for the CEO's variable remuneration have been established to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the determination of performance measures, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table 2 – Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Jens Lindberg	Target 1 2023 – Clinical development	45%	a) 35% b) kSEK 441
	Target 2 2023 – Financing	25%	a) 25% b) kSEK 315
	Target 3 2023 – Business development	30%	a) 15% b) kSEK 189

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)

	2023	2022	2021	2020	2019
CEO remuneration	4,228	3,497 ¹⁾	3,047 ¹⁾	3,166 ¹⁾	2,651
<i>Change in remuneration (kSEK) vs previous year</i>	730 (21%)	450 (15%)	-119 (-4%)	515 (19%)	-5,137 (-66%)
Group operating profit	-91,414	-87,354	-62,118	-42,900	-125,979
<i>Change in operating profit vs previous year</i>	-4,060 (-5%)	-25,236 (-41%)	-19,218 (-45%)	83,079 (66%)	225,051 (64%)
Average remuneration on a full time equivalent basis of employees of the parent company ^{2) 3)}	1,007	1,028	1,154	888	N/A ³⁾
<i>Change vs previous year</i>	-20 (-2%)	-127 (-11%)	226 (30%)	N/A ³⁾	N/A ³⁾

- 1) The company has had two different CEOs during the years 2022, 2021 and 2020. Including extraordinary items.
- 2) Excluding members of the group executive management
- 3) Not applicable due to reorganizations