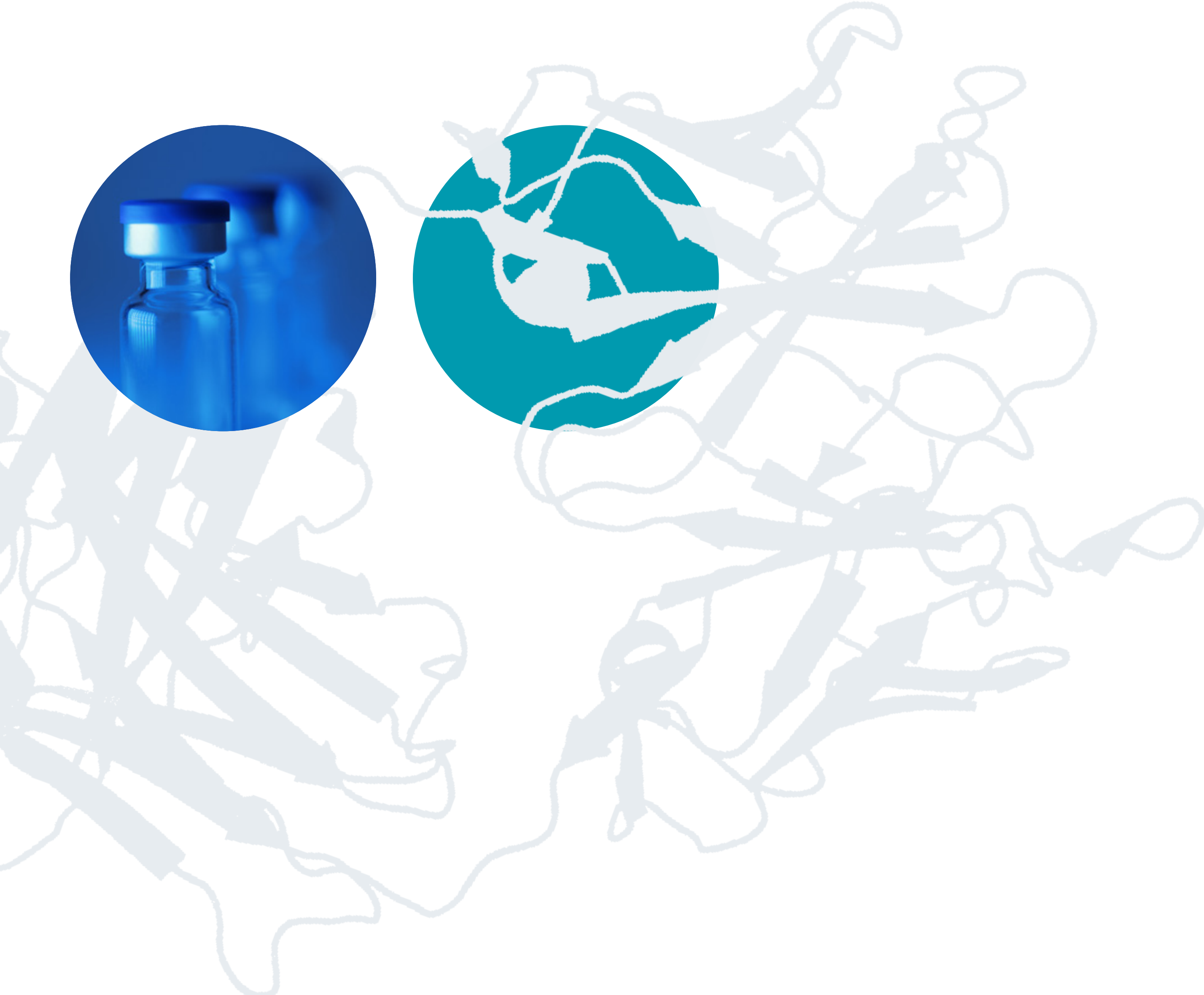
Compensation Report of Formycon AG
for the 2024 Financial Year



Background

The following compensation report details the compensation granted and owed to the current and former members of the management and supervisory board of Formycon AG, a company headquartered in Munich and registered in the Commercial Register of Munich Local Court under HRB 200801 (the “Company”, and together with its subsidiaries, “Formycon”), in the 2024 financial year. It summarises the principles used to determine the compensation of the members of the Company’s management board (“Management Board”) and its supervisory board (“Supervisory Board”). This compensation report provides a detailed and individualised explanation of the compensation structure for members of the Management Board and Supervisory Board. It was prepared jointly by the Management Board and the Supervisory Board for the first time and fulfils the requirements of section 162 of the German Stock Corporation Act (Aktiengesetz – AktG). It will be presented to the Company’s Annual General Meeting, scheduled for June 18, 2025, for approval.

For the sake of readability, this compensation report uses gender-neutral language and the generic masculine form. All personal titles and terms are intended to be inclusive and apply equally to individuals of all genders. This simplified language choice is made purely for editorial purposes and does not reflect any bias or preference. [This is only relevant for the German version.]

Due to rounding, individual figures in this compensation report may not add up exactly to the totals shown and percentages may not exactly reflect the absolute values to which they relate.

Fotos: Martin Joppen

Review of the 2024 financial year

Formycon can look back on a financial year 2024 in which the Company delivered strong performance, achieving or even exceeding its key strategic and operational objectives. Until now, the performance of our first commercial biosimilar product, FYB201 has been very satisfactory. It captured a leading position in the U.S. market for ranibizumab biosimilars during 2024 while simultaneously making good progress in key European markets, such as the UK. Furthermore, expansion into new markets such as Canada and the Middle East North Africa (MENA) region was initiated during fiscal year 2024. As of the close of 2024, FYB201 is available in a total of 20 countries and will be launched in additional territories over the coming years. With the planned launch of our prefilled syringe product version in 2025, we expect to further increase market penetration in various regions, particularly Europe.

Following the strategic realignment of our distribution partner Coherus BioSciences, Inc., the U.S. commercialization rights for FYB201/Cimerli®, including the ophthalmic sales team, were transferred to Sandoz AG with effect from March 1, 2024. In February 2025, Sandoz AG informed about, that it intends to commercially reposition FYB201/Cimerli® in the current year, which will entail a temporarily pause in its U.S. commercialization. For this reason, we expect a significant decline in the product's U.S. sales and financial performance during fiscal year 2025, for which reason it was found necessary to reassess the valuation model for FYB201 and to make accounting adjustments accordingly.

