

A woman with short, light brown hair is leaning against a rough, textured stone wall. She is wearing a light grey sweater over a white collared shirt. The background shows a paved road and a cloudy sky. A large, semi-transparent 'XVIVO' logo is overlaid on the left side of the image.

Corporate Governance Report 2022

XVIVO Perfusion AB (publ)

XVIVO

Corporate Governance Report

“Good corporate governance means ensuring that companies are run sustainably, responsibly and as efficiently as possible on behalf of their shareholders. The confidence of legislators and the public that companies act responsibly is crucial if companies are to have the freedom to realize their strategies to create value. The confidence of existing and potential shareholders that such is the case is crucial to their interest in investing in companies, Thus securing corporate Sweden’s freedom to develop and its supply of competence and venture capital.” (Extract from the Swedish Corporate Governance Code)

XVIVO Perfusion AB (publ) is a Swedish public limited company listed on Nasdaq Stockholm’s main market since November 28, 2016. The corporate governance policies applied by XVIVO are based on Swedish legislation, primarily the Swedish Companies Act and the Swedish Annual Accounts Act, and NASDAQ Stockholm AB’s regulations. The company has applied the Swedish Corporate Governance Code (“the Code”) as

from the day the company’s shares were listed on Nasdaq Stockholm’s main market. Further information on corporate governance in XVIVO is to be found at www.xvivogroup.com.

Ownership

According to Monitor’s shareholder register, XVIVO had 8,242 verified shareholders as of December 31, 2022, an increase of 28 percent year-on-year.

Shares

As of December 31, 2022, the share capital of XVIVO Perfusion AB (publ) amounted to SEK 762,467, divided into 29,831,919 shares.

Trading takes place on Nasdaq Stockholm’s main list. All shares have equal voting rights and have equal rights to a share in XVIVO’s assets and earnings.

XVIVO’s Annual General Meeting on April 26, 2022 decided to authorize the Board, for the period until the next Annual General Meeting, on one or more occasions, to decide to complete new share issues of a maximum of

XVIVO’s ten largest shareholders as of December 31, 2022 are listed below

Shareholder	Number of shares	Shares and votes, %
Bure Equity	4,367,504	14.64%
Swedbank Robur Fonder	2,897,000	9.71%
Fourth AP Fund	2,735,553	9.17%
Eccenovo AB	1,793,361	6.01%
Premier Miton Investors	1,158,040	3.88%
Invesco	1,017,026	3.41%
Handelsbanken Funds	814,409	2.73%
Deka Investments	499,142	1.69%
Nordnet Pensionsförsäkring	472,915	1.59%
Second AP Fund	443,257	1.49%
Other	13,633,712	45.69%
Total	29,831,919	100%

Source: Monitor’s figures as of 31 December 2022.

10 percent of the total number of shares and votes in the company, corresponding to 2,983,192 shares based on the number of shares as of December 31, 2022.

The Annual General Meeting on April 26, 2022 decided to complete the issue of a maximum of 130,000 stock options with the

associated rights to subscribe for new shares. The offer of stock options was aimed at senior executives and key personnel in the XVIVO Group. Of these stock options, 45,500 have been subscribed for by employees, which implies a dilution effect of 0.2 percent of the total number of shares and votes in the

company and an increase in share capital of SEK 1,163.

The number of shares and votes increased by 63,301 shares and votes in June as a result of the utilization of stock options under the company's incentive scheme 2020/2022. After the new share issue, there were a total of 29,561,967 shares and votes in the company. Share capital increased by SEK 1,618 and totaled SEK 755,567 after the new share issue. Dilution was approximately 0.2 percent of the number of shares and votes in the company.

In November, in connection with the acquisition of XVIVO Srl, the company completed a directed new issue raising SEK 60,071,205 before issue expenses. Issue expenses totaled SEK 163,900. Share capital increased by SEK 6,900 and the surplus, SEK 60,064 305, was posted to the share premium reserve. As a result of the new issue, the number of shares and votes increased to 29,831,919. The new issue resulted in a dilution effect of approximately 0.9 percent of the number of shares and votes in the company.

Annual General Meeting

XVIVO's highest decision-making body is the general meeting of shareholders The Annual General Meeting shall be held within six months of the end of the financial year. A notice convening the AGM is issued no earlier than six and no later than four weeks prior to the meeting. All shareholders entered in the shareholders' register and who have notified their intent to attend in time are entitled to participate in and vote at the meeting. Shareholders who are unable to attend may be represented by a proxy.

