

## **The Board's proposal to the Annual General Meeting of Vitrolife AB (publ) on 29 April 2025 concerning resolution on approval of the Board's remuneration report 2024 (agenda item 17)**

### **Remuneration Report Vitrolife AB 2024**

#### **Introduction**

This report describes how the guidelines for Executive Management remuneration of Vitrolife AB, adopted by the Annual General Meeting (AGM) 2024, were implemented in 2024. The report also provides information on remuneration to the CEO and a summary of the company's outstanding long-term share-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programs* (Remuneration Rules) issued by the Swedish Corporate Governance Board.

Further information on senior Executive Management remuneration is available in note 8 (Employees, personnel costs and Board fees) on pages 96-97 in the Annual Report 2024. Information on the work of the Remuneration committee in 2024 is set out in the Corporate Governance Report available on pages 56-65 in the Annual Report 2024.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the AGM and disclosed in note 8 on page 97 in the Annual Report 2024.

#### **Key developments 2024**

The CEO summarizes the company's overall performance in her statement on pages 7-9 in the Annual Report 2024.

#### **The company's remuneration guidelines: scope, purpose and deviations**

Vitrolife Group's business goal is to be the leading supplier of products and services that reduce the time to achieve a healthy baby and improve the efficiency and control for IVF clinics. To achieve this, the company is working on a strategy of growth-promoting priorities and efficiency-enhancing measures. In addition, there is a great focus on the employees. The Group's strategies are based on a values-driven culture and core values, on sustainability and community engagement. The Group's business concept provides collaboration that creates an efficient and strong Group. Vitrolife Group's vision, strategy and various objectives are described in further detail on the company's website at [www.vitrolifegroup.com](http://www.vitrolifegroup.com).

Successful implementation of Vitrolife Group's business strategy and the safeguarding of the Group's long-term interests, including its sustainability, rely on Vitrolife Group recruiting and retaining qualified employees with the right competence. To achieve this, it is necessary that Vitrolife Group can offer competitive remuneration. The guidelines allow members of the Executive Management Team to be offered competitive total remuneration.

Remuneration paid to the CEO and other members of the Executive Management Team comprises basic salary, variable remuneration, pension and other benefits. The guidelines apply until the 2025 Annual General Meeting, unless a general meeting of shareholders decides otherwise. The guidelines do not cover remuneration decided by a general meeting of shareholders, such as fees for Board members or share-based incentive programs. All pension benefits are defined-contribution plans. Variable remuneration is prepared by the Remuneration Committee and decided by the Board. The CEO's variable remuneration is capped at a maximum of 75% of annual salary. For other members of the Executive Management Team variable remuneration is capped at a maximum of 50% of annual salary. The variable remuneration is based on the outcome of three quantitative parameters compared to established targets, as well as individual goal achievement. The quantitative parameters are linked to the

Company's revenue, results (EBITDA), and the Company's sustainability efforts connected to the SBTi (Science Based Targets initiative) and compliance with the Company's Principles for Responsible Business Conduct (PRBC). The total cost to the company of the total variable remuneration for the CEO and other members of the Executive Management Team is not permitted to exceed SEK 20,000,000 (including social security expenses). A summary of guidelines for remuneration of members of the Executive Management Team is available on pages 70-72 in the Annual Report 2024.

The auditor's report regarding the company's compliance with the guidelines is available on [www.vitrolifegroup.com](http://www.vitrolifegroup.com). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the AGM of the company has resolved to implement long-term share-related incentive programs. The performance standards used to assess the outcome of the programs are clearly linked to the business strategy and to Vitrolife Group's long-term creation of value, including sustainability.

*Table 1 – Total CEO remuneration in 2024 (kSEK)\**

	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Total remuneration	5 Proportion of fixed and variable remuneration (%)
Name of director (position)	Base salary**	Non-monetary benefits***	Pension (premium determined)****	One-year	Multi-year			
Bronwyn Brophy (VD)	9 564	3	2 712	4 983	-	-	17 262	71/29

\* Except for Multi-year variable remuneration, the table reports remuneration earned in 2024. Multi-year variable remuneration is reported if vested in 2024, as set out in column 8 of Table 2 below (as applicable). Disbursement of any payments may or may not have been made the same year.

\*\* Includes car allowance of 72 kSEK.

\*\*\* Refers to healthcare benefits.

\*\*\*\* Pension benefits (column 4), which are entirely based on the fixed salary and are defined contribution, have been fully reported as fixed remuneration.

## Share-based remuneration

### Outstanding share-related incentive programs

Vitrolife Group has three share-related incentive programs outstanding, which were adopted by the Annual General Meeting 2022, 2023 and 2024. During financial year 2024, the previous incentive program LTIP 2021 was finalized.

