

## Minutes from Annual General Meeting

Company	Karolinska Development AB (publ) (556707-5048)
Date	May 16, 2023
Place	Solna

### 1. Election of chairman of the meeting

The meeting was declared opened by the chairman of the Board of Directors, Björn Cochlovius.

It was resolved to appoint lawyer Annika Andersson from Cirio law firm as chairman of the meeting. It was noted that Johan Dighed, General Counsel at Karolinska Development, had been appointed to keep the minutes at the meeting.

### 2. Preparation and approval of the voting list

The voting list for the meeting was approved, **Appendix 1**. It was noted that a quorate Board of Directors, the CEO, and the chairman of the Nomination Committee Yan Cheng were present.

### 3. Approval of the agenda

It was resolved to approve the agenda in accordance with the notice of the meeting.

### 4. Election of one or two persons to verify the minutes

It was resolved that the chairman of the meeting together with Carolina Eriksson, representing Equinor Pensjon and Verdipapirfondet Equinor Aksjer Europa, should verify the minutes.

### 5. Determination of whether the meeting was duly convened

It was noted that the notice of the meeting had been published in *Post- och Inrikes Tidningar* on April 17, 2023 and that information that the notice had been issued was published on the same date in *Svenska Dagbladet*. The notice has also been available on the company's website since April 11, 2023.

The meeting was declared duly convened.

### 6. Presentation of the annual report and the auditor's report and the group annual report and the auditor's group report

It was noted that the annual report and the auditor's report, and the group annual report and the auditor's group report, **Appendix 2**, were available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders upon request.

The company's CEO Viktor Drvota presented information about the company's business for the financial year 2022.

Oskar Wall, from the company's auditor Ernst & Young AB, presented the auditor's reports and the audit work.

It was established that the annual report and the auditor's report, and the group annual report and the auditor's group report had been duly presented.

### 7. Resolutions regarding:

#### a) *adoption of the profit and loss statement and the balance sheet, and consolidated profit and loss statement and consolidated balance sheet*

It was resolved, in accordance with the auditor's approval, to adopt the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet.

#### b) *appropriation of the company's result according to the adopted balance sheet*

It was resolved, in accordance with the auditor's approval, to approve the allocation of the result, proposed by the board and the CEO, in total SEK 1,238,799,865 to be carried forward.

#### c) *discharge from liability for the directors and the CEO*

It was resolved, in accordance with the auditor's approval, to grant the directors and the CEO discharge from liability for the financial year 2022. It was noted that neither any member of the Board of Directors, nor the CEO, that were entitled to vote, participated in the resolution.

**8. Resolution regarding the number of directors and auditors and deputy auditors to be appointed**

It was resolved, in accordance with the Nomination Committee's proposal, that the number of directors shall be five without deputies and that the number of auditors shall be one without deputies.

**9. Resolution in respect of the fees for the Board of Directors and for the auditor**

It was resolved that the Chairman will be paid a fixed amount of SEK 400,000 to be paid out in proportion to board meetings attended. All other directors will be paid a fixed amount of SEK 200,000 to be paid out in proportion to board meetings attended. The fees remain unchanged compared to the previous year.

It was further resolved, in accordance with the Nomination Committee's proposal, that the auditor will be paid as per invoice.

**10. Election of Chairman of the Board of Directors, directors and auditors and deputy auditors**

It was noted that information regarding positions in other companies held by the proposed directors was presented.

It was resolved, in accordance with the Nomination Committee's proposal, to re-elect the directors Björn Cochlovius, Theresa Tse, Anna Lefevre Skjöldebrand, Ben Toogood and Philip Duong. Election of Björn Cochlovius as Chairman of the Board of Directors.

The composition of the Board of Directors fulfils the independence requirements under the Swedish Corporate Governance Code.

It was resolved, in accordance with the Nomination Committee's proposal, to elect Ernst & Young, AB as auditor, currently with Oskar Wall as auditor in charge, for the time until the end of the 2024 Annual General Meeting.

**11. Principles for appointing members of and instruction for the Nomination Committee**

It was resolved to adopt principles for appointing members of and instructions for the Nomination Committee in accordance with the Nomination Committee's proposal, **Appendix 3**.

**12. Resolution on approval of the Board of Directors' Remuneration Report 2022**

It was noted that the Board of Directors' Remuneration Report regarding how the guidelines for remuneration to executive management were applied during 2022 had been made available to the shareholders at the company's office and its website. The document has also been sent to shareholders upon request.

It was resolved to approve the Remuneration Report 2022 submitted in accordance with Chapter 8, Section 53 a of the Swedish Companies Act by the Board of Directors, **Appendix 4**.

**13. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares**

It was noted that the Board of Directors' complete proposal had been made available to the shareholders at the company's office and its website. The documents have also been sent to shareholders upon request.

It was resolved to authorize the Board of Directors, for the period until the next Annual General Meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, to resolve on transfer of all shares of series B held by the company at any given time. Transfer may take place on Nasdaq Stockholm or otherwise. Transfer on Nasdaq Stockholm shall be made at a price per share within the registered price interval at any given time, being the interval between the highest bid and lowest ask price. Otherwise, transfer shall be made on market terms. Payment for shares shall be made in cash, in kind or by set-off.

