

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES**

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ALMIRALL, S.A.

Business Address

Ronda General Mitre 151, Barcelona

**ANNUAL REPORT ON THE REMUNERATION OF  
DIRECTORS OF LISTED COMPANIES**

## INTRODUCTION OF THE CHAIR OF THE NOMINATIONS AND REMUNERATION COMMISSION

Dear Shareholders,

It is my pleasure to present, on behalf of the Nominations and Remuneration Commission of Almirall, S.A. ("**Almirall**" or the "**Company**"), the Annual Report on Directors' Remuneration for 2023, which provides Shareholders with information on the Directors' Remuneration Policy applicable to the current financial year, the application of the Remuneration Policy and details of the remuneration received by the members of the Board of Directors during the financial year 2023.

### **Almirall's activity and results in 2023**

In 2023 the positive trend seen the previous year continued, with sales growth of dermatological products across different regions in Europe, attributable to the commercial launch of Klisyri (for actinic keratosis) and Wyzora (for psoriasis) in new geographies, combined with the increase in Ilumetri sales (also for psoriasis) in various geographies, where it was already marketed.

With respect to R&D activities, in November 2023, EMA issued an approval in relation to the registration application of Lebrikizumab. Marketing began in December 2023 under the Ebglyss trademark (product for atopic dermatitis). During the last quarter of 2023, new research and development agreements were signed with Absci (therapies designed using AI to treat chronic and debilitating dermatological diseases) and Etherna (which has a proprietary messenger RNA (mRNA) and lipid nanoparticles (NPL) technology). Additionally, in December 2023, the phase I of ALM223 has been initiated. ALM223 is a mutant fusion protein (mutein) of interleukin 2 (IL-2 mu-Fc) for the potential treatment of a wide spectrum of autoimmune diseases (ALM223 originates from the agreement with Simcere). The study evaluates the safety, pharmacokinetics, immunogenicity and pharmacodynamics.

In short, 2023 has been a positive year for the Company that has led to significant progress in the execution of our leadership roadmap in the area of medical dermatology.

### **Relationship with Almirall's Shareholders**

Almirall is committed to the implementation of best practices in corporate governance and is constantly working to identify areas for improvement in this regard. To this end, Almirall has analysed the results of the voting on the resolution proposals relating to the remuneration of the members of the Board of Directors that were submitted to the General Shareholders' Meetings of 2022 and 2023, i.e. fixing the maximum amount of the aggregate remuneration of the members of the Board of Directors, the approval of the Directors' Remuneration Policy currently in force, and the Annual Remuneration Reports for the financial years ending on 31 December 2021 and 2022.

Noteworthy is the broad support of Almirall's shareholders in relation to the proposal relating to the fixation of the maximum amount of directors' remuneration, which was approved with 99.9% of the votes. As regards the remaining proposals, the Remuneration Policy was voted against by 23%, the Annual Remuneration Report 2021 was voted against by 24% and the Annual Remuneration Report 2022 was voted against by 21%, respectively, of the shareholders present at the relevant General Shareholders' Meetings.

Almirall has analysed the reasons and grounds for dissent on the aforementioned resolutions, as well as the voting justifications and recommendations of various institutional investors and their proxy advisors in this regard.

This analysis leads to the conclusion that the main reasons behind the vote against these

agreements are: (i) in relation to the Remuneration Policy, the lack of detail in the explanations of certain components of the variable remuneration; and (ii) in relation to the Annual Remuneration Reports for 2021 and 2022, the lack of justification of certain remuneration items received by the former chief executive officer upon his entry and exit of the Company, the lack of disclosure of the appraisal of the degree of compliance with the executive director's targets that determine the variable remuneration amount accrued, the perception that the Company has not taken into account the concerns of minority shareholders or, in the specific case of the 2022 Annual Remuneration Report, the fact that the average remuneration of Almirall employees was not included.

In view of the aforementioned conclusions, Almirall has held several working sessions with a leading global provider of corporate governance and executive compensation advisory services focused on identifying those adjustments and improvements that should be implemented in the Remuneration Policy and in the Annual Corporate Governance Report to make up for the shortcomings identified therein and provide them with the necessary content to respond to the concerns of minority shareholders and their proxy advisors. The main measures implemented were as follows:

### **Remuneration Policy**

The Board of Directors, following the report from the Nominations and Remuneration Commission, will submit a new Remuneration Policy to Almirall's Directors for approval by the General Shareholders' Meeting in 2024. In preparing the proposal for this new Policy, the Company has carried out a benchmarking of the remuneration conditions of the members of the Boards of Directors of companies comparable by size and market capitalisation and has held discussions with a leading global provider of corporate governance and executive compensation advisory services to ensure that the remuneration mix for executive directors is in line with best market practices. The proposed Remuneration Policy, in addition to taking into account the appointment of Mr. Carlos Gallardo as Chief Executive Officer of the Company, systematises and provides greater detail on the remuneration framework for the members of the Board of Directors. In this respect, the mentions required by article 529 novodecies of the Corporate Enterprises Act have been clearly identified, the different components of the executive director's fixed and variable remuneration have been described in greater detail, and technical and drafting improvements have been introduced. As regards to the different components of the remuneration, the amount received by members of the Board of Directors in their capacity as such and for their membership of the various commissions has been updated, and the SEUs Plan has been amended in order to (i) extend the accrual period for the consolidation of the SEUs from one to three years; (ii) establish a maximum limit for the determination of the initial target amount from which the initial number of SEUs of each plan is determined; (iii) reduce the relative weight of those targets whose assessment entails a higher degree of discretion; and (iv) incorporate malus and clawback clauses. Likewise, the proposed Remuneration Policy expressly regulates its application to newly hired directors, including any new executive director, for whom it envisages the application of the remuneration system set forth in the Remuneration Policy adapted to the responsibility, seniority and professional experience of the director in question. Finally, the proposed Remuneration Policy sets out the terms and conditions of the contract with the executive director and describes the events of termination of the contractual relationship and the compensation applicable thereto.

## Annual Remuneration Report

Almirall is firmly committed to transparency and, for this reason, has introduced a number of improvements in this year's Annual Remuneration Report. The level of detail and explanations of the different remuneration components has been significantly increased and the target and maximum amounts that can be received as variable remuneration have been indicated. Likewise, in response to the vote of Almirall's shareholders and the feedback received from both minority shareholders and their voting advisors, the evaluation of the degree of compliance with the objectives on which the variable remuneration (bonus and SEUs Plan) is based has been published, indicating the reference levels of compliance and over-compliance with them. Finally, a breakdown of the average remuneration of the Company's employees has been included.

With respect to the concerns raised in the past in connection with certain aspects of directors' compensation and, in particular, with respect to the compensation of the former Chief Executive Officer upon his departure from the Company, we would like to clarify that the former Chief Executive Officer received certain amounts contemplated in the agreements reached with him at the time of him joining the Company. These agreements envisaged a deferred payment of the agreed amounts that overlapped in time with his departure from the Company.

This year's Annual Report includes the remuneration received by the new Chief Executive Officer, Mr Carlos Gallardo, which comprises a fixed remuneration and a variable remuneration component, the latter in turn comprising an annual bonus and the application of the Almirall SEUs Plan. With this remuneration mix, the Company considers that there is an appropriate balance between the competitive nature of the CEO's remuneration, in line with comparable companies in the sector, and the reasonableness and alignment of the remuneration with the pursuit of Almirall's long-term interests.

Finally, the report refers to the proposed modification of the Remuneration Policy that will be submitted for approval at the next Almirall General Shareholders' Meeting, indicating its main changes and improvements.

I would like to conclude by thanking the members of the Nominations and Remuneration Commission, as well as all the professionals who have collaborated with this commission, for their support and commitment in preparing this report. I would also like to thank the shareholders and their proxy advisors for their comments and recommendations, as well as for their involvement in the future of Almirall. We are firmly committed to maintaining a fluid and constructive relationship with all our shareholders and other stakeholders, and we aim to continue to provide a satisfactory response to all their concerns and expectations.

Yours faithfully,

Ms Eva-Lotta Allan

Chair of the Nomination and Remuneration Commission

**A****THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR**

A.1 Explain the director remuneration policy in effect for the current financial year. Where relevant information can be incorporated by reference to the remuneration policy approved by the shareholders at the general shareholders' meeting, provided that the incorporation is clear, specific and concrete.

The specific provisions established for the current financial year must be described in terms of both remuneration of directors in their capacity as such and remuneration for the performance of executive duties that the board has performed under the terms of contracts signed with the executive directors and with the remuneration policy approved at the general meeting.

In any case, at least the following aspects must be reported on:

- Description of the company's procedures and decision-making bodies involved in the determination, approval and implementation of the remuneration policy and its terms.
- Statement and, if applicable, explanation of whether comparable companies have been taken into account to establish the company's remuneration policy.
- Information on whether any external advisor has participated and, if applicable, the identity thereof.
- Procedures under the existing remuneration policy for directors to apply for temporary exemptions to such policy, the conditions under which such exceptions may be applied for and the components that may be subject to exceptions under the policy.

Pursuant to article 45 of the By-Laws and article 25 of the Regulations of the Board of Directors, the position of director at Almirall, S.A. (the "**Company**") will be remunerated.

The remuneration policy for the Company's Board approved by the shareholders at the General Shareholders' Meeting on 6 May 2022 to be applied for a maximum period of three financial years, in accordance with section 529 *novodecies* of the Spanish Companies Act (*Ley de Sociedades de Capital*) (the "**Remuneration Policy**"), was applied for a second year during the financial year ended 31 December 2023.

