

Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of Swedish Orphan Biovitrum AB (publ), (Sobi™) (Reg. No. 556038-9321) (the “Company” or “Sobi”) (the “remuneration guidelines”), adopted by the Annual General Meeting 2020, were applied in 2022. The report also provides information on remuneration to the CEO and the deputy CEO. In addition, the report provides a summary of the Company’s outstanding long-term incentive programmes. The report has been prepared in accordance with the Swedish Companies Act (2005:551) and the 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 is available in note 10 (Employees, personnel costs and remuneration of board members and senior executives) on pages 69-75 in the annual report 2022.

Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 103-111 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 in note 10 on page 70 in the annual report 2022.

Key developments 2022

The CEO summarises 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 is able to recruit and retain highly qualified personnel. As an international company, a majority of the Company’s personnel is employed outside of Sweden. Remuneration for the Executive Committee is designed on a total remuneration approach. The position of total remuneration should be market competitive relative to competitors in each local market. The remuneration guidelines shall enable international hiring and support diversity within the Executive Committee.

Under the remuneration guidelines, the remuneration shall be on market terms and may consist of the following components: fixed base pay, variable pay, pension benefits and other benefits. The guidelines are found on pages 70-72 in the annual report 2022. During 2022, the Company has complied with the applicable remuneration guidelines adopted by the general meeting. No derogations or deviations have been made from the remuneration guidelines or from the decision-making process which, pursuant to the guidelines, is to be applied in order to set remuneration. The auditor’s report regarding the Company’s compliance with the guidelines is available on www.sobi.com/en/governance. 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 incentive programmes.

Tables 1(1) and 1(2) – Total remuneration of the CEO and the deputy CEO, respectively, in 2022 (kSEK)¹⁾

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration ⁶⁾
	Base salary ²⁾	Other benefits	One-year variable	Multi-year variable ³⁾				
Guido Oelkers (CEO)	11,449	0	8,229	20,217	0	3,105	43,000	Fixed: 34% Variable: 66%

¹⁾ Except for multi-year variable remuneration, the table reports remuneration earned in 2022. Multi-year variable remuneration is reported if vested in 2022, as set out in column 10 of Table 2 and column 8 of Table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.

²⁾ Including vacation allowance and car allowance.

³⁾ Vesting of shares and options under long-term incentive program 2019. Vesting period of three years (28 May 2019-28 May 2022). Calculated as the sum of the market price per share at vesting (SEK 220.9) multiplied by the number of shares vested, and the difference between the market price per share at the start of the exercise period (SEK 214.4) and the strike price per option (SEK 180.65) multiplied by the number of options vested. The value at vesting is not to be equated to the year’s cost for Sobi presented in the annual report 2022.

⁴⁾ Pension expense, which is expressed as a percentage of base salary, has been counted entirely as fixed remuneration.

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration ⁶⁾
	Base salary ²⁾	Other benefits ⁴⁾	One-year variable	Multi-year variable ³⁾				
Henrik Stenqvist (deputy CEO)	4,809	141	1,988	4,636	0	1,273	12,847	Fixed: 48% Variable: 52%

¹⁾ Except for multi-year variable remuneration, the table reports remuneration earned in 2022. Multi-year variable remuneration is reported if vested in 2022, as set out in column 10 of Table 2 and column 8 of Table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.

²⁾ Including vacation allowance.

³⁾ Including company car, fuel, and medical insurance.

⁴⁾ Vesting of shares and options under long-term incentive program 2019. Vesting period of three years (28 May 2019-28 May 2022). Calculated as the sum of the market price per share at vesting (SEK 220.9) multiplied by the number of shares vested, and the difference between the market price per share at the start of the exercise period (SEK 214.4) and the strike price per option (SEK 180.65) multiplied by the number of options vested. The value at vesting is not to be equated to the year’s cost for Sobi presented in the annual report 2022.

⁵⁾ Pension expense, which is defined contribution, has been counted entirely as fixed remuneration.

Share-based remuneration

Share-related and share price-related incentive plans

The Company’s Annual General Meeting has adopted long-term incentive programmes (“LTIP”) that currently are outstanding (LTIP 2020, LTIP 2021 and LTIP 2022). LTIP 2019 vested in 2022. All programmes run for three years. The aim has been to create long-term commitment to the Company, to offer participants the opportunity to share in the Company’s long-term success and value creation, and to enable the Company to attract and retain senior executives and senior managers. Each of the 2019–2022 LTIPs has two sub-programmes: (i) the Management Programme

covering the CEO, senior executives (including the deputy CEO) and managers, and (ii) the Employee Programme.

