

## **REMUNERATION REPORT 2025**

### **Introduction**

This report describes how the guidelines for senior executive remuneration of BioArctic AB (publ), adopted by the annual general meeting held on 5 May 2022, were applied in 2025. The report also provides information on remuneration to the CEO and the board members who receive remuneration other than board remuneration resolved by the general meeting and a summary of the company's outstanding share-related and share price-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 senior executive remuneration is available in note 7 (Employees) on pages 92-99 in the annual report. Information on the work of the remuneration committee in 2025 is set out in the corporate governance report on page 125 in the annual report for 2025.

Board remuneration is not covered by this report. Such remuneration is resolved annually by the annual general meeting and is disclosed in note 7 on page 96 in the annual report for 2025.

### **Key developments in 2025**

The CEO summarises the company's overall performance in the CEO's statement on pages 10-12 in the annual report.

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

A prerequisite for a successful implementation of the company's long-term business strategy, including its sustainability objectives, is that the company can recruit and retain qualified personnel. Through BioArctic's adopted remuneration guidelines, the company can offer competitive remuneration. Pursuant to the remuneration guidelines, senior executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The criteria for the variable cash remuneration may be individual or collective, financial or non-financial and shall be structured in such a way that they promote the company's business strategy, sustainability strategy and long-term interests.

The guidelines can be found on page 126 in the annual report. During 2025, BioArctic has deviated from the applicable remuneration guidelines adopted by the general meeting. The board assessed that there were special reasons for this deviation. The financial year 2025 was an exceptional year for BioArctic, largely as a result of the agreements entered into with Bristol Myers Squibb and Novartis. The extraordinary efforts of the CEO

and the positive outcome for the company justified a bonus exceeding the established levels. The remuneration committee recommended and the board resolved on an additional bonus of SEK 2.3 million, resulting in the company's CEO receiving a total of 12 monthly salaries in variable remuneration, corresponding to 6 monthly salaries in excess of the adopted guidelines. The auditor's statement regarding the company's compliance with the remuneration guidelines is available at <https://www.bioarctic.com/en/annual-general-meeting-2026/>. 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 share-related incentive programs.

*Total remuneration to senior executives in 2025 (kSEK)*

Name of director (position)	Fixed remuneration			Variable remuneration			Total remuneration	Portion of fixed and variable remuneration
	Base salary	Other benefits	Pension expense <sup>3</sup>	One-year variable	Multi-year variable	Extraordinary items		
Gunilla Osswald (CEO) <sup>1</sup>	4,846	122	1,629	2,253	1,650	3,004	13,504	49/51
Lars Lannfelt (Board member) <sup>2</sup>	2,382	23	452				2,857	100/0

<sup>1</sup> Basic salary includes a decrease of holiday debt of kSEK 40. Other benefits consist of, among other things, car benefit and health insurance. Variable remuneration consists of bonuses attributable to the achieved operational targets 2025, which are paid out in 2026, and costs for long-term incentive programs. Extraordinary items consist of milestone remuneration for achieved sales targets for Leqembi and EU approval of Leqembi, as well as special efforts in connection with the completed transactions with BMS and Novartis.

<sup>2</sup> Lars Lannfelt is employed by the company and has not received board fees. The basic salary includes an increase of holiday debt of 111 kSEK. Other benefits include health insurance.

<sup>3</sup> Pension benefits, which in their entirety refer to basic salary and are premium based, have been fully reported as fixed remuneration.

## Share-related remuneration

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

#### *Employee Stock Option Program 2019/2028*

BioArctic has a long-term incentive program (program 2019/2028) in the form of an employee stock option program for the company's management, researchers and other employees. The purpose of the incentive program is to encourage broad shareholding among BioArctic's employees, facilitate recruitment, retain competent employees and increase the motivation and goal fulfilment of the company's employees.

The employee stock option program comprises a total of 1,000,000 employee stock options. As of 31 December 2025, the number of outstanding employee stock options amounted to 258,500. The outstanding employee stock options may entail a dilution effect corresponding to 0.29 percent of the share capital and 0.12 percent of the votes in the company. The program extends over five years and six months from the award date for each employee. The employee stock options may only be exercised for subscription of shares after a certain vesting period. The terms of the employee stock options entitle the participants to exercise 60 percent of the awarded employee stock options for subscription after three years, an additional 20 percent after four years and the remaining 20 percent after five years. The employee stock options are linked to the participant's employment in the company. If the employment in the company is terminated before the employee stock options have been exercised for share subscription, all of the participant's unexercised employee stock options expire without the right to exercise them.

