

## **THE REMUNERATION REPORT ON REMUNARATION OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD OF RYVU THERAPEUTICS S.A. for 2021**

Report on the remuneration of members of the Management Board and Supervisory Board of Ryvu Therapeutics S.A. (hereinafter "**Ryvu**" or "**the Company**") was prepared on the basis of:

a) Art. 90g of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to an organized trading system and on public companies;

b) Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36 / EC as regards encouraging shareholders to long-term commitment.

This Report presents the financial year 2021, as well as comparative data from previous years, and provides an overview of the remuneration granted to members of the Company's governing bodies in accordance with the applicable internal regulations contained in the Remuneration Policy for Members of the Management Board and Supervisory Board of Ryvu Therapeutics S.A. adopted by the General Shareholders Meeting of the Company on August 31, 2020 ("**Remuneration Policy**"). Since then there were no changes to the Remuneration Policy.

### **The amount of the total remuneration and its components and the mutual proportions between these remuneration components**

The remuneration of the Members of the Management Board consists of:

- a) **Fixed Remuneration**, constituting monthly remuneration in cash, paid for performing functions on the Management Board;
- b) **Variable Remuneration**, constituting supplementary remuneration paid quarterly or less often, constituting additional remuneration dependent on achievement of the Management Objectives.

In shaping the amount of the Variable Remuneration of the Members of the Management Board, the Supervisory Board shall take into account the Management Objectives, including, in particular:

- a) the achievement of the short-, medium- and long-term tasks respectively, arising from the Company's business strategy and relating to the pursuit of its interests;
- b) the accomplishment of quantitative or qualitative tasks in a given area for which a given Member of the Management Board is responsible.

The Management Objectives shall be specified by the Supervisory Board each year at the beginning of each calendar year. The Management Objectives set by the Supervisory Board should take into account the Company's current operating and strategic objectives for a given period, along with the criteria (measures) for assessing the achievement thereof. According to the Remuneration Policy, the Company's Supervisory Board may assign appropriate weights to the individual Management Objectives which determine the amount of Variable Remuneration of the Members of the

Management Board, and to establish a proportion between Fixed Remuneration and Variable Remuneration and Additional Benefits, to ensure a proper balance from the perspective of the total remuneration received by a Member of the Management Board in order to ensure the sustainable development of the Company and to achieve an increase in its value.

In terms of the Variable Remuneration of Management Board Members paid for 2021, the Supervisory Board established corporate goals and measures (criteria for their implementation) aimed at strengthening the Company's position, setting goals in three main areas, i.e. in the area of clinical development related mainly to the project RVU120 and SEL24; in the field of discovering and developing new oncological therapies and providing new candidates for drugs in the preclinical area, related to the achievement of the assumed strategic milestones related to the implementation of the Company's research projects, as well as in the area of the Company's corporate development, including issues related to concluding new partnering agreements, obtaining external financing, operational activities and HR.

In addition, appropriate weights have been assigned to individual Management Objectives and their measures, which allows to determine the amount of the awarded Variable Remuneration of Management Board Members in 2021, if the goal was achieved. The entire Variable Remuneration was awarded based on the Management Objectives established at the beginning of the calendar year 2021.

Irrespective of the Fixed Remuneration and the Variable Remuneration the Members of the Management Board may receive an Additional Benefit consisting of other additional benefits, including non-cash benefits.

In deciding about the award of Additional Benefits, in particular the impact of a given benefit on the possibility and effectiveness of the performance of a function by a Member of the Management Board, including by providing factors other than remuneration in cash, mobilizing and motivating to perform the function entrusted, have been taken into account.

Additional Benefits include in particular:

- a) the possibility to use a company car, computer, mobile phone;
- b) coverage of travel expenses;
- c) the provision of health services (including private healthcare), sports, artistic or educational services;
- d) payment cards to cover business expenses;
- e) provision of a company apartment awarded if the place of work is significantly distant from the place of residence.

The Members of the Supervisory Board are entitled to fixed monthly remuneration. The remuneration of the Members of the Supervisory Board may differ depending on the function performed, including, in particular, due to the performance of the function of the Chairman or Deputy Chairman of the Supervisory Board or being a member of the given Committee within the Supervisory Board. Members

of the Supervisory Board are also entitled to reimbursement of travel expenses, board and lodging related to participating in meetings of the Supervisory Board.