Prior to its approval at the General Meeting and in line with applicable bylaw, regulatory and legal rules, the Company's Appointments and Remuneration Committee prepared the specific report referred to in section 529 *novodecies*.4 of the Companies Act at its meeting on 17 February 2022, and the Board unanimously approved the proposed Remuneration Policy at its meeting on 18 February 2022 following the appropriate debate.

The current Remuneration Policy was prepared taking into account the general principle that director remuneration should maintain a balance between the degree of competitiveness required to attract, retain and motivate directors with suitable professional backgrounds to contribute to achieving the Company's strategic aims and, on the other hand, consistency with remuneration trends and benchmarks in the Company's sector of activity or at companies comparable due to their size, business or structure, such that remuneration is aligned with best market practices.

It is stated for the record that the Board of Directors, upon a report from the Appointments and Remuneration Committee, will submit the proposed new Remuneration Policy for Almirall's directors for the approval of the shareholders at the next General Shareholders' Meeting. The Company has reviewed the remuneration conditions of the members of board of directors at companies comparable to Almirall in terms of size and capitalisation when preparing this new Policy. Almirall has engaged a leading global provider of corporate governance and executive remuneration advisory services, with which it has analysed the proposed amendments and checked that they are aligned with corporate governance best practices. The observations made in the past by shareholders and their proxy advisors with regard to remuneration have also been taken into account.

The current Remuneration Policy is structured based on various specific classes of remuneration, as described below:

## **1. Remuneration of the directors in their capacity as such**

According to article 45 of the By-Laws, directors will be remunerated in their capacity as such by means of a fixed quarterly allowance.

Applying the provisions of the By-Laws, the Remuneration Policy establishes that the independent directors and other external directors receive fixed gross annual remuneration, the proprietary directors receive the equivalent of 55% of the independent directors' remuneration, and the executive directors receive the equivalent of one third of the remuneration of the independent directors and other external directors.

In addition, the respective directors also generally receive additional gross annual remuneration for membership of any Board committee, which is slightly higher if they also serve as chair of that particular committee.

Under the current Remuneration Policy, the position of Chair of the Board receives fixed gross annual remuneration for the performance of duties on the Board of Directors. The position of Vice-Chair is also subject to fixed annual remuneration.

The remuneration is paid to the directors on a quarterly basis.

The maximum annual amount of remuneration payable to the directors as a whole in their capacity as such, which is 2,500,000 euros, is in effect and was approved by the shareholders at the General Shareholders' Meeting 2022.

It is also noted that at the General Shareholders' Meeting 2019, the shareholders approved a resolution for part of the fixed remuneration paid to the directors in their capacity as such to be payable, subject to a Board resolution, by means of the delivery of own shares, such that on each quarterly fixed remuneration payment date the directors would receive the fixed amount due to them partly in cash and partly in shares, taking the value of the shares at the end of the trading session immediately preceding the remuneration payment date as a reference point for this purpose. The payment of the fixed remuneration in own shares may not exceed 50% of the individual remuneration of each director in each financial year. A maximum of 50,000 shares can be allocated to this remuneration system in each financial year and this form of remuneration may be paid in five financial years including the one in which the respective resolution is approved (i.e., 2019, 2020, 2021, 2022 and 2023). However, the Board has not implemented this payment in kind in any of the financial years to which the resolution approved at the General Meeting referred. The proposed renewal of this resolution will be submitted to the shareholders for approval at the General Shareholders' Meeting 2024.

## **2. Remuneration of the CEO**

The current Remuneration Policy establishes that in addition to the remuneration that the CEO receives as a Board member in his capacity as an executive director, within the framework of his corresponding services agreement he has agreed a remuneration structure based on the Remuneration Policy, which therefore includes an annual and multiyear remuneration scheme, all in accordance with the following remuneration mix:

### (i) Annual remuneration

#### Fixed salary

In accordance with the Remuneration Policy and on the terms of the corresponding services agreement with the CEO, he receives a fixed gross annual salary that is paid in cash on a monthly basis, in 12 proportional instalments.

Although the Remuneration Policy establishes that the CEO's fixed annual remuneration for financial year 2023 amounts to 875,000 euros, it is stated for the record that Mr Gianfranco Nazzi was the CEO on the date that policy was approved at the General Meeting. Mr Carlos Gallardo Piqué has held the position of CEO since November 2022 (he is also the only director with executive duties). Based on the fixed remuneration scheme established in the Remuneration Policy, the fixed remuneration established for the current CEO under his services agreement has amounted to the following:

- (i) Effective until 4 May 2023: 830,000 euros per annum. This fixed remuneration included both an equivalent amount to that due to him in his capacity as Chair pursuant to the Remuneration Policy and the amount corresponding to his assumption of duties as the CEO; and
- (ii) Effective from 5 May 2023: 775,000 euros per annum, payable in 12 monthly instalments (corresponding to the performance of his duties as CEO), and an additional sum of 75,000 euros per annum in relation to the performance of his duties as Chair and Board member (payable in four quarterly instalments).

It is stated for the record that in compliance with section 529 *septies* [of the Companies Act], the Company appointed a coordinating independent director from among the independent directors, with powers to request a call to meeting of the Board of Directors

or to include new items on the agenda for Board meetings once called, to coordinate and hold meetings with the non-executive directors and, if applicable, to lead the periodic evaluation of the Chair of the Board of Directors. In addition, in compliance with Recommendation 34 of the Good Governance Code for Listed Companies, the Regulations of Almirall's Board of Directors were amended to give the following powers to the aforementioned coordinating independent director, in addition to his legal powers: chairing the Board of Directors in the absence of the Chair and of the Vice-Chair, if any; reflecting the concerns of the non-executive directors; engaging in contact with investors and shareholders to hear their perspectives for purposes of forming an opinion on their concerns, particularly regarding the Company's corporate governance; and coordinating the succession plan for the Chair. Finally, a new Governance Committee has been created, whose duties include maintaining active contact with agents outside the Company and proxy advisors, as well as assisting the coordinating independent director with the duties allocated thereto by law and the Regulations of the Board of Directors.

It is also stated for the record that for the above-outlined reasons, among others, it is planned for the Company's Board of Directors, upon a proposal from the Appointments and Remuneration Committee, to submit a new Remuneration Policy for financial year 2024 and the following three years for the approval of the shareholders at the Company's next General Shareholders' Meeting. In addition to reflecting the appointment of Mr Carlos Gallardo as the Company's CEO, the new Remuneration Policy organises and provides further detail regarding the remuneration framework for Board members. In this regard, the references required by section 529 *novodécies* of the Companies Act have been clearly defined, the various components making up the executive director's remuneration have been described in greater detail, in line with best market practices, it has been expressly stated how the conditions of the Company's employees and the recommendations of institutional investors and proxy advisors have been taken into account when preparing the Remuneration Policy, and technical and drafting improvements have been included.

#### Annual bonus

In accordance with the current Remuneration Policy, the CEO may receive variable annual remuneration (bonus) equivalent to 90% of his fixed annual salary, subject to the fulfilment of certain conditions and within a range or percentage that specifically arises from his level of achievement of those conditions, from 0% to 150% of the aforementioned reference amount, and which will be adjusted in accordance with a multiplier that is linked to the amount of the Company's EBITDA for a specific financial year, which can cause the result to increase by a maximum of 20%. The bonus will be paid to the CEO in cash following the end of the relevant financial year, specifically at the end of March of the following year, together with the fixed monthly salary payment corresponding to that month. For financial year 2023, the fixed salary established as a reference to calculate the bonus was the amount set in the addendum to the services agreement, i.e., 775,000 euros. Pursuant to the addendum to the CEO's services agreement, the CEO will be entitled to receive the proportional amount of the annual bonus calculated from the date of his ratification as CEO, i.e., February 2023.

These conditions, based on the identification of certain business and/or professional targets, and the evaluation of their range of achievement at financial year-end, taking into account objective assessment elements, will be set by means of resolution of the Board of Directors upon a proposal from the Appointments and Remuneration Committee.

The CEO's current services agreement provides that he will receive variable annual remuneration (bonus) of up to 90% of his fixed annual salary based on an achievement level ranging from 0% to 150% of the business and/or professional targets agreed with the Company for each year.

For financial year 2023, the targets were related and linked to objective results, with a weighting of 80% of the bonus target amount, and to the CEO's alignment with the corporate values, with a weighting of 20% of the bonus target amount. The targets linked to objective results are divided in turn into business results, with a weighting of 70%, innovation roadmap, with a weighting of 15%, and cultural transformation and sustainability, with a weighting of 15%. The corporate values that will be taken into account to evaluate the CEO are courage, simplicity, innovation and care, each of which has a weighting of 25%.

The targets have been set with the aim of being stimulating, specific and measurable. The Appointments and Remuneration Committee conducts an annual review of the performance conditions in response to Almirall's strategy, needs and business situation, establishing targets in line with that review at the start of each year.

#### Other benefits

In addition to cash remuneration and in line with the Company's General Policy in this respect, the CEO enjoys the corresponding other benefits, including life insurance, civil liability insurance (common to all senior management positions at the Company) and a company vehicle.

#### (ii) CEO's multiyear remuneration

The CEO's multiyear remuneration is determined by a special provision subject to a "Stock Equivalent Units" (SEU) Plan approved by the shareholders at the Company's General Shareholders' Meeting 2008 and amended at the General Meeting in 2019, which is published on the website of the Spanish National Securities Market Commission (CNMV).

#### Stock Equivalent Units (SEU) Plan

This entails multiyear variable remuneration linked to the application of the corresponding Plan specifically granted for each financial year by the Board of Directors upon a proposal from the Appointments and Remuneration Committee. Other senior managers of the Company are also beneficiaries of this Plan.

