

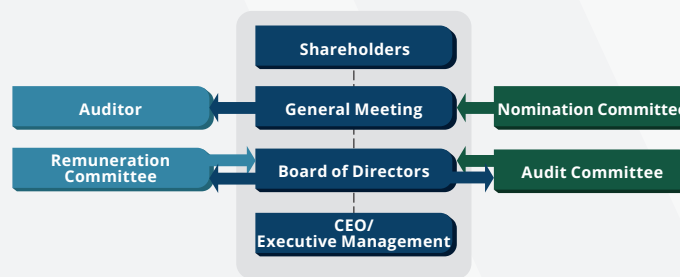
# Corporate Governance Report

CellaVision is a Swedish public limited liability company with its registered office in Lund. Apart from the parent company, the Group consists of five wholly-owned subsidiaries in Sweden, the USA, Canada, Japan, and France, as well as offices for local market support in the USA, Canada, Brazil, China, Japan, Sweden, United Arab Emirates, France, Germany, India, Spain and Italy. The company's share is listed on NASDAQ Stockholm Mid Cap. CellaVision applies the Swedish Code of Corporate Governance (the Code) since its shares were admitted to trading in May 2010 and reports no deviations from the Code for 2023.

The term corporate governance refers to the rules and structure built up to govern and direct a limited liability company in an effective and controlled manner. Governance and control of CellaVision is divided between the shareholders at the Annual General Meeting, the Board of Directors and the President/CEO, and is regulated in legislation (including the Companies Act), the Articles of Association, the Nasdaq Stockholm rule book for issuers and the Swedish Code of Corporate Governance. The code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se). In addition to legal control and governance principles, CellaVision is also influenced by several internal policy documents, including instructions and rules of procedure for the President/CEO and Board of Directors, as well as internal policies and guidelines.

## Shareholders

The share capital on December 31, 2023 was SEK 3,577,732 distributed among 23,851,547 shares. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. CellaVision had 7,432 (7,842) shareholders on the closing date. Of these, two shareholders have direct and indirect holdings constituting 10 percent or more of the votes and capital: William Demant Invest A/S and Grenlunden AB. No shares are held by the company itself. For further information about the CellaVision share and shareholders please refer to pages 9-10 and CellaVision's website.



## Articles of Association

The Articles of Association of CellaVision stipulate that the company shall develop, market and sell products in sample preparation and systems for automated digital microscopy, specializing in software applications for the medical market. The registered office of the Board is in Lund and the company's financial year is a calendar year. In other respects the Articles of Association contains provisions concerning the number of shares, number of board members and auditor and the Annual General Meeting. The Articles of Association contain no separate provisions concerning the appointment or removal of Members of the Board or concerning amendments to the Articles of Association. The complete Articles of Association can be downloaded from [www.cellavision.com](http://www.cellavision.com).

## General Meeting of Shareholders

Shareholders exercise their influence over CellaVision at the General Meeting of Shareholders, which is the highest decision-making body in CellaVision. The General Meeting is called at least once a year and among other things passes resolutions on the treatment of the company's and Group's balance sheet and income statement including the appropriation of the company's profits, discharge from liability of the Board of Directors and President/CEO, election of the Board of Directors and auditor, fees to the Board of Directors and auditor and appointment of the Nomination Committee. Amendments to the Articles of Association require a resolution by the General Meeting of Shareholders. To participate in the General Meeting the shareholder must be entered under his or her own name in the register of shareholders at least five business days before the Meeting and notify the intention to attend to the company at the latest on the date specified in the notice to attend. At the General Meeting the shareholder must in normal cases attend either in person or via a representative.

The Annual General Meeting is held in Lund during the first half of every year. In connection with the third interim report CellaVision's shareholders are informed of the time and place of the Annual General Meeting and of their right to bring a matter before the Meeting. A notice to attend the Annual General Meeting is published no earlier than six and no later than four weeks before the Meeting. An extraordinary general meeting may be held if the Board of Directors considers it necessary or if the company's auditors or shareholders holding at least 10 percent of the shares so requests.