Each vested employee stock option gives the participant a right to subscribe for one B-share in the company at an exercise price corresponding to 110 percent of the volume-weighted average price for the Company's share according to Nasdaq Stockholm's price list during a period of ten (10) trading days before either:

- (i) 1 June 2019 for an offer of employee stock options submitted up to and including 31 August 2019, or
- (ii) on the first day of the quarter during which the employment begins.

#### *Long-Term Incentive Program 2023/2026*

The long-term incentive program 2023/2026 is a three-year incentive program comprising a maximum of 125,000 performance share units (PSUs) which, provided that the share price increases by at least 30 percent during a three-year period, entitle the participants to receive shares free of charge or cash compensation (depending on participant category). As of 31 December 2025, the number of outstanding PSUs amounted to 115,500, of which 10,000 to the CEO. The maximum dilution effect of the program is estimated to amount to 0.10 percent of the share capital and 0.04 percent of the votes in the company. The allotment date was 1 June 2023 and 31 August 2023 respectively, and the vesting date is 1 June

2026 and 31 August 2026 respectively. If the share price condition is met, the participants in the program shall receive one share of series B for each vested PSU or cash compensation corresponding to the value of a share of series B (depending on participant category).

#### *Long-Term Incentive Program 2024/2027*

The long-term incentive program 2024/2027 is a three-year incentive program comprising a maximum of 160,000 PSUs. The program includes the sub-conditions that the share price must increase by at least 30 percent over a three-year period (30 percent of the total number of PSUs), conditions relating to the company's research and development and/or partnerships (60 percent of the total number of PSUs), and a sustainability-related condition (10 percent of the total number of PSUs). As of 31 December 2025, the number of outstanding PSUs amounted to 146,000, of which 10,000 to the CEO. The maximum dilution effect of the program is estimated to amount to 0.22 percent of the share capital and 0.09 percent of the votes in the company. The allotment date was 1 June 2024 and 31 August 2024 respectively, and the vesting date is 1 June 2027 and 31 August 2027 respectively. If all sub-conditions are fulfilled, the participants in the program shall receive one share of series B for each vested PSU. If one or two of the sub-conditions are fulfilled at the vesting date, the participants shall receive shares corresponding to the weighted fulfilled conditions.

#### *Long-Term Incentive Program 2025/2028*

The long-term incentive program 2025/2028 is a three-year incentive program comprising a maximum of 210,000 PSUs. The program includes the sub-conditions that the share price must increase by at least 30 percent over a three-year period (30 percent of the total number of PSUs), conditions relating to the company's research and development and/or partnerships (60 percent of the total number of PSUs), and a sustainability-related condition (10 percent of the total number of PSUs). As of 31 December 2025, the number of outstanding PSUs amounted to 198,500, of which 10,000 to the CEO. The maximum dilution effect of the program is estimated to amount to 0.29 percent of the share capital and 0.12 percent of the votes in the company. The allotment date was 1 June 2025 and 1 September 2025 respectively, and the vesting date is 1 June 2028 and 1 September 2028 respectively. If all sub-conditions are fulfilled, the participants in the program shall receive one share of series B for each vested PSU. If one or two of the sub-conditions are fulfilled at the vesting date, the participants shall receive shares corresponding to the weighted fulfilled conditions.

## Share option programs

### Employee stock option program 2019/2028

Name of director (position)	The main conditions of share option program						Information regarding the reported financial year							
	1 Name of the program	2 Performance Period	3 Allotment date	4 Vesting date <sup>1</sup>	5 End of retention period	6 Exercise period	7 Exercise price (SEK)	8 Share options held at beginning of year	9 Share options awarded during the year	10 Share options vested during the year	11 Share options exercised or repurchased during the year	12 Share options subject to performance condition	13 Share options awarded and unvested	14 Share options subject to retention period
Gunilla Osswald (CEO)	2019/2028	N/a	2019-09-11	2022-09-11	N/a	2022-09-11--2025-03-11								
		N/a	2019-09-11	2023-09-11	N/a	2023-09-11--2025-03-11	83.60	40,000	0	0	40,000	0	0	0
		N/a	2019-09-11	2024-09-11	N/a	2024-09-11--2025-03-11								
		N/a	2022-01-10	2025-01-10	N/a	2025-01-10--2027-07-10								
		N/a	2022-01-10	2026-01-10	N/a	2026-01-10--2027-07-10	129.82	50,000	0	30,000	30,000	0	20,000	0
		N/a	2022-01-10	2027-01-10	N/a	2027-01-10--2027-07-10								
<b>In total</b>							<b>90,000</b>	<b>0</b>	<b>30,000</b>	<b>70,000</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	

