

The Board of Directors' of XVIVO Perfusion AB (publ) proposal for adoption of an incentive programme in the form of performance-based share option rights for the group management and key individuals within the XVIVO group (item 17)

*The Board of Directors' of XVIVO Perfusion AB (publ) (the “**Company**” or “**XVIVO**”) propose that the Annual General Meeting resolve on (17A.) the adoption of an incentive programme in the form of performance-based share option rights directed at the group management and key individuals of the XVIVO group (the “**SORP 2023**”). The resolution pursuant to item (17A.) shall also be conditional on the Annual General Meeting deciding on hedging measures in accordance with the Board's proposal under item (17B.) below.*

17A. Introduction of the SORP 2023

Background and rationale

The Board of Directors of the Company is of the opinion that incentive programmes lead to higher motivation and commitment among the employees and strengthen the ties between the employees and the Company. Furthermore, it is the Board's assessment that the SORP 2023 will contribute to the opportunities to retain knowledgeable and experienced employees and is expected to increase the employees' interest in the Company's operations and development of earnings. Overall, it is the Board's assessment that the SORP 2023 will benefit both the employees and the Company's shareholders through an increased share value.

Summary of the programme

The SORP 2023 is proposed to comprise of the group management and key individuals, meaning that not more than approximately ten (10) persons within the XVIVO group will be able to participate.

Under the SORP 2023, participants are given the opportunity to receive shares free of charge, so called “**Performance Shares**”, in accordance with the terms and conditions described below. An offer to participate in the SORP 2023 shall be made as soon as practicably possible.

Within the scope of the SORP 2023, the Board of Directors will grant participants rights free of charge entailing the right to, provided that certain criteria are fulfilled, receive Performance Shares (“**Rights**”).

Terms and conditions

1. The maximum number of shares will amount to 94,622, whereby 72,000 Performance Shares may be allotted to participants and 22,622 shares may be utilised by the Company to cover social security contributions associated with the programme.
2. Vesting of Rights occurs during the period from 15 May 2023 up to and 15 May 2026 (“**Vesting Period**”).

3. To be granted the Rights, the participant must have been employed or engaged within the XVIVO group throughout the whole Vesting Period, unless the Board of Directors in its sole discretion decides otherwise.
4. The Rights may not be transferred or pledged.
5. Each Right entitles the participant to receive one Performance Share, free of charge, at the end of the Vesting Period (with some exceptions whereas the Vesting Period can be brought forward).
6. If the participant's employment or engagement ends before the end of the Vesting Period, the already earned Rights will be lost and will not entitle to Performance Shares, unless the Board of Directors in its sole discretion decides otherwise.
7. Allotment of Performance Shares under the Rights is, except for the above stated, conditional on the achievement of the performance targets established by the Board of Directors in whole or in part. The "**Performance Target**" is based on the average annual total shareholder return ("**TSR**") during the Vesting Period as follows.
 - i. If the Company's TSR amounts to or exceeds 12 per cent, 100 per cent of the Performance Shares will be allocated.
 - ii. If the Company's TSR amounts to 11 per cent, 87.5 per cent of the Performance Shares will be allocated.
 - iii. If the Company's TSR amounts to 10 per cent, 75 per cent of the Performance Shares will be allocated.
 - iv. If the Company's TSR amounts to 9 per cent, 62.5 per cent of Performance Shares will be allocated.
 - v. If the Company's TSR amounts to 8 per cent, 50 per cent of the Performance Shares will be allocated.
 - vi. If the Company's TSR is less than 8 per cent, no allotment of the Performance Shares will take place.
8. The Board of Directors, or a special committee set up by the Board, shall be responsible for preparing the detailed design and administration of the terms and conditions of the SORP 2023, in accordance with the presented terms and conditions including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. The Board of Directors shall also be entitled to make other adjustments if significant changes occur in the XVIVO Group or in its environment that would result in that the adopted terms for the SORP 2023 no longer fulfils their objectives.

Allocation of Rights

The SORP 2023 shall comprise of not more than approximately 10 employees within the XVIVO group. The maximum number of Rights that can be allotted free of charge per participant and category follows from the table below.

<i>Category</i>	<i>Maximum number of Rights per category</i>
CEO	12,000
Other Key Individuals within the XVIVO Group	6,000

Costs

The SORP 2023 will be reported in accordance with “IFRS 2 – Share-related remuneration”. IFRS 2 stipulates that the Rights shall be expensed as personnel costs over the Vesting Period. Personnel costs in accordance with IFRS 2 do not affect the Company’s cash flow. Social security contributions will be expensed in the income statement in accordance with UFR 7 during the Vesting Period.

The cost of the SORP 2023 is assumed to amount to approximately MSEK 10.0, excluding social security contributions, calculated in accordance with IFRS 2 supported by the Monte Carlo valuation model on the basis of the following assumptions: (i) a closing share price on Nasdaq Stockholm on 22 March 2023 corresponding to SEK 244.5, (ii) a volatility of 45 per cent, and (iii) a risk-free interest rate of 2.6 per cent.

