

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION AND PRINCIPLES OF CORPORATE GOVERNANCE

CELLINK AB ("CELLINK") is a Swedish public limited liability company based in Gothenburg and with its shares of series B listed on Nasdaq Stockholm. CELLINK's corporate governance is based on the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm Rulebook for Issuers, internal rules and the Swedish Code of Corporate Governance ("the Code").

CELLINK applies the rules that follow from laws or other statutes, as well as the Code. To the parts CELLINK deviates from the Code, the company adheres to the so-called "follow or explain" principle that the Code allows for deviation from the rules. CELLINK has complied with the Code in all respects except in that CELLINK's 6 or 9 nine-month interim reports have not been overviewed by the Company's auditor during the 2019/2020 financial year. Instead, the 12-month report and the 16-month report for the full year are reviewed in the current extended fiscal year. From January 1, 2021 CELLINK will report by calendar year.

## CORPORATE GOVERNANCE STRUCTURE

At general meetings, the shareholders resolve on the appointments and the guidelines that form the basis for the corporate governance of CELLINK. The following organisation chart summarises how corporate governance is structured in CELLINK.

## CONTROL INSTRUMENTS

In addition to the external control instruments that form the framework for corporate governance within CELLINK, they also include the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm Rulebook for Issuers, the Code and other relevant laws. Foreign subsidiaries apply the laws and ordinances in force in the country in question, but also ensures that the Group's guidelines for governance and control are followed. The Board of Directors is ultimately responsible for the organisation and management of the company's affairs. Supervision is exercised by authorities and bodies appointed by

the authorities, both through the company's reporting to them and through regular audits by the authorities. Internal control instruments include the Articles of Association as adopted by the AGM and similarly the Rules of Procedure for the Board and the instructions for the CEO, the Board's committees and for the financial reporting.

## ANNUAL GENERAL MEETING (AGM)

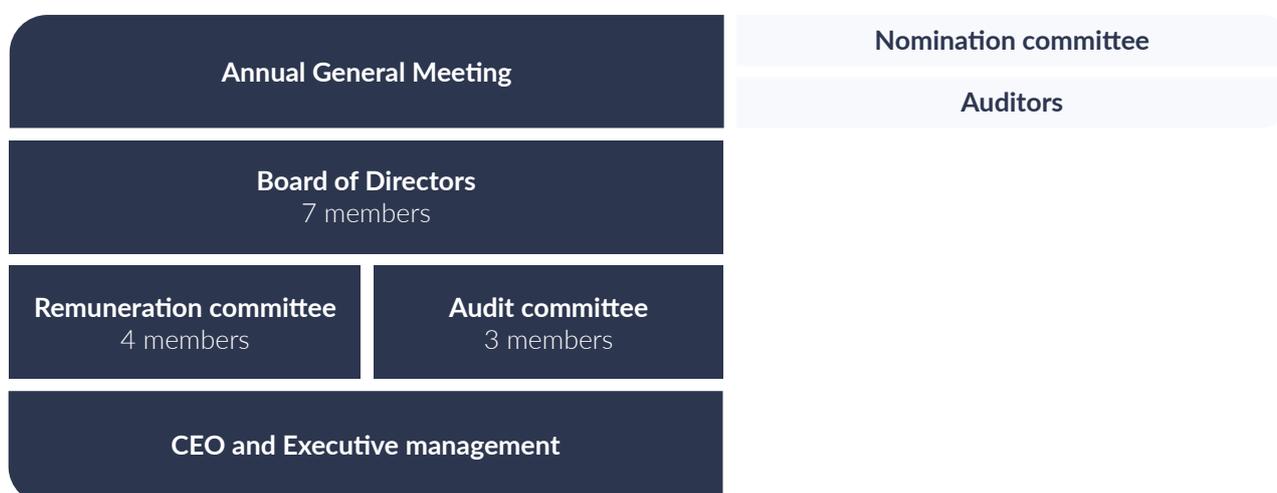
The shareholders of CELLINK exercise their right to resolve on the company's affairs at the AGM, or, where applicable, at an extraordinary general meeting. The AGM is CELLINKs' highest decisionmaking body.

