

Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of XVIVO Perfusion AB (publ), adopted by the Annual General Meeting 2021, were implemented in 2022. The report also provides information on remuneration to the CEO and information on the CEOs 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.

Additional information required by Chapter 5, Sections 40-44 of the Annual Reports Act, is available in note 7 (Employees and personnel costs) in the annual report 2022. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on page 72 in the annual report 2022.

Dag Andersson was CEO during January-September 2022. Due to Dag's passing, deputy CEO Christoffer Rosenblad entered this role on 27 September 2022, whereby information on his remuneration has been included in this report. The deputy CEO then took over the role as CEO on 30 November 2022.

Remuneration to 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 2022. Consulting fees paid to Board members shall follow the principles resolved by the Annual General Meeting and are described below.

Key developments during 2022

The CEO summarizes the company's overall performance and results in his statement on pages 8-10 in the annual report 2022.

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. Variable remuneration to senior executives during 2022 has been performance-based and linked to the following financial criteria; sales targets and targets for operating profit before depreciation and amortization (EBITDA).

The guidelines are found on pages 66-68 in the annual report 2022. During 2022, 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 2021, 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, none of the Board members have performed assignments for the company, thus no remuneration has been paid. There have been no deviations from the decided guidelines.

Table 1 – Total CEO and former deputy CEO remuneration in 2022 (kSEK)

	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***
Christoffer Rosenblad (CEO)****	649	1	131	0	0	158	939	86/14
Dag Andersson (Former CEO)****	2,534	203	1,043	0	0	810	4,590	77/23

* Including holiday pay

** 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.

**** The amounts stated in the table above are related to Dag Andersson's remuneration during the period January 1 – September 27, 2022, and Christoffer Rosenblad's remuneration during the period September 27 – December 31, 2022.

Share-based remuneration

Outstanding incentive programmes in XVIVO Perfusion AB (publ)

The company has introduced two share warrant programmes, LTIP 2021 and LTIP 2022, comprising of 148,000 and 130,000 warrants, respectively. Each warrant entitles the holder to subscribe for one new share in XVIVO Perfusion AB (publ) at a subscription price of SEK 489.26 per share under LTIP 2021 and SEK 336.01 per share under LTIP 2022. The warrants have been acquired by the participants at market value, calculated according to the Black & Scholes valuation model, and are subject to a three-year term and conditioned on continued employment. Upon exercise of all warrants under outstanding incentive programmes, the maximum dilution, at the time of this remuneration report, would amount to approximately 1 per cent of the capital and the number of votes.

Table 2 – Share option plans (CEO)

	Main terms of share option plans							Information regarding the reported financial year					
	1	2	3	4	5	6	7	Opening balance	During the year		Closing balance		
								8	9	10	11	12	13
Name of director (position)	Name of plan	Performance period	Award date	Vesting date	End of retention period	Exercise period	Exercise price (SEK)	Share options held at beginning of year	Share options awarded	Share options vested	Share options subject to performance condition	Share options awarded and unvested	Share options subject to retention period
Christoffer Rosenblad (CEO)	2020/2022		2020-09-23	2022-05-16		2022-05-31	205.88	16,000					
	2021/2024		2021-05-01	2024-05-02		2024-05-02 2024-05-31	489.26	7,500	0	0	0	0	0
	2022/2025		2022-05-06	2025-05-06		2025-05-06 2025-05-31	336.01	0	10,000	0	0	0	0
	2020/2022		2020-09-23	2022-05-16		2022-05-31	205.88	32,000					
	2021/2024		2021-05-01	2024-05-02		2024-05-02 2024-05-31	489.26	15,000	0	0	0	0	0
	2022/2025		2022-05-06	2025-05-06		2025-05-06 2025-05-31	336.01		20,000	0	0	0	0
In total								70,500	30,000	0	0	0	0

Comparative information on the change of remuneration and company performance

Table 3 – Change of remuneration and company performance over the last five reported financial years (kSEK)

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Year 2022
Remuneration to the CEO (Christoffer Rosenblad)	-	-	-	-	+939 (+100%**)	939
Remuneration to the former CEO (Dag Andersson)	-	-	-	+3,232 (+135%*)	-1,043 (-19%**)	4,590
Remuneration to the former CEO (Magnus Nilsson)***	+2,489 (+40%)	+507 (+6%)	-5,602 (-61%)	-	-	-
The Group's operating profits	+6,894 (+97%)	-10,060 (-72%)	-49,615 (-1,259%)	+27,177 (60%)	+24,907 (135%)	6,409
Average remuneration based on the number of full-time equivalents employed**** in the Group companies*****	+46 (+5%)	-234 (-23%)	+292 (+37%)	-203 (-19%)	+229 (26%)	1,115

* The increase is primarily explained by the circumstance that Dag Andersson was CEO only during the period from 1 June – 31 December 2020.

** Changes are due to the fact that Dag Andersson was CEO during the period January – September in 2022, and Christoffer Rosenblad was CEO and deputy CEO, respectively, during the period September 27 – December 31.

*** 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.