It was noted that the resolution was unanimous.

**14. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on new issues of shares**

It was noted that the Board of Directors' complete proposal had been made available to the shareholders at the company's office and its website. The documents have also been sent to shareholders upon request.

It was resolved to authorize the Board of Directors, for the period until the next Annual General Meeting to resolve, on one or more occasions, with or without deviation from the shareholders' preferential rights, and for payment in cash, by set-off or in kind, to issue new shares of series B up to a number that, at the time of the first resolution under this authorization, corresponds to twenty (20) per cent of the total share capital; provided however that any such issue must not result in the company's share capital exceeding the company's maximum allowed share capital as set out in the articles of association.

It was noted that Sveriges Aktiesparares Riksförbund voted against the proposal.

It was noted that the resolution was made with the requisite majority.

**15. Closing of the meeting**

The meeting was closed.

*Keeping minutes*

Johan Dighed

*Verified*

Annika Andersson

Carolina Eriksson

## The Proposal and Statement by the Nomination Committee

The Nomination Committee has consisted of: Yan Cheng (Chairman), appointed by Worldwide International Investments Ltd; Jack Li, appointed by invoX Pharma Ltd; Jan Dworsky, appointed by Swedbank Robur Microcap fond; Hans Wigzell, appointed by Insamlingsstiftelsen för främjande och utveckling av medicinsk forskning vid KI; Mattias Klintemar, appointed by Östersjöstiftelsen.

### The Nomination Committee's work

Within the context of its work for the Annual General Meeting 2023, the Nomination Committee (the "**Committee**") interviewed the current directors and took part of other relevant information to fully understand the company situation, the primary challenges and opportunities. The Committee also reviewed the Board of Directors' internal evaluation of its work. The Committee held six meetings, and minutes have been kept during the meetings.

### The Nomination Committee's reasoned statement

What is mentioned in the first section above have formed the basis for the Committee's considerations about the composition of the Board of Directors and main requirements that should be imposed on the members of the Board of Directors. The Committee also paid attention to independence issues, other assignments that the directors have in other companies and gender balance. When determining the proposed members of the Board of Directors suitability as members of the Board of Directors in Karolinska Development, other engagements by the proposed directors as well as potential conflicts of interest have been considered and it is deemed that such issues, if arisen can be addressed and managed through the normal procedures in the Board of Directors' work. The Committee believes that the proposed Board of Directors, with respect to the company's operations, stage of development and other circumstances, will have an appropriate composition characterized by diversity and breadth in terms of the expertise, experience and background. The Committee also believes that it is possible for all proposed directors to make available sufficient time for the performance of the assignment. The formal independent requirements according to the Swedish Code of Corporate Governance are met. The proposal by the Committee meets the requirements in the Swedish Code of Corporate Governance and the Swedish Corporate Governance board's ambition to achieve even gender distribution in the listed companies.

### The Nomination Committee's proposal

The Nomination Committee proposes that the Annual General Meeting resolves as follows:

- Lawyer Annika Andersson (Cirio Law Firm) is appointed to chair the Annual General Meeting or in her absence, a person appointed by the Board of Directors.
- The number of directors will be five and no deputies will be appointed.
- The number of auditors will be one and no deputy auditor will be appointed.
- The chairman will be paid a fixed amount of SEK 400,000 to be paid out in proportion to board meetings attended. All other directors will be paid a fixed amount of SEK 200,000 to be paid out in proportion to board meetings attended. The fees to the directors remain unchanged compared to previous year. The auditors will be paid as per invoice.
- Re-election of the directors Björn Cochlovius, Theresa Tse, Anna Lefevre Skjöldebrand, Ben Toogood and Philip Doung. Re-election of Björn Cochlovius as Chairman of the Board of Directors. The Nomination Committee proposes that voting shall take place individually.

- Re-election of Ernst & Young Aktiebolag as auditor in accordance with the audit committee's recommendation, currently with Oskar Wall as auditor in charge, for the time until the end of the 2024 Annual General Meeting.
- The Nomination Committee shall have five members. Every year, the five largest owners (voting power, as set forth in the share register kept by Euroclear Sweden AB as of the last banking day in August) shall appoint one member each. The chairman of the Board of Directors shall convene the first meeting. If a shareholder does not exercise its right to appoint a member, the shareholder next in order of voting power, who has not already appointed a member or has a right to appoint a member, shall have the right to appoint a member to the Nominating Committee. The members of the Nomination Committee shall be made public as soon as the members have been appointed, and in no case later than six months prior to the Annual General Meeting. The members shall among themselves appoint the chairman of the committee. If a member resigns or is prevented from pursuing his/her assignment, the shareholder that has appointed such member shall appoint a new member. In the event that the shareholding in the Company is materially changed, before the Nomination Committee has completed its assignment, the Nomination Committee may decide to change the composition of the Nomination Committee, as determined by the Nomination Committee (considering the principles applicable for the appointment of the Nomination Committee). Any change in the composition of the Nomination Committee shall be announced as soon as possible. No fees shall be paid to the members of the Nomination Committee. Out of pocket expenses shall be reimbursed by the Company. The mandate of the committee shall be until the members of the succeeding committee have been announced.