The AGM must be held within six months of the end of the financial year. The Annual General Meeting resolves on the Articles of Association, appoints the Board of Directors and the Chairman of the Board, elects the auditor, adopts the income statement and balance sheet, resolves on the appropriation of profits and discharge from liability, and also resolves on the principles for the nomination committee, guidelines for the remuneration of senior executives, etc.

At the AGM, each shareholder has the right to participate, in person or through a proxy. Each shareholder has the right to raise issues to be addressed at the AGM and each shareholder is entitled to vote for all shares held by him or her. Notices of meetings and other information prior to general meetings are available on CELLINK's website. Information that the convening notice has been published shall be announced simultaneously in Dagens Industri.

## Initiative from shareholders

Shareholders who wish to have a matter addressed at the AGM shall to the Board of Directors in writing provide such request. The request shall normally be made to the Board of Directors well in advance of the AGM, in accordance with the information provided on CELLINK's website in connection with the publishing of the time and place of the AGM.



## SHAREHOLDERS

CELLINK's shares of series B are listed on Nasdaq Stockholm since April 20, 2020. According to the share register kept by Euroclear Sweden, CELLINK had 9,172 shareholders as of 31 December 2020. The share capital amounted to SEK 1,290,032,125, divided into 51,601,285 shares, of which 1,500,000 are shares of series A and 50,101,285 are shares of series B of which 1,500,000 are shares of series A, that entitle to 10 votes per share, and 50,101,285 shares of series B, that entitle to 1 vote per share.

As of December 31, 2020, Erik Gatenholm had 19.0 percent of the total number of shares and 26.8 percent of the votes. As of 31 December 2020, Héctor Martínez had 12.5 percent of the total number of shares and 17.7 percent of the votes. No other shareholder held a direct or indirect shareholding representing at least one tenth of the votes of shares in CELLINK.

### ANNUAL GENERAL MEETING 2019

CELLINK's AGM 2019 took place on December 18, 2019 for the 2018/2019 financial year. At the AGM, approximately 84.81 percent of the votes were represented.

The AGM passed, inter alia, the following resolutions regarding the financial year September 1, 2018 - August 31, 2019:

- to split the company's shares, meaning that each share, regardless of the class of shares, is divided into four shares (share split 4:1).
- to implement a new long-term incentive programme for employees within the CELLINK-group through a directed issue of not more than 1,600,000 warrants;
- to implement a new incentive programme for the Chairman of the Board and other Board members through a directed issue of not more than 220,000 warrants; and
- to authorise the Board of Directors to resolve on new issues of shares of series B, warrants and/or convertibles entitled to new shares of series B, with or without deviation from the shareholders' preferential rights. The authorisation may be utilized for new issues of shares of series B, warrants and/or convertibles which may be made with provisions regarding contribution in cash, in kind or through set-off corresponding to a dilution of not more than 10 per cent of the registered share capital in the company at the time of the issue resolution. In addition, in connection with acquisition of businesses, companies or rights, the board shall be able to decide on an issue in kind corresponding to a further maximum 10 per cent of the registered share capital in the company at the time of the issue resolution.

### 2020 EXTRAORDINARY GENERAL MEETINGS (EGM)

In 2020, CELLINK held an Extraordinary General Meeting on three occasions.

*July 16, 2020*

- The EGM resolved to authorise the Board of Directors to, until the end of the next AGM on one or more occasions and with or without deviation from the shareholders' preferential rights, resolve on new issues of shares of series B. The authorisation may be utilised for new issues of shares of series B with provisions regarding contribution in cash corresponding to a dilution of not more than 10 per cent of the registered share capital in the company at the time of the issue resolution. Deviations from shareholders' preferential rights should only be possible in connection with acquisitions of operations, companies or participations in companies.

*September 11, 2020*

- The EGM resolved to approve the Board's decision from August 20, on a directed share issue of a maximum of 1,625,000 shares of series B, entailing an increase in the share capital by not more than SEK 40,625.

