

Remuneration report 2020 – Medicover AB (publ)

Introduction

This remuneration report provides an outline of how Medicover AB (publ)'s (the "Company") guidelines for remuneration to senior executives (the "Remuneration Guidelines"), adopted by the annual general meeting held on 30 April 2020 (the "AGM 2020") and applicable to the group executive management ("executive management"), have been implemented in 2020. This report also provides details on the remuneration of the Company's CEO (the "CEO") and a summary of the Company's outstanding share-related incentive programmes. This report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) 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 remuneration to executive management as required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 31 on pages 98-99 of the Company's annual report for 2020 (the "Annual Report 2020").

The board of directors of the Company (the "Board") has established a remuneration committee. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report, which is available on pages 57-69 of the Annual Report 2020.

Remuneration of the Board is not covered by this report. Such remuneration is resolved upon annually by the annual general meeting and is for 2020 disclosed in note 31 on pages 98-99 of the Annual Report 2020. The CEO is a member of the Board of the Company but is not entitled to any remuneration in that capacity.

Key Developments 2020

The CEO, Fredrik Rågmark, summarizes the company's overall performance in his statement on pages 4-5 of the Annual Report 2020.

The Company's remuneration guidelines: scope, purpose and deviations

Under the Remuneration Guidelines, remuneration of executive management 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 predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promote the executive's long-term development. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, and provided that the award is made for certain specified purposes.

The Remuneration Guidelines adopted by the AGM 2020 can be found on pages 49-50 of the Annual Report 2020. During 2020, 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 whether the Company has complied with the Remuneration Guidelines is available on the Company's website <https://www.medicover.com/financial-information/corporate-governance>. No remuneration has been reclaimed.

In addition to remuneration covered by the Remuneration Guidelines, the general meetings of Medicover AB (publ) have resolved to implement long-term share-related incentive programmes and on remuneration to the Board.

Total remuneration 2020 (CEO)

Table 1 – Total remuneration of the CEO (EUR) (1)

Fredrik Rågmark, CEO	Financial Year	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense (5)	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary / fees	Other benefits	One-year variable	Multi-year variable				
CEO, Medicover AB (publ)	2020	45,858 (2)(3)	7,578 (4)	0	0	0	0	53,436	100% / 0%
Supervisory Board member, ABC Medicover Holdings B.V.	2020	38,499 (6)	0	0	0	0	0	38,499	100% / 0%
Managing Director, Synevo GmbH	2020	462,540 (7)	0	225,000 (10)	0	0	7,700	695,240	68% / 32%
Supervisory Board member, Medicover sp. z o.o.	2020	101,168 (8)	0	0	0	0	0	101,168	100% / 0%
Supervisory Board member, Invimed-T sp. z o.o.	2020	22,500 (9)	0	0	0	0	0	22,500	100% / 0%
TOTAL:								910,843	75% / 25%

(1) Except for the column "Multi-year variable remuneration", the table reports remuneration earned in 2020. Multi-year variable remuneration is reported if vested in 2020, as set out in column 8 of Table 2 below. Disbursement of any payments may or may not have been made the same year. Amounts paid in SEK but stated in EUR have been calculated on the basis of an exchange rate of EUR/SEK 10,471 (Medicover's YTD average rate).

(2) The CEO agreed to unilaterally waive SEK 126,713 of his SEK 597,300 salary for the year 2020 due to the Covid-19 crisis.

(3) Including holiday pay of SEK 9,593.

(4) SEK 4,378 private healthcare insurance and EUR 7,160 group life and disability insurance.

(5) Statutory state pension contributions cost incurred by the company.

(6) The CEO agreed to unilaterally waive EUR 11,501 of his EUR 50,000 fee for the year 2020 due to the Covid-19 crisis.

(7) The CEO agreed to unilaterally waive EUR 148,320 of his EUR 610,860 fee for the year 2020 due to the Covid-19 crisis.

(8) The CEO agreed to unilaterally waive EUR 50,584 of his EUR 151,752 fee for the year 2020 due to the Covid-19 crisis.

(9) The CEO agreed to unilaterally waive EUR 7,500 of his EUR 30,000 fee for the year 2020 due to the Covid-19 crisis.

(10) Discretionary bonus approved by Board, accrued in 2020 and payable in 2021.

Share based remuneration

Outstanding share and share-price related incentive programmes

The Company has implemented four long-term performance-based share programmes for executive management and other key individuals with the Medicover group, based on decisions at general meetings in 2017–2020 respectively (each of the four programmes, a "Plan").

The purpose of the Plans is to create conditions for motivating and retaining competent key individuals of the Medicover group as well as for the promotion of the Company's business strategy, long-term interest and a sustainable business, and for the alignment of the targets of the participants with those of the Company, as well as to increase the motivation of meeting and exceeding Medicover's financial targets by linking the performance requirements to the Medicover group's EBITDA growth during a five-year performance period. The Plans have been designed based on the view that it is desirable that executive management and other key individuals within the Medicover group are shareholders in the Company.

Participation in the Plans requires a personal investment in shares in the Company, so-called saving shares, either by way of acquisition of existing shares in the Company or by way of

using already held shares as saving shares. Participants who have kept their saving shares and have maintained their employment within the Medicover group will at the expiry of the vesting period receive, without consideration, up to eight class B shares in the Company, so called performance shares, for each saving share under the Plan, provided that certain, predetermined, performance requirements based on the Medicover group's EBITDA (pre IFRS 16 for Plan 2017 and 2018); EBITDAaL (Plan 2019); EBITDA (Plan 2020) growth over a five-year period. There is no allocation if the minimum performance requirement is not reached. If the maximum is reached, 100% of performance shares will be allocated. Should the achievement of the performance requirements be below the maximum but above the minimum, allocation will be made linearly between one to eight performance shares. In order to align the participants' and the shareholders' interest, Medicover will compensate the participants for any dividends paid during the duration of a Plan by increasing the number of performance shares that each share right entitles to.

