

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Vicore Pharma Holding AB (publ) ("Vicore" or "company"), adopted by the Annual General Meeting 2022, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-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 7 (Employees and personnel costs) on pages 35-37 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 61 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 7 on page 35-37 in the annual report 2023.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on page 7-8 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. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive remuneration package. 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, and other benefits.

The complete guidelines for executive remuneration can be found on pages 22-23 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 under the notice to the Annual General Meeting 2024 on <https://vicorepharma.com/investerare/bolagsstyrning/bolagsstamma/>. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings have resolved to implement long-term share-related incentive plans.

Table 1a – Total CEO remuneration in 2023 (KSEK)

	Fixed remuneration		Variable remuneration					
Name (position)	Base salary ¹	Other benefits ²	One-year variable	Share-based remuneration	Extraordinary items	Pension expense ³	Total remuneration	Proportion of fixed and variable remuneration ⁴
Ahmed Mousa (CEO)	1,417	75	721	743	0	83	3,039	52/48

1. Including holiday pay of 0 KSEK.

2. Private medical insurance in the US.

3. Excludes pension tax.

4. Pension expense, which in its entirety relates to base salary and is premium defined, has been counted entirely as fixed remuneration

Table 1b – Total remuneration to former CEO in 2023 (KSEK)

	Fixed remuneration		Variable remuneration					
Name (position)	Base salary ¹	Other benefits ²	One-year variable	Share-based remuneration	Extraordinary items	Pension expense ³	Total-remuneration	Proportion of fixed and variable remuneration ⁴
Carl-Johan Dalsgaard (former CEO)	2,316	9	749	651	0	852	4,577	69/31

1. Including holiday pay of 127 KSEK.

2. Wellness allowance and private healthcare insurance. Private healthcare insurance is due to tax benefit.

3. Excludes pension tax.

4. Pension expense, 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

Vicore has three active incentive programs (Co-worker LTIP 2018, Co-worker LTIP 2021 and Co-worker LTIP 2023) for employees and other key persons. In the Co-worker LTIP 2018 program a maximum of 2,000,000 options (including warrants that may be used as hedge for social security contributions) can be granted to eligible individuals. As of December 31, 2023, a total of 1,325,800 options have been allotted in Co-worker LTIP



2018. Of these 1,325,800 allotted options a total of 794,133 options have been forfeited. In the Co-worker LTIP 2021 program a maximum of 3,000,000 options (including warrants that may be used as hedge for social security contributions) can be to eligible individuals. As of December 31, 2023, a total of 2,975,450 options have been allotted in Co-worker LTIP 2021. Of these 2,975,450 allotted options a total of 377,500 options have been forfeited. At the Annual General Meeting 2023, a new incentive program was implemented, Co-worker LTIP 2023. During 2023, a total of 718,084 options were allotted under the Co-worker LTIP 2023. According to the programs, participants will be granted options subject to three-year vesting that entitle them to acquire shares in the company.

The Vicore Pharma's Board of Directors believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package in order to attract, retain, and motivate competent members of senior management and key persons in the company, and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders.

The CEO Ahmed Mousa has been granted 400,000 options under the Co-worker LTIP 2021 and 400,000 options under the Co-worker LTIP 2023. The former CEO Carl-Johan Dalsgaard has been granted 300,000 options under the Co-worker LTIP 2018 (of which 200,000 have been forfeited) and 200,000 options under the Co-worker LTIP 2021. Assuming full utilization of all granted employee stock options (including share awards in the Board LTIP programs) as of December 31, 2023, this would correspond to 3,877,124 shares and a dilution level of 3.4 percent. Taking into account non-granted employee stock options and warrants that may be used as hedge for social security contributions, the maximum dilution level as of December 31, 2023, amounts to 7.4 percent.

Table 2a – Share option plans (CEO)

						Information regarding the reported financial year ¹				
		The main conditions of the share option plan				Opening balance	During the year		Closing balance	
Name (position)	Name of plan	Grant date	Vesting date	Exercise period	Exercise price (SEK) ²	Share options held at beginning of year	Share options granted ²	Share options vested	Share options granted and unvested	Share options subject to retention period
Ahmed Mousa (CEO)	<u>Co-worker LTIP 2021</u>	September 29, 2023	September 29, 2023 – September 29, 2026	September 29, 2026 – September 29, 2028	19.53	0	400,000	0	400,000	400,000
	<u>Co-worker LTIP 2023</u>	September 29, 2023	September 29, 2023 – September 29, 2026	September 29, 2026 – September 29, 2028	19.53	0	400,000	0	400,000	400,000
Total						0	800,000	0	800,000	800,000

1. During 2023, a total of 100,000 options have been forfeited in the Co-worker 2018-program

2. The aggregate market value of the underlying shares at the time of award is 6,120 KSEK for Co-worker LTIP 2021 and the aggregate exercise price is 7,812 KSEK. The aggregate market value of the underlying shares at the time of award is 6,120 KSEK for Co-worker LTIP 2023 and the aggregate exercise price is 7,812 KSEK.