*December 17, 2020*

- The EGM resolved to elect Aristotelis Nastos as a new member of the Board of CELLINK.
- The EGM resolved to authorise the Board of Directors to, for the period until the end of the next AGM on one or more occasions and with or without deviation from the shareholders' preferential rights, resolve on new issues of shares of series B. In addition, in connection with the acquisition of businesses, companies or rights, the Board of Directors shall be able to resolve on an in-kind or set-off issue corresponding to a further maximum 10 percent of the share capital registered of the company at the time of the issue resolution.

### ANNUAL GENERAL MEETING 2021

CELLINK's Annual General Meeting 2021 will take place on April 26, 2021.

### NOMINATION COMMITTEE

CELLINKs' AGM resolves on the principles for the appointment of the Nomination Committee. The AGM 2019 resolved that the Nomination Committee shall consist of five members, one of whom shall be the Chairman of the Board. The other members shall be appointed by the four largest shareholders in the company at the end of May. If the Chairman of the Board, directly or indirectly, is one of the four largest shareholders, the Chairman of the Board shall refrain from nominating a member to the Nomination Committee. The principles also include a procedure for the replacement of a member who leaves the Nomination Committee prematurely or where a member represents shareholders who no longer belong to the five largest shareholders in terms of voting rights.

The names of the members of the Nomination Committee shall be presented no later than six months before the AGM 2021. The composition of the Nomination Committee shall from time to time be published on CELLINK's website. A press release stating the composition of the Nomination Committee and how shareholders can submit proposals to the Nomination Committee was published on October 20, 2020 and has been made available on CELLINK's website. Rolf Classon, appointed by Erik Gatenholm, Claes Dinkenspiel appointed by Héctor Martínez, Malin Björkmo appointed by Handelsbanken Fonder, Jannis Kitsakis appointed by Fjärde AP-fonden and Carsten Browall, Chairman of the Board of CELLINK, was appointed as members of the Nomination Committee. Together, the Nomination Committee represented approximately 62 percent of the votes in CELLINK.

The Nomination Committee shall submit proposals for resolution to the AGM 2021 regarding the election of the Chairman of the AGM, the number of Board members, the election of the Chairman and other members of the Board, Board remuneration and remuneration for committee work, election and remuneration of auditors, and, where applicable, changes in the instructions for the Nomination Committee.

#### AUDITOR

CELLINK's auditors are elected at the AGM. The AGM 2019 resolved in accordance with the Nomination Committee's proposal for the re-election of Deloitte AB with Fredrik Jonsson as auditor in charge.

#### Audit work

The auditor shall review the company's annual accounts and the administration of the Board of Directors and the CEO. After each financial year, the auditor shall submit an auditor's report and a consolidated audit report to the AGM. According to CELLINK's Articles of Association, CELLINK must have at least one auditor and no more than one deputy auditor.

The auditor in charge has reported his observations from the audit work to the Board of Directors and the Audit Committee. Within this framework, the annual report, the accounting and the Board of Directors as well as the CEO's management has been reviewed. In addition to the audit assignment, which is paid according to the customary charging standards, Deloitte AB has during the financial year provided services of approximately MSEK 2.7 consisting of consultations and audit-related services.

#### THE BOARD OF DIRECTORS

According to the Articles of Association, CELLINK's Board of Directors shall consist of a minimum of three and a maximum of eight members elected by the AGM. CELLINK's Board of Directors consists of seven members elected by the AGM, without deputies.

The Board of Directors follows written rules of procedure which are revised annually and shall be adopted at the statuto-

ry Board meeting each year. The Rules of Procedure regulate, among other things, Board practices, functions and the distribution of work between the Board members and the CEO. In connection with the statutory Board meeting, the Board also establishes the instructions for the CEO including the financial reporting.

#### Evaluation of the Board's work

The Board of Directors annually conducts a systematic evaluation where the members are given the opportunity to present their views on working methods, Board materials and their own and other Board members' efforts in the Board's work. The purpose is to improve the work of the Board and provide the Nomination Committee with relevant decision guidance documentation prior to the AGM.

#### Independence

According to the Code, a majority of the members elected at the AGM must be independent in relation to the company and the executive management; also, at least two of these members must be independent in relation to the company's major shareholders.