Annual General Meeting 2022

The most recent Annual General Meeting was held on April 26 in Gothenburg. At the Meeting it was decided to re-elect the Board members Gösta Johannesson, Camilla Öberg, Yvonne Mårtensson, Lena Höglund and Lars Henriksson, and to elect Göran Dellgren as a new Board member. Gösta Johannesson was elected Chairman of the Board. A resolution was passed to adopt Board fees of a total of SEK 1,850,000 SEK, of which SEK 440,000 to the Chairman, SEK 220,000 to each of the other Board members and SEK 75,000 to the Chairman of the Audit Committee, SEK 75,000 to the Chairman of the Remuneration Committee and SEK 40,000 to each of the

other members of these committees.

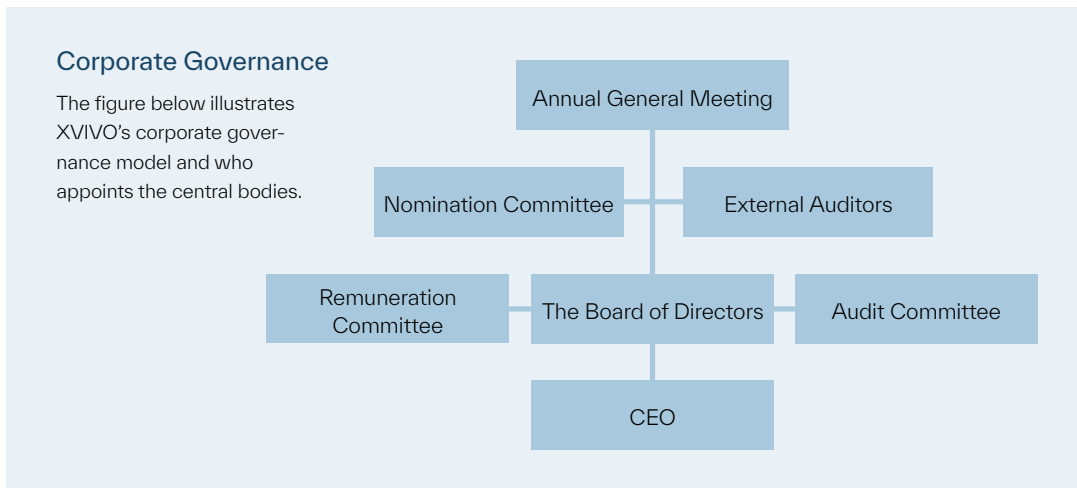
The proposal not to pay any dividend for the financial year 2021 was approved.

The Board was authorized, for the period up until the next Annual General Meeting, to decide on one or more occasions to issue new shares in the company, corresponding to maximum 10% of the total number of shares and votes in the company.

The proposed policies for remuneration and other terms of employment for the executive management were adopted. The proposed issue of 130,000 stock options entitling holders to subscribe for new shares was approved. The Board's remuneration report was presented. The Annual General Meeting decided, in accordance with the Board's proposal, to authorize the remuneration report for the financial year 2021.

Annual General Meeting 2023

The Annual General Meeting will be held on Tuesday, April 25, 2023 at 3:00 p.m. CET at the Swedish Exhibition & Congress Centre (Svenska Mässan), visiting address: Mässans gata 24, in Gothenburg. Advance voting by postal ballot will be allowed in accordance with information in the notice. Shareholders



who wish to participate in the Annual General Meeting shall be registered in the share register kept by Euroclear Sweden AB no later than Thursday, April 17, 2023.

Shareholders who wish to attend the Annual General Meeting shall notify the company no later than Tuesday April 18, 2023. Either by writing to XVIVO Perfusion AB (publ), the Annual General Meeting 2023, c/o Advokatfirman Vinge KB, Box 110 25, 404 21 Gothenburg, by e-mail to xvivoperfusion@vinge.se, or by sending their postal vote in accordance with the instructions in the notice.

The Board of Directors

General

The Board is responsible for the company's administration of its affairs and organization. At the Annual General Meeting in 2022, six Board members were elected, with competence in both medical devices and biotechnology as well as in the areas of finance and strategy. In 2022, the Board held 20 meetings (16), and minutes were kept at all meetings.

