



# Remuneration Report

## Introduction

This remuneration report provides an outline of how Hansa's guidelines for remuneration (the "Remuneration guidelines"), adopted by Hansa's Annual General Meeting 2021, were implemented in 2021. The report also provides information on remuneration to the CEO and a summary of Hansa's outstanding share-based long-term incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on senior executive remuneration is available in Note 14 to the Financial Statements of the Parent Company elsewhere in this annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on pages 128 – 143 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 14 to the Financial Statements of the Parent Company elsewhere in this annual report 2021.

## Key Developments 2021

### Overall Company performance in 2021

The CEO summarizes the Company's overall performance in his statement on pages 7 – 9 in the annual report 2021. In addition, the directors report on pages 58 – 66 of the annual report 2021 summarizes the Company's 2021 business and operations.

### Table 1 – Total remuneration of the CEO (kSEK)<sup>1</sup>

Table 1 below sets out the total remuneration related to Hansa's CEO for 2021.

Name of Director, position	Financial year	1 Fixed remuneration		2 Variable remuneration			4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration in %
		Base salary	Other benefits	One-year variable	Multi-year variable	3 Extraordinary items			
Søren Tulstrup (CEO)	2021	7,010 <sup>2</sup>	128 <sup>3</sup>	3,444	0	0	0	10,582	67/33

<sup>1</sup> Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021, as set out in [column 8 of Table 2 and column 10 of Table 3] below (as applicable). Disbursement of any payments may or may not have been made the same year

<sup>2</sup> Includes KSEK 1,619, representing 30% of base salary, intended for own pension contribution

<sup>3</sup> Company car

## 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, consequently, it is necessary that the Company offers market competitive remuneration. This has been becoming of paramount importance as the Company is required to attract talent from and in Sweden, other European countries, and the US. Under Hansa's remuneration guidelines, remuneration of senior executives shall be on market terms and may consist of the following components: fixed base salary, variable cash remuneration (including STI), pension benefits and other benefits.

The Remuneration guidelines, adopted by the annual general meeting 2021, can be found on pages 86 – 93 in the annual report 2021. During 2021, 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 the Company's website, [www.hansabiopharma.com](http://www.hansabiopharma.com). No remuneration has been reclaimed.

In addition to remuneration covered by the Remuneration guidelines, the annual general meetings of Hansa have resolved to implement long-term share-based incentive plans for certain groups of Hansa employees and on remuneration guidelines for the Board of Directors.



## Remuneration Report continued

### Share based remuneration

#### Outstanding share-based long-term incentive programs

The Company has three long-term incentive programs outstanding in which amongst others also the CEO participates; long-term incentive program ("LTIP") 2019, 2020 and 2021. The Company has LTIP 2018 partly outstanding and partly lapsed during 2021. The CEO did participate in the portion of the program which lapsed during 2021.

As a general condition to all programs, any rights may only vest provided that the participant, with certain exceptions, from the start of the incentive program and during the three (3) years vesting period thereafter maintains his or her employment within the Group.

#### Long-term incentive program 2019

On May 22, 2019, the annual general meeting in Hansa Biopharma resolved to adopt a long-term incentive program for certain employees of the Group. The long-term incentive program 2019 includes two elements; one performance-based share rights program, and one option program comprising two series, a warrant, and an employee stock option series. The CEO was granted 35,151 share rights and 66,347 employee stock options but chose not to acquire any warrants under incentive program 2019.

Under the performance-based share rights program, each share right entitles the holder to receive one ordinary share in Hansa Biopharma AB free-of-charge provided that the below performance conditions are met during the vesting period. In addition to the requirement for the participant's continued employment, the final number of ordinary shares that each participant is entitled to receive is conditional upon the following performance conditions being met during the vesting period: (a) 22 percent of the shares in the event that market approval is obtained by EMEA within the EU, (b) 22 percent of the shares in the event that at least 10 patients enrolled in US RCT (Confldes), and (c) up to 56 percent of the shares related to the total shareholder return on the Company's ordinary shares (if the total shareholder return for the Company's ordinary share during the vesting period reaches or exceeds 75 percent, the participant will be awarded 56 percent of the performance shares and if the total shareholder return for the Company's ordinary share falls below 25 percent, no allotment of performance shares will be made under this performance condition. In between the percentages, allotment will be made linearly).

The option program comprises two series: Series 1 – Warrants, and Series 2 – Employee stock options. Series 1 consists of warrants which can be exercised for subscription of ordinary shares during the period from 15 June 2022 up to and including 15 July 2022. The transfer of the warrants to participants was made at a price corresponding to the market value of the warrants at the time of transfer.

The Company subsidized up to 100 percent of the price for the transfer of the warrants. Series 2 consists of employee stock options allotted free-of-charge. The employee stock options have a vesting period of three years and an exercise period of three years. Each warrant or employee stock option entitles the holder to receive one new ordinary share in Hansa Biopharma AB at a strike price of SEK 196.20, which corresponds to 110 percent of the volume weighted average share price during the ten (10) trading days immediately prior to the offer to subscribe for the options and/or warrants.