CELLINK's Board of Directors is considered to have met the requirements of the Code regarding independence, since six of the members elected at the AGM are considered independent of both the company and the executive management as well as of the company's major shareholders. During 2020, all members elected by the AGM have been independent in relation to the company and its executive management as well as to major shareholders, with the exception of board member Erik Gatenholm as he is the CEO and largest shareholder in the company.

#### Board work and responsibilities

At the AGM 2019, six ordinary members were elected with competence in both medical technology and the field of finance and strategy. The company's CFO, Gusten Danielsson, has been secretary of the Board during the year. During 2019/2020, the Board of Directors held 29 meetings (22), all of which have been kept by minutes. The CEO and the CFO have been rapporteurs at Board meetings. On a couple of occasions, other members of Group Management have also been rapporteurs.

The Board of Directors oversees the work of the CEO and is responsible for ensuring that the organisation, management and guidelines for the company's funds are appropriately structured. The Board of Directors is also responsible for ensuring that the company is organised in such a way that there is effective internal control, and that effective systems exist for monitoring the business and its risks, and for compliance with laws, rules and internal guidelines. The Board of Directors is also responsible for the development and follow-up of the company's strategies through plans and objectives, decisions on acquisitions and divestments of operations, major investments, appointments and remuneration of management and ongoing follow-up during the year. The Board of Directors establishes the budget and annual accounts.

	Elected	Board meetings	Remuneration committee	Audit committee	Total remuneration
Carsten Browall	2018	29/29	4/4	7/7	425
Artur Aira <sup>1</sup>	2017	25/29	-	-	150
Erik Gatenholm	2016	29/29	-	-	-
Ingela Hallberg	2017	28/29	4/4	-	150
Aristotelis Nastos <sup>2</sup>	2020	0/29	-	-	-
Göran Nordlund <sup>3</sup>	2016	7/29	-	1/7	-
Bengt Sjöholm	2016	29/29	4/4	3/7	175
Helena Skåntorp <sup>4</sup>	2019	22/29	-	6/7	200
Christian Wildmoser <sup>4</sup>	2019	22/29	4/4	-	150

<sup>1</sup>Announcement on October 2, 2020 that Artur Aira will leave his position as board member to become Business Area Manager for CELLINKs business area Bioprinting from January 1, 2021.

<sup>2</sup>Aristotelis Nastos was elected board member on the Extraordinary General Meeting which took place on December 17, 2020.

<sup>3</sup>Göran Nordlund declined re-election as Chairman of the Board and was succeeded by Carsten Browall who was elected Chairman of the Board on the Annual General Meeting December 18, 2019.

<sup>4</sup>Elected as board members at the Annual General Meeting which took place on December 18, 2019 and has subsequently attended all board and committee meetings during the period, ie. 22/22 and 6/6 respectively.

### Rules of Procedure for the Board of Directors

Before each meeting, proposals for the agenda and the basis for the issues to be dealt with at the meeting are sent in advance. The draft agenda is drawn up by CEO in consultation with the Chairman. Matters reported to the Board are for information, discussion or decision. Decisions are taken only after discussion and after all members present have been given the opportunity to comment. The Board's broad experiences in various areas provides a constructive and open discussion. During the year, no member has reserved his or her duty against any decision-making matter. Open questions are followed up on an ongoing basis.

### The Board's Committees

The Board has the full knowledge of, and responsibility for, all matters on which it must make resolutions. During the year, work was carried out in two committees appointed by the Board; the Audit Committee and the Remuneration Committee.

#### Audit committee

The company has an Audit Committee consisting of Helena Skåntorp (chairman), Carsten Browall and Bengt Sjöholm. The tasks of the Audit Committee are set out in its rules of procedure, which are adopted annually. Without prejudice to the responsibilities and tasks of the Board of Directors, the Audit Committee shall monitor CELLINK's financial reporting, monitor the effectiveness of CELLINK's internal control and risk management, stay informed of the audit of the annual accounts and consolidated accounts, monitor the handling of related party transactions, review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than audit services, and assist in the preparation of procurement of audit services.

