

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 2024

INTRODUCTION

This report describes how the guidelines for executive remuneration of Ascelia Pharma AB ("Ascelia Pharma"), adopted by the Annual General Meeting 2022, were implemented in 2024. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related incentive programs. 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 executive remuneration is available in note 7 (Employees and remuneration) on pages 65-70 in the Annual Report for 2024. Information on the work of the remuneration committee in 2024 is set out in the corporate governance report available on pages 39-45 in the Annual Report for 2024.

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 66 in the Annual Report for 2024.

KEY DEVELOPMENTS 2024

The CEO summarizes the company's overall performance in his statement on pages 4-5 in the Annual Report for 2024.

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 highly competent senior executives with a capacity to achieve set goals. To this end, the company must offer competitive remuneration in market terms. The company's remuneration guidelines enable the company to offer senior executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be in market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial and/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 promoting the senior executive's long-term development.

The guidelines are found on pages 42-43 in the Annual Report for 2024. During 2024, 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.ascelia.com/corporate-governance/general-meeting/>. No remuneration has been reclaimed.

In addition to such remuneration covered by the remuneration guidelines, the general meetings of the company have resolved to implement long-term share-related incentive programs.

Table 1 – Total remuneration of the CEO in 2024 (TSEK)

Name of director (position)	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense incl. insurance	Total remuneration	Proportion of fixed and variable remuneration
	Base salary	Other benefits	One-year	Multi-year				
	Salary + holiday pay	Company car etc.	Short term variable pay*	Share-related incentive programs**				
Magnus Corfitzen (CEO)	2,225	185	752	32	-	709	3,903	80/20

* Short-term variable remuneration refers to the 2024 target achievement.

**The amount for share-related incentive programs reflects the value of allotted ordinary shares in 2024. The value of unpaid active share-based incentive programs is not included.

SHARE-RELATED AND SHARE PRICE-RELATED INCENTIVE PROGRAMS

Share option programs

During 2024, the share option program 2023/2024 containing 1,720,000 options (of which 360,000 options were held by the CEO), expired. After recalculation due to the rights issue of units completed during 2024, each option entitled the holder to subscribe for 1.11 shares at an exercise price of SEK 3.30 per share. No options were exercised in the program as the exercise price of SEK 3.30 per share exceeded the share price at the time.

Share saving programs

The company has three outstanding share saving programs (LTI 2022, LTI 2023 and LTI 2024) offered to all employees. For each acquired ordinary share by the participant ("Saving Shares"), the participant is entitled to receive 1 matching share ("Matching Shares"). In addition, the participant shall have the possibility to receive up to 5 performance shares ("Performance Shares") for each Saving Share. Receipt of both Matching Shares and Performance Shares are conditional upon the fulfilment of the following conditions:

(a) that the participant has retained all Saving Shares during the period from the expiration of the relevant investment period to the end of the relevant Saving Period (30 September 2025 for LTI 2022, 30 September 2026 for LTI 2023 and 30 September 2027 for LTI 2024);

(b) that the participant has continued to be employed by the company throughout the relevant Saving Period; and

(c) the receipt of Performance Shares is further conditional upon that the requirement related to the development of the company's share price from the date of the annual general meeting when the programs were decided (5 May 2022 for LTI 2022, 4 May 2023 for LTI 2023 and 6 May 2024 for LTI 2024) to the end of the Saving Period.

During 2024, the share saving program LTI 2021 expired. In November 2024, 26,310 Matching Shares, corresponding to an equal number of ordinary shares, were allotted to the participants in LTI 2021, of which 11,100 were allotted to the CEO. The share price targets set for the program were not met, with the result that no Performance Shares were allotted in relation to LTI 2021.

The CEO has invested 22,500 Saving Shares in LTI 2022, 31,000 Saving Shares in LTI 2023 and 54,000 Saving Shares in LTI 2024. For the company, in the active programs, 326,806 Saving Shares have been acquired by the participants (48,510 in LTI 2022, 96,990 in LTI 2023 and 181,306 in LTI 2024). The recalculation due to the rights issue of units completed during 2024, entitles the holder of Saving Shares to receive 1.11 Matching Shares. The number of shares acquired has been revised in relation to personnel no longer employed.