Based on the same assumptions as above, and subject to social security contributions of 31.42 per cent, and a share price increase of approximately 40.5 per cent from the start of the SORP 2023 until the participants are allotted Performance Shares (corresponding to a yearly TSR of 12 per cent), the costs of social security contributions are estimated to amount to approximately MSEK 7.8. To illustrate, assuming that 72,000 Performance Shares are allotted at approximately SEK 343.5, that the actual market price at the time of the free of charge allocation amounts to MSEK 24.7 and with other conditions equal regarding social security contributions, the total cost of the SORP 2023 would amount to MSEK 17.7.

Effects on key ratios and dilution

Based on the existing number of shares in the Company, the SORP 2023, upon exercise of all 72,000 Rights and 22,622 shares for hedging of social security costs, will result in the share capital being able to increase by a maximum of SEK 2,418.420435 and a maximum dilution corresponding to approximately 0.32 per cent of the capital outstanding at the time of issue of the notice and the number of votes in the Company. If all outstanding incentive programmes in the Company are included in the calculation, the corresponding maximum dilution, at the time of issuing the notice, amounts to approximately 0.72 per cent of the capital and the number of votes.

The SORP 2023 is expected to have only a marginal impact on key performance indicators.

Preparation of the proposal

The SORP 2023 has been prepared by the Board of Directors in consultation with external advisers.

Additional ongoing share-based incentive programmes

Information regarding the Company's current incentive programmes is available in the Company's annual report 2022, note 23 and the main terms and conditions of the programmes are available on the Company's website, www.xvivogroup.com. Apart from the programmes now mentioned, there are no other share-based incentive programmes in XVIVO.

Delivery of Performance Shares in accordance with the SORP 2023

In order to be able to implement the SORP 2023 in a cost-effective and flexible manner, the Board of Directors has considered various methods to ensure delivery of Performance Shares. In doing so, the Board of Directors has found that the most cost-effective option, for the delivery of Performance Shares and coverage of social security contributions, is to issue warrants. The Board of Directors therefore proposes that the Annual General Meeting, in accordance with item (17B.) below, resolves to issue a total of not more than 94,622 warrants to the wholly owned subsidiary XVIVO Perfusion Lund AB with the right and obligation to manage the warrants in accordance with the Board's directives.

17B. Directed issue of warrants under the SORP 2023 to the wholly owned subsidiary XVIVO Perfusion Lund AB and approval of subsequent subscription of shares on behalf of employees in connection with exercise

The Board of Directors proposes that the Annual General Meeting resolves, with deviation from the shareholders' preferential rights, to issue a total of not more than 94,622 warrants, as a result of which the Company's share capital may increase by a maximum of SEK 2,418.420435. The Board of Directors also proposes that the Annual General Meeting resolves to approve that the wholly owned subsidiary XVIVO Perfusion Lund AB, within the framework of the SORP 2023, may exercise the warrants for new subscription of shares on behalf of employees in connection with the end of the term 15 May 2026.

The issue of warrants shall be subject to the following conditions:

1. The right to subscribe for the 94,622 warrants shall, with deviation from the shareholders' preferential rights, only vest with the wholly owned subsidiary XVIVO Perfusion Lund AB. XVIVO Perfusion Lund AB shall have the right to exercise the warrants for new subscription of shares on behalf of employees in connection with the end of the term 15 May 2026.
2. The warrants shall be issued free of charge and shall be subscribed for on a subscription list no later than 15 May 2023. The Board of Directors shall have the right to extend the subscription period. Oversubscription cannot take place.
3. Each warrant shall entitle the holder to subscribe for one share in the Company.

4. The subscription price for shares subscribed for based on the warrants shall correspond to the quota value of the shares. The subscription price shall be paid in cash.
5. Subscription of shares pursuant to the warrants shall take place during the period from 15 May 2026 to and including 15 June 2026. The Board of Directors has the right to extend the subscription period, however, by a maximum of six months.
6. Shares which are issued following subscription shall entitle to dividend on the record date for dividends that falls immediately after the new shares have been entered in the Company's share register with Euroclear Sweden AB.
7. The detailed terms of the warrants are set out in Appendix A.

The subscription price, as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The subscription price and the number of shares that each warrant entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice.

It is further proposed that the board of directors, or whomever they appoint, should be authorized to undertake such minor adjustments in the resolution that may be required for the registration with the Swedish Companies Registration Office.

The reason for the deviation from the shareholders' preferential rights is to implement the SORP 2023 for employees in the XVIVO Group.

Majority requirements and special authorisations

The Board of Directors' proposal for resolutions in accordance with 17A – 17B above constitute a package, as the various proposals are dependent on and strongly linked to each other. Therefore, it is proposed that the Annual General Meeting make a single resolution in connection with the abovementioned proposals, in compliance with the majority requirement specified in Chapter 16, Section 8 of the Swedish Companies Act, meaning that the resolution shall be supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

The Board of Directors proposes that the Annual General Meeting instructs the Board of Directors to execute the resolution above and to ensure that the SORP 2023 is implemented in accordance with what is stated above.

The Board further proposes that the Annual General Meeting instruct the Board, or whomever the Board appoints, to make such minor adjustments in the abovementioned proposed resolutions that may prove necessary in connection with registration with the Swedish Companies Registration Office.

Gothenburg in March 2023
XVIVO Perfusion AB (publ)
The Board of Directors