The 2019–2022 LTIPs are structured according to similar principles.

- The programmes have a three-year vesting period.
- The Employee Programmes require a personal investment in Sobi shares, and matching shares may be allotted free of consideration.
- The Management Programmes do not require a personal investment in Sobi shares, and no matching shares are allotted. Instead, under the Management Programmes, performance shares may be allotted if

the programme criteria are met. However, the CEO and other members of the Executive Committee (including the deputy CEO) are recommended to accumulate a personal holding in Sobi shares.

- The number of performance shares that employees are entitled to receive differs according to the organisational level.
- One requirement for all programmes is that the employee must be permanently employed throughout the entire vesting period and, in relation to the Employee Programmes, investment shares must be retained throughout the entire vesting period.
- The performance targets for the Management Programmes are that the share price increases (as adjusted for any dividends: absolute TSR) by a certain rate over a three-year period (60% weight). In order for any vesting related to absolute TSR increase to occur for the LTIP 2019-2020, the TSR must increase by more than 15% over the vesting period, and for the LTIP 2021-2022 the TSR must increase by more than 10% over the vesting period. In order for full vesting related to absolute TSR increase to occur for the LTIP 2019-2020, the TSR must increase by at least 50% over the vesting period, and for the LTIP 2021-2022 the TSR must increase by at least 40% over the vesting period. If the TSR increase is between 15% and 50% over the vesting period for the LTIP 2019-2020 or 10% and 40% for the LTIP 2021-2022, a linear vesting related to absolute TSR increase will occur. Furthermore, the actual annual revenues over a three-year period must meet or exceed the budget for annual revenues (40% weight). If the threshold is reached or exceeded for a financial year, full vesting related to annual revenues in respect of that financial year will occur (i.e., 1/3 of 40%), whereas if the threshold is not reached for a financial year, no vesting related to annual revenues in respect of that financial year will occur.

In addition to the possibility to be allocated a number of performance shares, the CEO, other members of the Executive Committee (including the deputy CEO) and a limited number of key individuals in the Company have been granted a number of employee stock options under the Management Programmes of the 2019-2022 LTIPs (the “**Option Programmes**”). Subject to the satisfaction of the performance target (actual average revenues must meet or exceed the budgets over a three-year period) and other programme criteria, each option entitles the holder to acquire one Sobi common share (“**Option Share**”) at a strike price equivalent to 105 % of the volume-weighted average price paid for the Sobi common share at Nasdaq Stockholm, adjusted for any

dividend payments, during a period of ten trading days in connection with the commencement of the vesting period. The value of each Option Share received upon exercise of options is capped to three times the strike price in the 2020-2022 Option Programme and to five times the strike price in the 2019 Option Programme, meaning that the number of shares delivered to the participant upon exercise of options may be reduced. The vesting periods of the Option Programmes are three years, followed by a two-year exercise period.

For employees in the US and Canada, the Company has three outstanding cash-based programmes and had one cash-based programme that vested in 2022 (“**North America Cash-Based Programmes**”). Each of the North America Cash-Based Programmes 2018-2019 has a four-year vesting period, whereas the North America Cash-Based Programmes 2020-2022 have a three-year vesting period. Each of the North America Cash-Based Programmes consists of two components: a time-based component (50% weight) and a performance-based component (50% weight) based on two performance targets. The first performance target (50% weight of the performance-based component) is that the TSR must increase by at least 10% over the vesting period. The second performance target (50% weight of the performance-based component) is that sales in North America must be at least 95% in relation to the budget over the vesting period. The Company also has two outstanding cash-based programmes for employees in China and Japan, respectively (“**Asia Cash-Based Programmes**”). The Asia Cash-Based Programmes 2021-2022 have a three-year vesting period and consists of two components: a time-based component (50% weight) and a performance-based component (50% weight) based on two performance targets. The first performance target (60% weight of the performance-based component) is that the TSR must increase by 10% to 40 % over the vesting period. There is no payment below 10% and a linear payment for 10% to 40%. The second performance target (40% weight of the performance-based component) is that the actual annual revenues during the three-year period must reach or exceed the budget for the annual revenues. These programs do not include any members of the Executive Committee.

Further information on share-related and share price-related incentive plans is available in note 10 (Employees, personnel costs and remuneration of board members and senior executives) on pages 69-75 in the annual report 2022.