At the end of September 2024, both the US Food and Drug Administration (FDA) and the European Commission granted approval for FYB202, Formycon's ustekinumab biosimilar. Previously, a settlement agreement had been concluded between Formycon, the licensee Fresenius Kabi and Johnson & Johnson, granting Formycon's marketing partner Fresenius Kabi the right to launch FYB202 in the USA by February 22, 2025 at the latest. Logistical preparations for the early launch date were successfully accomplished. In the course of commercial negotiations by the Fresenius Kabi U.S. team with the relevant U.S. contractual partners in preparation for market launch, a significantly higher than expected price discount for biosimilars in the U.S. became apparent, as well as a slower expected market penetration rate. Thus, the valuation model and accounting treatment for FYB202 were, in agreement with Fresenius Kabi, reviewed and adjusted accordingly.

Further key milestones were attained with the approval of our FYB203 aflibercept biosimilar by the U.S. Food and Drug Administration (FDA) and the positive recommendation from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP). While no agreement has yet been reached with the manufacturer of the reference drug, Regeneron Pharmaceuticals, Inc., regarding a potential market launch date, we hope to come to an arrangement. During 2024, a commercialization partnership was concluded with MS Pharma for the Middle East and North Africa (MENA) region. Since the close of the fiscal year, further commercialization partnerships have been agreed with Teva Pharmaceuticals International GmbH covering large parts of Europe as well as with Lotus Pharmaceutical for the Asia-Pacific region. Further partnerships will follow in the 2025 financial year.

The FYB206 project entered the clinical phase in June of 2024 with the successful recruitment of the first patient into phase I trials to compare the pharmacokinetics (PK), safety and tolerability of FYB206 with the reference drug Keytruda® (pembrolizumab) in patients with malignant melanoma, a particularly aggressive form of skin cancer, putting Formycon among the leading developers of Keytruda® biosimilars for Western markets. A parallel phase III study to compare the safety and efficacy of FYB206 to Keytruda® in patients with non-small cell lung cancer was also initiated. A clinical testing strategy newly developed by Formycon was discussed with the FDA in the context of a Scientific Advice meeting. Based on Formycon's scientific arguments and the resulting feedback from the U.S. regulator, the development of FYB206 can now proceed without the need for a phase III clinical study. Formycon has thus taken a pioneering role among pembrolizumab biosimilar developers and will, moreover, be able to achieve significant savings in the required investment over the coming years.

With the entry of Hungarian specialty pharmaceutical company Gedeon Richter as a strategic investor through its participation in the capital increase transaction in the early part of the year, Formycon was able to raise cash proceeds of € 82.84 million against the issuance of new shares amounting to 9.08% of total capital. The two companies share not only a strong conviction in the enormous potential of biosimilars but also areas of strategic overlap. The investment transaction specifically opens up future, long-term strategic opportunities to jointly exploit synergies in the areas of drug development, manufacturing and commercial value creation.

The proceeds from the capital increase will primarily be used to push forward with development efforts in Formycon's existing biosimilar pipeline, in particular the FYB206, FYB208 and FYB209 projects. In addition, Formycon has been able to add a new project to its development pipeline: FYB210, a new biosimilar candidate within the field of immunology.

On November 11, 2024, the Company's shares were admitted to trading on the regulated market of the Frankfurt Stock Exchange, with simultaneous admission to its prime standard sub-segment (uplisting), which includes additional post-admission obligations. This is expected to increase the visibility and appeal of the Company's shares in the capital market. Immediately after the uplisting, the Company was included in Deutsche Börse's SDAX (December 23, 2024), positioning it among the 70 largest German listed companies below the MDAX. Since the close of the fiscal year, Formycon shares have also included in the TecDAX market index.

Changes in the composition of the Management Board and the Supervisory Board

There were no changes in the composition of the Management Board in the 2024 financial year. The following persons belonged to the Management Board in the 2024 financial year:

— **Dr Stefan Glombitza**
(Chief Executive Officer (CEO))
— **Ms Nicola Mikulcik**
(Chief Business Officer (CBO))
— **Dr Andreas Seidl**
(Chief Scientific Officer (CSO))
— **Mr Enno Spillner**
(Chief Financial Officer (CFO))

The following changes in the composition of the Supervisory Board occurred in the 2024 financial year:

At the Annual General Meeting (AGM) on June 12, 2024, Dr Olaf Stiller and Mr Peter Wendeln stepped down from their respective roles as Chairman and Deputy Chairman of the Supervisory Board with effect from the end of the AGM. The Annual General Meeting on June 12, 2024 elected Dr Bodo Coldewey and Mr Nicholas Haggar to the Supervisory Board, with effect from the end of the Annual General Meeting on June 12, 2024, for terms ending at the end of the Annual General Meetings in 2027 and 2028 respectively. At its constituent meeting on June 12, 2024, the Supervisory Board elected Mr Wolfgang Essler as Chairman of the Supervisory Board and Mr Haggar as interim Deputy Chairman of the Supervisory Board.

On June 12, 2024, the Annual General Meeting also resolved to increase the number of Supervisory Board members from four to five by amending the Company's Articles of Association and elected Mr Colin Michael Bond to the Supervisory Board for a term ending at the end of the 2028 Annual General Meeting. The amendment to the Articles of Association was entered in the commercial register responsible for the Company on June 21, 2024. Mr Bond was appointed with effect from October 1, 2024.
At its meeting on October 1, 2024, the Supervisory Board elected Mr Bond as Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee.

The following persons were members of the Supervisory Board in the 2024 financial year:

— **Mr Colin Michael Bond**
(since October 1, 2024; Deputy Chairman of the Supervisory Board since October 1, 2024)
— **Dr Bodo Coldewey**
(since June 12, 2024)
— **Mr Wolfgang Essler**
(Chairman of the Supervisory Board since June 12, 2024)
— **Mr Nicholas Haggar**
(since June 12, 2024; interim Deputy Chairman of the Supervisory Board from June 12, 2024 to September 30, 2024)
— **Mr Klaus Röhrig**
— **Dr Olaf Stiller**
(until June 12, 2024; Chairman of the Supervisory Board until June 12, 2024)
— **Mr Peter Wendeln**
(until June 12, 2024; Deputy Chairman of the Supervisory Board until June 12, 2024)

Compensation of Management Board members

Main features of the compensation system in the 2024 financial year

In the 2024 financial year, the Company did not yet have a compensation system for the Management Board members that complied with the requirements of section 87a of the German Stock Corporation Act. The Company has only been listed on the stock exchange within the meaning of section 3(2) of the German Stock Corporation Act since its uplisting on November 11, 2024. Since then, it has not yet held an Annual General Meeting that could have passed a resolution to approve the compensation system for the Management Board members as required by section 120a(1) of the German Stock Corporation Act.

However, the Supervisory Board will adopt a compensation system for the Management Board members that complies with the requirements of section 87a of the German Stock Corporation Act and submit it for approval to the Company's Annual General Meeting, scheduled for June 18, 2025. The Supervisory Board will ensure that this compensation system complies with the German Corporate Governance Code ("GCGC") recommendations unless deviations from these recommendations are explicitly declared. The entire Supervisory Board is responsible for approving the Management Board compensation and determining individual compensation. The Supervisory Board's Nomination and Compensation Committee supports it in this task. In particular, it monitors the appropriate structure of the compensation system and prepares the resolutions of the Supervisory Board.