The CEO has participated at all the Board meetings. Other senior executives have attended dependent on the addressed issues. The company's CFO acted as secretary at all

meetings. Remuneration and other benefits paid to the Board of XVIVO are detailed in Note 7 of the 2022 Annual Report.

The Board's work

Each year, the Board is to convene for a minimum of seven scheduled meetings, equally distributed over the year, and one statutory Board meeting. The meetings are normally held in the form of physical meetings at XVIVO's headquarters in Gothenburg. If it is preferable for practical reasons, the meetings are held digitally or in special cases per capsulam.

The Chairman leads and organizes the Board's work. A proposed agenda and decision data regarding the items to be addressed at the meeting are sent ahead of each meeting. The proposed agenda is drawn up by the CEO in consultation with the Chairman. Items presented to the Board are for information purposes, discussion, or decision. Decisions are only taken following discussion and after all members present have been given the opportunity to be heard. The Board's extensive experience in various areas generates constructive and open discussion. During the year, no Board member registered dissent with regard to any Board decision. Any open issues are followed up on an ongoing basis.

Board members' attendance at each meeting is presented in the following table

Name	Dependent*	Attendance Board meetings	Attendance Remuneration Committee	Attendance Audit Committee
Gösta Johannesson	Yes	20/20	5/5	
Folke Nilsson		6/6		3/3
Göran Dellgren		12/14		2/2
Camilla Öberg		20/20		5/5
Yvonne Mårtensson		20/20		5/5
Lena Höglund		20/20	5/5	
Lars Henriksson		20/20	5/5	

*Dependent in relation to the company's major shareholders

During the year, the Board of Directors followed and assessed sales and cost forecasts carefully, and a number of Board meetings focused on progress in clinical trials and the impact of the pandemic on them. We made a customer visit to a European transplant clinic. During the year, the Board of Directors also dealt with the effects of the tragic passing of XVIVO's late CEO. Christoffer Rosenblad, then Deputy CEO, was immediately appointed as Acting CEO and a recruitment process started. Upon preparing a clear job specification for the role, the Board found that Christoffer Rosenblad met the specified requirements. Christoffer Rosenblad was appointed the new CEO on November 30, 2022.

One of the meetings held during the year focused on strategic issues. In addition, parts of the Board have met on several occasions to discuss questions they have been tasked with investigating further.

The rules of procedure for the Board of Directors were adopted at the statutory Board meeting on April 26, 2023. The Board's rules of procedure are reviewed at least once a year. The rules of procedure regulate areas such as the allocation of responsibilities, the number of scheduled meetings, the form of notifications, decision data and minutes, conflicts of interest, mandatory items to be submitted by the CEO to the Board and authorized signatories. The Board addresses

ongoing matters such as business conditions, interim reports, budgets, strategies, and external information.

In addition to the Board material, the CEO distributes monthly reports containing a financial report and a description of current events in operations and in the market. The aim is to keep the Board informed about the development of the company's operations to enable the Board to take well-founded decisions. Once each year, the Board holds a meeting that evaluates the work of the CEO, which the executive management does not attend. The Board ensures the quality of the financial reporting through its own work and through contact with the auditor. The company's auditor participated at the meeting addressing the annual accounts, where the audit results were reported.

In the fall of 2021, the Board evaluated its work by hiring an external board evaluation provider. This led to a self-evaluation procedure where each Board member assessed statements about the Board's role and function, Board meetings, Board material, Board members, the Chairman of the Board and the CEO. The Board members also weighted the importance of each statement for the Board's work and the company's

long-term value growth. The responses were compiled by independent third parties and compared with the benchmark index of listed companies in the Nordic region. The evaluation is a part of constantly developing the Board work. In the fall of 2022, an internal evaluation was carried out of the results from 2021, and an extensive re-evaluation is intended to be carried out in 2023. The Nomination Committee carried out interviews with all the Board members in 2022.

Members of the Board

XVIVO's Board comprises six members, including the Chairman. For details about the Board members and their shareholdings, please refer to the 2022 Annual Report, page [118](#), and the company's website (www.xvivogroup.com).