#### Remuneration Committee

The company has a remuneration committee consisting of

Carsten Browall (chairman), Ingela Hallberg, Christian Wildmoser and Bengt Sjöholm. The tasks of the Remuneration Committee are set out in its rules of procedure, which are adopted annually. The Remuneration Committee shall prepare proposals regarding remuneration principles, remuneration and other terms of employment for the Company's senior executives. The Remuneration Committee is also tasked with reviewing and evaluating the Company's program for variable remuneration to senior executives, compliance with the guidelines for remuneration to senior executives decided by the AGM and the Company's current remuneration levels and structures.

### CEO

In accordance with the rules of the Swedish Companies Act and other legislation, the CEO has to manage day-to-day management in accordance with the Board's guidelines and instructions, and to take the necessary measures to ensure that the company's accounts are handled in a satisfactory manner. Furthermore, the CEO shall ensure that the Board of Directors receives information on an ongoing basis necessary to adequately monitor the company and the group's financial situation, position and development and otherwise fulfil its reporting obligation regarding financial conditions. The CEO is also responsible for preparing reports and compiling management information prior to Board meetings and is the rapporteur of the material at Board meetings.

The CEO shall keep the Board of Directors continuously informed of the development of the company's operations, the development of turnover, the company's results and financial position, the liquidity and credit situation, major business events and any other event, circumstance or relationship that is likely to be of material importance to the company's shareholders.

### Guidelines for remuneration to the CEO and Senior Executives

At the AGM on December 18, 2019, it was resolved to

introduce guidelines for remuneration to the CEO and senior executives. Senior executives refer to the CEO, CFO and CTO, who together form the company's management. The guidelines essentially contain the following.

The company shall offer market conditions that allow the company to recruit and retain competent employees. Remuneration to senior management shall consist of fixed salary, variable remuneration, long-term incentive programmes, pensions and other customary benefits. The remuneration is based on the individual's commitment and performance in relation to pre-established goals and both individual and common goals for the entire company. Evaluation of the individual performance is carried out continuously.

Generally, the fixed salary is reviewed once a year and should consider the individual's qualitative performance. The fixed salary of the CEO and other senior executives shall be market-based. Variable remuneration shall consider the individual's level of responsibility and the degree of influence. The amount of variable remuneration is based on the individual's percentage fulfilment of the established qualitative targets in relation to the company's turnover for the established financial year and the key ratio EBIT. Variable remuneration shall amount to a maximum of 30 percent of the fixed salary of the CEO and 20 percent of the fixed salary for other senior executives.

The AGM decides on share or share price-related incentive programs. Before each AGM, the Board of Directors shall consider whether such a long-term incentive program should include the company's senior executives. Incentive programs shall contribute to long-term value growth and that the company, participants and shareholders receive a common interest in the positive value development of the share.

The company offers insurance and pension benefits in accordance with the company's current policy. In addition, the Company shall, for the benefit of senior executives, draw and pay for service group life insurance (TGL) and accident insurance, as well as health insurance.

Between the company and the CEO shall be a mutual period of notice of six months. During the period of notice, normal salary and other employment benefits shall be paid. If the CEO finds any other employment that the company approves during the period of notice, the remuneration shall be settled with what the CEO will receive from such new employment. In addition, the CEO shall be entitled to severance pay equal to six fixed monthly salaries to be paid in a lump sum. For other senior executives, a notice period of three to six months shall apply. During the period of notice, normal salary and other customary benefits, such as insurance and pension benefits, occupational health services, etc. apply. Such other benefits shall not constitute a substantial part of the total remuneration.

The Board of Directors has the right to deviate from the above guidelines if the Board of Directors considers that in an individual case, there are special reasons for justifying it.

The Board of Directors has appointed a Remuneration Committee to prepare questions regarding remuneration and other terms of employment for the company's management. Ahead of the AGM 2021, the Remuneration Committee will present new guidelines for remuneration to senior executives.

#### **ADDITIONAL INFORMATION ON CELLINK.COM**

- Articles of Association
- Information from previous AGM's (notices, minutes, resolutions)
- Information about the Nomination Committee
- Corporate Governance Report 2018/2019

#### **CELLINK'S SYSTEM FOR INTERNAL CONTROL**

The Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Code. According to the Swedish Annual Accounts Act, the Corporate Governance Report shall include information about the most important elements of the company's system for internal control and risk management in conjunction with financial reporting. In addition, the Board of Directors is responsible for ensuring that there are suitable systems for monitoring and controlling the company's operations and the risks associated with the company and its operations.