Further information about the Plans is disclosed in note 32 on pages 99-100 of the Annual Report 2020.

Medicover AB (publ) does not have any other outstanding share or share-price related incentive programmes.

Share award plans (CEO)

The CEO is a participant in each of the four Plans as further described in Table 2 below. The performance period is still running under the respective Plan and vesting has not yet occurred under any of the Plans.

Table 2 – Share award plans (CEO)

Name of Director, position	The main conditions of share award plans					Information regarding the reported financial year*					
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Opening balance	7 During the year		8 Closing balance		
						Share rights held at the beginning of the year	9 Awarded	10 Vested	11 Subject to a performance condition	12 Awarded and unvested at year end	13 Subject to a retention period
Fredrik Rågmark, CEO	Plan 2017	01/01/2017-31/12/2021	31/03/2017	Date of release of interim report Jan-Mar 2022	Date of release of interim report Jan-Mar 2022	148,000	0	0	148,000	0	0
	Plan 2018	01/01/2018-31/12/2022	26/04/2018	Date of release of interim report Jan-Mar 2023	Date of release of interim report Jan-Mar 2023	180,000	0	0	180,000	0	0
	Plan 2019	01/01/2019-31/12/2023	03/05/2019	Date of release of interim report Jan-Mar 2024	Date of release of interim report Jan-Mar 2024	180,000	0	0	180,000	0	0
	Plan 2020	01/01/2020-31/12/2024	30/04/2020	Date of release of interim report Jan-Mar 2025	Date of release of interim report Jan-Mar 2025	0	180,000**	0	180,000	0	0
TOTAL:						508,000	180,000	0	688,000	0	0

* The table shows the maximum number of performance shares that the CEO could be entitled to if all conditions were fully achieved. Savings shares, in which the CEO has invested to become eligible to participate in the Plans, are not included in the table. In 2020, no changes occurred regarding the Plans 2017, 2018 and 2019. The CEO participated with 18,500 saving shares in the Plan 2017 and 22,500 saving shares in each of the Plans 2018, 2019 and 2020. For each saving share invested and maintained in accordance with the respective Plan, the participant may receive up to eight performance shares at the end of the vesting period, i.e. a maximum allocation of 148,000 performance shares under the Plan 2017 and a maximum allocation of 180,000 performance shares under each of the Plans 2018, 2019 and 2020, which will be received as class B shares in the Company. The maximum value per each participant's share rights under the respective Plan is, however, limited to five times the participant's gross annual base salary in the year of grant and in the event that the value exceeds such limit, the number of performance shares will be decreased on a pro rata basis. For more information about the performance conditions and outcome at different levels of Medicover's annual EBITDA (pre IFRS 16 for Plan 2017 and 2018); EBITDAaL (Plan 2019); EBITDA (Plan 2020) growth rate (CAGR), please see note 32 on pages 99-100 of the Annual Report 2020.

** Value in the range of kSEK 0-17,910 showing minimum to maximum outcome of zero up to eight performance shares, calculated as the market price per share (closing price) at the date of award (SEK 99.50) multiplied by the number of potential share rights (180,000).

Compliance with the remuneration guidelines and application of performance criteria

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 qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The Remuneration Guidelines enable the Company to offer the executive management a competitive total remuneration. The total remuneration of the CEO during 2020 has complied with the Remuneration Guidelines.

The CEO does not participate in the Company's short-term annual incentive plan (STI) but the CEO has for 2020 been awarded a discretionary bonus in the amount of EUR 225,000.

The CEO participates in all four Plans. By the end of 2020, the performance period is still running under the respective Plan and vesting has not yet occurred under any of the Plans.

Comparative information on the change of remuneration and Company performance

Since this is the Company's first remuneration report, the information in the table below pertains only to the financial year 2020.

Table 3 – Change of remuneration and company performance over the last five reported financial years (RFY) (EUR)*

Annual change	RFY 2020
Director's remuneration	
CEO remuneration	910,843**
Company's performance	
Group EBIT*** (operating profit)	61,348,361
Group EBITDA****	157,519,024
Average remuneration on a full-time 11 equivalent basis of employees	
Employees of the Company*****	118,767

* Amounts paid in SEK but stated in EUR have been calculated on the basis of an exchange rate of EUR/SEK 10,471 (Medicover's YTD average rate).

** Total remuneration of the CEO as set out in column 5 of Table 1 above.

*** Earnings before interest and tax.

**** Earnings before interest, other financial income/(expense), tax, amortisation, depreciation and impairment, other income/(costs) and share of profit/(loss) of associates.

***** Excluding members of the group executive management. Though, for the major part of year 2020, remuneration for one former member of the group executive management is included in the average remuneration above. The remunerations consists of base salary / fees, other benefits, variable remuneration, extraordinary items and pension expense, which is equal as the remuneration to CEO (Table 1). The average remuneration has been calculated by dividing the total remuneration with the average number of full-time employees in the Company, excluding the group executive management.

Stockholm in March 2021
Medicover AB (publ)
The board of directors