Under this Plan, the Company will award the CEO a certain number of SEUs resulting from dividing the annual target amount allocated by the Board of Directors upon a proposal from the Appointments and Remuneration Committee (set at 775,000 euros for financial year 2023) by the average listing price of Almirall's shares during the first 10 trading days of the year in which the SEUs Plan is applied. The number of SEUs to be vested at the end of each year will range from 75% to 150% of the SEUs initially awarded, depending on the degree of achievement of certain targets established by the Appointments and Remuneration Committee.

The financial conversion of the SEUs will take place following the third anniversary of the evaluation, with the CEO being paid the corresponding financial amount depending on the value of the Company's shares, based on the average calculation for a specific period following publication of the Company's results for the last financial year of the vesting period, in cash or via the delivery, in part or in full, of shares of the Company with the corresponding financial value.

The conditions governing variability of achievement are divided into: (a) business performance indicators, which will have a weighting of 70% and include: EBITDA (25%), normalised net income (25%) and evolution of share price as against a group of peer companies from the sector (20%); and (b) the evaluation of the Appointments and Remuneration Committee, which will have the remaining 30% weighting and which is based on an overall assessment of the Company's management that is underpinned by the measurement from different perspectives of Almirall's overall results.

During financial year 2023, in order to strengthen the link between the CEO's remuneration and the Company's development, it was decided to include the CEO in the SEUs Plan approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee on 21 February 2019.

It is also stated for the record that as part of the amendment of the Director Remuneration Policy, the Appointments and Remuneration Committee has proposed to the Board of Directors that the SEUs Plan should be amended. The purpose of this amendment is to align the CEO's remuneration components with best practices in terms of remuneration, and it has taken into account the main expectations expressed by Almirall's minority shareholders and their proxy advisors. In this regard: (i) the accrual period for the vesting of SEUs has been increased from one to three years; (ii) an upper limit has been established for the determination of the initial target amount based on which the initial number of SEUs for each plan is calculated; (iii) the relative weighting of those targets whose evaluation is subject to a high level of discretion has been reduced; and (iv) circumstances have been introduced for the application of *malus* and clawback clauses.

#### Long-Term Company Performance Plan

The current policy includes a "Long-Term Company Performance Plan", which does not apply to the current CEO.

The Long-Term Company Performance Plan consists of potential long-term variable remuneration via the delivery of a cash amount that is subject to the achievement of certain performance targets. The Long-Term Incentive Plan is for a three-year period that is renewable for successive periods of equal length, and it is linked to the application of the plan that is established for each period.

The target amount under the Long-Term Company Performance Plan is set for each period and calculated as a certain percentage of fixed salary. The amount that the beneficiary of the Long-Term Company Performance Plan will receive at the end of the period will range from 75% to 200% of the target amount, depending on the level of achievement of the targets that are set.

The targets related to the Long-Term Company Performance Plan and their relative weightings are as follows: company value (40%); total shareholder return ("TSR"), where the Company's TSR will be compared against an index of peer companies (40%); and assessment of the Appointments and Remuneration Committee regarding the CEO's overall performance during the aforementioned period (20%).



A1.2 Relative importance of variable remuneration items in comparison to fixed items (remunerative mix) and which criteria and targets have been taken into account in the determination thereof and to ensure an appropriate balance between the fixed and variable remuneration components. In particular, state the actions taken by the company about the remuneration scheme to reduce exposure to excessive risks and align it with the company's long-term objectives, values and interests, which will include (where applicable) a reference to measures established to ensure that the remuneration policy takes into account the company's long-term results, the measures adopted concerning those categories of staff whose professional activities have a material impact on the entity's risk profile and any measures established to avoid conflicts of interest.

Also state whether the company has established any accrual or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a deferral period in the payment of sums or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed for the reduction of deferred remuneration not yet consolidated or obliging the director to return remuneration received when said remuneration has been based on information whose inaccuracy has subsequently been clearly established.

The CEO is the only member of the Board of Directors who can receive variable remuneration. The final structure of the CEO's remuneration mix depends on the resolution approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee, within the framework of the Remuneration Policy.

As stated in section A.1.1 above, the CEO's variable remuneration is made up of the following:

- (a) Annual remuneration items: i.e., an annual cash bonus that accrues throughout the financial year with which it is linked and whose amount and payment are approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee at financial year-end.
- (b) Multiyear remuneration items: the aforementioned SEUs Plan and Long-Term Company Performance Plan (the latter not applicable to the current CEO), payment of which occurs at the end of a multiyear period and whose amount depends on the CEO's performance during the financial years covered by each accrual period.

In relation to the remuneration mix, the CEO's fixed remuneration is set at 775,000 euros. In addition, the CEO is entitled to the following remuneration in kind: life insurance, civil liability insurance and company vehicle, the aggregate amount of which was 7,896 euros in 2023. The total value of the fixed components of the CEO's remuneration, in cash and in kind, hence amounts to 782,986 euros.

For their part, the variable remuneration components amount to: (i) in the case of the bonus, a maximum amount of 150% of the target base, established as 90% of fixed remuneration, which may be adjusted in accordance with the EBITDA multiplier by up to 20%, potentially resulting in a maximum amount of 1,255,500 euros; and (ii) in the case of the SEUs Plan, a maximum amount of 150% of the target base, set at 775,000 euros (100% of fixed remuneration) for 2023, potentially resulting in a maximum amount of 1,162,500 euros. The total value of the variable components of the CEO's remuneration if the maximum level of target achievement is achieved hence amounts to 2,418,000 euros.

As a result, the maximum variable items approved for the CEO could represent up to approximately 308.81% of the fixed items. This percentage is the result of dividing the aggregate variable amount of 2,418,000 euros by the aggregate fixed amount of 782,986 euros.

The CEO's contract does not include mechanisms for reducing deferred remuneration or the reimbursement of remuneration that has been received.

One of the main duties of the Appointments and Remuneration Committee is to analyse, select and propose the variable remuneration targets and metrics for the CEO. These targets are regularly reviewed to ensure that they are sufficiently demanding and aligned with the development of the Company. They are mainly measurable and quantifiable, and the

Appointments and Remuneration Committee approves their weightings and achievement levels at the start of each financial year taking into account factors including the economic environment, the strategic plan, historical analyses, the Company's budget, and investor and analyst expectations or consensus. The Appointments and Remuneration Committee monitors these targets throughout the variable remuneration accrual period and evaluates their final achievement level at the end of that period.

#### A.1.3 Amount and nature of the fixed components to be accrued during the financial year by directors in their capacity as such.

As stated in the preceding sections, the Remuneration Policy approved at the General Shareholders' Meeting held on 6 May 2022 is applicable as at the date of approval of this report.

According to that Remuneration Policy, directors receive the following fixed annual remuneration in their capacity as such:

- (a) Proprietary directors: 50,000 euros.
- (b) Independent and external directors: 90,000 euros, plus an additional 30,000 euros for membership of one of the Board's committees (currently the Audit Committee, the Appointments and Remuneration Committee and the Dermatology Committee) (40,000 euros rather than 30,000 euros if the director chairs the relevant committee).
- (c) Executive directors: 30,000 euros.

In addition, the current policy provides for remuneration of 300,000 euros per annum for the Chair of the Board of Directors in their capacity as such, while the position of Vice-Chair of the Board of Directors will be remunerated with a sum of 50,000 euros per annum. The current Chair Mr Carlos Gallardo does not receive the amount of 300,000 euros established in the current policy. Rather, he receives an aggregate amount of 75,000 euros for his positions as executive director and Chair of the Board of Directors.

However and as previously stated, it is planned for the Company's Board of Directors, upon a proposal from the Appointments and Remuneration Committee, to submit a new Remuneration Policy for financial year 2024 and the three following years for the approval of the shareholders at the Company's next General Shareholders' Meeting. If it is ultimately proposed to apply a new Remuneration Policy from financial year 2024 onwards at the General Shareholders' Meeting to be held this financial year, and subject to approval in any event, the above sums might be updated.

#### A.1.4 Amount and nature of fixed components that will be accrued during the financial year for the performance of senior management duties by executive directors.

As stated in section A.1.1 above, within the CEO's remuneration mix, as from 5 May 2023 the part applicable to fixed remuneration amounts to 775,000 euros per annum for the performance of his duties as CEO and an additional sum of 75,000 euros per annum in relation to the performance of his duties as Chair and Board member.

In addition to remuneration in cash and in line with the Company's General Policy in this respect, the CEO will enjoy the corresponding other benefits, including life insurance, civil liability insurance (common to all senior management positions at the Company) and a company vehicle.

#### A.1.5 Amount and nature of any component of remuneration in kind that will be accrued during the financial year, including but not limited to insurance premiums paid on behalf of the director.

As stated, the executive director Mr Carlos Gallardo Piqué will receive the following remuneration in kind: life insurance, civil liability insurance (common to all senior management positions at the Company) and a company vehicle.

A.1.6 Amount and nature of variable components, differentiating between short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the current year, describing the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, necessary period and the techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range in monetary terms of the different variable components, based on the level of achievement of established targets and parameters, and whether there is any absolute maximum monetary amount.

As stated above, the CEO is the only member of the Board of Directors who receives variable remuneration.