## Annual General Meeting 2023

CellaVision's Annual General Meeting was held on Friday, May 5, 2023. Essentially, the following resolutions were passed:

- The parent company and consolidated income statements and balance sheets were adopted. It was further resolved to distribute SEK 2.25 per share for the 2022 financial year.
- Discharge from liability of the members of the Board of Directors and the President.
- Re-election of Mikael Worning, Christer Fåhraeus, Stefan Wolf and Ann-Charlotte Jarleryd and election of Louise Armstrong-Denby as board members. Re-election of KPMG AB as auditor.
- Fee to the Board of Directors, presented in the table on page 46 and in Note B6 of the Annual report.
- Principles for appointing Nomination Committee that were adopted at the 2020 Annual General Meeting shall also apply before the 2023 Annual General Meeting.
- Remuneration report for 2022.
- Guidelines for remuneration to senior management.

The minutes of the Annual General Meeting were presented on the website within a week of the Meeting. Material from the Meeting, such as the notice to attend, the minutes and information on the Nomination Committee is available on CellaVision's website. The full resolutions of the Meeting as above are available from the Company at the address Mobilvägen 12 in Lund and will be sent to any shareholder who so requests.

## Nomination Committee

The main task of the Nomination Committee is to propose to the Annual General Meeting the composition of the Board of Directors, which is then decided by the Annual General Meeting. The work of the Nomination Committee starts by studying the evaluation of the work of the Board of Directors commissioned by the Board of Directors. The work of the Nomination Committee is characterized by transparency and discussion to achieve a well-balanced Board. The Nomination Committee then nominates members to the Board for the next term of office and submits proposals for remuneration to the Board of Directors and auditors and, where applicable, also for election of auditor.

## Nomination Committee for the Annual General Meeting in 2024

In accordance with a resolution of the 2023 Annual General Meeting, CellaVision's Nomination Committee ahead of the 2024 Annual General Meeting shall consist of one representative of each of the four largest shareholders in terms of voting rights at the end of July 2023. The Chair of the Board convenes the first meeting of the Nomination Committee and is co-opted to the meetings of the Nomination Committee. The composition of the Nomination Committee was announced through press release on October 31, 2023. The members of the Nomination Committee and the shareholders who appointed them is presented in the table to the right. The chair of the Nomination Committee ahead of the 2024 Annual General Meeting is Emil Hjalmarsson.

In 2023 the Nomination Committee held four meetings as well as a number of email and telephone contacts. The Nomination Committee proposals are presented in the notice to attend the 2024 Annual General Meeting and are also available on the company's website together with an explanatory statement concerning the proposed Board of Directors.

The Nomination Committee has applied Rule 4.1 in the Swedish Code of Corporate Governance as a policy, which sets the principles for diversity on the Board. All nominations of board members are based on merit, the main purpose being to maintain and improve the board's overall efficiency. It is CellaVision's goal to have a fair, equal and balanced representation of different genders and other diversifying factors on the board as a collective. Furthermore, the board members appointed by the general meeting as a group must present diversity and breadth in terms of opinions, qualifications and experience.

The assessment is that the board as a whole possesses the necessary knowledge and experience of the social and business conditions that prevail where the company's main operations are conducted, and that it exhibits sufficient diversity and breadth in terms of characteristics and competence.

NAME/REPRESENTING	VOTING SHARE (31/12 2023)
Mikael Worning, Chair. adjungerad.	
Nicklas Hansen, William Demant Invest A/S	19.9 %
Emil Hjalmarsson, Grenlunden CEVI AB	10.0 %
Anette Andersson, SEB Investment Management	9.1 %
Christer Fåhraeus, Christer Fåhraeus comp.	8.1 %
<b>TOTAL</b>	<b>47.1 %</b>

## Board of Directors

The Board of Directors and ultimately the President/CEO administers the affairs of the company on behalf of the shareholders. The Board of Directors appoints the President/CEO, who is responsible for the day-to-day management of the company. The division of duties and responsibilities between the Board of Directors and the President/CEO is clarified in the Board's Rules of Procedure and the Instructions to the President/CEO.

The Board of Directors is appointed by the shareholders at the Annual General Meeting with a term of office up to and including the next Annual General Meeting. The Board of Directors manages the company on behalf of the owners by establishing goals and strategy, evaluating the operative management and ensuring that there is an effective system for follow-up and control of the established goals. It is also the responsibility of the Board to ensure that the company's information provision is correct, relevant and reliable.