**Table no. 1: Remuneration of Members of the Management Board for 2021**

Name of Director	Fixed Remuneration	Variable Remuneration	Additional Benefits	Remuneration [TOTAL]	Variable Remuneration in total Remuneration [%]
Paweł Przewięźlikowski	333 705	823 881	7 964	1 165 549	71%
Kamil Sitarz	369 480	270 617	5 200	645 297	42%
Krzysztof Brzózka	586 047	822 643	9 365,34	1 418 055	58%
Setareh Shamsili*	911 775	469 418	96 101	1 477 294	32%

\* Mrs. Setareh Shamsili's remuneration relates to the period until her resignation from the Management Board, i.e. up until August 31, 2022.

**Table no. 2: Remuneration of Members of the Supervisory Board for 2021**

Name of the Supervisory Board Member	Remuneration [PLN]
Piotr Romanowski	147 642
Tadeusz Wesółowski	144 740
Rafał Chwast	148 212
Axel Glasmacher	144 740
Colin Goddard	144 740
Jarl Ulf Jungnelius	144 740
Thomas Turalski	144 740

**1. Information on how the remuneration complies with the Remuneration Policy including how it contributes to the Company's long-term performance**

The company pays remuneration to members of the Management Board and Supervisory Board strictly in accordance with the Remuneration Policy. The remuneration of the members of the Management Board contributes to their full involvement in the performance of specific functions, motivates them

to achieve the Company's business goals. The remuneration is adequate to the positions held by the Management Board Members.

**2. Comparative information on the change of remuneration and Company performance and the average remuneration of employees of the Company, who are not members of the Management Board or the Supervisory Board, over the period of five financial years**

**Table no. 3: Comparison of the remuneration of members of the Management Board on annual basis**

Name	2016	2017	2018	2019	2020	2021
<b>Paweł Przewięźlikowski</b>	364 191	631 255	476 101	524 126	582 088	1 164 485
Change [%]		73,33%	-24,58%	10,09%	11,06%	100,05%
<b>Setareh Shamsili*</b>	-	-	-	607 149	1 559 081	1 477 293.60**
Change [%]					156,79%	-5,24%
<b>Krzysztof Brzózka</b>	312 056	620 089	506 749	591 654	780 673	1 418 055.02
Change [%]		98,71%	-18,28%	16,75%	31,95%	81,64%
<b>Kamil Sitarz</b>	-	-	-	-	50 034	645 297
Change [%]						1189,72%

\* Mrs. Setareh Shamsili was appointed to the Management Board on August, 1 2019, and resigned on August 31, 2022.

\*\* Data for the period 01.01.2021-31.08.2021.

The table above is presented only illustratively. Taking into account the specificity of the industry in which Ryvu Therapeutics operates, the current Variable Remuneration of the Members of the Management Board of the Company depends on the progress in the development of clinical and preclinical projects, and not on the current financial results, i.e. revenues or operating profit.

**Table no. 4: Comparison of Ryvu's results on annual basis\***

Financial Results	2016*	2017*	2018*	2019**	2020**	2021**
<b>Net sales (including subsidiaries) from continuing operations</b>	66 237 284	105 411 918	109 219 840	33 720 267	36 950 683	37 080 003
Change [%]		59%	4%	-69%	10%	0,34%
<b>Operating profit / EBIT from continuing operations (without impact of the incentive program)</b>	4 646 440	13 221 633	-13 611 140	-45 385 247	-35 697 025	-54 868 300
Change [%]		185%	-203%	-233%	21%	-54%
<b>EBITDA from continuing operations (without impact of the incentive program)</b>	8 263 897	18 461 730	-5 386 070	-37 396 612	-23 339 902	-42 307 429
Change [%]		123%	-129%	-594%	38%	-81%
<b>Net profit from continuing operations</b>	2 685 391	6 731 925	892 484	-44 270 284	-31 687 588	-77 534 706
Change [%]		151%	-87%	-5060%	28%	-145%

\* According to the Consolidated Financial Statements of Selvita Capital Group prepared in accordance with the International Financial Reporting Standards ("IFRS") - all segments were included, i.e. services, innovative segment, bioinformatics.