Remuneration Committee

At the inaugural Board meeting, the Board of XVIVO appoints a Remuneration Committee, which prepares proposals concerning questions of remuneration. The Remuneration Committee's areas of responsibility are defined in the Board's Rules of Procedure and in the Remuneration Committee's instructions. The Group's guidelines for remuneration of executive management are included in the Administration Report on pages [66](#)–[68](#) of the

2022 Annual Report and on the company's website (www.xvivogroup.com).

The Remuneration Committee comprises three Board members: Gösta Johannesson (Chairman of the Remuneration Committee), Lars Henriksson and Lena Höglund.

Audit Committee

At the inaugural Board meeting, the Board of Directors of XVIVO appoints an audit committee. The tasks of the Audit Committee are described in a set of instructions for the Audit Committee. The purpose of the Audit Committee's activities is to assist the Board of Directors of XVIVO in questions regarding financial reporting, auditing and risk management. The Audit Committee is a preparatory body and the Board has overriding responsibility for the questions related to auditing. The members of the Audit Committee shall consist of at least three Board members appointed by the Board at the inaugural Board meeting or whenever otherwise necessary. The members of the Committee may not be employed by the company. At least one member shall be independent in relation to the company's major shareholders and should have accounting or audit experience.

The Audit Committee consists of Camilla Öberg (Chairman of the Audit Committee), Yvonne Mårtensson and Göran Dellgren.

The Audit Committee shall in particular monitor (i) the audit of the Annual Report and the Consolidated Financial Statements, (ii) transactions with related parties, important accounting principles and important correspondence between the company's auditors and management, (iii) the effectiveness of the company's internal controls regarding financial reporting, (iv) the company's routines concerning comments on the company's accounts, internal control and auditing, (v) the scope, focus and quality of auditing work, including follow-up of the audit performed, (vi) budgeted and actual auditing expenses, (vii) the auditors' recommendations, conclusions, observations and proposals after an audit has been performed, (viii) the auditor's impartiality and independence and in this connection pay particular attention to whether the auditor provides the company with other services than auditing work and (ix) assist in the drawing up of proposals for adoption by the Annual General Meeting regarding election of an auditor.

Management Team

For information on members of the management team and their shareholdings, please refer to page 120 of the 2022 Annual Report and the company's website (www.xvivogroup.com). XVIVO's management team comprises eight members including the CEO. The management team has competence and experience relating to research and development, regulatory matters, quality assurance, marketing, production and distribution of medical device equipment. Furthermore, the members of the management team have the necessary competence in economics and finance. The management team meets every other week. Twice a year the team meets for all-day meetings, which provides the opportunity to deal with issues of a more strategic nature. The rules of procedures for the Board of Directors and the CEO was determined on the statutory Board meeting on April 26, 2022 and regulates the segregation of duties between the Board of Directors, the Chairman of the Board and the CEO. The operative management is based on the decision-making process determined by the Board.

Election of auditor

At the Annual General Meeting 2022, KPMG AB was appointed as the company's audit firm. During the year, KPMG AB have

appointed authorized public accountant Daniel Haglund as auditor in charge up until the Annual General Meeting 2023. Daniel Haglund has reported his observations from the audit to the Board. The annual report, accounts and the administration of the Board and the CEO were examined within the scope of the above work.

Nomination Committee

The Nomination Committee for the 2023 Annual General Meeting has been appointed in accordance with the principles adopted at the 2018 Annual General Meeting. These principles stipulate that the Chairman of the Board – no later than the end of the third quarter of 2022 – shall contact the three largest shareholders of XVIVO on the basis of known shareholdings at the end of August 2022 and ask them to appoint one member each to be included in the Nomination Committee. In addition to these three members, the Chairman of the Board shall also be part of the Nomination Committee. If any of the three shareholders waives their right to appoint a member of the Nomination Committee, or if a member resigns from the Nomination Committee without being replaced by a new member appointed by the same shareholder, the next shareholder in order of size shall be afforded the opportunity

to appoint a member of the Nomination Committee. Unless otherwise agreed by the members of the Committee, the Chairman of the Nomination Committee shall be the Committee member appointed by the largest shareholder. The mandate period shall run until a new Nomination Committee has taken over.

If during the mandate period of the Nomination Committee one or more shareholders who have appointed Nomination Committee members are no longer one of the three largest shareholders, committee members appointed by these shareholders shall step down and the shareholder or shareholders who have become one of the three largest shareholders shall be entitled to appoint their committee members. Except in special circumstances, there shall be no changes in the composition of the Nomination Committee if only marginal changes in the number of votes have occurred or if the change occurs later than three months before the Annual General Meeting.