The Nomination Committee is to make proposals to the Annual General Meeting regarding the election of Chair of the Annual General Meeting, number of board members, Chair of the Board and other board members and remuneration to the board members. The Nomination Committee is also to make proposals regarding the company's auditor, remuneration to the company's auditor and election of members of the Nomination Committee or principles for the selection of a Nomination Committee. The Nomination Committee shall conduct an annual evaluation of this instruction and when necessary propose to amend it to the Annual General Meeting. The Nomination Committee shall otherwise carry out the tasks that, according to the Swedish Corporate Governance Code, are the responsibility of the Nomination Committee.

The Nomination Committee, Solna in March 2023

# Karolinska Development AB – Remuneration Report 2022

## Introduction

This report describes how the guidelines for executive remuneration of Karolinska Development AB were implemented in 2022. The report also provides information on remuneration to the CEO, the Deputy CEO from all companies in the group and from the portfolio companies and also 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 Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 5 (Employees and personnel costs) on pages 59-63 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 89-93 in the annual report 2022.

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 5 on page 62 in the annual report 2022.

## Key developments 2022

The CEO summarizes the company's overall performance in his statement on pages 3-4 in the annual report 2022.

## 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 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 shall be on 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 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, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on page 60 in the annual report 2022. The remuneration guidelines have been fully implemented. 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 [www.karolinskadevelopment.com/en/corporate-governance](http://www.karolinskadevelopment.com/en/corporate-governance).

No remuneration has been reclaimed.

Table 1 – Total CEO and Deputy CEO remuneration 2022 (kSEK) <sup>6</sup>

Name of director (position)	Fixed remuneration		Variable remuneration			Total remuneration	Proportion of fixed and variable remuneration <sup>5</sup>
	Base salary <sup>1</sup>	Other benefits <sup>2</sup>	Short-term incentive program 2021 <sup>3</sup>	Extraordinary remuneration <sup>4</sup>	Pension expense		
Viktor Drvota (CEO)	2,856	2	1,001	784	920	5,563	68/32
Johan Dighed (Deputy CEO)	1,728	2	595	473	420	3,218	67/33

<sup>1</sup> Including holiday pay: Viktor Drvota 57 kSEK, Johan Dighed 28 kSEK.

<sup>2</sup> Refers to benefit value of health insurance.

<sup>3</sup> Details, see table 2 below and Annual Report Note 5, page 62.

<sup>4</sup> Refers to Exit bonus. Details, see Annual Report Note 5, page 62.

<sup>5</sup> Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

<sup>6</sup> Total CEO and Deputy CEO remuneration is in compliance with the company's guidelines on remuneration.

## Share-based remuneration

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

The company has one Long Term Incentive program "LTI 2008-2010" still outstanding, but no one currently employed with the company is covered by it. A detailed description of the program can be found in the Annual Report, Note 5, page 63.

### Application of performance criteria

The performance measures for the CEO and the Deputy CEO's variable remuneration 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 2022 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table 2 – Description of the outcome of the variable short-term compensation

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) Actual award/ remuneration outcome (SEK)
Viktor Drvota (CEO)	New Investments	30%	a) 20%
			b) 285,899
	Portfolio Management <i>Umecrine Cognition</i>	40%	a) 30%
			b) 428,849
	Portfolio Management <i>Dilafor</i>	15%	a) 5%
			b) 71,475
	Portfolio Management <i>Other Companies</i>	15%	a) 15%
			b) 214,424



Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) Actual award/ remuneration outcome (SEK)
Johan Dighed (Deputy CEO)	New Investments	30%	a) 20%
			b) 169,978
	Portfolio Management <i>Umecrine Cognition</i>	40%	a) 30%
			b) 254,967
	Portfolio Management <i>Dilafor</i>	15%	a) 5%
			b) 42,494
	Portfolio Management <i>Other Companies</i>	15%	a) 15%
			b) 127,483

**Table 3 – 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 2022
CEO remuneration	-2,275	-44.3%	867	14.4%	-602	-11.1%	-451	-9.1%	614	11.0%	5,563
Deputy CEO remuneration	0	-	4,333	100.0%	-845	-24.2%	-541	-18.4%	271	8.4%	3,218
Balance sheet: Portfolio companies at fair value through profit/loss	171,144	27.7%	428,673	40.9%	-277,280	-36.0%	179,850	18.9%	33,825	3.4%	983,995
Income statement: Change in fair value of shares in portfolio companies	-193,573	330.9%	356,637	85.9%	-630,514	292.7%	438,581	196.5%	-299,286	-393.4%	-76,083
Average remuneration on a full-time equivalent basis of employees of the parent company <sup>1</sup>	-24	-1.3%	-326	-21.3%	294	16.1%	-34	-1.9%	-395	-28.3%	1,397
Average full-time employee, except CEO and deputy CEO	7		6		5		5		5		6

Solna February 15, 2022

The Board of Directors of Karolinska Development

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