According to the CEO's services agreement, his variable remuneration comprises the following:

- (a) Annual bonus: the CEO will receive variable annual remuneration (bonus) payable in cash, the amount of which will depend on the level of achievement of a series of targets established by the Board of Directors upon a proposal from the Appointments and Remuneration Committee, and which will be adjusted in accordance with a multiplier that is linked to the amount of the Company's EBITDA for the specific financial year. The bonus target amount will be 90% of the CEO's fixed annual remuneration. For financial year 2023, the fixed remuneration that will be used as a basis to calculate the bonus target amount is the amount set in the addendum to his services agreement (i.e., 775,000 euros, implying a bonus target amount of 697,500 euros), which will be adjusted based on the level of achievement, ranging from 0% to 150%, of the business and/or professional targets agreed with the Company for each year. In a scenario of overachievement of the established targets, the maximum amount could therefore reach 1,046,250 euros.

Pursuant to the addendum to the CEO's services agreement, he will be entitled to receive the proportional amount of the annual bonus calculated from the date of his ratification as CEO, i.e., February 2023. As a result, the amount corresponding to a 100% target achievement level in financial year 2023 will be 607,684.93 euros, and the maximum amount in a scenario of overachievement will be 911,527.39 euros.

The targets set are related and linked to objective results, with a weighting of 80% of the bonus target amount, and also to the CEO's alignment with the corporate values, with a weighting of 20% of the bonus target amount. The targets linked to objective results are divided in turn into business results, with a weighting of 70%, innovation roadmap, with a weighting of 15%, and cultural transformation and sustainability, with a weighting of 15%. The corporate values that will be taken into account to evaluate the CEO are courage, simplicity, innovation and care, each of which has a weighting of 25%.

The Board of Directors will set the applicable targets in each financial year upon a proposal from the Appointments and Remuneration Committee at the start of each year.

During 2024, the CEO will receive the bonus corresponding to financial year 2023 and amounting to approximately 678,477 euros. This bonus will be paid to the CEO in cash at the end of March 2024, together with the fixed monthly salary payment corresponding to that month.

- (b) Stock Equivalent Units Plan (SEUs): From financial year 2023, it was decided to include the current CEO in the SEUs Plan approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee on 21 February 2023. Under this Plan, the Company will award the CEO a certain number of SEUs resulting from dividing the annual target amount allocated to the CEO (set at 775,000 euros for financial year 2023) by the average price of the Company's shares during a certain period.

The number of SEUs that will vest at the end of each financial year will range from 75% to 150% of the SEUs initially awarded, depending on the degree of achievement of certain targets established by the Appointments and Remuneration Committee.

Under its current terms, the amount of the incentive depends on the degree of achievement of certain targets. The targets set for the CEO, which are shared with the other senior managers who are eligible beneficiaries of the SEUs Plan, are divided into business performance indicators, which will have a weighting of 70%, and the evaluation

of the Appointments and Remuneration Committee, which will have the remaining 30% weighting.

The business performance indicators are the following:

- (i) EBITDA, which will have a 25% weighting and may produce an evaluation of between 50% and 150%. No SEUs will accrue in respect of this item if the evaluation is below 50%.
- (ii) Normalised net income, which will have a 25% weighting and may produce an evaluation of between 50% and 150%. No SEUs will accrue in respect of this item if the evaluation is below 50%.
- (iii) Positive or negative evolution of Almirall's share price compared to the evolution of the shares of a group of peer companies (Ipsen, UCB, Orion and Recordati), which will have a 20% weighting. This indicator may produce an evaluation of between 50% and 150%, where 100% is equivalent to the value of 1 for the ratio between (a) the annual percentage evolution of Almirall's shares and (b) the annual percentage evolution of the average listing prices of the peer company shares. The percentage evolution of Almirall's share price and of the shares of the peer companies will be calculated by comparing the average listing values of the respective shares for the first 10 trading days of the current financial year against the same value for the same period of the previous financial year. 50% will be obtained if the ratio value is 0.85 and 150% will be obtained if the ratio value is 1.15. SEUs will not accrue in respect of this item if the evaluation is below 50%, i.e., if the ratio value is below 0.85.

The business performance indicators establish a minimum threshold of 50% and can be subject to overachievement up to 150%.

The intermediate achievement values will be weighted by interpolation of the values established between the corresponding levels.

These targets, their relative weighting and their evaluation process may be reviewed by the Appointments and Remuneration Committee and subsequently submitted for the approval of the Board of Directors.

The number of SEUs between the lower and upper band of the range will be established depending on the percentage achievement of the targets established for the SEUs Plan, subject to the requirement of a minimum achievement level of 75%. The maximum number of SEUs can be accrued in the event of 150% achievement of the established target score.

The SEUs under the Plan will vest three years after the evaluation date, provided that: (i) the CEO maintains his relationship to the Company, regardless of the nature of the relationship, whether commercial or employment-based, and independently of whether or not he is performing executive duties; and (ii) the CEO has achieved a minimum achievement level of 75% of the established targets.

The corresponding financial amount will be paid by the end of March of the year immediately following the conclusion of the Plan, in cash or via the delivery, in part or in full, of shares of the Company with the corresponding financial value. The CEO will not receive any cash amounts corresponding to this Plan during 2024.

As the CEO was the beneficiary of the SEUs Plan effective from his ratification in February 2023, the target amount of 775,000 euros under the SEUs Plan was applied on a pro rata basis to reflect the proportional part corresponding to the period between February 2023 and financial year-end 2023, which amounted to a total of 675,205 euros. Pursuant to the foregoing, Almirall awarded the CEO an initial amount of 72,995 SEUs (the result of dividing the pro rata target amount by Almirall's average share listing price of 9.25 euros), which, following 100.35% achievement of the targets, has resulted in 73,250 SEUs ultimately being awarded.

In addition and as previously noted, it is planned to submit the amendment of the Director Remuneration Policy, which includes the new regulation of the SEUs Plan referred to in the preceding section, for the approval of the shareholders at Almirall's General Shareholders' Meeting.

A.1.7 Main features of long-term savings schemes. Among other information, state the contingencies covered under the schemes, whether they are defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution schemes, the benefit to which beneficiaries are entitled in the case of defined-benefit schemes, the conditions for vesting of economic

rights in favour of directors, and the compatibility thereof with any class of payment or indemnity for early termination or cessation or arising from the termination of the contractual relationship on the terms established between the company and the director.

Also state whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain targets or parameters related to the director's short- and long-term performance.

Not applicable.

A.1.8 Any class of payment or indemnity for early termination or cessation or arising from the termination of the contractual relationship on the terms established between the company and the director, whether the cessation is at the will of the company or the director, as well as any class of agreement entered into, such as exclusivity, post-contractual non-compete, continuance in office or loyalty agreements, that entitle the director to any payment.

The services agreement with the CEO establishes that Mr Gallardo Piqué will be entitled to gross severance pay equivalent to 100% of his fixed annual remuneration provided that: (i) the agreement is terminated at the end of any of the successive annual extensions to the initial effective period of two years; (ii) the agreement is terminated by mutual consent or unilaterally by the Company, provided that such termination occurs as from the third effective year of the agreement; or (iii) the agreement is terminated unilaterally by the CEO, but only if that termination is the result of (a) the Company's serious and wilful breach of the obligations included in the relevant agreement, or (b) the change of control of the Company, assignment or disposal of all or a significant part of its business or assets and liabilities to a third party, or its becoming part of another business group. On an exceptional basis, the CEO will not be entitled to the aforementioned severance pay in cases (i) and (ii) where Mr Gallardo Piqué retains his position as Chair of the Board. Nor will the CEO be entitled to receive the aforementioned severance pay due to termination by mutual consent or unilaterally by the Company when such termination is due to the CEO's serious breach of his legal or bylaw-mandated duties and obligations, of the internal rules of the Company or of the Almirall Group, of instructions issued by the Board of Directors, or of the obligations established in his services agreement.

Beyond the foregoing, the relevant agreement does not include other undertakings such as exclusivity, post-contractual non-compete and retention or loyalty clauses that would entitle the director to any form of payment.

A.1.9 State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among others, the term, limits on termination compensation amounts, continuance in office clauses, notice periods, and payment in lieu of the aforementioned notice periods, and any other clauses relating to hiring bonuses, as well as compensation or golden parachutes due to early termination of the contractual relationship between the company and the executive director. Include among other things any non-compete, exclusivity, continuance in office or loyalty, and post-contractual non-compete clauses or agreements, unless they have been explained in the preceding sub-section.

As a continuation of the statements in the previous section, the following information is added in this section:

- (a) Period: two years. Following the first two years for which the agreement is in effect, it will be successively extended for annual periods unless either of the parties notifies the other, giving 30 days' notice prior to the end of any of its extensions, of their intention to terminate the agreement.
- (b) Notice period: the agreement can be terminated at the sole discretion of the Company or the CEO at any time by means of written notice sent to the other party at least one month in advance of termination.

A.1.10 Explain the nature and estimated amount of any other supplementary remuneration that will be accrued by the directors during the current financial year as consideration for services provided other than those inherent to their position.

Not applicable.

A.1.11 Other remuneration items such as any deriving from the company granting the director advances, loans, guarantees or other remuneration.

Not applicable.

A.1.12 Explain the nature and estimated amount of any other scheduled supplementary remuneration not included in the preceding sub-sections, whether paid by the entity or another entity of the group, that will be accrued by the directors during the current financial year.

Not applicable.

A.2 Explain any significant changes in the remuneration policy applicable to the current financial year arising from:

- A new policy or an amendment to the policy previously approved by the shareholders at the General Meeting.
- Significant changes in the specific determinations established by the board for the current financial year for the current remuneration policy, in comparison with those applied in the preceding financial year.
- Proposals that the board of directors has resolved to present to the shareholders at the general shareholders' meeting to which it will submit this annual report and which are proposed to be applied to the current financial year.

