

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Camurus AB (publ), adopted by the annual general meeting 2023, were applied in 2023. 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 and administered by the Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in Note 9 (Personnel, personnel costs and remuneration to Board members and senior executives) on pages 105-108 in the annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on pages 126-132 in the annual report 2023.

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 118-119 in the annual report 2023.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on pages 8-11 in the annual report 2023.

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 consists 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 105-108 in the annual report 2023 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 during 2023. No deviations from the guidelines have been made and no derogations from the decision-making process that according to the guidelines are 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. No remuneration has been reclaimed. Remuneration presented in the report is either earned and paid during 2023, or earned and due to be paid in 2024.

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 2023 (KSEK)

Name of director (position)	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration					
	Base salary ¹	Other benefits ²	One-year variable	Multi-year variable	Extraordinary items ³	Pension expense	Total remuneration	Proportion of fixed and variable remuneration ⁴
Fredrik Tiberg (CEO)	6,497	73	2,910	N/A	23	2,366	11,868	75/25%

1 Including holiday pay of KSEK 655 and including a deduction for company car of KSEK 47.

2 Healthcare insurance, car, fuel and parking benefit.

3 One-off inflation compensation, paid out equally to all employees.

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 2023, the company had one active subscription warrant program, TO2020/2023 (comprising 200,575 warrants), which is now ended. Under the program, the employees were offered to purchase the subscription warrants at market value at the time of transfer, which entailed that the participants made a personal investment, and each warrant entitled to subscription for one new share in Camurus at a predetermined subscription price. The warrants were exercisable 3-3,5 years after the award. As part of the program, the participants received a three-piece stay-on bonus from the company in the form of gross salary additions equivalent to the amount paid by the participants for the subscription warrants. The stay-on bonus was paid provided that the person was still employed in the group at the time of payment. The subscription period for TO2020/2023 ended on 15 December 2023. During the year, a total of 200,575 shares were subscribed for at the subscription price of SEK 169.50 per share.

During 2023 the CEO exercised a total of 15,000 warrants in the program TO2020/2023. For more information see table 2 below.

At the Annual General Meetings 2021 and 2022, it was resolved to implement incentive programs based on employee stock options for senior executives and other employees in Camurus, ESOP2021/2024 (comprising 919,900 employee stock options) and ESOP2022/2026 (comprising 907,666 employee stock options). At the Annual General Meeting 2023 it was also resolved to implement an incentive program based on employee stock options but which, different from previous programs, only covers new employees in Camurus who do not participate in previous incentive programs, ESOP2023/2026 (comprising 20,000 employee stock options). The options are granted the employees free of charge and have a term of approximately 3 years from the grant date. Once the options are vested, the options can be exercised during the period 1 June 2024–16 December 2024 within ESOP2021/2024, during the period 1 June 2025–1 March 2026 within ESOP2022/2026, and during the period 1 June 2026–31 December 2026 within ESOP2023/2026, 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 in ESOP2021/2024, SEK 237.40 in ESOP2022/2026, and SEK 346.30 in ESOP2023/2026.

Table 2 – Incentive plans (CEO)

Name of director (position)	The main conditions of share option plans						Information regarding the reported financial year ¹						
	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)	8 Opening balance Share options held at beginning of year	9 During the year Share options awarded	10 Share options vested	11 Share options subject to performance condition	12 Closing balance Share options awarded and unvested	13 Share options subject to retention period
Fredrik Tiberg (CEO)	TO2020/2023	2020-2023	2020-08-31	2023-05-15	N/A	2023-05-15 – 2023-12-15	169.50	15,000	0	15,000	N/A	N/A	N/A
	ESOP2021/2024	2021-2024	2021-06-10	2024-06-01	2024-06-01	2024-06-01 – 2024-12-16	263.50	60,000	0	0	N/A	60,000	60,000
	ESOP2022/2026	2022-2026	2022-06-01	2025-06-01	2025-06-01	2025-06-01 – 2026-03-01	237.40	42,000	0	0	N/A	42,000	42,000
Total								117,000	0	15,000	0	102,000	102,000

1 In 2023, no changes occurred regarding programs ESOP2021/2024 and ESOP2022/2026, in which the CEO holds a total of 102,000 employee stock options. In the new program ESOP2023/2026, the CEO was not awarded any employee stock options in 2023.

2 In the program TO2020/2023, the CEO exercised 15,000 warrants and subscribed for 15,000 new shares at the pre-determined price of SEK 169.50 per share and paid in total approximately KSEK 2,543. The closing price at Nasdaq Stockholm for the share at the time of exercise on 15 December 2023 was SEK 524.

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 behavior 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 2023 have been considered. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

In 2023, the CEO was entitled to a variable remuneration corresponding to a maximum of 60% of the annual fixed salary. Earned variable remuneration related to 2023, due to be paid in 2024, amounted to 49.4% of the fixed base salary, excluding vacation pay and company car, corresponding to KSEK 2,910. The variable remuneration for 2023 was based to 35% on financial targets and to 65% 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	2	3
	Description of the performance criteria	Relative weighting of the performance criteria	a) Measured performance b) Remuneration outcome
Fredrik Tiberg (CEO)	Financial development 2023 related to Revenues and Profit before taxes	35%	a) Total revenue MSEK 1,530 to 1,650. Profit before taxes MSEK 425 to 525. b) KSEK 1,022
	Corporate, business and pharmaceutical development 2023	65%	b) KSEK 1,888

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 2023
CEO remuneration	+313 (+3.6%)	+1,113 (+12.5%)	+116 (+1.2%)	-448 (-4.4%)	+2,161 (+22.3%)	11,868
Group operating profit	-72,804 (-25.3%)	+154,790 (+43.0%)	+94,658 (+46.1%)	+182,530 (+165.1%)	+453,947 (+630.9%)	525,903
Average remuneration on a full-time equivalent basis of employees* of the Group	+7 (+0.6%)	-31 (-2.8%)	+55 (+5.2%)	+73 (+6.6%)	+80 (+6.8%)	1,269

* Excluding members of the group executive management