The Board of Directors forms a quorum when more than half of its members are present. Under CellaVision's Articles of Association the Board of Directors must consist of a minimum of three and a maximum of nine members with a maximum of two alternates. The Board holds an inaugural meeting directly after the Annual General Meeting.

## Chair of the Board

CellaVision's Board of Directors has been chaired since 2021 by Mikael Worning. The Chair of the Board is appointed by the Annual General Meeting. The Chair of the Board organizes and leads the work of the Board, ensures that the Board regularly develops its knowledge of the company, communicates shareholders' views to the Board and is a support to the President/CEO. The Chair of the Board and the President/CEO prepare proposed agendas for the Board meetings. It is the responsibility of the Chair of the Board to verify that the Board's decisions are effectively implemented and that the work of the Board is evaluated annually and that the Nomination Committee is informed of the results of this evaluation.

## The Board's Rules of Procedure

The Board of Directors adopts rules of procedure for its work annually. The current rules of procedure were adopted on May 5, 2023. In addition to that, the Rules of Procedure are revised as necessary. The Rules of Procedure include a description of the responsibilities and duties of the Board, the duties of the Chair of the Board, audit issues and specify the reports and financial information that the Board must receive before each ordinary Board meeting.

## Evaluation of the Work of the Board

Under the leadership of the Chair, the Board conducts an annual evaluation of its work. The evaluation refers to forms of work and work climate, emphasis of the Board's work and access to and need for special competence in the Board. The evaluation is used as an aid for developing the work of the Board. In accordance with the Swedish Code of Corporate Governance, relevant parts of the results are made available to the Nomination Committee.

## Composition of the Board of Directors in 2023

In 2023 the Board of Directors consisted of seven members, of which two were employee representatives (not elected by the AGM), with no alternates. At the 2023 Annual General Meeting Mikael Worning, Christer Fähræus, Stefan Wolf and Ann-Charlotte Jarleryd were re-elected and Louise Armstrong-Denby was elected as Board Members. Åsa Hedin left the Board of Directors. Mikael Worning was re-elected as Chair of the Board. Markus Jonasson Kristoffersson and Kent Stråhlen were appointed as board members by the unions.

The members of the Board have great experience and competence in medicine and technology as well as business and international operations.

The composition of the Board complies with the requirements of the Code regarding independent members. The information that is to be provided under point 10.2 of the Code concerning members of the Board can be found on page 42.

## Work of the Board in 2023

In 2023 the Board of Directors of CellaVision held a total of ten minuted meetings, all of which were conducted as a combination of physical and digital. Four of the meetings were held in connection with the approval of the year-end bulletin and the interim reports. On occasions when any member has been prevented from attending the Chair of the Board has obtained views concerning the decision in advance. Important questions during the year included recruitment of a new President and CEO, strategy, market assessments and significant risks.

The company's President/CEO and CFO participate regularly in the Board meetings. Other senior executives participate in the Board meetings as necessary. The company's auditor participated in February and the October Board meeting when the interim report for January-September was approved.

NAME	INDEPENDENT OF THE COMPANY	INDEPENDENT OF MAJOR SHAREHOLDER	AUDIT COMMITTEE 2301-2305	AUDIT COMMITTEE 2305-2312	REMUNERATION COMMITTEE 2301-2305	REMUNERATION COMMITTEE 2305-2312	BOARD FEES, SEK T	ATTENDANCE AT BOARD MEETINGS
Mikael Worning, Chair of the Board	Yes	Yes	Member	Member	Chairman	Chairman	800	10/10
Louise Armstrong-Denby	Yes	Yes					130	4/5
Christer Fähræus	Yes	No			Member	Member	285	9/10
Åsa Hedin	Yes	Yes	Member		Member		168	2/3
Ann-Charlotte Jarleryd	Yes	Yes	Chairman	Chairman		Member	360	10/10
Stefan Wolf	Yes	Yes					260	7/10
Kent Stråhlen*	Yes	Yes					-	10/10
Markus Jonasson Kristoffersson*	Yes	Yes					-	6/10
<b>Total</b>							<b>2,003</b>	

\* Non-paid employee representative. A more detailed presentation of the Board members can be found on page 42 and on the company's website [www.cellavision.se](http://www.cellavision.se)

### *Audit Committee*

Risks concerning CellaVision's financial reporting are monitored and evaluated by the Board's Audit Committee, whose main task is to support the Board in quality assurance of the financial reporting. The Audit Committee has no decision-making authority, it prepares and reports matters to the Board as a whole.