The 2024 compensation system for Management Board members focuses on sustainable, long-term corporate development and increasing Company value. It incentivises successful business strategy implementation by incorporating strategic and operational performance targets into variable compensation of Management Board members. The Management Board members' variable compensation also includes sustainability targets. The system aims to remunerate Management Board members appropriately according to their duties and responsibilities, considering the Company's size, complexity, economic situation and future prospects as well as market standards.

In 2024, the Management Board members' compensation comprised fixed and variable components. The non-performance-based and therefore fixed compensation comprised base salary and fringe benefits. Performance-based and therefore variable compensation included short-term variable compensation ("STI") as an annual bonus and long-term variable compensation ("LTI") in the form of (virtual) performance share units ("PSUs"), which were allocated for the first time in the 2024 financial year. The LTI also included share options and phantom share options that were granted to current and in some cases former Management Board members in previous financial years. Under certain conditions, Management Board members may be granted special compensation or a recognition bonus in addition to the aforementioned compensation components. Malus and clawback provisions apply to the LTI in the form of PSUs.

Fixed compensation components

The Management Board members receive a base salary and fringe benefits as fixed compensation components.

The base compensation ensures an appropriate base income to attract and retain highly qualified Management Board members while discouraging unreasonable risk-taking. The base compensation thus contributes to the Company's long-term development. The amount of the base compensation is determined by the individual member's range of tasks, portfolio and experience. It is paid in twelve equal monthly instalments.

Fringe benefits include contributions to statutory or private health and long-term care insurance and the provision of a company car for business and private use.

As agreed with Mr Spillner, an amount of € 25.0 thousand per year is used for a provident fund for the company pension scheme. This amount is paid directly into the pension scheme. For Dr Glombitza, an amount of € 1.8 thousand is paid into a direct insurance policy for the company pension scheme.

Variable compensation components

In addition to their non-performance-based base salary and fringe benefits, the Management Board members receive performance-based variable compensation. This variable compensation consists of two components: short-term variable compensation (STI) in the form of an annual bonus and long-term variable compensation (LTI) in the form of (virtual) performance share units (PSUs), which were allocated for the first time in the 2024 financial year. The LTI also includes share options and phantom share options that were granted to current and in some cases former Management Board members in previous financial years (see "Overview of outstanding share-based compensation components").

Short-term variable compensation (STI)

The STI is a performance-based variable compensation component with a one-year assessment period. It is linked to the Company's earnings and financial situation as well as the individual performance of each Management Board member in the relevant financial year. In addition to strategic and operational performance targets, it also includes sustainability-related performance targets. In this way, the STI incentivises the implementation of business strategy and promotes the Company's long-term sustainable development.

The amount of the STI depends on the achievement of certain performance targets set in advance by March 31, of the relevant financial year at the latest. A target amount is established for the STI, which is to be paid out if the agreed performance targets are achieved in full (100%). If the Management Board and Supervisory Board are unable to agree on specific performance targets, the relevant Management Board member receives a contractually agreed minimum amount. For Mr Spillner, target achievement is capped at a maximum of 150%. The STI for a past financial year is due after approval at the first regular Supervisory Board meeting of the following financial year, but in any case, by March 31, of the following financial year.

Uniform performance targets were set for all Management Board members for the 2024 financial year. These performance targets were defined using performance criteria with different weightings. No subsequent changes were made to the performance criteria or weightings.

The following table shows the performance criteria for the performance targets for the 2024 financial year targets, their respective weightings and their target achievement:

Performance criteria for the performance targets for the 2024 financial year

Category	Performance criterion	Weighting	Target achievement
Research and development programmes	Achievement of predefined project targets in terms of both quantity and content	45.0 %	120.0 %
Business operations	Savings when awarding contracts	10.0 %	100.0 %
Intellectual property	Active preparation for the upcoming market launch	5.0 %	120.0 %
Portfolio/innovation	Important steps taken by regulatory authorities towards optimised predefined clinical programmes	5.0 %	120.0 %
Quality and safety	Ensuring and enhancing quality through described activities	5.0 %	100.0 %
Organisation	Initiatives for continuous efficiency improvement	5.0 %	100.0 %
IT and digitalisation	Activities to increase IT infrastructure stability and implementation of predefined IT projects	5.0 %	100.0 %
Finance/PR and IR/HR	Predefined financial targets (e.g. revenue, operating profit, working capital) and activities to increase Company's visibility in the capital market	15.0 %	120.0 %
ESG, corporate governance and compliance	Sustainability activities and risk mitigation measures	5.0 %	100.0 %

The overall target achievement is calculated by multiplying the target achievement levels of the individual performance criteria by their respective weightings and then adding them together. This total target achievement is then multiplied by each Management Board member's target amount to determine their payout amount.

The following table shows the STI target amounts set for each Management Board member for the 2024 financial year, along with the overall target achievement and the resulting individual payout amounts.

STI – Target amount, Overall target achievment and amount paid out

Management board member	Target amount in € thousand	Overall target achievement in %	Amount paid out in € thousand
Dr. Stefan Glombitza	200.0	115.0	230.0
Nikola Mikulcik	70.0	115.0	80.5
Dr. Andreas Seidl	70.0	115.0	80.5
Enno Spillner	170.0	115.0	195.5
Total	**510.0**	**-**	**586.5**

The payout amounts shown in the table above were paid out to the Management Board members in cash in February 2025.

