

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 SynAct Pharma AB (“**SynAct**”), adopted by the annual general meeting 2021, were implemented in 2023. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the *Remuneration Rules* issued by the Stock Market Self-Regulation Committee.

Further information on remuneration to senior executives is available in note 9 (Employees and personnel costs) on pages 41-42 in the annual report 2023. Information on the Remuneration Committee’s work during 2023 is presented in the corporate governance report on pages 71-72 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 9 on pages 41-42 in the annual report 2023. During 2023, Torbjørn Bjerke has in the position as Chairman before his appointment as CEO, through UST Leadership AB, received remuneration for consultancy services corresponding to kSEK 525.

Key developments during 2023

The CEO summarizes the company’s overall performance in his statement on page 3 in the annual report 2023 and in the directors’ report on pages 20-30.

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. 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 2021 are found on pages 27-28 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, www.synact-pharma.com/en/governance/general-meetings/. No remuneration has been reclaimed.

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

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items ²	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
	Base salary ¹	Other benefits	One-year variable	Multi-year variable				
Jeppe Øvlesen	1,502	-	-	-	3,924	148	5,574	100/0
Torbjørn Bjerke (CEO ³)	2,192	-	-	-	-	650	2,842	100/0

* The table reports remuneration earned in 2023. Disbursement of any payments may or may not have been made the same year. The remuneration in Table 1 includes remuneration paid by companies within the SynAct Group.

¹ Base salary includes holiday pay.

² Extraordinary items includes a severance pay of SEK 3,924 thousand to Jeppe Øvlesen.

³ Fixed remuneration and pension to CEO includes Jeppe Øvlesen for the period up to the AGM 2023 (25 May) and Torbjørn Bjerke for the period thereafter.

Share-based remuneration

The company implemented two share-based incentive programs during 2023. At the extraordinary general meeting on 12 January 2023, it was resolved to establish an employee option program for two senior executives and one other employee of the company within which a total of 195,000 employee options were allotted free of charge to the participants. The CEO does not participate in this incentive program. At the annual general meeting in May 2023, it was resolved to establish another employee option program for two senior executives and one other employee of the company within which a total of up to 469,000 employee options may be allotted free of charge to the participants. Both these programs are described in note 9 (share-based payments), page 43 in the annual report 2023.

Application of performance criteria

No variable remuneration to the CEO, related to performance criteria, has been accrued nor paid related to 2023.

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 (RFY) (kSEK)**

	RFY 2023	RFY 2022	RFY 2021
CEO remuneration	8 418	3,655	1,942
Group operating profit	-224 496	-105,705	-76,699
Average remuneration on a full-time equivalent basis of employees ¹ of the SynAct Group	798	801	1,328

* From and including the financial year 2021, which is the first financial year for this type of remuneration report. SynAct has not previously compiled data from previous financial years in this respect; such data will be reported in the future remuneration reports for the respective financial years for comparison.

¹ Excluding members of the Group executive management. Remuneration to the employees who were not part of management has been annualized.

Lund in May 2024

The Board of Directors of SynAct Pharma AB (publ)