Tables 2-3 below set forth information on relevant share and option-based programmes granted or offered to the CEO and the deputy CEO (including the main conditions for exercising the rights under such programmes).

Table 2 – Option Programmes

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year					
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Exercise period	7 Exercise price (SEK)	Opening balance	During the year		Closing balance		
								8 Options held at beginning of year	9 Options awarded	10 Options vested	11 Options subject to performance condition	12 Options awarded and unvested	13 Options subject to retention period
Guido Oelkers (CEO)	2019 Option Programme	2019-2021	2019-05-28	2022-05-28	2022-05-28	2022-05-28 2024-05-28	180.65	301,973	0	301,973 ¹⁾	0	0	0
	2020 Option Programme	2020-2022	2020-05-28	2023-05-28	2023-05-28	2023-05-29 2025-05-29	213.86	322,158	0	0	322,158	0	0
	2021 Option Programme	2021-2023	2021-06-01	2024-06-01	2024-06-01	2024-06-02 2026-06-02	153.01	416,749	0	0	416,749	0	0
	2022 Option Programme	2022-2024	2022-05-30	2025-05-30	2025-05-30	2025-05-31 2027-05-31	217.91	0	290,913 ²⁾	0	290,913	0	0
Total							1,040,880	290,913	301,973	1,029,820	0	0	
Henrik Stenqvist (deputy CEO)	2019 Option Programme	2019-2021	2019-05-28	2022-05-28	2022-05-28	2022-05-28 2024-05-28	180.65	74,315	0	74,315 ³⁾	0	0	0
	2020 Option Programme	2020-2022	2020-05-28	2023-05-28	2023-05-28	2023-05-29 2025-05-29	213.86	69,271	0	0	69,271	0	0
	2021 Option Programme	2021-2023	2021-06-01	2024-06-01	2024-06-01	2024-06-02 2026-06-02	153.01	91,787	0	0	91,787	0	0
	2022 Option Programme	2022-2024	2022-05-30	2025-05-30	2025-05-30	2025-05-31 2027-05-31	217.91	0	62,873 ⁴⁾	0	62,873	0	0
Total							235,373	62,873	74,315	223,931	0	0	

¹⁾ Value at vesting: kSEK 10,192, calculated as the difference between the market price per share at the start of the exercise period (SEK 214.4) and the strike price per option (SEK 180.65) multiplied by the number of options vested. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

²⁾ The aggregate market value of the options at the time of award, based on a Black & Scholes valuation method, was kSEK 16,402. The exercise of the options is subject to performance targets (actual average revenues meeting or exceeding the budgets over a three-year period). The aggregate market value of the underlying shares at the time of the award was kSEK 60,375. The aggregate price to exercise the options is kSEK 63,393.

³⁾ Value at vesting: kSEK 2,508, calculated as the difference between the market price per share at the start of the exercise period (SEK 214.4) and the strike price per option (SEK 180.65) multiplied by the number of options vested. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

⁴⁾ The aggregate market value of the options at the time of award, based on a Black & Scholes valuation method, was kSEK 3,545. The exercise of the options is subject to performance targets (actual average revenues meeting or exceeding the budgets over a three-year period). The aggregate market value of the underlying shares at the time of the award was kSEK 13,049. The aggregate price to exercise the options is kSEK 13,701.

Table 3 – LTIP

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year					
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	Opening balance	During the year		Closing balance		
						6 Share awards held at beginning of year ¹⁾	7 Awarded	8 Vested	9 Subject to performance condition	10 Awarded and unvested at year end ⁴⁾	11 Shares subject to retention period
Guido Oelkers (CEO)	2019 Share Programme	TSR: 2019-05-28 - 2022-05-28 Annual revenues (each year): 2019 - 2021	2019-05-28	2022-05-28	2022-05-28	81,948	0	45,383 ²⁾	0	0	0
	2020 Share Programme	TSR: 2020-05-28 - 2023-05-28 Annual revenues (each year): 2020 - 2022	2020-05-28	2023-05-28	2023-05-28	70,100	0	0	42,060	28,040	0
	2021 Share Programme	TSR: 2021-06-01 - 2024-06-01 Annual revenues (each year): 2021 - 2023	2021-06-01	2024-06-01	2024-06-01	98,527	0	0	72,253	26,274	0
	2022 Share Programme	TSR: 2022-05-30 - 2025-05-30 Annual revenues (each year): 2022 - 2024	2022-05-30	2025-05-30	2025-05-30	0	74,027	0	64,157	9,870	0
Total						250,575	74,027	45,383	178,470	64,184	0
Henrik Stenqvist (deputy CEO)	2019 Share Programme	TSR: 2019-05-28 - 2022-05-28 Annual revenues (each year): 2019 - 2021	2019-05-28	2022-05-28	2022-05-28	17,393	0	9,633 ³⁾	0	0	0
	2020 Share Programme	TSR: 2020-05-28 - 2023-05-28 Annual revenues (each year): 2020 - 2022	2020-05-28	2023-05-28	2023-05-28	15,074	0	0	9,044	6,030	0
	2021 Share Programme	TSR: 2021-06-01 - 2024-06-01 Annual revenues (each year): 2021 - 2023	2021-06-01	2024-06-01	2024-06-01	21,700	0	0	15,913	5,787	0
	2022 Share Programme	TSR: 2022-05-30 - 2025-05-30 Annual revenues (each year): 2022 - 2024	2022-05-30	2025-05-30	2025-05-30	0	16,000	0	13,867	2,133	0
Total						54,167	16,000	9,633	38,824	13,950	0