The overall purpose of internal control is to reasonably ensure that the company's operational strategies and objectives are followed up and that the shareholders' investment is protected. Furthermore, internal control shall ensure that external financial reporting is reliable and prepared with reasonable certainty in accordance with generally accepted accounting principles, in compliance with applicable laws and regulations and in compliance with requirements for publicly listed companies.

CELLINK's internal control structure is mainly based on the following five components:

- Control environment
- Risk assessment
- Control activities
- Follow-up
- Information and communication

In addition to the above-mentioned internal control, there is also internal activity-specific control of data in relation to research and development and a quality control that includes systematic monitoring and assessment of CELLINK's development and manufacturing work.

#### **Control environment**

The Board of Directors have established a number of documents for the company's internal control and governance, including rules of procedure for the Board and instructions for the CEO and the Board's committees, reporting instructions and a financial policy, all of which aim to ensure a clear definition of roles and responsibilities.

The Board of Directors have the overall responsibility for internal control regarding financial reporting. In order to create and main-

tain a functioning control environment, the Board has adopted a number of policies and policy documents that regulate financial reporting. These consist mainly of the Board's rules of procedure, the CEO's instructions, the audit committee's rules of procedure and instructions for financial reporting. The company also has a financial policy that includes principles, guidelines and process descriptions for accounting and financial reporting.

The responsibility to maintain an effective control environment and the ongoing work with internal control and risk management is the responsibility of the CEO who reports to the Board based on established procedures. The responsibility for internal activity-specific control in day-to-day operations lies with the CEO.

#### **Risk assessment**

The risk assessment includes identifying risks that may arise if the fundamental requirements of financial reporting in the company are not met. CELLINK's management team has in a special risk register identified and evaluated the risks that arise in the company's operations and evaluated how the risks can be managed. CELLINK's management shall annually carry out an overall risk assessment regarding strategic, operational and financial risks and present them to the Audit Committee and the Board of Directors. The CEO is responsible for the presentation and the management's risk assessment shall be reviewed by CELLINK's CFO on an annual basis before being presented to the Audit Committee and the Board of Directors. Within the Board, the Audit Committee is primarily responsible for continuously evaluating the company's risk situation, after which the Board also conducts an annual review of and assesses the risk situation.

#### **Control activities**

Control activities limit identified risks and ensure accurate and reliable financial reporting. The Board of Directors is

responsible for internal control and follow-up of the company's management. This is done through both internal and external control activities as well as through review and follow-up of the company's control documents related to risk management. The effectiveness of the control activities is evaluated annually, and the results of these evaluations are reported to the Board of Directors and the Audit Committee. In agreements with important subcontractors, the company is guaranteed the right to review the respective subcontractor's fulfilment of current services, including quality aspects.

#### **Follow-up**

Compliance with, and the effectiveness of, internal controls is monitored on an ongoing basis. The CEO ensures that the Board of Directors receives ongoing reporting on the development of CELLINK's operations, including the development of the company's results and position, as well as information about important events, such as research results and important agreements. The CEO also reports these issues at each ordinary Board meeting. The Company's compliance with applicable policies and policy documents is subject to annual evaluation. The results of these evaluations are compiled by CELLINK's CFO and are reported annually to the Board of Directors and the Audit Committee.

#### **Information and communication**

The company has information and communication channels aimed at promoting the accuracy of the financial reporting and enabling reporting and feedback from the Board and management, for example by making governance documents in the shape of internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned. The Board has also adopted an information policy that regulates the company's disclosure of information.

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## **AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT**

*This auditor's report is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.*

### **To the general meeting of the shareholders in CELLINK AB (publ) corporate identity number 559050-5052**

#### **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the financial year 2019-01-01 - 2020-12-31 on pages 116-121 and that it has been prepared in accordance with the Annual Accounts Act.

#### **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accord-

ance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### **Opinions**

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg March 17, 2021  
Deloitte AB

#### **Fredrik Jonsson**

Authorized Public Accountant