

Remuneration report for Mendus AB (publ) 2022

Introduction

This report describes how the guidelines for executive remuneration of Mendus AB (publ), adopted by the annual general meeting 2021, were implemented in 2022. 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 (2005:551) (Sw. *aktiebolagslagen*) and *Rules on remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration in accordance with Chapter 5, Section 40-44 of the Swedish Annual Accounts Act (1995:1554) (Sw. *årsredovisningslagen*) is available in note 7 on pages 50-51 in the annual report 2022. Information on the work of the remuneration committee during 2022 is set out in the corporate governance report available on pages 59-67 in the annual report 2022.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed on page 64 in the annual report 2022.

Development in 2022

The CEO summarizes the company's overall performance in his statement on pages 4-5 in the annual report 2022.

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. The company is a biotechnology company focusing on established tumours and tumour relapses that are difficult to treat and thus operates within an area with high demand for individuals with the right competence, both from a national and an international perspective. The company aspires to offer a competitive total compensation at market level both from a national and an international perspective and thereby be able to attract and retain qualified employees.

According to the remuneration guidelines, the remuneration to executives shall be at market level, be in relation to responsibility and authority and consist of the following components: fixed cash salary, possible variable cash remuneration, pensions and other benefits. The variable remuneration shall be linked to one or several financial or non-financial predetermined and measurable objectives which shall be designed to promote to the company's business strategy and long-term interests, including its sustainability.

The guidelines are found on page 65 in the annual report 2022. During 2022, 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 have been made from the decision-making process that according to the guidelines shall be applied to determine the remuneration. The auditor's report regarding the company's compliance with the guidelines is available on www.mendus.com. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the general meeting has resolved to implement two long-term share-related incentive plans, LTI 2021/2024 and LTI 2022/2025.

Total CEO remuneration in 2022

Erik Manting has received the following remuneration, stated in SEK, in his capacity as CEO for the financial year 2022.

	1 Fixed salary		2 Variable remuneration & other remuneration		3	4	5	6
	Base salary	Other benefits	Annual	Multiannual	Extra-ordinary items	Pension benefits ¹⁾	Total remuneration	Percentage of fixed and variable remuneration
Erik Manting (CEO)	3,923,097	-	-	-	-	256,301	4,179,398	100 % / 0 %

¹⁾ Pension benefits, which in its entirety relates to base salary and is premium defined, have been fully recognised as fixed remuneration.

Application of performance criteria for variable cash remuneration

The variable cash remuneration shall be linked to one or several predetermined and measurable objectives and shall be designed to promote the company's business strategy and long-term interests, including sustainability. The objectives shall be based on both the company's overall objectives for the business and on individual objectives relevant to the senior executive's position in the company. The variable cash remuneration may not exceed 50 percent of the fixed annual salary. For 2022, the board of directors chose to have company objectives related to financing of the company, clinical and pre-clinical studies and the manufacturing process of the clinical programs, among others. Together, these company objectives have been achieved to 45 per cent. To demonstrate the importance of the company objectives, the board has resolved that if these objectives are not achieved with at least 50 percent, the company objectives, with regard to the payment of variable remuneration in cash, shall not be considered fulfilled, i.e. fulfilment of the goals shall be considered to be 0 percent. This only applies to variable remuneration paid in cash and does not affect the allocation of restricted unit rights (please see below under *Incentive program 2021/2024*). The CEO's variable remuneration is 100% based on the fulfilment of the company objectives and therefore no variable remuneration has been paid for 2022.

Share-based remuneration

The company has introduced three incentive programmes, wherein one has expired, as follows.

Incentive programme 2019/2022

The annual general meeting held 25 April 2019 resolved on the long-term incentive programme 2019/2022. Within the framework of the incentive programme 2019/2022, a total of 2,178,089 warrants were issued, whereof 1,809,277 warrants were outstanding at the exercise period due to warrants being repurchased from senior executives who had resigned. Each warrant entitled to

subscription for one (1) share in the company during the exercise period 28 May 2022 up to and including 28 July 2022 for an exercise price of SEK 19.90. No warrants were utilized for subscription of new shares.

Incentive programme 2021/2024

The annual general meeting held on 4 May 2021 resolved on the long-term performance-based incentive programme 2021/2024. Within the framework of the incentive programme 2021/2024, a total of 1,236,092 employee stock options to senior executives and other key employees and 590,000 restricted unit rights to other employees are outstanding, corresponding to a dilution of approximately 0.9 percent of the number of shares and votes in the company upon exercise of all employee stock options and unit rights. Erik Manting holds 419,614 employee stock options. The employee stock options and restricted share units vest 1/3 each year over a three-year period and vesting is subject to continued employment. Furthermore, vesting of the restricted share units is linked to the achievement of the company objectives set annually by the board of directors. Each employee stock option that has been vested gives the right to acquire one share in the company during the exercise period at the subscription price of SEK 7.35 and each restricted share unit that has been vested gives the right to acquire one share in the company corresponding to the quota value of the share during the exercise period. The exercise period for the employee stock options and the restricted share units is from 1 September 2024 up to and including 31 October 2024.

Incentive programme 2022/2025

The annual general meeting held on 10 May 2022 resolved on the long-term performance-based incentive programme 2022/2025. Within the framework of the incentive programme 2022/2025, a total of 3,000,000 employee stock options were allocated to senior executives and other key employees, corresponding to a dilution of approximately 1.5 percent of the number of shares and votes in the company upon exercise of all employee stock options and unit rights. Erik Manting holds 900,000 employee stock options. The employee stock options vest 1/3 each year over a three-year period and vesting is subject to continued employment. Each employee stock option that has been vested gives the right to acquire one share in the company during the exercise period at the subscription price of SEK 3.20. The exercise period for the employee stock options is from 1 September 2025 up to and including 31 October 2025.

Comparative information on the change of remuneration and company's performance

Remuneration and company's performance in 2022

	IS 2020	IS 2021	IS 2022
CEO remuneration (KSEK)	5,468 ¹⁾	5,381 ²⁾	4,179
Change from previous year	-3)	-87	-1,202
Percentage change (%)	-3)	-1.6%	-22.3%
Group operating income (KSEK)	-86,027	-130,100	-133,957

Change from previous year	- ³⁾	-44,073	-3,857
Percentage change (%)	- ³⁾	-51.2%	-3.0%
Average remuneration to all employees based on the number of full-time equivalents employed in the group excluding group management (SEK thousand)	705	706	553
Change from previous year	- ³⁾	+1	-153
Percentage change (%)	- ³⁾	+0.01%	-21.7%

¹⁾ This remuneration relates to the remuneration that Carlos de Sousa received during the financial year 2020 related to the notice period during the financial year 2020 and the remuneration that Alex Karlsson-Parra has received for the period when he was CEO during 2020. Furthermore, the consulting fees paid to Sven Rohman during the period 28 August 2020 up until and including 31 December 2020 are included.

²⁾ This remuneration relates to the remuneration received by Erik Manting during the period 16 March 2021 up to and including 31 December 2021 and the consultancy fee paid to Sven Rohman during the period 1 January 2021 up to and including 15 March 2021.

³⁾ The company has not previously produced information on previous financial years in this respect.

Stockholm, April 2023

Mendus AB (publ)

The board of directors