¹⁾ Refers to the maximum number of shares at the award date subject to performance conditions under the respective performance periods.

²⁾ Value at vesting: kSEK 10,025, calculated as the market price per share at vesting (SEK 220.9) multiplied by the number of shares vested, 45,383. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

³⁾ Value at vesting: kSEK 2,128, calculated as the market price per share at vesting (SEK 220.9) multiplied by the number of shares vested, 9,633. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

⁴⁾ Refers to shares awarded which were subject to achieved targets with regards to annual revenues. The shares will not be allotted until after the respective vesting date.

Application of performance criteria

The performance measures for the variable remuneration of the CEO and the deputy CEO have been selected for the promotion of the Company's business strategy, long-term development including its sustainability, value creation and financial growth and have been designed in a way that encourages compliant behaviour.

Set out below is a description of how the criteria for payment of variable short- and long-term compensation have been applied during the financial year.

Performance of the CEO and the deputy CEO in the reported financial year: short term variable cash remuneration

As to the short-term variable remuneration ("STI"), the board of directors has made both quantitative and qualitative assessments. This has involved the application of judgement and discretion to ensure that the outcome will reflect broader considerations and

remain appropriate and proportionate, in addition to the formulaic outcome on the basis of scorecards. Accordingly, the short-term variable cash remuneration for the financial year 2022 was determined by both financial and non-financial performance criteria. The financial performance criteria consisted of annual revenue (relative weighting 52.5%) and EBITA (relative weighting 22.5%). The non-financial performance criteria were selected based on strategic objectives as well as short-term and long-term business development goals for 2022 (relative weighting 25%).

The evaluation of the performance criteria resulted in a remuneration outcome for the CEO Guido Oelkers amounting to kSEK 8,229, whereof kSEK 3,817 is related to annual revenue, kSEK 1,808 to EBITA and kSEK 2,604 to the non-financial objectives. For the deputy CEO Henrik Stenqvist, the evaluation of the performance criteria resulted in a remuneration outcome amounting to kSEK 1,988, whereof kSEK 974 is related to annual revenue, kSEK 461 to EBITA and kSEK 553 to the non-financial objectives.¹

Table 4 – Performance of the CEO and the deputy CEO in the reported financial year: share-based incentives¹

Name of director (position)	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	3	
				a) Measured performance and	b) actual award/ remuneration outcome
Guido Oelkers (CEO)	2019 Share Programme	Absolute TSR increase 2019-05-28 - 2022-05-28	60%	a) 23.97% ²	b) kSEK 2,784
		Annual Revenues 2019 - 2021	40%	N/A ³	
	2019 Option Programme	Average Annual Revenues 2019-2021	100%	a) MSEK 15,013	b) kSEK 10,192 ⁴
		Absolute TSR increase 2020-05-28 - 2023-05-28	60%	N/A ⁵	
	2020 Share Programme	Annual Revenues 2020 - 2022	40%	a) MSEK 16,606	b) kSEK 2,016 ⁵
		Absolute TSR increase 2021-06-01 - 2024-06-01	60%	N/A ⁶	
	2021 Share Programme	Annual Revenues 2021 - 2023	40%	a) MSEK 16,606	b) kSEK 2,834 ⁵
		Absolute TSR increase 2022-05-30 - 2025-05-30	60%	N/A ⁶	
	2022 Share Programme	Annual Revenues 2022 - 2024	40%	a) MSEK 16,606	b) kSEK 2,129 ⁵
		Absolute TSR increase 2019-05-28 - 2022-05-28	60%	a) 23.97% ²	b) kSEK 591
Henrik Stenqvist (deputy CEO)	2019 Share Programme	Annual Revenues 2019 - 2021	40%	N/A ³	
		Average Annual Revenues 2019-2021	100%	a) MSEK 15,013	b) kSEK 2,508 ⁴
	2020 Share Programme	Absolute TSR increase 2020-05-28 - 2023-05-28	60%	N/A ⁵	
		Annual Revenues 2020 - 2022	40%	a) MSEK 16,606	b) kSEK 434 ⁵
	2021 Share Programme	Absolute TSR increase 2021-06-01 - 2024-06-01	60%	N/A ⁶	
		Annual Revenues 2021 - 2023	40%	a) MSEK 16,606	b) kSEK 624 ⁵
	2022 Share Programme	Absolute TSR increase 2022-05-30 - 2025-05-30	60%	N/A ⁶	
		Annual Revenues 2022 - 2024	40%	a) MSEK 16,606	b) kSEK 460 ⁵