As of May 2023, the Audit Committee consists of two members who are both independent in relation to the company and Executive Management as well as being independent in relation to the company's major shareholders: Mikael Worning, and Ann-Charlotte Jarleryd, where Ann-Charlotte Jarleryd chairs the Committee. During the year the Committee met eight times. Other questions dealt with are mainly internal control, risks, audit planning and governance and follow-up of operations. The company's CEO, CFO and auditor participate regularly at the Audit Committee meetings.

### *Remuneration Committee*

The Board of Directors also has a Remuneration Committee, whose main task is to propose principles for remuneration and other conditions of employment for the President/CEO and other senior management in the Group. Ahead of each Annual General Meeting the Committee submits its proposals, in accordance with Chapter 8, Section 51 of the Swedish Companies Act.

As of May 2023, the Remuneration Committee consisted of members of the Board Mikael Worning, Christer Fåhraeus and Ann-Charlotte Jarleryd, who are all independent of the company and Executive Management. Mikael Worning chairs the Committee. During the year the Committee held three minuted meetings, and conducted several telephone and email contacts. In addition to guidelines and principles of remuneration to the President/CEO and other senior management during the year the Committee discussed the company's incentive program for the President/CEO, Executive Management and other staff.

### **President/CEO and Executive Management**

The President/CEO is appointed by and receives instructions from the Board of Directors. The President and Chief Executive Officer of CellaVision, Simon Østergaard is responsible for the day-to-day management of the company as well as strategic and operative issues, in accordance with the Board's guidelines and directions. The current Instruction to the President/CEO was adopted by the Board on May 5, 2023. The President/CEO prepares information and decision-making data for the Board meetings and is presenter at the meetings. The Board of Directors continuously evaluates the work of the President/CEO through monitoring against goals set. Once a year a formal evaluation is made, which is discussed with the President/CEO.

#### *Composition of Executive Management in 2022*

The President/CEO has appointed Executive Management to be responsible for various parts of the CellaVision business. At the end of the year, Executive Management consisted of five people besides the President/CEO:

- Chief Financial Officer (CFO)
- VP Business Development
- VP Global Marketing
- VP Devices & Software
- VP Reagents

Apart from VP Reagents, all the members of the Executive Management are at the company's head office in Lund, Sweden. Executive Management hold minuted meetings at which operative issues are discussed. Executive Management draw a business plan annually, which is adopted by the Board. A more detailed presentation of the President/CEO and Executive Management team can be found on page 43. The information on the President/CEO stipulated in item 10.2 of the Code can also be found there.

### **Auditor**

The administration of the Board of Directors and the President/CEO and financial reporting is examined by the external auditor elected by the Annual General Meeting. The auditor is proposed by the Nomination Committee and elected by the Meeting for one year. At the 2023 Annual General Meeting KPMG was re-elected as auditor up to and including the 2024 Annual General Meeting.

The auditor in charge is authorized public accountant Jonas Nihlberg. The task of the auditor is to audit CellaVision's annual accounts, accounting records and the administration by the Board of Directors and President/CEO on behalf of the shareholders. Besides the annual audit, the auditor reviews at least one interim report per year. Remuneration to the auditor is payable in accordance with the approved invoice. For amounts please see Note B7.

### **Remuneration**

Salaries, remuneration and other benefits to the Board of Directors, President/CEO and other senior management are reported in Note B6 in the annual report. Remuneration to the Board of Directors can also be followed in the table on page 46.

#### *Guidelines for remuneration to senior management in 2023*

Successful implementation of CellaVision's business strategy and safeguarding the company's long-term interests and sustainability requires that the company can recruit, retain and develop employees, including senior executives. These guidelines enable CellaVision to be able to offer senior executives a competitive total compensation. For more information on remuneration to senior management, refer to note B6.