In total, 278,181 share rights, 149,148 employee stock options and 11,000 warrants were outstanding under the long-term incentive program 2019 as of 31 December 2021, which corresponds to a maximum dilution of approximately 0.9% on a fully diluted basis.

#### Long-term incentive program 2020

On June 23, 2020, the annual general meeting in Hansa Biopharma resolved to adopt a long-term incentive program for certain employees of the Group. The long-term incentive program 2020 includes two elements: one performance-based share rights program, and one employee stock option program. The CEO has been granted 57,278 share rights and 128,760 employee stock options under the long-term incentive program 2020.

Under the performance-based share rights program, each share right entitles the holder to receive one ordinary share in Hansa Biopharma AB free-of-charge provided that the below performance conditions are met during the vesting period. In addition to the requirement for the participant's continued employment, the final number of shares that each participant is entitled to receive is also conditional upon the following performance conditions being met during the vesting period: (a) 22 percent of the shares in the event the US RCT study (Confldes) is fully enrolled, (b) 11 percent of the shares in the event that top line data read out of the ongoing phase 2 study in either AMR or GBS is completed with data providing a solid scientific rationale to continue either of the two programs, (c) 11 percent of the shares in the event that at least 70 percent of the targeted transplantation centres in Europe have been initiated, and (d) up to 56 percent of the shares related to the total shareholder return on the Company's ordinary shares (if the total shareholder return for the Company's ordinary share during the vesting period reaches or exceeds 75 percent, the participant will be awarded 56 percent of the performance shares and if the total shareholder return for the Company's ordinary share falls below 25 percent, no allotment of performance shares will be made under this performance condition. In between the percentages, allotment will be made linearly).



## Remuneration Report continued

The option program 2020 consists of employee stock options allotted free-of-charge. Each employee stock option entitles the holder to subscribe for one new ordinary share in Hansa Biopharma AB. The employee stock options have a vesting period of three years, and an exercise period of three years. Each employee stock option entitles the holder to acquire one share in the Company, provided that the participant, with certain exceptions, remains employed within the Group, at an exercise price of SEK 315.75 which corresponds to 125 percent of the volume weighted average share price during the 10 trading days immediately preceding the respective allotment of the employee stock options.

In total, 400,556 share rights and 497,520 employee stock options were outstanding under the long-term incentive program 2020 as of 31 December 2021, which corresponds to a maximum dilution of approximately 1.9% on a fully diluted basis.

### Long-term incentive program 2021

On May 12, 2021, the annual general meeting in Hansa Biopharma resolved to adopt a long-term incentive program for certain employees of the Group. The long-term incentive program 2021 includes two elements; one performance-based share rights program, and one employee stock option program. The CEO has been granted 80,000 share rights and 120,000 employee stock options under the long-term incentive program 2021.

Under the performance-based share rights program, each share right entitles the holder to receive one ordinary share in Hansa Biopharma AB free-of-charge provided that the below performance conditions are met during the vesting period. In addition to the requirement for the participant's continued employment, the final number of shares that each participant is entitled to receive is also conditional upon the following performance conditions being met during the vesting period: (a) 22 percent of the shares in the event the U.S. FDA has accepted a BLA filing for approval of imlifidase in the U.S., (b) 11 percent of the shares in the event that a phase 3 study in either AMR or GBS is initiated or a filing for regulatory approval is accepted by either the FDA or EMA for one of these indications or anti-GBM, (c) 11 percent of the shares in the event that at least 80% of the targeted transplantation centers in Europe have been initiated, and (d) up to 56 percent of the shares related to the total shareholder return on the Company's ordinary shares (if the total shareholder return for the Company's ordinary share during the vesting period reaches or exceeds 75 percent, the participant will be awarded 56 percent of the performance shares and if the total shareholder return for the Company's ordinary share falls below 25 percent, no allotment of performance shares will be made under this performance condition. In between the percentages, allotment will be made linearly).

The option program 2021 consists of employee stock options allotted free-of-charge. Each employee stock option entitles the holder to subscribe for one new ordinary share in Hansa Biopharma AB. The employee stock options have a vesting period of three years, and an exercise period of three years. Each employee stock option entitles the holder to acquire one share in the Company, provided that the participant, with certain exceptions, remains employed within the Group, at an exercise price of SEK 192.20 which corresponds to 125 percent of the volume weighted average share price during the 30 trading days immediately preceding the respective allotment of the employee stock options.

In total, 557,000 share rights and 430,000 employee stock options were outstanding under the long-term incentive program 2021 as of 31 December 2021, which corresponds to a maximum dilution of approximately 2.1% on a fully diluted basis.