<sup>1</sup>Of the share options at the beginning of the year from the first allotment on 2019-09-11, 20,000 could be exercised as of 11 September 2023, and 40,000 options could be exercised as of 11 September 2024. Of the share options at the beginning of the year from the second allotment on 2022-01-10, 30,000 (60%) can be exercised from 10 January 2025, 40,000 (80%) from 10 January 2026 and 50,000 (100%) from 10 January 2027.

### Long-Term Incentive Program 2023/2026

Name of director (position)	The main conditions of long-term incentive program						Information regarding the reported financial year *					
	1 Name of program	2 Performance Period	3 Allotment date	4 Vesting date	5 End of retention period	6 Exercise price (SEK)	7 PSUs held at beginning of year	8 PSUs awarded	9 PSUs vested	10 PSUs subject to performance condition	11 PSUs awarded and unvested	12 PSUs subject to retention period
Gunilla Osswald (CEO)	2023/2026	N/a	2023-06-01	2026-06-01	N/a	n/a	10,000	0	0	0	10,000	0
<b>In total</b>							<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>

\* During 2023, the CEO was awarded 10,000 PSUs in the long-term incentive program 2023/2026. No further allotment will be made within the framework of the long-term incentive program. The PSUs are subject to performance conditions related to the development of the company's share price. The performance condition is fulfilled if the company's share price increases with at least 30% during the three-year period.

## Long-Term Incentive Program 2024/2027

Name of director (position)	The main conditions of long-term incentive program						Information regarding the reported financial year *					
	1 Name of program	2 Performance Period	3 Allotment date	4 Vesting date	5 End of retention period	6 Exercise price (SEK)	7 PSUs held at beginning of year	8 PSUs awarded	9 PSUs vested	10 PSUs subject to performance condition	11 PSUs awarded and unvested	12 PSUs subject to retention period
Gunilla Osswald (CEO)	2024/2027	N/a	2024-06-01	2027-06-01	N/a	n/a	10,000	0	0	0	10 000	0
<b>In total</b>							<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 000</b>	<b>0</b>

\* During 2024, the CEO was awarded 10,000 PSUs in the long-term incentive program 2024/2027. The program includes the sub-conditions that the share price must increase by at least 30 percent over the three-year period (30 percent of the total number of PSUs), conditions relating to the company's research and development and/or partnerships (60 percent of the total number of PSUs), and a sustainability-related condition (10 percent of the total number of PSUs).

## Long-Term Incentive Program 2025/2028

Name of director (position)	The main conditions of long-term incentive program						Information regarding the reported financial year *					
	1 Name of program	2 Performance Period	3 Allotment date	4 Vesting date	5 End of retention period	6 Exercise price (SEK)	7 PSUs held at beginning of year	8 PSUs awarded	9 PSUs vested	10 PSUs subject to performance condition	11 PSUs awarded and unvested	12 PSUs subject to retention period
Gunilla Osswald (CEO)	2025/2028	N/a	2025-06-01	2028-06-01	N/a	n/a	0	10,000	0	0	10 000	0
<b>In total</b>							<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10 000</b>	<b>0</b>

\* During 2025, the CEO was awarded 10,000 PSUs in the long-term incentive program 2025/2028. The program includes the sub-conditions that the share price must increase by at least 30 percent over the three-year period (30 percent of the total number of PSUs), conditions relating to the company's research and development and/or partnerships (60 percent of the total number of PSUs), and a sustainability-related condition (10 percent of the total number of PSUs).