The remuneration of the director Mr Carlos Gallardo Piqué was amended based on his ratification in February 2023 to hold the position of CEO, to which he was initially appointed in November 2022. This means that his fixed remuneration for 2024, as long as he is CEO, will amount to a total of 850,000 euros per annum, of which 775,000 euros per annum corresponds to the performance of his duties as CEO and a further 75,000 euros per annum corresponds to the performance of his duties as Chair and member of the Board.

In any event, this amount is below the CEO's fixed remuneration for financial year 2023 according to the current Remuneration Policy, which amounted to 875,000 euros per annum. In addition, as a result of his ratification as CEO it was agreed to include him in the variable remuneration systems that have been described in section A.1.6.

Finally, it is stated for the record that the Board of Directors is evaluating whether, upon a proposal from the Appointments and Remuneration Committee, to submit for approval at the Company's next General Shareholders' Meeting a new Remuneration Policy for financial year 2024 and the three following years, and which has the aims stated in section A.1 above.

A.3 Provide a direct link to the document featuring the company's current remuneration policy, which must be made available on the company's website.

[https://www.almirall.com/documents/portlet\\_file\\_entry/4257831/Pol%C3%ADtica+2022+de+Remuneraciones+del+Consejo+de+Administraci%C3%B3n+de+Almirall+FINAL.docx.pdf/32a1d6cd-1084-ca5c-5fec-d7fa132f4aec](https://www.almirall.com/documents/portlet_file_entry/4257831/Pol%C3%ADtica+2022+de+Remuneraciones+del+Consejo+de+Administraci%C3%B3n+de+Almirall+FINAL.docx.pdf/32a1d6cd-1084-ca5c-5fec-d7fa132f4aec)

A.4 Taking into account the information provided in section B.4, explain how the shareholders' votes at the general meeting at which the annual remuneration report for the previous financial year was submitted for a consultative vote have been taken into account.

At the General Shareholders' Meeting 2023, 78.41% of votes cast out of the total shareholders in attendance in person and by proxy were in favour of the resolution regarding the consultative vote on the Annual Director Remuneration Report. Despite the majority support, which shows a majority consensus regarding the Board remuneration policies applied, the Company is in continuous contact with its shareholders, stakeholders and proxy advisors and it restates its commitment to take into consideration their comments and suggestions when preparing this Annual Remuneration Report and submitting it for approval at the General Shareholders' Meeting. Moreover, these comments and suggestions have been taken into account in the preparation of the new Remuneration Policy that the Board of Directors, upon a proposal from the Appointments and Remuneration Committee, may submit for the approval of the shareholders at the Company's next General Shareholders' Meeting. For further details on the measures that Almirall has implemented to address the concerns and recommendations of its shareholders and their proxy advisors, please refer to the "Statement from the Chair of the Appointments and Remuneration Committee" section.

**B**

## **OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE LAST FINANCIAL YEAR**

B.1 .1 Explain the process followed to apply the remuneration policy and determine the individual remuneration outlined in section C of this report. This information will include the role of the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role of external advisors whose services have been used in the process of applying the remuneration policy during the last financial year.

In accordance with the provisions of the Regulations of the Company's Board of Directors, it is for the Appointments and Remuneration Committee, among others, to propose to the Board of Directors the policy for the remuneration of directors and other senior managers or those who perform their senior management duties and directly report to the board, executive committees or executive directors, as well as the individual remuneration and other contractual conditions of the executive directors, and to endeavour to ensure the observance thereof. For its part, the Board of Directors is responsible for proposing the Director Remuneration Policy to the shareholders at the General Shareholders' Meeting, and they are responsible for approving it. This approval was granted at the General Shareholders' Meeting held in May 2022.

The amounts and items received by the directors during financial year 2023 within the framework of the current Remuneration Policy may be summarised as follows:

### **1. Remuneration of the directors in their capacity as such**

Each director received their stipulated fixed sum. In addition, the directors who were members of the Audit, Appointments and Remuneration, and Dermatology Committees also received their corresponding remuneration for such membership and performance of duties, as established at the relevant time by the Board of Directors. This includes slightly higher remuneration for the committee chairs than for the other members. These payments were made on a quarterly basis. The Board members who were part of the Governance Committee did not receive remuneration for their membership of that committee during 2023.

The amounts received by each director in their capacity as such and for their membership of any committees during 2023 are reflected in the tables in section C of the ACGR:

#### (a) Proprietary directors:

- Mr Antonio Gallardo Torrededía: 80,000 euros, comprising 50,000 euros in his capacity as a proprietary director and 30,000 euros for his membership of the Audit Committee.

#### (b) External directors:

- Sir Tom McKillop: 170,000 euros, comprising 90,000 euros in his capacity as an external director, 30,000 euros for his membership of the Appointments and Remuneration Committee and 50,000 euros for his position as Vice-Chair of the Board.

#### (c) Independent directors:

- Ms Karin Dorrepaal: 120,000 euros, comprising 90,000 euros in her capacity as an independent director and 30,000 euros for her membership of the Audit Committee.
- Dr Seth J. Orlow: 130,000 euros, comprising 90,000 euros in his capacity as an independent director and 40,000 euros for his membership of the Dermatology Committee (which he chairs).
- Mr Enrique de Leyva Pérez: 130,000 euros, comprising 90,000 euros in his capacity as an independent director and 40,000 euros for his membership of the Audit Committee (which he chairs).
- Dr Alexandra B. Kimball: 120,000 euros, comprising 90,000 euros in her capacity as an independent director and 30,000 euros for her membership of the Dermatology Committee.
- Ms Eva-Lotta Allan: 130,000 euros, comprising 90,000 euros in her capacity as an independent director and 40,000 euros for her membership of the Appointments and Remuneration Committee (which she chairs).
- Mr Ruud Dobber: 120,000 euros, comprising 90,000 euros in his capacity as an independent director and 30,000 euros for his membership of the Appointments and Remuneration Committee.

(d) Executive directors:

- Mr Carlos Gallardo Piqué: 52,500 euros, in his capacity as Chair and member of the Board.

**2. Remuneration of the CEO**

The CEO Mr Gallardo Piqué was remunerated as follows for the performance of his executive duties: (i) fixed remuneration in the amount of 796,097.22 euros; (ii) an annual bonus amount accrued in 2023 and payable in 2024 of 678,477 euros; and (iii) 73,250 SEUs accrued in 2023, which will be delivered in 2024. These amounts represent the proportional part of fixed remuneration, bonus and SEUs corresponding to the CEO, which have been calculated on a pro rata basis in accordance with his services agreement as stated in section C.1.

He also received or enjoyed the relevant other benefits, including life insurance, civil liability insurance (common to all senior management positions at the Company) and a company vehicle, in the amount of 7,986 euros.

**B.1.2 Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the financial year.**

There has been no deviation from the established procedure.

**B.1.3 Please disclose whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Please quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.**

No temporary exceptions have been applied.

**B.2 Explain the different actions taken by the company concerning the remuneration scheme and how they have contributed to reducing exposure to excessive risk and aligning the system to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the accrued remuneration has taken into account the company's long-term results and an appropriate balance has been achieved between the fixed and variable remuneration components, what measures have been taken about those categories of staff whose professional activities have a material impact on the entity's risk profile, and what measures have**



been taken to avoid conflicts of interest if any.

The Company's different actions taken in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the Company's targets, values and long-term interests have been stated in section A.1 of this report.

In terms of the CEO's remuneration, the current remuneration system gives significant weight to medium and long-term components and to variable components, as opposed to fixed remuneration. In terms of the balance between the fixed and variable components of remuneration, we refer to the explanation of the remuneration mix included in section A.1.2 of this report.

**B.3 Explain how remuneration accrued and consolidated during the financial year complies with the provisions of the current remuneration policy and, specifically, how it contributes to the long-term and sustainable performance of the company.**

Also, please report on the relationship between remuneration obtained by directors and results or other short- and long-term performance measures for the entity, explaining where applicable how fluctuations in the company's performance may have influenced fluctuations in director remuneration, including accruals the payment of which is deferred, and how they contribute to the company's short- and long-term results.

During financial year 2023, the remuneration of the directors in their capacity as such and for their performance of executive duties was structured in accordance with the provisions of the framework established in the By-Laws and the Remuneration Policy.

Fixed remuneration was paid to the directors in their capacity as such on a quarterly basis, in addition to the sums agreed for the Chair, the Vice-Chair and the CEO. The variable remuneration and application of the SEUs Plan in favour of the CEO were also in line with the principles established in the Remuneration Policy.

The total remuneration accrued by the directors in their capacity as such has not exceeded the upper limit of 2,500,000 euros established in the Remuneration Policy and approved by the shareholders at the Company's General Shareholders' Meeting held in May 2022.

The Remuneration Policy establishes the remuneration of each director and/or category of director, taking into account the duties and responsibilities allocated to each of them, their membership of Board committees and other objective circumstances. The remuneration amounts paid to the directors in their capacity as such are similar to those applied by the Company in previous financial years and in the opinion of the Appointments and Remuneration Committee, they are competitive in comparison with those paid by other listed companies that are comparable to Almirall.

The remuneration of the directors pursuant to the aforementioned policy is reasonably proportionate to the importance of the Company, its financial position and the market standards of comparable companies, and it is aimed at fostering the Company's long-term profitability and sustainability, incorporating the required precautions to avoid the excessive assumption of risks or the rewarding of unfavourable results.

The CEO's remuneration maintains a reasonable balance between fixed and variable components. The variable remuneration (both the bonus and the SEUs Plan) is linked to the achievement of specific targets, taking into account the medium and long term and contributing to the sustainable long-term performance of the Company.