## Remuneration Report continued

### Remuneration of the CEO in share rights and employee stock options

Table 2 – Remuneration of the CEO in share rights

Name, position	The main conditions of share rights					Information regarding the reported financial year						
						Opening balance	During the year 2021			Closing balance 31 Dec 2021		
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Share rights held at the beginning of the year	7 Awarded	8 Vested	9 Expired	10 Subject to a performance condition(s)	11 Awarded and unvested	12 Shares subject to a retention period
Søren Tulstrup (CEO)	LTIP2018	2018-2021	2018-06-15	2021-06-15	2021-06-15	51,389	0	0	51,389	0	0	0
	LTIP2019	2019-2022	2019-06-17	2022-06-17	2022-06-17	35,151	0	0	0	35,151	35,151	35,151
	LTIP2020	2020-2023	2020-07-23	2023-07-23	2023-07-23	57,278	0	0	0	57,278	57,278	57,278
	LTIP2021	2021-2024	2021-05-12	2024-05-12	2024-05-12	0	80,000 <sup>1</sup>	0	0	80,000	80,000	80,000
						<b>143,818</b>	<b>80,000</b>	<b>0</b>	<b>51,389</b>	<b>172,429</b>	<b>172,429</b>	<b>172,429</b>

<sup>1</sup> Each of the 80,000 Share rights represents a computed fair value of SEK 98.94 per share right calculated based on a Monte Carlo simulation. For further information please refer to Note 14 to the Consolidated Financial Statements elsewhere in this annual report 2021

Table 3 – Remuneration of the CEO in stock options

Name, position	The main conditions of share rights							Information regarding the reported financial year						
								Opening balance	During the year 2021			Closing balance 31 Dec 2021		
	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)	6 Stock options held at the beginning of the year	7 Awarded	8 Vested	9 Expired	10 Stock options subject to a performance condition	11 Stock Options Awarded and unvested	12 Stock options subject to a retention period
Søren Tulstrup (CEO)	LTIP2019	2019-2022	2019-06-17	2022-06-17	2022-06-17	2022-06-17 2025-06-17	196.20	66,347	0	0	0	66,347	66,347	66,347
	LTIP2020	2020-2023	2020-07-23	2023-07-23	2023-07-23	2023-07-23 2026-07-23	315.75	128,760	0	0	0	128,760	128,760	128,760
	LTIP2021	2021-2024	2021-05-12	2024-05-12	2024-05-12	2024-05-12 2027-05-12	192.20	0	120,000 <sup>1</sup>	0	0	0	120,000	120,000
							<b>195,107</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>315,107</b>	<b>315,107</b>	<b>315,107</b>

<sup>1</sup> Each of the 128,760 Stock options represents a computed fair value of SEK 42.98 per stock option calculated based on a Black-Scholes valuation. For further information please refer to Note 14 to the Consolidated Financial Statements elsewhere in Hansa Biopharma's annual report 2021



## Remuneration Report continued

### Application of performance criteria related to the 2021 CEO compensation

Both, long-term and short-term performance measures have been selected to reflect key milestones in delivering the Company's strategy and to encourage behaviour which is in the long-term interest of the Company. This is reflected in the performance criteria related to the Company's long-term incentive programs as well as the corporate objectives applied to performance measurement related to the short-term incentive program of Hansa. In selecting performance measures, the strategic objectives as well as short-term and long-term business priorities have been taken into account.

In 2021, a portion of the share rights program under the LTIP 2018 vested, in which the CEO held 51,389 performance share rights. The single pre-defined performance condition related to the portion which vested was *Total shareholder return of at least 125% of the base value of SEK 221.10*. Since the performance criteria was not met upon vesting on June 15, 2021, the share rights expired without value and no shares were granted. No other share-based long-term compensation vested during 2021.

Set out in Table 4 below is a description of how the criteria for payment of variable short-term compensation have been applied for the financial year 2021. Such criteria are based on the annual corporate objectives and form the basis for the short-term performance measurement of the CEO and all other members of the executive management.

**Table 4 – Criteria for payment of variable short-term compensation**

Name, Position	Description of the criteria related to the corporate goals	2021 corporate goals	Overall weight	a) Measured goal achievement and	
				b) Actual weighted outcome	
Søren Tulstrup, (CEO)	Imlifidase commercial launch and launch readiness in key EU countries	4 sub-goals	20%	a) 84%	b) 17%
	Progressing pipeline activities in transplantation, autoimmune indications and NiceR	5 sub-goals	50%	a) 75%	b) 37%
	Business development and financial strength	2 sub-goals	25%	a) 104%	b) 26%
	Corporate Social Responsibility	1 sub-goal	5%	a) 100%	b) 5%
				<b>Total: 85%</b>	

### Comparative information on remuneration and Company performance

	2021	2020
<b>CEO remuneration</b>		
Søren Tulstrup, CEO	<b>kSEK 10,582</b>	kSEK 8,854
<b>Company's performance</b>		
Achievement of the annual corporate objectives	<b>85%</b>	100%
Operating profit / loss	<b>kSEK (548,282)</b>	kSEK (422,807)
<b>Average remuneration (base salary) on a full-time equivalent basis of employees</b>		
Non-executive employees of the Company	<b>kSEK 827</b>	kSEK 822