¹ Any right to exercise the options under the Option Programmes requires that the actual average revenues meet or exceed the budgets over a three-year period. The outcome of the 2020-2022 Option Programmes will be concluded in 2023, 2024 and 2025, respectively. These Option Programmes are therefore not included in Table 4.

² The Absolute TSR increase corresponds to approximately 25.63% of the maximum possible vesting related to this target for the 2019 Share Programme. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

³ Annual Revenues were measured during 2019, 2020 and 2021 and were fully achieved.

⁴ Vesting of options under long-term incentive program 2019. Calculated as the difference between the market price per share at the start of the exercise period (SEK 214.4) and the strike price per option (SEK 180.65) multiplied by the number of options vested. The value at vesting is not to be equated to the year's cost for Sobi presented in the annual report 2022.

⁵ Annual Revenues for the performance year 2022 at fixed rates. Based on market price per share at balance date 31 December 2022 (SEK 215.7) multiplied by the number of shares vested. Vesting period still running, and the shares will not be allotted until after the respective vesting date. The value at balance date, 31 December 2022, is not to be equated to the year's cost for Sobi presented in the annual report 2022.

⁶ Performance period still running.

ⁱ The financial targets for STI are calculated at fixed rates (equals 2022 target exchange rates). Annual Revenues for 2022 at fixed rates was MSEK 16,606 and adjusted EBITA for 2022 at fixed rates was MSEK 5,473.

Comparative information on remuneration and company performance

Table 5 – Remuneration of the CEO and deputy CEO compared with company performance and remuneration of other employees¹⁾

Total Remuneration CEO and deputy CEO (kSEK)	RFY 2020	RFY 2021	RFY 2022
Guido Oelkers (CEO)	55,571	31,564 (-43%)	43,000 (+36%) ²⁾
Henrik Stenqvist (deputy CEO)	7,617	9,703 (+27%)	12,847 (+32%) ³⁾
Company's Performance (MSEK)			
Total Revenue	15,261	15,529 (+2%)	18,790 (+21%)
EBITA ⁴⁾	6,301	5,575 (-12%)	6,605 (+18%)
Average remuneration on a full-time equivalent basis of employees (kSEK)⁵⁾			
Employees of the parent company	1,210	1,239 (+2,4%)	1,405 (+13,4%) ⁶⁾

¹⁾ The table will be extended over time to include a five-year historical comparison.

²⁾ Total Remuneration as set out in column 5 of Table 1(1), including the value at vesting for multiple-year variable remuneration (vesting period of three years, 28 May 2019-28 May 2022), which had a higher outcome compared to 2021.

³⁾ Total Remuneration as set out in column 5 of Table 1(2), including the value at vesting for multiple-year variable remuneration (vesting period of three years, 28 May 2019-28 May 2022). The deputy CEO was allotted shares for the first time during 2021.

⁴⁾ Alternative Performance Measures (APMs), see page 164 in the annual report 2022.

⁵⁾ Excluding members of the group executive management per 31 December 2022.

⁶⁾ Average remuneration for the Company's other employees includes the total remuneration, including the value at vesting for multiple-year variable remuneration (vesting period of three years, 28 May 2019-28 May 2022), which had a higher outcome compared to 2021. The one-year variable cash remuneration amount included in the table is preliminary related to the 2022 financial year which will be finally approved and paid during the spring of 2023.