In addition, the CEO's other benefits are also within the customary range for the market and sector in which the Company does business.

**B.4 Report on the result of the consultative vote of the shareholders at the general meeting on the annual report on remuneration for the previous financial year, stating the number of abstentions and negative, blank and affirmative votes cast in respect of such report:**

	Number	% of total
Votes cast	148,300,118	81.70

  

	Number	% of total
Negative votes	31,438,379	21.20
Votes in favour	116,283,439	78.41

Blank votes	-----	-----
Abstentions	578,300	0.39

Comments
The percentages refer to the share capital in attendance in person or by proxy at the General Shareholders' Meeting 2023.

B.5 Explain how the fixed components accrued and consolidated during the financial year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied with respect to the previous year

The fixed components of director remuneration are in line with what was approved at the relevant time by the Board of Directors and the explanations in sections A.1. and A.1.3, with the previously existing relative proportion being maintained, as stated, and no variations compared to the previous financial year.
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B.6 Explain how the salaries earned and consolidated, during the year ended, by each of the executive directors for the performance of management functions have been determined, and how they have varied with respect to the previous year.

The fixed salary accrued by the CEO is in line with his corresponding services agreement, as in force at any given time.
The amount in effect as from 5 May 2023, i.e., 775,000 euros per annum, represents a reduction of 6.62% compared to the previous financial year and is below the amount established for the relevant financial year in the current Remuneration Policy (i.e., 875,000 euros per annum).

B.7 Explain the nature and main features of the variable components of the remuneration schemes accrued and consolidated during the last financial year.

In particular:

- a) Identify each remuneration scheme that has determined the different items of variable remuneration accrued by each director during the last financial year, including information on their scope, date of approval, implementation date, conditions for vesting if any, accrual and validity periods, criteria that have been used to evaluate performance and how it has impacted on the setting of the accrued variable amount, as well as the measurement criteria used and the period required to be able to properly measure all the stipulated conditions and criteria, explaining in detail the criteria and factors applied in terms of the time required and the methods to verify that the performance or other conditions to which the vesting of each component of variable remuneration was linked have been actually met.
- b) In the case of schemes involving share options or other financial instruments, the general features of each plan are to include information on the conditions for acquiring unconditional ownership thereof (consolidation) and for being able to exercise said options or financial instruments, including the price and exercise period.
- c) Refer to each director and their classification (executive director, proprietary external director, independent external director or other external directors), if they are beneficiaries of remuneration schemes or schemes that incorporate variable remuneration.
- d) If applicable, report on the established payment accrual, vesting or deferral periods of consolidated amounts that have been applied and/or periods for withholding/non-disposal of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration schemes
The variable remuneration is only applicable to Mr Carlos Gallardo Piqué, in his capacity as CEO.

### Annual bonus

The current CEO has been entitled to receive variable annual remuneration (bonus), in line with the Remuneration Policy, effective from his ratification in the position of CEO by the Board of Directors in February 2023. The bonus target amount is 90% of the CEO's fixed annual remuneration (i.e., 697,500 euros), and it is adjusted based on the achievement level ranging from 0% to 150% of the business and/or professional targets agreed with the Company. In a scenario of overachievement of the established targets, it could hence amount to 1,046,250 euros. Finally, this amount will be adjusted in accordance with a multiplier linked to the amount of the Company's EBITDA for the specific financial year, which could cause the result to increase by a maximum of 20%. The bonus amount could therefore reach a maximum of 1,255,500 euros.

For financial year 2023, upon a proposal from the Appointments and Remuneration Committee, the Board of Directors set certain targets that were related and linked to objective results, with a weighting of 80% of the bonus target amount, and also to the CEO's alignment with the Company's corporate values, with a weighting of 20% of the bonus target amount. The targets linked to objective results are divided in turn into business results, with a weighting of 70%, innovation roadmap, with a weighting of 15%, and cultural transformation and sustainability, with a weighting of 15%. The corporate values that will be taken into account to evaluate the CEO are courage, simplicity, innovation and care, each of which has a weighting of 25%.

The evaluation of the degree of achievement in the financial year 2023 accrual period produced the following results:

#### Objective results (80%)

The objective results are divided, in turn, into: (a) business results, with a weighting of 70%; (b) innovation roadmap, with a weighting of 15%; and (c) cultural transformation and sustainability, with a weighting of 15%.

##### (a) Business results.

The Board of Directors established three performance measures regarding Almirall's business results to determine the achievement level of this target. The performance measures, their relative weighting and their achievement level in financial year 2023 were as follows:

- (i) **Net sales:** This measure has a 30% weighting. The figure established as equivalent to a 100% target achievement level was a net sales amount of 896.5 million euros. The net sales figure for financial year 2023 was 894.5 million euros, representing a 100% achievement level for this target and a score of 3.
- (ii) **Ebglyss launch and Ilumetri growth plan:** This measure has a 40% weighting. The achievement of the following Ebglyss milestones is assessed as part of this performance measure: designing and presenting an effective brand and market training strategy, establishing a generation plan that covers the product launch phase, designing and presenting a market access and price-setting strategy, negotiating and obtaining exclusive use of the trademark, and ensuring availability of the product in the main countries where the business is operating. There is also an additional milestone that cannot be published owing to its sensitive nature from the marketing and competition perspectives. A 100% achievement level would be reached for this indicator if these milestones were achieved during 2023 in accordance with the relevant schedule established by the Board of Directors and to a satisfactory level. The milestones were satisfactorily achieved, notably the achievement of AdHope I, the EMA's approval with the best possible classification and without post-approval guidance, as well as the launch in Germany in accordance with the pre-established schedule. The milestones linked to the Ilumetri growth plan whose achievement are assessed as part of this performance measure and which will lead to a 100% achievement level for this indicator are as follows: (i) definition of Ilumetri strategic growth plan and approval of that plan by the end of 2023; (ii) implementation of certain commercial transactions relating to Ilumetri in accordance with the schedule established by the Board of Directors; (iii) optimisation of product costs above certain thresholds; (iv) definition and approval of development plan for certain components of Ilumetri in accordance with the schedule established by the Board of Directors; and (v) achievement of a sales figure above a certain value. There is also an additional milestone that cannot be published owing to its sensitive nature from the marketing and competition perspectives.

All milestones were completed within the established timeframes and improving the established conditions. As a result, this performance measure received an achievement level score of 4.

##### (b) Innovation roadmap.

The Board of Directors established six performance measures regarding Almirall's research and innovation activities to determine the achievement level of this target. The performance measures, their relative weighting and their achievement level in financial year 2023 were as follows:

- a) Tirbanibulin: This measure has a relative weighting of 20%. This performance measure assesses achievement of the following milestones: (i) completion of phase III study in the United States; (ii) large field launch in the United States; and (iii) commencement of phase III study in the European Union. A 100% achievement level would be obtained for this indicator if the aforementioned milestones were achieved in the first, third and fourth quarters of financial year 2023, respectively. The milestones were achieved in March 2023, September 2023 and December 2023, respectively. As a result, the achievement level for this performance measure was 100%.
- b) Sarecycline: This measure has a relative weighting of 20%. This performance measure assesses achievement of the following milestones: (i) completion of phase III study; and (ii) CNDA launch in China. A 100% achievement level would be obtained for this indicator if the aforementioned milestones were achieved in the first and third quarters of 2023, respectively. The milestones were achieved in January 2023 and on 28 September 2023, respectively. As a result, the achievement level for this performance measure was 100%.
- c) IL-2muFc fusion protein: This measure has a relative weighting of 10%. This performance measure assesses achievement of the milestone of progressing to phase I. A 100% achievement level would be obtained for this indicator if the aforementioned milestone was achieved in the fourth quarter of 2023. The milestone was achieved on 21 December 2023. As a result, the achievement level for this performance measure was 100%.
- d) BusDev opportunities: This measure has a relative weighting of 10%. This performance measure assesses achievement of the milestone of in-depth evaluation of a certain number of opportunities in various phases of development, for the Company to subsequently propose the formalisation of those that prove most suitable to contribute to the fulfilment of Almirall's strategy. A 100% achievement level would be obtained for this indicator if the aforementioned milestone was achieved in the fourth quarter of 2023. The milestone was achieved on 21 December 2023. As a result, the achievement level for this performance measure was 100%.
- e) Preclinical phase: This measure has a relative weighting of 15%. This performance measure assesses achievement of the milestone of at least one project moving to the preclinical candidate phase. A 100% achievement level would be obtained for this indicator if the aforementioned milestone was achieved in the fourth quarter of 2023. The milestone was achieved on 21 December 2023. As a result, the achievement level for this performance measure was 100%.
- f) Research collaboration: This measure has a relative weighting of 15%. This performance measure assesses achievement of the milestone of being in a position to sign research collaboration agreements for a therapeutic asset or platform. A 100% achievement level would be obtained for this indicator if the aforementioned milestone was achieved in the fourth quarter of 2023. The milestone was achieved on 12 December 2023. As a result, the achievement level for this performance measure was 100%.

As a result, the innovation roadmap target had an achievement level of 100%, resulting in a score of 3.

- (c) Cultural transformation and sustainability.

