

Remuneration report 2022 – 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 27 April 2022 (the "AGM 2022") and applicable to the group executive management ("executive management"), have been implemented in 2022. 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 32 on pages 130-131 of the Company's annual report for 2022 (the "Annual Report 2022").

The board of directors of the Company (the "Board") has established a remuneration committee. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report, which is available on pages 87-99 of the Annual Report 2022.

Remuneration of the Board is not covered by this report. Such remuneration is resolved upon annually by the annual general meeting and is for 2022 disclosed in note 32 on pages 130-131 of the Annual Report 2022. The CEO is a member of the Board of the Company but is not entitled to any remuneration in that capacity.

The remuneration report for the financial year 2021 prepared by the Board ahead of the 2022 AGM was approved at the AGM 2022.

Key Developments 2022

The CEO, Fredrik Rågmark, summarizes the company's overall performance in his statement on pages 6-7 of the Annual Report 2022.

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 2022 can be found in note 32 on pages 130-131 of the Annual Report 2022. During 2022, 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 2022 (CEO)

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

Fredrik Rågmark, CEO	Financial Year	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	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)	2022	66,359 (b)	412 (c)	0	0	0	0	66,771	100% / 0%
Supervisory Board member, ABC Medicover Holdings B.V.	2022	63,499	0	0	0	0	0	63,499	100% / 0%
Managing Director, Synevo GmbH	2022	679,596	0	0	2,282,428 (d)	0	7,868 (e)	2,969,892	23% / 77%
Supervisory Board member, Medicover sp. z o.o.	2022	151,752	0	0	0	0	0	151,752	100% / 0%
Supervisory Board member, Invimed-T sp. z o.o.	2022	30,000	0	0	0	0	0	30,000	100% / 0%
Board Director, Medicover Holding S.A.	2022	22,500	7,958 (f)	0	0	0	0	30,458	100% / 0%
TOTAL:								3,312,372	31% / 69%

(a) Except for the column "Multi-year variable remuneration", the table reports remuneration earned in 2022. Multi-year variable remuneration is reported if vested in 2022, 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 10,627 (Medicover's YTD average rate).

(b) Including holiday pay of SEK 14,821.

(c) SEK 4,378 private healthcare insurance.

(d) Value of SEK 30,622,392 as per column 8 of Table 2 below, calculated as the market price per share (closing price) at the vesting date (27 April 2022) as presented in column 4 of Table 2 below (SEK 160.00) multiplied by the number of performance shares including dividend compensation shares (151,596). The value in SEK but stated here in EUR has been calculated on the basis of an exchange rate of EUR/SEK 10,627 (Medicover's YTD average rate).

(e) Statutory state pension contributions cost incurred by the company (Synevo GmbH).

(f) EUR 7,958 group life and disability insurance.

Share based remuneration

Outstanding share and share-price related incentive programmes

The Company has implemented six long-term performance-based share programmes for executive management and other key individuals with the Medicover group, based on decisions at general meetings in 2017–2022 respectively (each of the six 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 Plan 2018); EBITDAaL (Plan 2019); EBITDA (Plan 2020, Plan 2021 and Plan 2022) 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.

In 2022, the performance period ended and vesting occurred under the Plan 2017, with the maximum performance requirement being reached and maximum allocation of performance shares (i.e. eight class B shares in the Company for each saving share under the Plan) and a dividend compensation factor of 1.0642% was applied to the award.

Further information about the Plans is disclosed in note 33 on page 132 of the Annual Report 2022.

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 six Plans as further described in Table 2 below. The performance period ended and vesting occurred in 2022 under the Plan 2017, with the maximum performance requirement being reached and maximum allocation of performance shares. For the five other Plans (Plans 2018-2022), the performance period is still running under the respective Plan and vesting has not yet occurred under any of those five 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	Awarded	Vested	9 Subject to a performance condition	10 Awarded and unvested at year end	11 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 (27 April 2022)	Date of release of interim report Jan-Mar 2022 (27 April 2022)	150,000	1,596****	151,596**	0	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	180,000	0	0	180,000	0	0
	Plan 2021	01/01/2021-31/12/2025	29/04/2021	Date of release of interim report Jan-Mar 2026	Date of release of interim report Jan-Mar 2026	180,000	0	0	180,000	0	0

	Plan 2022	01/01/2022-31/12/2026	27/04/2022	Date of release of interim report Jan-Mar 2027	Date of release of interim report Jan-Mar 2027	0	180,000**	0	180,000	0	0
TOTAL:						870,000	181,596	151,596	900,000	0	0

* The table shows the 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. Final awards will be increased by a dividend compensation factor to compensate for dividends decided over the vesting period and the factor is determined at the date the award vests. The CEO participated with 18,750 saving shares in the Plan 2017 and 22,500 saving shares in each of the Plans 2018, 2019, 2020, 2021 and 2022. 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 150,000 performance shares under the Plan 2017 and a maximum allocation of 180,000 performance shares under each of the Plans 2018, 2019, 2020, 2021 and 2022, 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 ten times the participant's gross annual base salary in the year of grant (an increase of the limitation from previous five times to ten times the participant's gross annual base salary at the time of the respective invitation was decided also with respect to the Plans 2017, 2018, 2019 and 2020 by the AGM 2021) 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 Plan 2018); EBITDAaL (Plan 2019); EBITDA (Plan 2020, Plan 2021 and Plan 2022) growth rate (CAGR), please see note 33 on page 132 of the Annual Report 2022. Note that the Plan 2017 disclosed amount in the 2020 and 2021 reports was erroneously disclosed as 148,000 share rights (column 6) and the correct amount is shown in the above table (150,000 share rights and 1,596 dividend compensation shares).

** Value in the range of kSEK 0-28,800 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 160.00) multiplied by the number of potential share rights (180,000).

*** Value of SEK 24,255,360 calculated as the market price per share (closing price) at the vesting date as presented in column 4 (SEK 160.00) multiplied by the number of performance shares including dividend compensation shares (151,596).

**** Dividend compensation factor for period 2017 up until and including 27 April 2022.

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 2022 has complied with the Remuneration Guidelines.

The CEO does not participate in the Company's short-term annual incentive plan (STI) and the CEO does not receive any other short-term variable remuneration for 2022.

The CEO participates in all six Plans. The performance period has ended and vesting has occurred in 2022 under the Plan 2017. By the end of 2022, the performance period is still running under the respective five other Plans (Plans 2018-2022) and vesting has not yet occurred under any of those five Plans.

Comparative information on the change of remuneration and Company performance

Since this is the Company's third remuneration report, the information in the table below pertains only to the financial years 2020, 2021 and 2022.

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

Annual change	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2022
Director's remuneration			
CEO remuneration	+57,172 (+6.3%)	+2,344,357 (+242.2%)	3,312,372**
Company's performance			
Group EBIT*** (operating profit)	+98,057,403 (+159.8%)	-103,877,218 (-65.2%)	55,528,546
Group EBITDA****	+112,896,783 (+71.7%)	-53,003,653 (-9.6%)	217,412,154
Average remuneration on a full-time equivalent basis of employees			
Employees of the Company*****	+8,767 (+7.4%)	-15,585 (-12.2%)	111,947

* Amounts paid in SEK but stated in EUR have been calculated on the basis of an exchange rate of EUR/SEK 10,627 (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. 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 2023
Medicover AB (publ)
The board of directors