The composition of the Nomination Committee was published on the website at least six months before the Annual General Meeting.

The work of the Nomination Committee

includes making proposals before the Annual General Meeting regarding (i) election of a Chairman for the meeting, (ii) a resolution regarding the number of Board members, (iii) election of and a resolution regarding fees for the Chairman of the Board and the Board members, (iv) election of and a resolution regarding the fees for the auditor, and (v) a resolution regarding a new Nomination Committee procedure, if the Nomination Committee deems this appropriate.

The Board's description of the key elements in the company's system for internal control, follow-up and risk management.

The Board is responsible for internal control pursuant to the Swedish Companies Act. This report is limited to a description of how the internal control regarding financial reporting is organized. It pertains to the 2022 financial year.

The objective of internal financial control regarding financial reporting at XVIVO is to create an efficient decision making process in which requirements, targets and frameworks are clearly defined. Ultimately, the controls aim to protect the company's assets and, thereby, the shareholders' investments.

Control environment

The control environment forms the basis for the internal control. XVIVO's control environment includes healthy values, integrity, competence, leadership philosophy, organizational structure, responsibility and authorities. XVIVO's internal work procedures, instructions, policies, guidelines and manuals provide guidance to employees. At XVIVO, a clear allocation of roles and responsibilities for efficient management of operational risks is ensured through measures including the Board's rules of procedure and the instructions for the CEO. The CEO reports regularly to the Board. The CEO is responsible, in terms of the operating activities, for the system of internal controls required to construct a control environment for significant risks. XVIVO also has guidelines and policies for financial governance and follow-up as well as for communication issues, etc. The Group's eleven companies essentially have the same structure, financial system and accounting plan. XVIVO continually reviews this system.

Risk assessment and control activities

XVIVO works with risk analysis on an ongoing basis to identify potential sources of error in the financial reporting. Traceability in the financial statements is ensured by good documentation. A system has been developed

which follows up various activities in detail and compares them with the budget. The follow-up ensures communication with the different parts of the company, so that the Finance Department is also well acquainted with future activities and any deviations from the budget. The work on securing the processes where it has been identified that the risk of material error in the financial reporting may be assumed to be relatively higher than in other processes is continuously ongoing.

Normal control activities comprise monthly reconciliation of accounts and supplementary checks. The aim of all control activities is to prevent, detect and correct any errors or deviations in the financial reporting. The company intends to continue developing and following up selected control activities during the coming financial year. The company has a system for scanning invoices from suppliers which includes automatic approval control, and this raises the level of security in the internal control.

Follow-up

The Board continuously evaluates the information submitted by the executive management, which comprises both financial information and material issues pertaining to the internal control. The Board continuously

follows up the effectiveness of the internal control, which, in addition to ongoing updates in the event of deviations, is carried out, inter alia, by ensuring that measures are implemented in respect of the proposed actions that may have arisen after external audits.

As of the start of 2022, the operations are followed up based on three business areas: Thorax, Abdominal and Services. In 2022, a new segment reporting process was introduced in the financial statements, which reflects the new business area structure.

Acquisitions and integration of operations

Over the past three years, XVIVO acquired three international companies. In 2021, management produced, and the Board approved, an internal framework relating to processes for acquisitions and business development. The aim is to work in a structured and methodical manner with these issues. The Board also continuously follows up the progress of the integration work after an acquisition.

Information and communication

Proper disclosures and clear lines of communication, both internal and external, mean that all parts of operations exchange and report relevant, significant operational data in an efficient manner. To achieve this, XVIVO has

issued a communication policy regarding information management in the financial process, as well as policies and guidelines for other types of information. The executive management has communicated these to employees and employees are acquainted with the communication policy. Guidelines have been set out for how communication with external parties should take place, who is authorized to provide certain types of information and when a logbook should be kept. The ultimate aim of the aforementioned policies is to ensure compliance with disclosure requirements pertaining to legislation and listing agreements, and that investors receive the correct information in time.

Internal auditing

XVIVO has so far not had reason to set up a special internal audit function in the financial area. This is because the company is relatively small in size and the constantly ongoing work on internal control has led to awareness of internal control in the Group being perceived as high and to a number of control activities being in place. The issue of a financial internal audit function will be reviewed as the company grows. On the other hand, XVIVO has an internal audit function focused on quality management.

Extending horizons



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