The Board of Directors established five performance measures to determine the achievement level of this target. Each measure had a 20% weighting out of the total. The performance measures and their achievement level for financial year 2023 were as follows:

- a) Effectiveness of management team and implementation of individual development plan. A 100% achievement level would be obtained for this indicator if: (i) there was an improvement in the high-performing team survey score; and (ii) the current individual development plan was improved and the progress of each head was monitored. The result of the survey produced the anticipated positive result, representing a 71% improvement, and the individual development plan was updated. As a result, the achievement level for this performance measure was scored at 4.
- b) Implementation of ECCAs. A 100% achievement level would be obtained for this indicator if the design and implementation of the enterprise culture change accelerators (ECCAs) took place in accordance with the Company's internal schedule. The design and implementation of the ECCAs was completed in February, July and October, representing effective compliance with the schedule, with highly positive assessments from workers in the "culture pulse" survey. As a result, the achievement level for this performance measure was scored at 4.
- c) Implementation of measures aimed at strengthening the Almirall culture on the management team. A 100% achievement level would be obtained for this indicator if there was an improvement in the results of the "culture pulse" survey. The survey result was 77, representing a 2.6% improvement. As a result, the achievement level for this performance measure was scored at 4.
- d) Achievement of ESG targets. A 100% achievement level would be obtained for this indicator

in the event of improvement in the score for certain risk ratings set by the Board of Directors based on their significance for the Company. The results represented an improvement level in line with that established by the Board of Directors. As a result, the achievement level for this performance indicator was scored at 4.

- e) Definition of ESG Strategy 2024-2030. A 100% achievement level would be obtained for this indicator if the presented ESG Strategy for 2024-2030 was approved by the Audit Committee. The ESG Strategy 2024-2030 was approved by the Audit Committee in November 2023, with a highly positive assessment from the Audit Committee and the Board. As a result, the achievement level for this performance indicator was scored at 4.

As a result, the cultural transformation and sustainability target received a score of 4.

The weighted achievement level for the target results in 2023 was hence 3.6.

#### Corporate values (30%)

The corporate values subject to evaluation are care (ability to actively listen and empathise), courage (critical attitude to implemented systems, processes and habits, and ability to propose constructive solutions), innovation (putting the patient at the centre of research and development work) and simplicity (appropriately balancing the amount of available information and the need for efficient action when making decisions).

Each value has a 25% weighting out of the total amount. The behaviours and actions indicating possession of the value (descriptors) have been defined for each value, as have the behaviours and actions reflecting insufficient alignment with each value (red flags). Depending on the number of descriptors and red flags identified, a score is allocated based on the following scale:

- (i) Low performance: presenting only 1 descriptor or none at all, and several red flags.
- (ii) Room for improvement: presenting 1 or 2 descriptors and 1 or 2 red flags on a recurrent basis.
- (iii) Balanced: presenting 3 descriptors on a recurrent basis and 1 or 2 red flags on an occasional basis.
- (iv) Exceptionally valuable: presenting 3 descriptors on a recurrent basis and no or isolated red flags.
- (v) Benchmark: presenting 3 descriptors on a recurrent basis and no red flags.

The Appointments and Remuneration Committee issued the following scores for each value in financial year 2023: 3 in care, 4 in courage, 4 in innovation and 4 in simplicity. This was based on a process involving a 360-degree evaluation of the CEO during financial year 2023. As a result, his level of achievement for the corporate value target was 3.75.

Pursuant to the foregoing, in the past financial year the total achievement level was equivalent to 3.6, which is equal to 107.5% achievement. The accrued bonus hence amounted to a total of 653,261 euros. This amount is equivalent to the annual value of the bonus arising from a 107.5% achievement level pro-rated for the period from February 2023, at which time Mr Gallardo Piqué was ratified as CEO, until financial year-end 2023.

This amount is adjusted in turn in accordance with the EBITDA multiplier, which, with 101.93% achievement, results in a multiplier equivalent to 103.86%, producing a total bonus figure of 678,477 euros for 2023.

#### Explain the long-term variable components of the remuneration schemes

##### Stock Equivalent Units Plan (SEUs)

Mr Gallardo Piqué has been included in the Stock Equivalent Units Plan approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee on 21 February 2019, effective from his ratification in the position of CEO in February 2023.

Under this Plan, the Company will award the CEO a certain number of SEUs resulting from dividing the annual target amount allocated to the CEO (which amounted to 775,000 euros for 2023) by the average price of Almirall's shares during the first 10 trading days of financial year 2023 (which was 9.25 euros).

As the CEO became a beneficiary of the SEUs Plan effective from his ratification in February 2023, the pro rata amount of the target amount of 775,000 euros was calculated to reflect the proportional part corresponding to the period between February 2023 and financial year-end 2023, which amounted to a total of 675,205 euros. Pursuant to the foregoing, Almirall awarded the CEO 72,995 SEUs (the result of dividing the pro rata target amount by Almirall's average share listing price of

9.25 euros).

As stated in section A.1.6 above, the number of SEUs to be vested with a charge to financial year 2023 depends on the level of achievement of the targets established for the CEO in that financial year, which are divided into business performance indicators, with a weighting of 70%, and the evaluation of the Appointments and Remuneration Committee, with a weighting of 30%.

The business performance indicators include the following:

- (i) EBITDA, which will have a 25% weighting and may produce an evaluation of between 50% and 150%. No SEUs will accrue in respect of this item if the evaluation is below 50%.
- (ii) Normalised net income, which will have a 25% weighting and may produce an evaluation of between 50% and 150%. No SEUs will accrue in respect of this item if the evaluation is below 50%.
- (iii) Positive or negative evolution of Almirall's share price compared to the evolution of the shares of a group of peer companies (Ipsen, UCB, Orion and Recordati), which will have a 20% weighting. This indicator may produce an evaluation of between 50% and 150%, where 100% is equivalent to the value of 1 for the ratio between (a) the annual percentage evolution of Almirall's shares and (b) the annual percentage evolution of the average listing prices of the peer company shares (the "**Evolution Ratio**"). The percentage evolution of Almirall's share price and of the shares of the peer companies will be calculated by comparing the average listing values of the respective shares for the first 10 trading days of the current financial year against the same value for the same period of the previous financial year. 50% will be obtained if the Evolution Ratio value is 0,85 and 150% will be obtained if the Evolution Ratio value is 1.15. SEUs will not accrue in respect of this item if the evaluation is below 50%, i.e., if the Evolution Ratio value is below 0.85.

The business performance indicators include a minimum threshold of 50% and can be subject to overachievement up to 150%.

Intermediate achievement values will be weighted by interpolation of the values established between the corresponding levels.

The achievement level in the financial year 2023 measurement period was as follows:

Business performance indicators (70%)

- (i) EBITDA.

This indicator measures the positive or negative evolution of EBITDA compared to the target amount established by the Board of Directors. The EBITDA figure for financial year 2023 was 174.1 million euros, representing a 103% achievement level for this target based on the established ranges.

- (ii) Normalised net income.

This indicator measures the positive or negative evolution of normalised net income compared to the target amount established by the Board of Directors. The normalised net income figure for financial year 2023 was 15.6 million euros, representing a 130.4% achievement level for this target.

- (iii) Evolution of Almirall's share price.

The value of the Evolution Ratio established as equivalent to a 100% achievement level was 1. The percentage evolution of Almirall's share price for the 2023 measurement period was 93.3%. The percentage evolution of the average listing price of shares of the peer companies (Ipsen, UCB, Orion and Recordati) was 105.85%. As a result, the value of the Evolution Ratio for financial year 2023 was 0.88, representing a 60% achievement level for this target.

Evaluation of the Appointments and Remuneration Committee (30%)

The Appointments and Remuneration Committee established a 100% target achievement level. This took into account the Company's results and development during financial year 2023.

Pursuant to the foregoing, a total of 73,250 SEUs accrued in 2023 and will be delivered in 2024, representing a 100.35% target achievement level.

B.8 State whether certain accrued variable components have been reduced or reclaimed (malus/clawback), when payment of non-vested amounts has been deferred in the former case, or consolidated and paid in the latter case, based on information that has later been clearly proven to be inaccurate. Describe the amounts reduced or returned due to the application of malus/clawback clauses, why they have been enforced and

the financial years to which they correspond.

Not applicable.

- B.9 Explain the main features of the long-term savings schemes whose annual equivalent amount or cost is included in the tables in Section C, including retirement and any other survival benefit, either partially or wholly financed by the company and whether funded internally or externally, stating the type of scheme, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions for consolidation of economic rights in favour of directors, and the compatibility thereof with any class of indemnity for early termination or cessation of the contractual relationship between the company and the director.

Not applicable.

- B.10 Explain, if applicable, the indemnities or any other class of payment arising from early cessation, whether at the will of the company or the director, or from the termination of the contract on the terms provided therein, accrued and/or received by the directors during the last financial year.

Not applicable.

- B.11 State whether there have been significant amendments to the contracts of those performing senior management duties as executive directors and explain them, if applicable. Also explain the main terms and conditions of new contracts signed with executive directors during the financial year, unless already explained in section A.1.

Mr Carlos Gallardo Piqué was ratified as CEO during financial year 2023, having held the position on an interim basis since November 2022. The following changes to his services agreement were agreed on 5 May 2023 as a result of his ratification:

- (a) Fixed remuneration: effective from the date of notation, it was agreed to set the CEO's fixed remuneration for performance of his duties as such at 775,000 euros, payable in 12 monthly instalments. It was also established that the CEO would be entitled to receive an additional sum of 75,000 euros per annum (payable in four quarterly instalments) in relation to the performance of his duties as Chair and member of the Board, meaning that his total fixed remuneration under the services agreement amounts to 850,000 euros per annum.
- (b) Annual bonus: it was agreed to establish a right for the CEO to receive, on the terms of the Remuneration Policy and as described in this report, variable annual remuneration (bonus) equivalent to 90% of his fixed annual salary. For financial year 2023, it was established that Mr Gallardo Piqué was entitled to receive the corresponding portion of his annual bonus effective from the date of his ratification in the position of CEO in February 2023.
- (c) Stock Equivalent Units Plan: it was agreed to include the CEO in the Stock Equivalent Units Plan approved by the Board of Directors upon a proposal from the Appointments and Remuneration Committee on 21 February 2019, effective from his ratification in the position of CEO in February 2023. This was all on the programme's terms as established in the Remuneration Policy and on the other terms described in this report.
- (d) Company vehicle: it was agreed to grant Mr Gallardo Piqué a company vehicle within the framework of the Remuneration Policy, on the terms established for the Company's senior management.