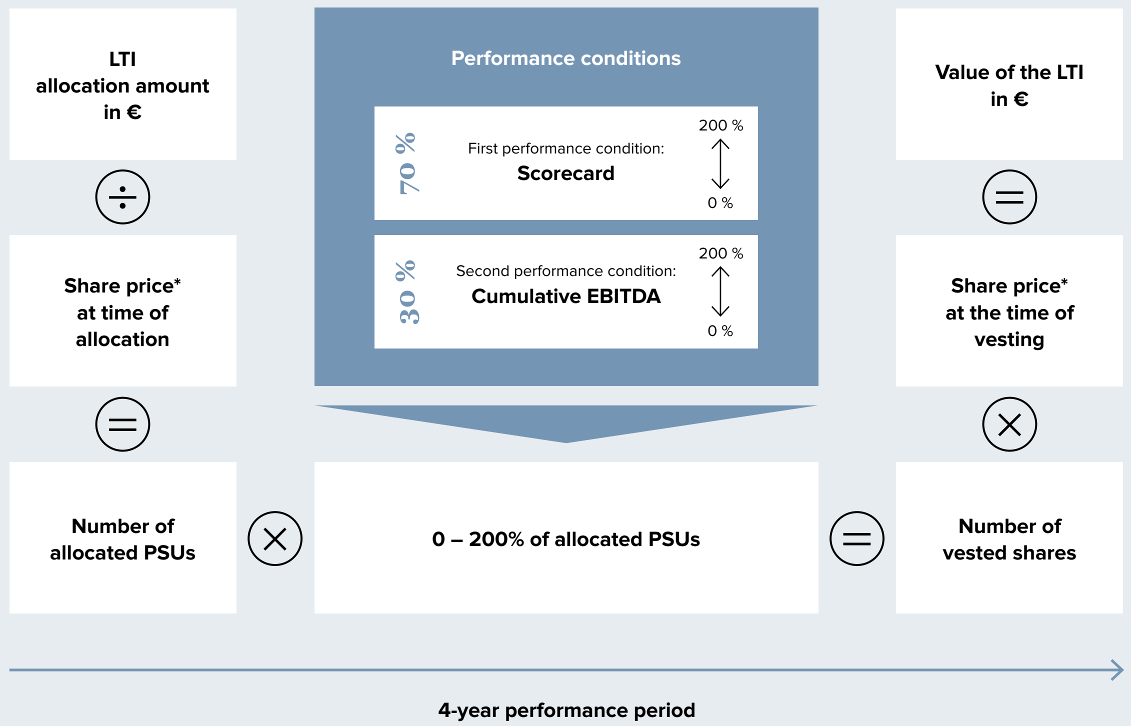
Long-term variable compensation (LTI)

The LTI is a performance-based variable compensation component with a four-year assessment period. Under the Long-Term Incentive Plan ("LTI Plan 2024") introduced in the 2024 financial year, the Management Board members are allocated Performance Share Units (PSUs) as LTI. The LTI Plan 2024 aims to offer participants the opportunity to participate in the Company's future, sustainable success. It is designed to promote goal-orientation among Management Board members for joint success and foster their commitment to the Company.

The LTI incorporates both financial and non-financial, strategic and operational performance criteria from the areas of "Pipeline & Innovation", "Commercialisation & Strategic Growth" and "ESG, Sustainability & Culture" as well as financial performance criterion "Cumulative EBITDA". In this way, the LTI incentivises the focussed implementation of business strategy and promotes the Company's long-term, sustainable development. The LTI also enables the Management Board members to participate in the Company's share price development. This harmonises the goals of the Management Board members and the shareholders and promotes the strategy of sustainably increasing shareholder value. The four-year performance period respectively the vesting period of at least four years encourage the Management Board members to focus on sustainably increasing the Company's long-term value.

The functionality of the LTI in the form of PSUs is illustrated in the diagram below:

The functionality of the LTI in the form of PSUs



*Volume-weighted average closing price of the Company's shares in Xetra trading over 30 trading days before the allocation date or before the end of the vesting period

Allocation of PSUs

A PSU grants a Management Board member an unsecured, conditional right to the future transfer or issue of Company shares and/or a cash payment, as specified under the LTI Plan 2024. According to the LTI Plan 2024, Management Board members will in future be allocated a certain number of PSUs each year on January 1, unless otherwise agreed.

The number of PSUs allocated annually depends on the relevant base compensation of the Management Board member. The Supervisory Board determines an allocation amount for each Management Board member, ranging between 80% and 110% of their annual base salary. The allocation amount depends on the function and responsibility of the relevant Management Board member. The number of PSUs allocated is calculated by dividing the allocation amount by the volume-weighted average closing price of the Company's shares in Xetra trading over 30 trading days prior to the allocation date. The result is then rounded up to the nearest whole PSU.

In the 2024 financial year, the following allocation amounts were determined for each Management Board member and the following PSUs were allocated on December 4, 2024:

Realisation of PSUs

The LTI Plan 2024 stipulates a vesting period of at least four years from the PSU allocation date. At the end of this vesting period, the number of PSUs eligible for payout in shares or cash is calculated with effect from the last day of the vesting period by multiplying the number of PSUs granted by the performance factor determined over the four-year performance period and rounding up to the nearest whole PSU. It is currently expected that the PSUs issued in the financial year 2024 will be paid out in shares. Unless otherwise specified in the allocation certificate, the performance period begins on January 1, of the financial year in which the allocation is made. The performance factor, which ranges from 0% to 200%, is contingent on the degree of target achievement of the defined performance criteria over the relevant performance period. These criteria reflect long-term corporate goals and consist of a scorecard with defined targets (first performance condition) and the cumulative EBITDA over the relevant performance period (second performance condition). The first performance condition takes into account targets from the categories "Pipeline & Innovation", "Commercialisation & Strategic Growth" and "ESG, Sustainability & Culture" and is weighted at a total of 70% within the performance factor. The second performance condition is weighted at 30% within the performance factor.

For PSUs issued in the 2024 financial year, the period from October 1, 2024 to September 30, 2028 was defined as the performance period. The Supervisory Board has also defined the following performance criteria, target achievement levels and weightings for the PSUs issued in the 2024 financial year: There have been no subsequent changes to the performance criteria, target achievement levels or weightings.

Allocation amounts and number of PSUs

Management board member	**Allocation amount in % of the annual base compensation**	**Allocation amount in € thousand**	**Number of PSUs allocated**	**Maximum number of attainable PSUs** (cap at 200% of target achievement)	**Maximum payout** (cap at 400% of annual base compensation) **in € thousand**
Dr. Stefan Glombitza	90.0	315.0	6,524	13,048	1,400.0
Nikola Mikulcik	90.0	270.0	5,592	11,184	1,200.0
Dr. Andreas Seidl	90.0	225.0	4,660	9,320	1,000.0
Enno Spillner	90.0	288.0	5,964	11,928	1,280.0
Total		**1,098.0**	**22,740**	**45,480**	**4,880.0**

Performance criteria, target achievement levels and weightings of the PSUs issued in the 2024 financial year

Category	Performance criterion	Weighting	
First performance condition			
Pipeline & Innovation	Achievement of predefined operational, clinical and regulatory milestones	42.9 %	70.0 %
Commercialisation & strategic growth	Achievement of predefined cumulative revenue (revenue thresholds)	42.9 %	
ESG, sustainability & culture	Not exceeding a predefined rate of employee turnover.	14.2 %	
Second performance condition			
Accumulated EBITDA	Achievement of predefined cumulative EBITDA (EBITDA thresholds)	100.0 %	30.0 %

Payout of PSUs

The number of PSUs calculated on the basis of the performance factor is paid out, either fully or partially, in Company shares at a ratio of 1:1, subject to any applicable legal restrictions and the Company's guidelines. The Company can service the PSUs with treasury shares or newly issued shares from authorised capital. Alternatively, the Supervisory Board has the discretion to pay out the PSUs fully or partially in cash. The payout amount for each PSU corresponds to the volume-weighted average closing price of the Company's shares in Xetra trading over the 30 trading days preceding the end of the vesting period.

