

Remuneration report 2020

Introduction

This report describes how the guidelines for executive remuneration of XVIVO Perfusion AB, adopted by the annual general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and information on CEO participation in the company's outstanding share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 7 (Employees and personnel costs) in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report available on pages 48-51 in the annual report 2020.

Magnus Nilsson was CEO during the period 1 January 2020 - 31 May 2020. Dag Andersson was CEO during the period 1 June - 31 December. The Deputy CEO did not take up this role during the year.

The company has introduced two warrant programs (series 2019/2021 and series 2020/2022). The warrants have been acquired by the participants at market value and are subject to two-year maturities. The CEO has participated in all programs. Magnus Nilsson has acquired a total of 88,000 warrants in two programs (series 2019/2021 and series 2020/2022) and Dag Andersson has acquired a total of 32,000 warrants in one program (series 2020/2022).

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 7 in the annual report 2020.

Key developments 2020

The CEO summarizes the company's overall performance in his statement on page 5 in the annual report 2020.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on pages 45-47 in the annual report 2020. During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.xvivoperfusion.com. No remuneration has been

reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

According to the guidelines for executive remuneration adopted by the annual general meeting 2020, board directors elected by the general meeting shall in special cases be eligible for remuneration for services within their respective area of competence, which is not board work. Remuneration for such services shall be made on market terms and approved by the board of directors and may not exceed SEK 300,000 excluding VAT per year and director. During the year, one board member, Folke Nilsson, consulted the company in product development, for a fee of SEK 69 thousand. There have been no deviations from the decided guidelines.

Table 1 – Total CEO remuneration in 2020 (kSEK)

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary*	Other benefits**	One-year variable	Multi-year variable****	Extraordinary items	Pension expense	Total remuneration	Prop. of fixed and variable remuneration***
Dag Andersson (CEO)	1 803	59	0	0	0	539	2 401	100/00
Magnus Nilsson (CEO)	1 577	58	1 297	0	0	639	3 571	64/36

* Including holiday pay (Dag Andersson: 53 kSEK, Magnus Nilsson 140 kSEK).

** Car, parking and private health insurance benefit.

*** Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Comparative information on the change of remuneration and company performance

Table 2 – Change of remuneration and company performance over the last five reported financial years (kSEK)

	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	Year 2020
CEO remuneration (Dag Andersson)	-	-	-	-	-	2 401
CEO Remuneration (Magnus Nilsson)*	+630 (+18%)	+2 113 (+52%)	+2 489 (+40%)	+507 (+6%)	-5 602 (-61%)	3 571
Group operating profit	-4 478 (-62%)	+4 372 (+160%)	+6 894 (+97%)	-10 060 (-72%)	-49 615 (-1259%)	-45 675
Average remuneration on a full time equivalent basis of employees** of the group companies***	-304 (-25%)	+78 (+9%)	+46 (+5%)	-234 (-23%)	+292 (+37%)	1 090

* Total remuneration for each year during the five-year period differs primarily depending on the outcome of variable remuneration. During the years 2017-2018, the CEO was employed by the American subsidiary. As a result of this, the Swedish pension was instead paid out as a basic salary (set-off) according to the employment contract.

**Excluding members of the group executive management. Average remuneration for each year during the five-year period differs primarily depending on the outcome of variable remuneration and outcome of share-based incentive programs for employees outside Sweden.

*** Comparisons are made with employees in all Group companies as the Group's key functions are found in more companies than the Parent Company.