- B.12 Explain any supplementary remuneration accrued by the directors as consideration for services provided other than those inherent to their position.

Not applicable.

- B.13 Explain any remuneration arising from the grant of advances, loans and guarantees, stating the interest rate, the essential features thereof and any amounts reimbursed, as well as the obligations assumed under the guarantee.

Not applicable.

- B.14 Describe the remuneration in kind accrued by the directors during the financial year, briefly explaining the nature of the different salary components.

The CEO Mr Carlos Gallardo Piqué received the following remuneration in kind during 2023: life insurance, civil liability insurance (common to all senior management positions at the Company) and company vehicle.

- B.15 Explain the remuneration accrued by the director under payments made by the listed company to a third-party entity in which the director provides services, when said payments are intended to remunerate the services thereof within the company.

Not applicable.

- B.16 Explain and detail the amounts accrued during the year in relation to any other remuneration item other than those listed above, whatever its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted pending payment, the nature of the consideration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued under "other items" in section C.

Not applicable.



**C****DETAILS OF INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR**

Name	Classification	Accrual period year 2023
Sir Tom McKillop	Other External Director	From 01/01/2023 to 31/12/2023
Mr. Enrique de Leyva Pérez	Coordinating Independent Director	From 01/01/2023 to 31/12/2023
Dr. Karin Dorrepaal	Independent Director	From 01/01/2023 to 31/12/2023
Mr. Antonio Gallardo Torrededía	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr. Carlos Gallardo Piqué	Executive Director	From 01/01/2023 to 31/12/2023
Dr. Seth J. Orlow	Independent Director	From 01/01/2023 to 31/12/2023
Dr. Alexandra B. Kimball	Independent Director	From 01/01/2023 to 31/12/2023
Ms. Eva-Lotta Allan	Independent Director	From 01/01/2023 to 31/12/2023
Mr. Ruud Dobber	Independent Director	From 01/01/2023 to 31/12/2023

C.1. Complete the following tables concerning the individual remuneration of each director (including remuneration for the performance of executive duties) accrued during the financial year.

**a) Remuneration from the company covered by this report:****i) Remuneration accrued in cash (in thousands of €)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total financial year 2023	Total financial year 2022
Sir Tom McKillop	140		30						170	170
Dña. Karin Dorrepaal	90		30						120	120
D. Antonio Gallardo Torrededía	50		30						80	80
D. Carlos Gallardo Piqué	52.5			796	678.4			7.9	1,534.8	444
Dr. Seth J. Orlow	90		40						130	130
D. Enrique de Leyva Pérez	90		40						130	130
Dra. Alexandra B. Kimball	90		30						120	120
Dña. Eva-Lotta Allan	90		40						130	125
D. Ruud Dobber	90		30						120	120

**Comments**

The amount of 52,500 euros in the "Fixed Remuneration" column for Mr Carlos Gallardo corresponds to the amount received for his membership of the Board of Directors as an executive director and for his position as Chair of the Board. This amount includes the proportional part corresponding to the period between 1 January 2023 and 4 May 2023, in which his remuneration in the capacity of executive director amounted to 30,000 euros, and the proportional part corresponding to the period between 5 May 2023 and 31 December 2023, in which his remuneration for the positions of

executive director and Chair of the Board amounted to 75,000 euros following his ratification as CEO.

The amount of 796,000 euros in the “Salary” column for Mr Carlos Gallardo corresponds to the proportional amount of fixed remuneration for the periods between (i) 1 January 2023 and 4 May 2023, in which period the director’s fixed remuneration amounted to 830,000 euros per annum, and (ii) 5 May 2023 and 31 December 2023, in which period, upon the modification of Mr Carlos Gallardo’s services agreement following his permanent appointment as CEO, his fixed remuneration became 775,000 euros per annum.

The amount of 678,400 euros in the “Short-Term Variable Remuneration” column for Mr Carlos Gallardo corresponds to the CEO’s amount of short-term variable remuneration (bonus). This remuneration item, whose target amount is 775,000 euros per annum, has been pro-rated to reflect its application from the date of his ratification as CEO in February 2023.

**ii) Table of movements in share-based remuneration schemes and net return on consolidated shares or financial instruments**

Name	Name of Plan	Financial instruments at start of financial year t		Financial instruments granted during financial year t		Financial instruments consolidated during financial year t				Instruments mature but not	Financial instruments at end of financial year t	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent/consolidated no. of shares	Price of consolidated shares	Net Return on consolidated shares or financial instruments (thousands of €)	Equivalent no. of shares	No. of instruments	Equivalent no. of shares
Mr. Carlos Gallardo Piqué	SEUs Plan 2023			73,250	73,250						73,250	73,250

**Comments**

The director Mr Carlos Gallardo Piqué was included in the SEUs Plan during financial year 2023, at which time he received 72,995 provisional SEUs. 73,250 SEUs were ultimately awarded in 2024 following the target measurement period, equivalent to 100.35% achievement of targets.

iii) Long-term savings schemes

	Remuneration for consolidation of savings scheme rights
No information	

Nombre	Contribution in financial year by company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings schemes with consolidated economic rights		Savings schemes with non-consolidated economic rights		Financial year 2023		Financial year 2022	
	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Schemes with consolidated economic rights	Schemes with non-consolidated economic rights	Schemes with consolidated economic rights	Schemes with non-consolidated economic rights
	No information							

Comments
Not applicable

iv) Details of other items

Name	Item	Remuneration amount
No information		

Comments
Not applicable.

b) Remuneration paid to directors of the listed company as members of the governing bodies of the Company's subsidiaries:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total financial year 2023	Total financial year 2022
No information										

Comments

Not applicable.

ii) Table of movements in share-based remuneration schemes and net return on consolidated shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not	Financial instruments at end of year 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Sin datos												

Comments

Not applicable.

iii) Long-term saving schemes

	Remuneration from vesting of rights to savings schemes
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No information	
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Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Financial year 2023		Financial year 2022	
	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
	No information							

Comments
Not applicable.

**iv) Details of other items**

Name	Concept	Amount of remuneration
No information		

Comments
Not applicable.

**c) Summary of remuneration (thousands of euros)**

The summary must include the amounts corresponding to all remuneration items included in this report that the director has accrued, in thousands of euros

Name	Remuneration accrued in the Company					Remuneration accrued in group companies					
	Total cash remuneration	Net return on consolidated shares or financial instruments	Remuneration for savings schemes	Total cash remuneration	Net return on consolidated shares or financial instruments	Remuneration for savings schemes	Total cash remuneration	Net return on consolidated shares or financial instruments	Remuneration for savings schemes	Total cash remuneration	Net return on consolidated shares or financial instruments
Sir Tom McKillop	170				170						170
Mr. Antonio Gallardo Torrededía	80				80						80
Mr. Carlos Gallardo Piqué	1,534.8				1,534.8						1,534.8
Dr. Seth J. Orlow	130				130						130
Mr. Enrique de Leyva Pérez	130				130						130
Ms. Eva-Lotta Allan	130				130						130
Mr. Ruud Dobber	120				120						120
Ms. Karin Dorrepaal	120				120						120
Mr. Alexandra Kimball	120				120						120
<b>Total:</b>	<b>2,534.8</b>				<b>2,534.8</b>						<b>2,534.8</b>

Comments

C.2 Please describe the evolution over the last five years in the amount and percentage variation in the remuneration earned by each of the directors of the listed company during the year, the consolidated results of the company and the average remuneration on a full-time equivalent

basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2023	% Variation 2023/2022	Financial year 2022	% Variation 2022/2021	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019
<b>Executive Directors</b>									
Mr. Carlos Gallardo Piqué	1,534.8	245.6%	444	242%	130	41%	92.5	16%	80
<b>External Directors</b>									
Sir Tom McKillop	170	0%	170	0%	170	0%	170	13%	150
Ms. Karin Dorrepaal	120	0%	120	0%	120	-2%	122.5	-6%	130
Mr. Antonio Gallardo Torrededía	80	0%	80	0%	80	0%	80	0%	80
Dr. Seth J. Orlow	130	0%	130	0%	130	0%	130	0%	130
Mr. Enrique de Leyva Pérez	130	0%	130	0%	130	2%	127.5	6%	120
Dr. Alexandra B. Kimball	120	0%	120	0%	120	100%	60	0%	0
Ms. Eva-Lotta Allan	130	4%	125	4%	120	100%	60	0%	0
Mr. Ruud Dobber	120	0%	120	100%	60	0%	0	0%	0
<b>Consolidated results of the Company</b>	(17,191)	-155%	31,027	442%	(9,085)	-111%	79,238	-38%	128,279
<b>Average remuneration of employees</b>	110	2%	108	6%	102	4%	98	-3%	101

**D**

**OTHER INFORMATION OF INTEREST**

Provide a brief description of any significant aspects relating to director remuneration that it has not been possible to include in the other sections of this report but which require inclusion to provide more complete and reasoned information on the company's remuneration structure and practices concerning its directors.

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Not applicable.

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This annual remuneration report was approved by the Company's Board of Directors at its meeting held on 16 February 2024.

Indicate whether any directors voted against or abstained about the approval of this Report

Yes

No