\*\* According to the financial statements of Ryvu Therapeutics S.A. prepared in accordance with the International Financial Reporting Standards ("IFRS"). In addition, on October 1, 2019, the corporate split of Ryvu Therapeutics S.A. has been accomplished (formerly Selvita S.A.) by transferring to Selvita S.A. (formerly Selvita CRO S.A.) in the form of an organized part of the enterprise (CRO), therefore the presented data relates only to the innovative segment.

**Table no. 5: Comparison of the average salary of employees employed in Ryvu on annual basis \***

	2016	2017	2018	2019	2020	2021
Average salary [PLN]	5 477	6 027	6 491	8 303	10 045	10 612
Change [%]		10,04%	7,71%	27,92%	20,98%	5,64%

\*The average remuneration of the Company's employees constitutes the sum of the remuneration (fixed remuneration, bonuses and other awards, commissions, non-cash benefits and all other payments) paid to employees in a given calendar year (over a 12-month period) divided by average employment (average number of full-time employees) in a given year. The calculation of the average employee remuneration in 2016, 2017 and 2018 includes the remuneration paid to employees of the former Capital Group, i.e. employees who, as a result of the corporate split of Ryvu Therapeutics SA, which took place on October 1, 2019, were transferred (as part of an organized part of the enterprise) to a new employer, i.e. Selvita S.A.

### **3. Information on the number of shares and share options granted or offered to directors, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof**

On 17 May 2021, the General Shareholders Meeting resolved to adopt a non-dilutive Incentive Scheme (the "Incentive Scheme") for 2021-2024 for employees in the form of a right to acquire shares in the Company. The subject matter of the Program is a total of 1,247,720 shares of the Company transferred free of charge as a donation by Mr. Paweł Przewięźlikowski - the founder, President and main shareholder of the Company, constituting in total 25% of the Company's shares held by him. The Program provides employees with the right to acquire shares at a preferential price of PLN 0.19 per share, which takes into account the Company's administrative costs incurred in order to implement the Incentive Program. All persons who are in a business relationship with the Company are eligible to participate in the Scheme, whereby a list of participants in the Scheme was drawn up based on the recommendation of Mr. Paweł Przewięźlikowski and approved by the Supervisory Board in relation to Management Board Members and by the Management Board in relation to other persons (the "Eligible Persons"). Participation in the program is voluntary. The Eligible Persons will be obliged to remain employees of the Company and not to sell the Shares granted under the Plan within a period of not less than 12 months and not more than 36 months from the date of acquisition of the Shares, subject to exceptional circumstances, when an employee may be released from these obligations.

**Table no. 6: Number of Ryvu's shares taken up by the Management Board Members in 2021**

Name	Date of transfer	Number of shares	Share price
Krzysztof Brzózka	09.07.2021	17 245	0,19
Kamil Sitarz	09.07.2021	17 865	0,19

#### **4. Information on use of the right to reclaim the return of Variable Remuneration components**

The right to reclaim the return of Variable Remuneration components is not provided in the Remuneration Policy.

#### **5. Derogations and deviations from the Remuneration Policy and from the procedure for its implementation including the explanation of the nature of the exceptional circumstances and the indication of the specific elements derogated from**

Pursuant to the Remuneration Policy, the derogation from its application may only take place if it is necessary to achieve the long-term interests and financial stability of the Company or to guarantee its profitability. In 2021 the Supervisory Board did not decide to depart from the adopted Remuneration Policy.

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Report on the remuneration of the Management Board and Supervisory Board of Ryvu Therapeutics S.A. for the 2019-2020 financial years was submitted to the Ordinary General Meeting of shareholders of the Company which by Resolution No. 18 of June 29, 2021 issued a positive opinion without reservations on the content of the above-mentioned Report.

#### **Conclusions:**

The Supervisory Board reviewed the remuneration and other benefits received by individual members of the Management Board and Supervisory Board and assessed the overall compliance with the applicable Remuneration Policy and states that:

1. remuneration and other benefits paid to members of the Management Board and Supervisory Board comply with the applicable Remuneration Policy and meet the requirements provided for by law,
2. The current Remuneration Policy is an effective tool for granting the remuneration to Management Board Members and enables a flexible policy of awarding variable remuneration components.