

## Remuneration report 2021

### Introduction

This report describes how the guidelines for executive remuneration of Camurus AB (publ), adopted by the annual general meeting 2020, were applied in 2021. 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 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 9 (Personnel, personnel costs and remuneration to Board members and senior executives) on pages 112-115 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on pages 141 in the annual report 2021.

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 28 Related party transactions on pages 128-130 in the annual report 2021.

### Key developments 2021

The CEO summarizes the company's overall performance in his statement on pages 10-14 in the annual report 2021.

### The company's remuneration guidelines: scope, purpose and deviations

Camurus is committed to developing and commercializing innovative and long-acting medicines for the treatment of severe and chronic conditions, including opioid dependence, pain, cancer and endocrine disorders.

A prerequisite for the successful implementation of Camurus' 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 total remuneration. Under the remuneration guidelines, executive remuneration is based on market terms and consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be based on predetermined, well-defined and measurable financial and non-financial criteria. The criteria are 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 executive's long-term development.

The guidelines are found on pages 112-115 in the annual report 2021 and on the company's website <https://www.camurus.com/investors/corporategovernance>. The remuneration guidelines, adopted by the annual general meeting, have been fully implemented. No deviations from the guidelines have been made and no derogations from the decision-making process that according to the guidelines is to be applied to determine the remuneration have been made. The auditor's report regarding the company's compliance with the guidelines is available on [www.camurus.com/investors/corporategovernance](https://www.camurus.com/investors/corporategovernance). No remuneration has been reclaimed. Remuneration presented in the report is either earned and paid during 2021, or earned and due to be paid in 2022.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of Camurus have resolved to implement long-term share-related incentive plans.

**Table 1 – Total CEO remuneration in 2021 (KSEK)**

Name of director (position)	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration					
	Base salary <sup>1</sup>	Other benefits <sup>2</sup>	One-year variable	Multi-year variable	Extraordinary items <sup>3</sup>	Pension expense	Total remuneration	Proportion of fixed and variable remuneration <sup>4</sup>
Fredrik Tiberg (CEO)	5,980	70	1,131	N/A	369	2,605	10,155	85/15%

1 Including holiday pay of KSEK 1,021 and including a deduction for company car of KSEK 47

2 Healthcare insurance, car and parking benefit

3 Stay-on bonus related to participation in TO2019/2022 and TO2020/2023 resolved by the annual general meeting

4 Pension expense (column 4), which in its entirety relates to base salary and is premium defined, has been fully counted for as fixed remuneration

## Share-based remuneration

### ***Outstanding share-related and share price-related incentive plans***

Since May 2016, the annual general meetings of the company have resolved on implementation of long-term incentive programs for the employees and the CEO, in the company. In the beginning of 2021, the company had three active subscription warrant programs, TO2018/2021 (comprising 557,400 warrants<sup>1</sup>), TO2019/2022 (comprising 597,459 warrants), and TO2020/2023 (comprising 199,575 warrants). The employees are offered to purchase the subscription warrants at market value at the time of transfer, entailing that the participants make a personal investment, and each warrant entitles to subscription for one new share in Camurus at a predetermined subscription price. The warrants are exercisable 3-3,5 years after the award. As part of the programs, the participants receive a three-piece stay-on bonus from the company in form of gross salary additions equivalent to the amount paid by the participants for the subscription warrants. The stay-on bonus is paid provided that the person is still employed in the group at the time of payment.

At the annual general meeting on 6 May, 2021, it was decided to implement an incentive program based on employee stock options for the company's employees, EO2021/2024. The options are granted the employees free of charge and have a term of approximately 3 years from the grant date. Once vested, the options can be exercised during the period 1 June – 16 December, 2024 (the exercise period) provided that the participant is still employed. Each vested option gives the holder the right to acquire one share in Camurus at an exercise price of SEK 263.50. The incentive program comprises 1,110,900 employee stock options.

On 15 December 2021 the subscription period for the long-term incentive program TO2018/2021 ended. During the year, a total of 593,394 shares were subscribed for at the subscription price of SEK 133.40 per share.

During 2021 the CEO exercised a total of 75,000 warrants in the program TO2018/2021. Furthermore, the CEO was awarded 60,000 employee stock options in the program EO2021/2024. For more information see table 2 below.

<sup>1</sup> Number of shares subscribed warrants entitle to after recalculation in accordance with the terms of TO2018/2021 due to the company's rights issue in March 2019 amounts to 607,565.