The total payout, whether in shares or cash, is capped at a maximum of 400% of the annual base compensation of the relevant Management Board member at the time of the PSU allocation (Cap). The value of the payout is calculated based on the volume-weighted average closing price of the Company's shares in Xetra trading over the 30 trading days preceding the end of the vesting period.

Special compensation or recognition bonus

Under certain conditions, the Supervisory Board may grant special compensation or a recognition bonus to Management Board members in addition to the aforementioned compensation components.

The Supervisory Board may decide to grant special compensation to Dr Glombitza and Ms Mikulcik if the respective Management Board member performs special services during their term that provide significant benefits to the Company and these were not foreseeable when their respective service agreements were initially signed. The upper limit for such special compensation is €350,000 for Dr Glombitza and €300,000 for Ms Mikulcik. In the event of extraordinarily positive developments of the Company, the Supervisory Board may, at its reasonable discretion, award an appropriate bonus to the Management Board members, Dr Seidl and Mr Spillner, for the previous financial year.

No special bonus or recognition bonus was granted or owed to any Management Board member in the 2024 financial year.

Overview of outstanding share-based compensation components

The status of share-based compensation components outstanding for current or former Management Board members during the 2024 financial year, along with further details, is presented below:

Share options

Current and former Management Board members were granted share options in previous financial years, which were based on older long-term compensation programmes that are no longer issued in this form today.

The resolution passed at the Annual General Meeting on June 30, 2015, as amended by the resolution of December 10, 2020, authorised the Company to introduce the 2015 share option programme and to allocate share options under this programme in previous financial years. The authorisation granted by the Annual General Meeting expired in June 2020. Further allocations of share options under the 2015 share option programme have not been possible since then and have therefore not been made.

Based on the authorisation resolution of the Annual General Meeting on December 10, 2020, the Company also introduced the 2020 share option programme. While share options were allocated from this programme in previous financial years, no allocations were made to Management Board members in the 2024 financial year. In December 2024, the Supervisory Board cancelled the 2020 share option programme for Management Board members. Further allocations of share options under the 2020 share option programme are therefore no longer possible.

Under the 2015 and the 2020 share option programmes, each share option entitles the holder to subscribe to one share in the Company at a subscription price equal to the weighted average closing price of the Company's share in Xetra trading (or a comparable successor system) during the last 60 trading days prior to the issue date.

Share options allocated under the 2015 and 2020 share option programmes can only be exercised if their exercise price corresponds to the average, unweighted closing price of the Company's shares in Xetra trading (or a comparable successor system) during the last 60 trading days prior to the offer date of the share options (price basis) plus an implied hurdle of 10% in relation to this price basis, known as the exercise hurdle.

There is a waiting period of four years after the acquisition of each share option before it can be exercised, and options for which the waiting period has expired are generally non-forfeitable. The Supervisory Board can stipulate longer waiting periods and, in individual cases, establish a different rule for the vesting of share options. The term of the share options is ten years from the date of issue, and any share options that have not been exercised by the end of this term will expire without compensation or indemnification.

In the 2024 financial year, former Management Board member Dr Nicolas Combé exercised 3,000 share options that had been granted to him in the 2017 financial year, while no other current or former Management Board members exercised any share options during this period.

Overview of outstanding share options under the 2015 share option programme for current and former Management Board members in the 2024 financial year:

Current Management Board member	Allocation date	Vesting from	Term end	Exercise price in €	Exercise hurdle in €	Development of the number in the financial year: Jan. 01 2024	Disposals	Dec. 31 2024
Dr. Stefan Glombitza	Oct. 04, 2016	Oct. 04, 2020	Oct. 03, 2026	19.46	21.42	65,000	0	65,000
	July 03, 2017	July 03, 2021	July 02, 2027	33.29	36.16	15,000	0	15,000
	July 01, 2018	July 01, 2022	June 30, 2028	36.07	39.33	25,000	0	25,000
	July 10, 2019	July 10, 2023	Sept. 09, 2029	32.83	36.04	7,500	0	7,500

Current Management Board member	Allocation date	Vesting from	Term end	Exercise price in €	Exercise hurdle in €	Development of the number in the financial year: Jan. 01 2024	Disposals	Dec. 31 2024
Dr. Carsten Brockmeyer	June 28, 2016	June 28, 2020	June 27, 2026	20.77	22.70	3,500	0	3,500
	July 03, 2017	July 03, 2021	July 02, 2027	33.29	36.16	15,000	0	15,000
Dr. Nicolas Combé	July 03, 2017	July 03, 2021	July 02, 2027	33.29	36.16	12,000	3,000	9,000

Overview of outstanding share options under the 2020 share option programme for current Management Board members in the 2024 financial year:

Management board member	Allocation date	Vesting from	Term end	Exercise price in €	Exercise hurdle in €	Development of the number in the financial year: Jan. 01 2024	Disposals	Dec. 31 2024
Dr. Stefan Glombitza	Dec. 16, 2020	Dec. 16, 2024	Dec. 15, 2030	47.57	38.32	7,500	0	7,500
	Oct. 19, 2021	Oct. 19, 2025	Oct. 18, 2031	51.72	57.71	7,500	0	7,500
	July 26, 2022	July 26, 2026	July 25, 2032	74.05	80.71	55,000	0	55,000
Nicola Mikulcik	July 26, 2022	July 26, 2026	July 25, 2032	74.05	80.71	5,000	0	5,000
	June 01, 2022	June 01, 2026	May 31, 2032	63.09	67.72	15,000	0	15,000
Dr. Andreas Seidl	July 26, 2022	July 26, 2026	July 25, 2032	74.05	80.71	5,000	0	5,000
	July 01, 2022	July 01, 2026	June 30, 2032	71.23	77.24	15,000	0	15,000
Enno Spillner	May 12, 2023	May 12, 2027	May 11, 2033	71.04	78.90	25,000	0	25,000

Phantom share options

Current Management Board members were also allocated phantom share options in the 2023 financial year. In December 2023, the Company introduced the phantom share option programme 2023/2024 and allocated phantom share options under this programme. In the 2024 financial year, no phantom share options under the phantom share option programme 2023/2024 were allocated to Management Board members. No further allocations of phantom share options under the phantom share option programme 2023/2024 are planned.

A phantom share option allocated under the phantom share option programme 2023/2024 entitles the holder to receive a cash payment equal to the difference between the Company's share price per share on the relevant exercise date and the subscription price per phantom share option set at the time of allocation. The subscription price per phantom share option corresponds to the weighted average closing prices of the Company's shares in Xetra trading (or a comparable successor system) during the last 60 trading days prior to the issue date. Phantom share options can only be exercised if their exercise price corresponds to the average, unweighted closing price of the Company's shares in Xetra trading (or a comparable successor system) during the last 60 trading days prior to the offer date of the phantom share options (price basis) plus an implied hurdle of 10% in relation to this price basis, known as the exercise hurdle.