Table 2b – Share option plans (former CEO)

						Information regarding the reported financial year ¹				
		The main conditions of the share option plan				Opening balance	During the year		Closing balance	
Name (position)	Name of plan	Grant date	Vesting date	Exercise period	Exercise price (SEK)	Share options held at beginning of year	Share options granted ²	Share options vested	Share options granted and unvested	Share options subject to retention period
Carl-Johan Dalsgaard (former CEO)	Co-worker LTIP 2018									
		September 27, 2019	September 27, 2019 – September 27, 2022	September 27, 2022 – September 27, 2023	26.17	100,000	0	0	0	0
		September 24, 2020	September 24, 2020 – September 24, 2023	September 24, 2023 – September 24, 2024	29.25	100,000	0	33,333	0	0
	Co-worker LTIP 2021	September 16, 2021	September 16, 2021 – September 16, 2024	September 16, 2024 – September 16, 2026	26.48	100,000	0	33,333	33,333	100,000
		September 19, 2022	September 19, 2022 – September 19, 2025	September 19, 2025 – September 19, 2027	28.75	100,000	0	33,333	66,667	100,000
Total						400,000	0	100,000	100,000	200,000

1. Dring 2023, a total of 100,000 options have been forfeited in the Co-worker 2018-program

2. The aggregate market value of the underlying shares at the time of award is 6,120 KSEK for Co-worker LTIP 2021 and the aggregate exercise price is 7,812 KSEK. The aggregate market value of the underlying shares at the time of award is 6,120 KSEK for Co-worker LTIP 2023 and the aggregate exercise price is 7,812 KSEK.

Table 3 – Share award plans (CEO)

There are no issued share award plans for the CEO or former CEO in Vicore.

Variable cash remuneration and application of performance criteria

Variable cash remuneration is linked to predetermined and measurable criteria. The criteria for variable cash remuneration to management and key persons, is designed so as to contribute to the company's business strategy and long-term interests, including its sustainability. These criteria can be measurable advancements in the company's preclinical and clinical programs and other associated activities. The criteria can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives.

Payments shall take place in the form of yearly cash remuneration after the remuneration committee and the board have reviewed and approved the outcome of the corporate goals, normally decided in the beginning of the year. The board and remuneration committee can at any time revise or cancel set goals and remunerations.

In the selection of performance measures, the strategic objectives, and short-term and long-term business priorities for 2023 have been taken into account. The criteria are the same for CEO, management and key persons. The variable cash remuneration may amount to a maximum of 40 percent of the annual fixed cash salary for the CEO. Further variable cash remuneration may be awarded in extraordinary circumstances. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once per year for each individual.

Table 4(a) - Performance of the CEO and former CEO in the reported financial year: variable cash remuneration

Name (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
Ahmed Mousa (CEO) ¹	Financial criteria, Preclinical and clinical studies	100%	a) 85% b) 471 KSEK
	Sign-on bonus		b) 250 KSEK
Carl-Johan Dalsgaard (former CEO)*	Financial criteria, Preclinical and clinical studies	100%	a) 85% b) 749 KSEK
Total			1,470 KSEK

1. No additional individual variable cash remuneration has been paid to the CEO or previous CEO during 2023.

Table 4(b) - Performance of the former CEO in the reported financial year: share-related remuneration

During 2022, 100,000 options granted in 2019 within the Co-worker LTIP 2018 program to Carl-Johan Dalsgaard have been vested in full. The exercise period for these shares runs from September 27, 2022 to September 27, 2023.

Comparative information on the change of remuneration and company performance

Table 5 – Change of remuneration and company performance over the last five reported financial years (RFY) (KSEK)

Since this is the fourth remuneration report produced, the information in the table below only pertains to the 2020-2023 financial years.

	RFY 2020	RFY 2021	RFY 2022	RFY 2023
CEO remuneration ¹				2,296
Former CEO remuneration ¹	4,016	3,768	4,466	3,926
Group operating profit (loss)	(149,538)	(294,818)	(290,725)	(321,506)
Average remuneration on a full-time equivalent basis of employees ² of the group company	1,869	1,709	2,290	2,469

1. Including pension, variable cash remuneration and holiday pay. Excluding social fees and pension tax

3. Including members of the management team but excluding CEO remuneration. Including pension, variable cash remuneration and holiday pay. Excluding social fees and pension tax