Share based incentive scheme
The board of directors proposes that the annual general meeting resolves to adopt a long-term variable share-based incentive scheme for senior executives and key personnel within the company. The proposal is based on the incentive schemes that were adopted by the 2019, 2020, 2021, 2022 and 2023 annual general meetings. It has been initiated by Cantargia's board of directors and has been designed in collaboration with external advisors and prepared by the remuneration committee and examined at board meetings.

Purpose and scope of the scheme
To create a long-term incentive for the company's management team and to promote investments in and ownership of Cantargia shares, all members of the company's management team, including the CEO, as well as other key personnel will be offered variable long-term remuneration in the form of a group bonus for acquisition of shares of the company (the "Scheme"). The Scheme is a variable long-term remuneration scheme under which the participants commit to use distributed variable cash remuneration to acquire shares in the company. The participants will acquire the shares on the stock market. The Scheme applies in addition to any variable remuneration in accordance with the remuneration guidelines proposed to be adopted at the 2024 annual general meeting. It is intended that the Scheme shall be annually recurring.

The maximum pay-out to each Scheme participant for 2024 is capped at 10 per cent of the participant's annual base cash salary. The total size of the Scheme for 2024 is capped at SEK 2,500,000, excluding social security contributions. In case of partial target achievement, a portion of the maximum amount will be distributed.

Performance requirements and target achievement
The Scheme is based on the annual bonus target or targets set up by the company's board of directors and that refer to the company's activities, financial key performance indicators and sustainable development. The resolution on the annual amount available under the Scheme will be integrated in the annual evaluation process for the total variable remuneration in order to link annual performances to long term targets, to increase employee shareholding in Cantargia and to retain competent staff at competitive terms.

Target achievement will be assessed by the company's board of directors in connection with the adoption of the annual report for each year. To be entitled to a portion of the group bonus for acquisition of shares under the Scheme, the employee must be a permanent employee. In addition, the employee must have been employed by the company for at least one year. A draft resolution on which employees that will be subject to the Scheme will be drawn up by the remuneration committee in consultation with the CEO. The board of directors will resolve upon which employees that will be subject to the Scheme.

Distribution and acquisition of Cantargia share
When the target achievement has been determined by the company's board of directors, the amount will be distributed to each participant in the Scheme within four weeks. The acquisition of shares by the participant shall be made as soon as possible after the distribution from the company. In the event the participant is prevented from acquiring shares of the company, due to for example applicable market abuse regulations, the company's board of directors may permit that the acquisition of shares under the Scheme takes place at a later stage.

Participants are required to use their entire remuneration under the Scheme, net of tax, to acquire Cantargia shares on the stock market. Shares acquired by a participant under the Scheme must be held by the participant under a three-year period after the distribution.

The company will pay social security contributions on variable remuneration distributed under the Scheme. However, the remuneration distributed under the Scheme will not entitle to pension contributions or holiday pay in addition to what is provided under mandatory legislation.

Termination of employment or breach of contract
A participant whose employment ceases because of termination by the employee or by the company or for other reasons will be required to continue to hold shares acquired in accordance with the provisions of the Scheme.

In the event a participant violates the terms of the Scheme, for example by failing to provide information on the status of its shareholding, the company may require that the participant sells all shares acquired under the Scheme, whereby the gross amount received by the participant through the sale shall be reimbursed to the company. In the event the participant sells shares in breach of the terms of the Scheme, the participant is required to pay a penalty to the company corresponding to the gross amount that the employee has received through the sale of the shares.

Principles for annual variable remuneration and the Scheme
When designing the annual variable remuneration and the Scheme, the board of directors shall consider introducing conditions which:

- disqualify a person from future participation in variable or long-term remuneration schemes, if that person sells shares in breach of the provisions of the Scheme;

- make the distribution of a certain portion of such remuneration contingent on that the performance, on which the remuneration is based, proves to be sustainable over time;

- give the company the right to reclaim remuneration which has been distributed based on information which subsequently has proved to be manifestly incorrect; and

- stipulate that distribution to a participant shall be entirely or partially delayed, reduced, or cancelled if the payment, in the view of the board of directors, is considered inappropriate with regards to the company’s results, position or liquidity situation.