Table 2 – Share option programs (CEO)

Name of director (position)	The main conditions of share option programs							Information regarding the reported financial year					
	1	2	3	4	5	6	7	Opening balance	During the year		Closing balance		
								8	9	10	11	12	13
Name of program	Service period	Award date	Vesting date	End of retention period	Exercise period	Exercise price of the share and date	Share options held at the beginning of the year	Share options awarded	Share options vested	Share options subject to a performance condition **	Share options awarded and unvested	Share options subject to a retention period	
Magnus Corfitzen (CEO)	2023/2024	2023-2024	2023-11-14	31 Oct 2024	2024-11-01	2024-11-01 – 2024-12-31	3.30 SEK per share	360,000	-	360,000*	-	-	-
TOTAL								360,000	-	360,000	-	-	-

* The value of the vested options in 2024 at the vesting date 31 October 2024 was 0 SEK (calculated as the share price that day less the exercise price multiplied by the number of vested options).

** The performance condition implied that the participant has not terminated the employment as of the date when the vesting occurs.

Table 3 – Share saving programs (CEO)

Name of director (position)	Main conditions					Information regarding the reported financial year					
	Specification of program	Performance period	Award date	Vesting period (Saving Period)	End of retention period	Opening balance	During the year		Closing balance		
						Number of Saving Shares at start of year	Saving Shares acquired	Allotted Matching Shares**	Shares subject to a performance condition***	Shares unvested at year end*	Shares subject to a retention period
LTI 2021	5 May 2021 - 30 Sep 2024	2021-05-05	May 2021 - Sep 2024	2024-09-30	10,000	-	11,100	-	-	-	
LTI 2022	5 May 2022 - 30 Sep 2025	2022-05-05	May 2022 - Sep 2025	2025-09-30	22,500	-	-	22,500	22,500	-	
LTI 2023	4 May 2023 - 30 Sep 2026	2023-05-04	May 2023 - Sep 2026	2026-09-30	31,000	-	-	31,000	31,000	-	
LTI 2024	6 May 2024 - 30 Sep 2027	2024-05-06	May 2024 - Sep 2027	2027-09-30	-	54,000	-	54,000	54,000	-	
TOTAL					63,500	54,000	11,100	107,500	107,500	-	

* The total estimated costs throughout the vesting period 2022-2027 for all active share saving programs amount to 1.8 MSEK. The calculation of costs is based on the generally accepted modelling technique Monte Carlo for simulation of future share prices.

** In September 2024, the Shares in all LTI programs were recalculated due to the rights issue of units completed during 2024 in accordance with the terms of the programs. After recalculation, each saving share entitled to 1.11 Matching Shares. The value of the 11,100 allotted Matching Shares, corresponding to an equal number of ordinary shares, amounts to 32 TSEK in 2024.

*** The performance condition implies that the participant has not terminated the employment as of the date when the vesting occurs.

APPLICATION OF PERFORMANCE CRITERIA

The performance criteria for the CEO's variable remuneration have been selected to support the company's strategy and long-term goals. The performance criteria have been composed of both operational and financial criteria that overall support the long-term strategic direction and value creation of Ascelia Pharma.

Table 4 – Outcome of the CEO's variable remuneration for 2024*

In 2024, the CEO was awarded 752 TSEK in variable remuneration based on fulfilment of performance criteria*. The weighting of each performance criteria and their individual degree of fulfilment are found in the table below.

Performance criteria	Relative weighting	Degree of fulfilment*
Development	60%	87%
Financing and corporate	40%	

* Outcome of the CEO's variable remuneration refers to the 2024 target fulfilment.

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

Table 5 – Remuneration and company performance in 2024 and 2023

	2024	2023
Remuneration to Magnus Corfitzen, CEO	3.9 MSEK*	3.8 MSEK*
Operating Results for the Group	-67,766 TSEK	-110,914 TSEK
Share price performance	25%	-77%
Average remuneration on FTE basis of employees of the Group and Ascelia Pharma**	1.2 MSEK	1.0 MSEK

* Of the total remuneration in 2024, around 32 TSEK (0.4 MSEK) reflects the value of share-related incentive programs.

** Excluding members of the Group executive management.

Malmö in April 2025

The Board of Directors of Ascelia Pharma AB (publ)