There is a waiting period of four years after the acquisition of each phantom share option before it can be exercised, and options for which the waiting period has expired are generally non-forfeitable.

The Supervisory Board can stipulate longer waiting periods and, in individual cases, establish a different rule for the vesting of phantom share options. The term of the phantom share options is ten years from the date of issue, and any phantom share options that have not been exercised by the end of this term will expire without compensation or indemnification.

Overview of outstanding phantom share options under the 2023/2024 phantom share option programme for current Management Board members in the 2024 financial year:

						Development of the number in the financial year		
Management board member	**Allocation date**	**Vesting from**	**Term end**	**Exercise price in €**	**Exercise hurdle in €**	**Jan 01, 2024**	**Disposals**	**Dec 31, 2024**
Dr. Stefan Glombitza	Dec 11, 2023	Dec 11, 2027	Dec 10, 2033	58.08	64.19	10,000	0	10,000
Nicola Mikulcik	Dec 11, 2023	Dec 11, 2027	Dec 10, 2033	58.08	64.19	10,000	0	10,000
Dr. Andreas Seidl	Dec 11, 2023	Dec 11, 2027	Dec 10, 2033	58.08	64.19	10,000	0	10,000
Enno Spillner	Dec 11, 2023	Dec 11, 2027	Dec 10, 2033	58.08	64.19	30,000	0	30,000

Malus/clawback

For LTIs in the form of PSUs, there are malus and clawback provisions that allow the Supervisory Board, at its due discretion, to reduce all or some of the PSUs granted to a Management Board member at the end of the vesting period, or to reclaim all or some of the shares transferred to the Management Board member's ownership under the LTI Plan 2024 or an equivalent amount in cash, or a cash payment made under the LTI Plan 2024,

- in the event of grossly unethical or immoral behaviour by a Management Board member;
- significant breaches of due diligence obligations or violations of the Company's Code of Conduct by a Management Board member; and/or
- if the payment was made on the basis of incorrect accounting,

In the 2024 financial year, the Supervisory Board did not make use of this option to reduce or reclaim the LTI.

Payments from third parties

In the 2024 financial year, no third party promised or granted any benefits to Management Board members in connection with their roles on the Management Board.

Commitments in connection with the termination of Management Board activities

In the 2024 financial year, the following commitments were in place in connection with the termination of Management Board membership:

The Management Board members have a special right of termination if removed without good cause, or if their office changes, expires or ceases to exist in accordance with the resolution appointing them due to a reorganisation and/or restructuring measure or a Supervisory Board resolution to this effect.

The Management Board members also have a special right of termination if a third party acquires more than 30% of the voting rights in the Company (as defined in sections 29 and 35(1), sentence 1 of the Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) through share acquisition or other means or if the Company concludes a control agreement with another Company (change of control).

In both cases of special termination, the Management Board member will receive the following severance pay upon leaving the Company:

- fixed compensation for the remaining term of their Management Board service agreement together with all annual bonuses achieved up to this point, and
- annual bonuses for the original remaining term of their Management Board service agreement, calculated as the average of annual bonuses paid to date,
- however, as a minimum, the fixed compensation for a full year of service plus the annual bonus, provided that the remaining term of the service agreement is at least one year,
- and, at a maximum, two years' compensation excluding annual bonuses or fringe benefits, not exceeding the amount payable for the remaining term of the service.

If the Management Board service agreement is terminated prematurely by mutual agreement, the Management Board member receives severance equal to the annual fixed compensation plus all variable compensation components achieved up to that point, not exceeding the amount that would be remunerated for the remaining contract term.

In the aforementioned cases of Management Board service agreement termination (special termination or cancellation by mutual agreement), the Management Board member has the right to request a cash payout from the Company for the share options allocated to them. If third parties hold at least 50% of the Company's voting rights through share acquisition or otherwise gain a controlling influence, the Management Board member can exercise their allocated share options prematurely.

If a third party directly and/or indirectly holds at least 50% of the Company's voting rights through share acquisition or any other means, or if the Supervisory Board determines a comparable event has occurred, the LTI Plan 2024 terminates. In this case, the allocated PSUs, reduced pro rata temporis based on full calendar months in the corresponding vesting period, are paid out immediately using a performance factor of 100%.

Additionally, if the Management Board service agreement ends due to expiry and is not extended, the Management Board member receives a transitional allowance. For Dr Glombitza and Mr Spillner, this allowance equals their respective annual fixed compensation plus the annual bonus. For Ms Mikulcik and Dr Seidl, the transitional allowance is equal to their respective annual fixed compensation.

Appropriateness of compensation

When determining the total compensation of individual Management Board members, the Supervisory Board ensures that each Management Board member's compensation is commensurate with their tasks and performance, reflects the situation of the Company, is aligned with the Company's long-term and sustainable development and does not exceed typical compensation levels without special justification. The Supervisory Board regularly reviews the appropriateness of Management Board compensation through both external (horizontal) and internal (vertical) comparative analyses. In the past, the Supervisory Board has consulted an external compensation expert to review the appropriateness of Management Board compensation, taking into account the expert's independence from the Management Board and the Company.

The external analysis compares compensation with other listed companies of similar sector, size and geographical coverage. Twenty-two companies from the S-DAX (excluding companies from the financial, real estate, energy, commodities, communications services and consumer goods sectors) and from the Health Care NASDAQ, all based in Europe with comparable market capitalisation, were used as benchmarks.

The internal comparative analysis considers the compensation levels of the Company's senior management (senior leadership team) and overall workforce.

Compensation granted and owed in the 2024 financial year

The following tables show the individual compensation granted and owed to Management Board members in office in the 2024 financial year, in accordance with section 162(1), sentence 1 of the German Stock Corporation Act. This relates to the total compensation granted in the 2024 financial year (fixed compensation, fringe benefits and STI in the form of an annualised bonus) and – by way of comparison – the total compensation granted in the 2023 financial year (fixed compensation, fringe benefits, STI in the form of an annualised bonus and LTI in the form of share options). The tabular presentation follows the model tables of the German Corporate Governance Code (GCGC) in its previous version dated February 7, 2017.

For the purposes of the following tables, compensation is considered "granted" within the meaning of section 162(1), sentence 1 of the German Stock Corporation Act if it has actually accrued to the board member, regardless of when the payment is made. In the following table, compensation is also considered "granted" within the meaning of section 162(1), sentence 1 of the German Stock Corporation Act if the underlying one-year or multi-year activity has been fully completed by the end of the financial year, even if the payment is made at a later date.