**Table 2 – Incentive plans (CEO)**

Name of director (position)	The main conditions of share option plans						Information regarding the reported financial year <sup>1</sup>						
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Exercise period	Opening balance		During the year			Closing balance	
							7 Exercise price (SEK)	8 Share options held at beginning of year	9 Share options awarded	10 Share options vested	11 Share options subject to performance condition	12 Share options awarded and unvested	13 Share options subject to retention period
Fredrik Tiberg (CEO)	TO2018/2021	2018-2021	2018-05-28	2021-05-15	N/A	2021-05-15 – 2021-12-15	133.40 <sup>2</sup>	75,000 <sup>3</sup>	0	75,000 <sup>3</sup>	N/A	N/A	N/A
	TO2019/2022	2019-2022	2019-06-03	2022-05-15	N/A	2022-05-15 – 2022-12-15	98.90	75,000	0	0	N/A	75,000	N/A
	TO2020/2023	2020-2023	2020-08-31	2023-05-15	N/A	2023-05-15 – 2023-12-15	169.50	15,000	0	0	N/A	15,000	N/A
	EO2021/2024	2021-2024	2021-06-10	2024-06-01	2024-06-01	2024-06-01 – 2024-12-16	263.50	0	60,000 <sup>4</sup>	0	N/A	60,000	60,000
<b>Total</b>							<b>165,000</b>	<b>60,000</b>	<b>75,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	

1 In 2021, no changes occurred regarding programs TO2019/2022 and TO2020/2023, in which the CEO holds a total of 90,000 warrants. In the new program EO2021/2024, the CEO was awarded 60,000 employee stock options in 2021.

2 The number of shares each warrant entitles to was recalculated in accordance with the terms of the programs due to the company's rights issue in March 2019. The recalculation factor was set to 1.09.

3 In the program TO2018/2021, the CEO exercised 75,000 warrants and subscribed for 81,750 new shares at the pre-determined price of SEK 133.40 per share and paid in total approximately KSEK 10,905. The closing price at Nasdaq Stockholm for the share at the time of exercise on 19 May 2021 was SEK 199.

4 The aggregate market value of the underlying 60,000 shares at the time of the award was KSEK 12,750 based on Nasdaq Stockholm's closing price of SEK 212.50 on 10 June, 2021. The aggregate exercise price is KSEK 15,810.

### Application of performance criteria

The performance measures for the CEO's variable cash remuneration are resolved annually by the board of directors and have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives, and short-term and long-term business priorities for 2021 have been considered. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

In 2021, the CEO was entitled to a variable remuneration corresponding to a maximum of 50% of the annual fixed salary. Earned variable remuneration related to 2021, due to be paid in 2022, amounted to 22.6% of the fixed base salary, excluding vacation pay and company car, corresponding to KSEK 1,131. The variable remuneration for 2021 was based to 64% on financial targets and to 36% on targets related to corporate, business, and pharmaceutical development, and the outcome is detailed as below.

**Table 3 - Performance of the CEO in the reported financial year: variable cash remuneration**

Name of director (position)	1 Description of the performance criteria	2 Relative weighting of the performance criteria	3 a) Actual award b) Remuneration outcome
Fredrik Tiberg (CEO)	Financial development 2021 related to Revenues and Operating result	64%	a) Total net revenues MSEK 601, Product sales MSEK 594, Operating Result MSEK -111 b) KSEK 724
	Corporate, business and pharmaceutical development 2021	36%	KSEK 407

Comparative information on the change of remuneration and company performance

**Table 4 – Change of remuneration and company performance over the last five reported financial years (RFY) (KSEK)**

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2021
CEO remuneration	+183 (+3.1%)	+2,449 (+39.7%)	+313 (+3.6%)	+1,113 (+12.5%)	+116 (+1.2%)	<b>10,155</b>
Group operating profit	-141,072 (-137.7%)	-43,694 (-17.9%)	-72,804 (-25.3%)	+154,790 (+43.0%)	+94,658 (+46.1%)	<b>-110,574</b>
Average remuneration on a full-time equivalent basis of employees* of the Group	+194 (+26.2%)	+153 (+16.4%)	+7 (+0.6%)	-31 (-2.8%)	+55 (+5.2%)	<b>1,116</b>

\* Excluding members of the group executive management