## Variable remuneration

### Criteria for payment of variable remuneration

The variable remuneration may consist of bonuses for senior executives in the form of cash, shares and/or share-related instruments in BioArctic AB. Variable remuneration shall relate to the outcome of BioArctic's goals and strategies and shall be based on predetermined and measurable criteria structured to promote long-term value creation. The criteria for variable remuneration shall be determined annually by the board in order to ensure that the criteria are in line with BioArctic's current business strategy and financial targets. The criteria can be individual or collective, financial or non-financial and shall be structured in such a way that they promote the Company's business strategy, sustainability strategy and long-term interests.

The share of the variable compensation in relation to the total compensation may vary depending on the executive's position. However, variable remuneration should not exceed an amount corresponding to 50 percent of the senior executive's annual fixed salary. The maximum variable compensation to the CEO for the financial years 2020–2023 was 35 percent of the fixed salary and 40 percent for the year 2024.

### **Reward programs for all employees**

BioArctic has a multi-year reward program which is linked to the clinical research program regarding the drug candidate lecanemab for Alzheimer's disease with Eisai. The reward program covers all permanent employees, excluding the founder. Payment of the milestone remuneration takes place when the company achieves certain predetermined goals (milestones) within the framework of its clinical development activities, clinical studies, regulatory milestones and potential future sales. As the reward program is linked to the research programs, the payments of the milestone remuneration may occur irregularly, as milestones are reached in the projects. A condition for receiving milestone remuneration is that the employee is permanently employed, and that the employment has lasted for at least six months at the time the milestone is achieved, and that the employee has not terminated his/her employment at the time of payment. The potential remuneration to the employee amounts to one monthly salary per achieved milestone. Pension contributions will not be made in relation to the milestone remuneration.

In 2025, two milestones under BioArctic's reward program were achieved and two milestone payments were paid out. Two milestone payments remain in the program.

### **Variable remuneration to senior executives**

The board has also, in accordance with the remuneration guidelines, decided that senior executives in the company shall be able to receive variable cash remuneration based on predetermined and measurable criteria. The criteria for receiving variable remuneration are linked to collective and individual business goals that are determined individually for each executive.

In 2025, the criteria for variable remuneration to the CEO have been linked to company-wide operational goals. These goals have been linked to, among other things, the advancement of the introduction of Leqembi on the Nordic market, the development of BioArctic's research portfolio, and out-licensing of research projects.

In 2025, all company-wide goals were achieved, resulting in 100 percent goal fulfilment and remuneration to the CEO.

*Performance of the CEO during the reported financial year: variable cash remuneration*

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome <sup>1</sup>
Gunilla Osswald (CEO)	Company-wide operational goals 2025	100%	a) 100 % b) kSEK 2,253

<sup>1</sup> Refers to variable remuneration for financial year 2025 that will be paid out in 2026

**Comparative information on the change of remuneration and company performance**

*Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)*

	2021 vs 2020		2022 vs 2021		2023 vs 2022		2024 vs 2023		2025 vs 2024	
CEO remuneration	397	8.4 %	3,013	58.5%	14,321	175.5%	-14,440	-64.2%	5,462	67.9%
Group operating profit	-54,711	-64.4%	122,387	87.6%	269,976	1557.3%	-481,155	-190.5%	1,487,322	650.9%
Average remuneration on a full time equivalent basis of employees <sup>1</sup> of the parent company	57	7.2%	217	25.4%	90	8.4%	96	8.3%	179	14.3%

<sup>1</sup> Excluding members of Group Management

The increase in 2021 is mainly explained by the usual salary increase. In 2022, the board resolved on a raise of the salary of the CEO in accordance with the company's remuneration guidelines. During this year, two monthly salaries were paid out related to achieved milestones, which explains the increase of remuneration to the CEO as well as the average remuneration in 2022 compared with 2021. In 2023, the board offered the CEO a repurchase of 60,000 vested employee stock options for a cash consideration on market terms. The CEO accepted the offer. The total repurchase consideration amounted to SEK 13,622,400, which explains the increase of remuneration to the CEO in 2023 compared with 2022 and the decrease of remuneration to the CEO in 2024 compared with 2023. In 2025, two monthly salaries were paid out related to achieved milestones and six monthly salaries were paid out related to special efforts, which explains the increase of remuneration to the CEO in 2025 compared with 2024. The average increase of remuneration based on the number of full-time equivalents is mainly explained by the fact that two milestone payments were paid out to employees in 2025.

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