### Long-term incentive program 2021 (LTIP)

The long-term incentive program (LTIP 2021), adopted at the 2021 AGM, was concluded during the financial year 2024, with all performance targets fully met. The maximum number of Performance Shares that could be allotted under the program was 40,000, of which 28,000 shares were allotted. The reason that not all Performance Shares were allotted is that certain participants in LTIP 2021 left the company during the qualification period and were therefore no longer eligible for allotment in accordance with the program's terms.

## Long-term incentive program 2022 (LTIP)

The 2022 AGM adopted the Board's proposal to introduce a long-term incentive program (LTIP 2022) for certain key employees. The purpose of the program is to encourage personal, long-term ownership in Vitrolife AB (publ) and to enhance and strengthen the company's ability to recruit, retain, and motivate employees. The aim is also to use LTIP 2022 to align interests of employees with those of the shareholders. The LTIP 2022 will be directed towards certain key employees in the Vitrolife Group and participants may, after a qualifying period, receive allotments of Vitrolife AB (publ) ordinary shares without consideration ("Performance shares"). LTIP 2022 is directed towards a maximum of 25 employees, divided in two categories: CEO and other members of the Executive Management team or key employees, who can together receive a maximum of 170,000 shares.

Allotment of Performance Shares within LTIP 2022 will be made during a limited period of time following the AGM 2025. The period up to this date is referred to as the qualification period. The performance target is based on the total share return ("TSR") during the term of LTIP 2022. TSR is to be calculated based on the volume-weighted average price of the Group's share on Nasdaq Stockholm during the ten business days that follow immediately after the AGM 2022, compared with the volume-weighted average price of the share on Nasdaq Stockholm during the last ten business days of the three-year period following the AGM 2022. The performance target is fulfilled by an average annual TSR of at least 7.5 percent (the minimum level). 0 percent of the Performance Shares will vest at or below the minimum level. 100 percent of the Performance Shares will vest above the minimum level.

Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the financial results, position and performance, as well as other factors. Exercise price for the Performance Shares outstanding on 31 December 2024 was SEK 285.55. To estimate the Performance Shares fair value the Black&Scholes model was used with the assumption of a risk-free rate of 2.0 percent and an expected volatility of 40 percent.

## Long-term incentive program 2023 (LTIP)

The 2023 AGM adopted the Board's proposal to introduce a long-term incentive program (LTIP 2023) with the same intention and principles as for the LTIP 2022. The LTIP 2023 will be directed towards a maximum of 25 employees, divided in two categories: CEO and other members of the Executive Management team or key employees, who can together receive a maximum of 170,000 shares.

Allotment of Performance Shares within LTIP 2023 will be made during a limited period of time following the AGM 2026. The period up to this date is referred to as the qualification period. The performance target is based on the total share return ("TSR") during the term of LTIP 2023. TSR is to be calculated based on the volume-weighted average price of the Group's share on Nasdaq Stockholm during the ten business days that follow immediately after the AGM 2023, compared with the volume-weighted average price of the share on Nasdaq Stockholm during the last ten business days of the three-year period following the AGM 2023. The performance target is fulfilled by an average annual TSR of at least 7.5 percent (the minimum level). 0 percent of the Performance Shares will vest at or below the minimum level. 100 percent of the Performance Shares will vest above the minimum level.

Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the financial results, position and performance, as well as other factors. Exercise price for the Performance Shares outstanding on 31 December 2024 was SEK 287.01, with a remaining expected life of approx. one year. To estimate the Performance Shares fair value the Black&Scholes model was used with the assumption of a risk-free rate of 3.29 percent and an expected volatility of 45 percent.

## Long-term incentive program 2024 (LTIP)

The 2024 AGM adopted the Board's proposal to introduce a long-term incentive program (LTIP 2024). To further strengthen the company's ability to attract, retain, and motivate key employees and thereby support its long-term global development, LTIP 2024 has been expanded from 25 to a maximum of 40 participants. The program is divided into three categories of participants: the CEO, other members of the Executive Management Team, and other key employees, who together may be allotted up to 400,000 shares.

Allotment of Performance Shares within LTIP 2024 will be made during a limited period of time following the AGM 2027. The period up to this date is referred to as the qualification period. The performance target is based on the Vitrolife Group's total share return ("TSR") during the term of LTIP 2024. TSR is to be calculated based on the volume-weighted average price of the Company's share on Nasdaq Stockholm during the ten (10) business days that follows immediately after the AGM 2024 compared with the volume-weighted average price of the Company's share on Nasdaq Stockholm during the last ten (10) business days of the three-year period following the AGM 2024. Performance Shares will be allotted if the average annual TSR is at least 7.5 percent (the minimum level 215.79). 0 percent of the Performance Shares will vest below the minimum level. 50 percent of the Performance Shares will vest at the minimum level and 100 percent of the Performance Shares will vest at or above the maximum performance level which is 12.5 percent (247.32). Vesting and allotment will be calculated linearly between the minimum and the maximum level.

Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the financial results, position and performance, as well as other factors. Exercise price for the Performance Shares outstanding on 31 December 2024 was SEK 215.79 (minimum level) and SEK 247.32 (maximum level), with a remaining expected life of approx. two years. To estimate the Performance Shares fair value the Monte Carlo model was used with the assumption of a risk-free rate of 2.39 percent and an expected volatility of 40 percent.

For more information about the LTIP programs, see [www.vitrolifegroup.com](http://www.vitrolifegroup.com).

*Table 2 – Share award plans (CEO)*

	The main conditions of share award plans					Information regarding the reported financial year*					
						Opening balance	During the year		Closing balance		
Name of director (position)	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Share awards held at beginning of year	7 Awarded	8 Vested	9 Subject to performance condition	10 Awarded and unvested at year end	11 Shares subject to retention period
Thomas Axelsson (f d VD)	LTIP 2021	2021-07 2024-06	2021-07-01	2024-06-30	2024-06-30	12 000	0	12 000*	0	0	0
Thomas Axelsson (f d VD)	LTIP 2022*****	2022-07 2025-06	2022-07-01	2025-06-30	2025-06-30	50 000***	0	0	50 000	50 000	0
Bronwyn Brophy (VD)	LTIP 2023	2023-07 2026-06	2023-07-01	2026-06-30	2026-06-30	45 000****	0	0	45 000	45 000	0
Bronwyn Brophy (VD)	LTIP 2024	2024-07 2027-06	2024-07-01	2027-06-30	2027-06-30	0	60 000*****	0	60 000	60 000	0
<b>TOTALT</b>						<b>107 000</b>	<b>60 000</b>	<b>12 000</b>	<b>155 000</b>	<b>155 000</b>	<b>0</b>

\*During 2024, vesting occurred in LTIP 2021, whereby Performance Shares were transferred to the former CEO. No changes were made regarding LTIP 2022 and LTIP 2023. Under LTIP 2024, the CEO was allotted 60,000 Performance Shares.

\*\*Value: 2,143 kSEK, calculated as the market price per share at vesting (178.6 SEK), multiplied by the number of rights (12,000).

\*\*\*Value: 5,255 kSEK, calculated as the market price per share at allotment (105.1 SEK), multiplied by the number of rights (50,000).

\*\*\*\*Value: 5,408 kSEK, calculated as the market price per share at allotment (120.18 SEK), multiplied by the number of rights (45,000).

\*\*\*\*\*Value: 5,509 kSEK, calculated as the market price per share at allotment (91.81 SEK), multiplied by the number of rights (60,000).

\*\*\*\*\*The former CEO received his shares as a "Good Leaver," as decided by the Board of Directors on October 11, 2022. According to the termination agreement, his last working day was March 31, 2023. The cost was allocated over the period from July 2022 until mid-March 2023.

## 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 2024 have been taken into account.

*Table 3(a) – Performance of the CEO in the reported financial year: variable cash remuneration*

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome
Bronwyn Brophy (CEO)	The company's organic revenue growth 2024 vs 2023	40%	a) 43,75% b) 1 246 kSEK
	The company's EBITDA growth 2024 vs 2023	40%	a) 81,25% b) 2 314 kSEK
	Sustainability target, SBTi, and compliance with the company's Principles for Responsible Business Conduct (PRBC)	10%	c) 10% d) 712 kSEK
	Individual objectives	10%	e) 10% f) 712 kSEK

*Table 3(b) - Performance of the CEO in the reported financial year: share-based incentives*

Since the performance period is still ongoing for all incentive programs in which the CEO holds instruments, there is nothing to report in this section.

## Comparative information on the change of remuneration and company performance

*Table 4 – Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)*

	2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
CEO remuneration	17 262	-52%*	51%*	92%	31%
Group operating profit	783 293	10%**	9%**	50%	18%
Average remuneration on a full-time equivalent basis of employees of the Group	716	8%	11%	-18%	-1%

\* During the financial year 2023 remuneration for the CEO has been paid to three different people, of which one person was only temporary due to the change of CEO.

\*\* In the annual accounts 31 December 2023, the Group's operating profit is adjusted for a non-cash impairment of kSEK 4,300.