Accordingly, the STI for the 2024 financial year is recognised as compensation granted in the 2024 financial year within the meaning of section 162(1), sentence 1 of the German Stock Corporation Act, even if it is not paid out until the 2025 financial year. However, the PSUs granted in the 2024 financial year are not considered granted in the 2024 financial year, but are instead recognised in the compensation report for the financial year in which they vest. Similarly, phantom share options allocated in the 2023 financial year are not treated as granted in the year of allocation but are only reported in the compensation report for the financial year in which they are exercised. In contrast, share options are deemed to have been granted at the time of allocation rather than at the time of exercise.

Compensation is considered "owed" within the meaning of section 162(1), sentence 1 of the German Stock Corporation Act if the Company has a legal obligation towards a board member that is due but has not yet been fulfilled. As the Company was not in arrears with the payment of any compensation components, no "owed" compensation is reported in the following tables.

Compensation Granted and owed

	Dr. Stefan Glombitza, CEO				Nikola Mikulcik, CBO			
	2024		2023		2024		2023	
Fixed salary	**in € thousand**	**in %**	**in € thousand**	**in %**	**in € thousand**	**in %**	**in € thousand**	**in %**
Base salary	350.0	57.2	350.0	60.2	300.0	76.2	300.0	78.3
Fringe benefits*	30.5	5.0	29.8	5.1	13.3	3.4	13.3	3.5
Retirement benefits	1.8	0.3	1.8	0.3	-	0.0	-	0.0
Total fixed compensation	**382.2**	**62.4**	**381.6**	**65.6**	**313.3**	**79.6**	**313.3**	**81.7**
Variable compensation								
Short-term variable compensation								
STI	230.0	37.6	200.0	34.4	80.5	20.4	70.0	18.3
Long-term variable compensation								
PSUs	-	0.0	-	0.0	-	0.0	-	0.0
Phantom share options	-	0.0	-	0.0	-	0.0	-	0.0
Share options (SOP 2020)	-	0.0	-	0.0	-	0.0	-	0.0
Total variable compensation	**230.0**	**37.6**	**200.0**	**34.4**	**80.5**	**20.4**	**70.0**	**18.3**
Miscellaneous	-	0.0	-	0.0	-	0.0	-	0.0
Total (total compensation within the meaning of section 162(1) of the German Stock Corporation Act)	**612.2**	**100.0**	**581.6**	**100.0**	**393.8**	**100.0**	**383.3**	**100.0**

Compensation Granted and owed

	Dr. Andreas Seidl, CSO				Enno Spillner**, CFO			
	2024		2023		2024		2023	
Fixed salary	**in € thousand**	**in %**	**in € thousand**	**in %**	**in € thousand**	**in %**	**in € thousand**	**in %**
Base salary	250.0	73.6	250.0	76.0	320.0	57.1	240.0	17.3
Fringe benefits*	9.0	2.6	9.0	2.7	20.4	3.6	14.9	1.1
Retirement benefits	-	0.0	-	0.0	25.0	4.5	18.7	1.4
Total fixed compensation	**259.0**	**76.3**	**259.0**	**78.7**	**365.4**	**65.1**	**273.7**	**19.8**
Variable compensation								
Short-term variable compensation								
STI	80.5	23.7	70.0	21.3	195.5	34.9	127.5	9.2
Long-term variable compensation								
PSUs	-	0.0	-	0.0	-	0.0	-	0.0
Phantom share options	-	0.0	-	0.0	-	0.0	-	0.0
Share options (SOP 2020)	-	0.0	-	0.0	-	0.0	982.8	71.0
Total variable compensation	**80.5**	**23.7**	**70.0**	**21.3**	**195.5**	**34.9**	**1,110.3**	**80.2**
Miscellaneous	-	0.0	-	0.0	-	0.0	-	0.0
Total (total compensation within the meaning of section 162(1) of the German Stock Corporation Act)	**339.5**	**100.0**	**329.0**	**100.0**	**560.9**	**100.0**	**1,383.9**	**100.0**

*Excluding insurance policies granted under group contracts.
**Mr Enno Spillner joined the Company on 1 April 2023. This explains the differences in fixed compensation and short-term variable compensation.

No share options were allocated to the Management Board members in office in the 2024 financial year. In addition, the Management Board members in office in the 2024 financial year did not exercise any phantom share options under the 2023 phantom share option programme.

No compensation was granted or owed to former Management Board members in the 2024 financial year.

Miscellaneous

The Company maintains directors' and officers' liability (D&O) group insurance and group accident insurance policies for Management Board members and certain employees. The D&O insurance includes a deductible for Management Board members in line with stock corporation law requirements.

Compensation of Supervisory Board Members

Main features of the compensation system in the 2024 financial year

In the 2024 financial year, different provisions were applied to the compensation of Supervisory Board members.

From January 1, 2024 to June 30, 2024, the compensation of Supervisory Board members was based on the resolution of the Company's Annual General Meeting on June 19, 2018, which stipulated as follows:

Members of the Supervisory Board are to receive a fixed base compensation of €20,000 for the relevant financial year, with the Chairman receiving €25,000. Additionally, each member is entitled to an attendance fee of €1,500 per Supervisory Board meeting, with the total amount of attendance fees capped at €6,000 per financial year. For Supervisory Board members who are not in office for an entire financial year or whose position on the Supervisory Board changes within the year, the aforementioned compensation is paid pro rata temporis.

After a comprehensive review, the Management Board and Supervisory Board concluded that the previous compensation structure no longer adequately reflected the responsibilities of Supervisory Board members or the Company's current situation. Consequently, they proposed changes to the Supervisory Board compensation at the Annual General Meeting on June 12, 2024. The Annual General Meeting approved the proposed changes to the compensation of Supervisory Board members with effect from July 1, 2024. Accordingly, the following provision has applied to the compensation of Supervisory Board members since July 1,2024.

Supervisory Board members receive a fixed base salary of €30,000 per financial year. The Chairman receives €80,000, while the Deputy Chairman receives €50,000 annually. For committee work, members receive an additional €5,000 per financial year. The Audit Committee Chairman receives €15,000, and the Nomination and Compensation Committee Chairman receives €10,000 annually.

Furthermore, each member of the Supervisory Board and each member of a committee receives an attendance fee of €1,000 per meeting of the Supervisory Board or committee, up to a maximum of eight meetings per financial year; the Chairman of the Supervisory Board and each Chairman of a committee receives an attendance fee of €1,500 per meeting of the Supervisory Board or committee, up to a maximum of eight meetings per financial year. These fees apply to in-person meetings, telephone conferences and participation via other electronic means of communication.

The compensation is payable after the end of the relevant financial year. Supervisory Board members who belong to the Supervisory Board or a committee for only part of a full financial year, or who hold the position of Chairman of the Supervisory Board or a committee, or Deputy Chairman, receive a correspondingly prorated compensation.

In accordance with section 113(3) of the German Stock Corporation Act, the Annual General Meeting of listed companies must pass a resolution on the compensation of Supervisory Board members at least every four years. The Company's last resolution on Supervisory Board compensation was passed at the Annual General Meeting on June 12, 2024.

