

Remuneration report 2021

Introduction

This report describes how the guidelines for executive remuneration of Biotage AB, adopted by the annual general meeting 2020, were implemented in 2021. 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 79-85 in the annual report 2021. Information on the work of the remuneration committee in 2021 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 2021.

Key developments 2021

The CEO summarizes the company's overall performance in his statement on pages 8-6 in the annual report 2021.

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 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 promote the executive's long-term development.

The guidelines are found on pages 82-84 in the annual report 2021. During 2021, 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 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 2020 (kSEK) *

Name of director (position)	1		2			3	4	5	6
	Fixed remuneration		Variable remuneration			Extraordinary items	Pension expense	Total remuneration	Portion of fixed and variable remuneration*****
	Base salary**	Other benefits***	One-year variable	Multi-year variable****					
Tomas Blomqvist (CEO)	3,627	123	3,300	1,541	0	904	9,496	49/51	

* Except for Multi-year variable remuneration, the table reports remuneration earned in 2020. Multi-year variable remuneration is reported if earned in 2021, as described below. Disbursement of any payments may or may not have been made the same year.

** Including holiday pay.

*** Residence and housing benefit, travel benefits.

**** Earned performance shares as set out below.

***** 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" and "LTIP 2021").

Terms of LTIP 2020

LTIP 2020 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 2020 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 July 2020 – July 2023, 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 2020-2022 (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 2020-2022 (calendar years), however, at least 7 percent is required for allotment to take place.

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.

The rights related to Performance term 1 are valued according to the Monte Carlo model with an expected volatility of 37.5 percent and an interest rate of -0.23 percent. This gives a value of SEK 69.77. The rights related to Performance terms 2 and 3 are valued on the basis of the current share price less forecast dividend during the vesting period. This gives a value of SEK 178.37.

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 2020	2020-2022	2020-07-17	2023-07-16	2023-07-16
	LTIP 2021	2021-2023	2021-06-01	2024-05-31	2024-05-31

Name of director (position)	Opening balance	During the year	Closing balance
--------------------------------	-----------------	-----------------	-----------------

	Name of plan	Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	Shares subject to retention period
Tomas Blomqvist (CEO)	LTIP 2020	32,699	0	0	32,699	32,699	0
	LTIP 2021	0	32,698	0	32,698	32,698	0

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 2021 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) 1,232 MSEK b) 1,650 MSEK
	Revenue	25 %	a) 271 MSEK b) 825 KSEK
	Gross Margin	25 %	a) Achieved b) 825 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 2021
CEO remuneration	745	965	250	-1,434	3,297	9,496
Group operating profit	34,516	38,848	35,642	-1,935	65,290	271,475

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.