

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Biotage AB, adopted by the annual general meeting 2020, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's long-term incentive plan. 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 1 (Employees and personnel costs) on pages 73-81 in the annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report, separately available on www.biotage.com.

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 1 on page 81 in the annual report 2023.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on pages 10-11 in the annual report 2023.

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 in 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 nonfinancial 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 promoting the executive's long-term development.

The guidelines are found on in note 1 on pages 73-81 in the annual report 2023. During 2023, 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.biotage.com. No remuneration has been reclaimed. In addition to the remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Table 1 – Total CEO remuneration in 2023 (kSEK)

	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration					
Position	Base salary ¹	Other benefits ²	One-year variable ³	Multi-year variable ⁴	Extraordinary items	Pension expense	Total remuneration	Portion of fixed and variable remuneration ⁵
Tomas Blomqvist (CEO)	4,021	134	2,568	788	0	1,011	8,522	61/39

1. Fixed annual salary for 2023 including holiday pay.
2. Mainly refers to company car.
3. Variable remuneration is attributable to 2023 and is expected to be paid in 2024. For 2023, variable remuneration attributable to 2022 is also included, which is expensed and paid in 2023.
4. Earned performance shares in accordance with tables 2 and 3 below. Multi-year variable remuneration is recognized to the extent that it has been earned, regardless of whether payment has been made or not have been made the same year.
5. Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

Outstanding share-related and share price-related incentive plans

In accordance with the resolution of the Annual General Meeting Biotage has adopted a long-term incentive program in the form of a performance-based share program for employees of the Biotage Group. ("LTIP 2020", "LTIP 2021" and "LTIP 2022").

In 2023, LTIP 2020 has been terminated, and the shares have been allotted in accordance with the achievement of targets. Maximum allotment under LTIP 2020 amounted to 32,699 of which 14,142 were vested.

Terms of LTIP 2021

LTIP 2021 includes the CEO, members of the company's management team and other key personnel and means that a total of no more than 18 individuals within the Biotage Group will be able to participate. Within the framework of LTIP 2021 the company will allot rights to performance shares to participants, entailing the right, subject to the meeting of certain conditions, to receive a performance share free of charge ("rights") consisting of ordinary shares in Biotage. Allotment of performance shares requires that the participant remains in his/her employment for three years from the allotment date. In addition to the requirement for the participant's continued employment, the final number of performance shares that each participant is entitled to receive is settled based on the following performance terms:

Performance term 1: 50 percent of the performance shares if the total return of the company's ordinary share amounts to or exceeds 64.3 percent in the period June 2021 – May 2024, however, at least 26 percent is required for the allotment to take place. Total return refers to return to shareholders in the form of price increase and reinvestment of any dividends during the vesting period.

Performance term 2: 25 percent of the performance shares if the average operating margin amounts to or exceeds 20 percent in 2021-2023 (calendar years), however, at least 17 percent is required for allotment to take place.

Performance term 3: 25 percent of the performance shares if the average organic sales growth amounts to or exceeds 11 percent in 2021-2023 (calendar years), however, at least 7 percent is required for allotment to take place. For further information on the rights, see the Annex to the General Meeting Protocol at the company's website.

Terms of LTIP 2022

LTIP 2022 includes the CEO, members of the company's management team and other key personnel and means that a total of no more than 18 individuals within the Biotage Group will be able to participate. Within the framework of LTIP 2022 the company will allot rights to performance shares to participants, entailing the right, subject to the meeting of certain conditions, to receive a performance share free of charge ("rights") consisting of ordinary shares in Biotage. Allotment of performance shares requires that the participant remains in his/her employment for three years from the allotment date. In addition to the requirement for the participant's continued employment, the final number of performance shares that each participant is entitled to receive is settled based on the following performance terms:

Performance term 1: 50 percent of the performance shares if the total return of the company's ordinary share amounts to or exceeds 64.3 percent in the period June 2022 – May 2025, however, at least 26 percent is required for the allotment to take place. Total return refers to return to shareholders in the form of price increase and reinvestment of any dividends during the vesting period.

Performance term 2: 25 percent of the performance shares if the average adjusted operating margin amounts to or exceeds 25 percent in 2022-2024 (calendar years), however, at least 17 percent is required for allotment to take place.

Performance term 3: 25 percent of the performance shares if the average organic sales growth amounts to or exceeds 15 percent in 2022-2024 (calendar years), however, at least 11 percent is required for allotment to take place. For further information on the rights, see the Annex to the General Meeting Protocol at the company's website.

Table 2 – Performance-based share program

Name of director (position)	Main conditions of performance-based share program				
	Name of plan	Performance period	Award date	Vesting date	End of retention period
Tomas Blomqvist (CEO)	LTIP 2021	2021-2023	2021-06-01	2024-05-31	2024-05-31
	LTIP 2022	2022-2024	2022-06-01	2025-05-31	2025-05-31

Table 3 – Performance-based share program cont.

Name of director (position)	Name of plan	Opening balance	During the year			Closing balance
			Awarded	Vested	Subject to performance condition	
Tomas Blomqvist (CEO)	LTIP 2020	32,699	0	14 142	32,699	0
	LTIP 2021	32,698	0	0	32,698	32,698
	LTIP 2022	32,698	0	0	32,698	32,698

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company.

In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table 4 - Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual remuneration outcome
Tomas Blomqvist (CEO)	Operating income	50 %	a) 1,862 MSEK b) 1,044 KSEK
	Gross Margin	25 %	a) 314 MSEK b) 522 KSEK
	ESG – Reduction of environmental footprint from internal chemistry production	25 %	a) Achieved b) 522 KSEK

Comparative information on the change of remuneration and company performance**Table 5 – Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)**

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2023
CEO remuneration	250	-1,434	3,297	3,325	-4,299	8,522
Group operating profit	35,642	-1,935	65,290	55,577	-12,810	314,242

As the CEO is the sole employee of the parent company, no information is given on the average remuneration on a full-time equivalent basis of employees of the parent company.