At that time, the Company was not yet listed on the stock exchange within the meaning of section 3(2) of the German Stock Corporation Act and therefore no resolution pursuant to section 113(3) of the Act had been passed. Consequently, the Management Board and Supervisory Board are expected to submit a proposed resolution to the Company's Annual General Meeting on June 18, 2025 in accordance with section 113(3) of the German Stock Corporation Act.

Compensation granted and owed in the 2024 financial year

The compensation granted and owed is recognized in the same way as for the Management Board compensation. The following table shows the individual compensation granted and owed to Supervisory Board members in office in the 2024 financial year, in accordance with section 162(1), sentence 1 of the German Stock Corporation Act.

No advances or loans were granted to Supervisory Board members.

Former Supervisory Board members whose terms of office ended before January 1, 2024 were not granted any compensation in the 2024 financial year; they were also not owed any compensation in the 2024 financial year that had not already been granted.

Compensation granted and owed in the 2024 financial year

Current Supervisory Board member		Base salary	Additional compensation for committee activities	Attendance fee	Total compensation within the meaning of section 162(1) of the German Stock Corporation Act
Wolfgang Essler (Chairman of the Supervisory Board since June 12, 2024)	in € thousand	53.0	2.8	12.0	67.8
	in %	78.2	4.1	17.7	100.0
Colin Michael Bond (since October 1, 2024, Deputy Chairman) Chairman of the Supervisory Board and Chairman of the Audit Committee since October 1, 2024)	in € thousand	12.5	5.0	5.0	22.5
	in %	55.6	22.2	22.2	100.0
Dr. Bodo Coldewey (since June 12, 2024; interim Chairman of the Audit Committee from June 12, 2024 to October 1, 2024)	in € thousand	16.5	5.8	7.0	29.3
	in %	56.4	19.7	23.9	100.0
Nicholas Haggar (since June 12, 2024; interim Deputy Chairman of the Supervisory Board from June 12, 2024 to October 1, 2024; Chairman of the Nomination and Compensation Committee since June 12, 2024)	in € thousand	22.5	8.3	5.0	35.8
	in %	62.9	23.1	14.0	100.0
Klaus Röhrig	in € thousand	25.0	4.0	10.0	39.0
	in %	64.1	10.3	25.6	100.0
Former Supervisory Board member					
Dr. Olaf Stiller (until June 12, 2024; Chairman of the Supervisory Board until June 12, 2024)	in € thousand	11.2	-	4.5	15.7
	in %	71.3	-	28.7	100.0
Peter Wendeln (until June 12, 2024; Deputy Chairman of the Supervisory Board until June 12, 2024)	in € thousand	9.0	-	4.5	13.5
	in %	66.7	-	33.3	100.0
Gesamtvergütung	in € thousand	149.7	25.8	48.0	223.5
	in %	67.0	11.5	21.5	100.0

Comparative presentation of compensation and financial performance

As required by section 162(1), sentence 2, no. 2 of the Stock Corporation Act, the following table shows the year-on-year changes in the compensation granted and owed to the Management and Supervisory Board members compared to the Company's financial performance and the average compensation of employees (including apprentices and working students), calculated on a full-time equivalent basis. The average compensation of employees on a full-time equivalent basis is determined based on the Company's total work-force.
The Company's financial performance is measured by the annual net income, as defined in section 275(2), no. 17 of the German Commercial Code (Handelsgesetzbuch § HGB).

The table shows the percentage change in each financial year compared to the previous year:

Gegenwärtiges Vorstandsmitglied	**2024** in € thousand	**2024 vs. 2023** in %	**2023** in € thousand	**2023 vs. 2022** in %	**2022** in € thousand	**2022 vs. 2021** in %	**2021** in € thousand	**2021 vs. 2020** in %	**2020** in € thousand
Dr. Stefan Glombitza (since October 1, 2016)	612.2	+5.3	581.6	-73.9	2,224.7	+260.6	616.9	-11.5	697.4
Nikola Mikulcik (since June 1, 2022)	393.8	+2.7	383.3	-50.6	776.3	–	–	–	–
Dr. Andreas Seidl (since July 1, 2022)	339.5	+3.2	329.0	-58.1	785.5	–	–	–	–
Enno Spillner (since April 1, 2023)	560.9	-59.5	1,383.9	–	–	–	–	–	–
Former Management Board member									
Dr. Carsten Brockmeyer (until June 30, 2022)	–	–	–	–	535.4	-18.5	657.0	-0.9	662.8
Dr. Nicolas Combé (until June 30, 2022)	–	–	–	–	532.0	+6.4	500.2	-13.9	581.1
Current Supervisory Board member									
Wolfgang Essler (since July 25, 2023)	67.8	+421.2	13.0	–	–	–	–	–	–
Colin Michael Bond (since October 1, 2024)	22.5	–	–	–	–	–	–	–	–
Dr. Bodo Coldewey (since June 12, 2024)	29.3	–	–	–	–	–	–	–	–
Nicholas Haggar (since June 12, 2024)	35.8	–	–	–	–	–	–	–	–
Klaus Röhrig (since December 10, 2020)	39.0	+50.0	26.0	0.0	26.0	0.0	26.0	–	–
Former Supervisory Board member									
Dr. Olaf Stiller (from 2010 to June 12, 2024)	15.7	-49.3	31.0	0.0	31.0	0.0	31.0	0.0	31.0
Peter Wendeln (from 2010 to June 12, 2024)	13.5	-48.1	26.0	0.0	26.0	0.0	26.0	0.0	26.0
Dr. Thomas Strüngmann (from July 6, 2022 to July 25, 2023)	–	–	13.0	0.0	13.0	–	–	–	–
Herrmann Vogt (from 20 June 2013 to December 10, 2020)	–	–	–	–	–	–	–	–	25.2
Financial performance									
Annual net in-come (German Commercial Code)	-129,019	-23.6	-166,143	-352.7	65,757	–	-13,283	-131.7	-5,733
Average employee compensation	105.4	+4.6	100.7	+0.8	99.8	+11.3	89.7	+11.8	80.2

Martinsried/Planegg, March 21, 2025

For the Supervisory Board

Wolfgang Essler
Chairman of the Supervisory Board

For the Management Board

Dr. Stefan Glombitza
Chairman of the Management Board

Enno Spillner
Member of the Management Board

Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To Formycon AG, Planegg-Martinsried,

Opinion

We have formally examined the remuneration report of Formycon AG, Planegg-Martinsried, for the financial year from 1 January 2024 to 31 December 2024 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (09.2023). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

Management and the Supervisory Board of Formycon AG, Planegg-Martinsried, are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Munich, 26 March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hutzler Wirtschaftsprüfer [German Public Auditor]	Ratkovic Wirtschaftsprüfer [German Public Auditor]

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