The Annual General Meeting 2023 resolved to approve the Board's proposal with guidelines for remuneration to senior executives in CellaVision. The guidelines apply until the Annual General Meeting in 2027 at the latest. The guidelines do not cover remuneration decisions made by the General Meeting, such as stock-related incentive programs. The guidelines can be summarized as follows: "The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to Executive Management is to consist of fixed salary, benefits in kind, variable remuneration and pension. Fixed salary plus variable salary together constitute the individual's target salary. Variable pay may consist of short-term bonus programs and long-term cash-based incentive programs."

The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual targets established by the Board. These targets shall be linked to the company's overall targets including earnings, sales and/or cash flow. For other senior management variable remuneration is to be based on equivalent targets and targets within their own area of responsibility.

Pension conditions must be commercial in relation to market conditions applicable to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years. Severance pay for a member of Executive Management can be payable in an amount equivalent to a maximum of 12 months' fixed salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of Executive Management. No separate board fee is payable to a member of Executive Management holding a position as member or alternate in a group company Board of Directors. The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.

#### *Principles for long term incentive program for senior management*

According to the guidelines for remuneration to senior executives adopted at the Annual General Meeting in 2023, the outcome of the program depends on how the annual average growth of the company's earnings per share develops. Maximum remuneration is paid if the annual average growth of the company's earnings per share over a period of three years starting on January 1, year one and ending on December 31, year three amounts to at least 17 percent.

The costs for the long-term incentive program amounts to a maximum of 60 percent of annual salary for the CEO, two monthly salaries for VP Global Sales and three monthly salaries for other senior executives participating in the incentive program during the period.

To take part in the outcome of an incentive program, the senior executive must be employed by the company as of December 31, year three. Any payment will be made in the fourth year (for example, if the incentive program runs from January 1, 2022 to December 31, 2024, then any payment will be made in 2025).

#### *Long-term incentive program for senior management*

CellaVision has an incentive program for senior management from 2021. The company's costs for the incentive program, which ran from January 1, 2021 to December 31, 2023, amounted to SEK 1.7 million (excluding social costs), with six senior executives participate in the incentive program.

For the program running from January 1, 2022, to December 31, 2024, the predetermined profitability and sales targets for 2021 were not achieved, which is why no payment is made for the long-term incentive program for the period from January 1, 2022, to December 31, 2024.

CellaVision has an incentive program for the company's Executive Management starting in 2023. The incentive program runs from January 1, 2023, to December 31, 2025. At maximum outcome, the company's costs would amount to 2.1 million Swedish kronor (excluding social costs), based on an unchanged salary level, and with seven senior executives participating in the incentive program.

#### *Staff incentive program*

The Board approved an incentive program for staff that ran from January 1, 2023 to December 31, 2023. Eligible staff were those who were not senior management, or covered by other incentive programs and who consequently were not eligible for the incentive program for senior management resolved by the 2022 Annual General Meeting.

The decision meant that at maximum outcome, the employee receive 4.2 percent of the annual salary. The size of the share depended on the company's performance and sales in 2023. To participate in the incentive program the employee had to have been employed for at least six months in 2023 and be employed on December 31, 2023. For the 2023 program, the costs for the company amounted to SEK 0.9 million (excluding social costs).

#### *Proposed guidelines for remuneration to senior management in 2024*

The Board of Directors proposes the guidelines for remuneration to senior management in 2024, as in last year's proposal.

The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. Severance pay for a member of Executive Management can be payable in an amount equivalent to a maximum of 12 months' salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of Executive Management. No separate board fee is payable to a member of Executive Management holding a position as member or alternate in a group company Board of Directors. The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.

## The Board's Report on Internal Controls and Risk Management Referring to Financial Reporting

This report on internal control referring to financial reporting is submitted by the Board of CellaVision and has been drawn up in accordance with the Swedish Code of Corporate Governance.

### Background

Under the Companies Act and the Swedish Code of Corporate Governance the Board is responsible for internal control.

### Control environment

The basis of internal control is the overall control environment. A good control environment builds on an organization with clear decision lines where responsibility and authority are clearly defined. In CellaVision there are policies, guidelines and process descriptions for the different parts of the business flow.

In the company's financial and accounting manual, Administrative Guidelines, which is updated annually, these process descriptions are presented in all essentials. The company's financial policy, established by the Board, includes, among other things, instructions regarding the management of financial risks such as currency risk, interest rate risk, and the placement of surplus liquidity.

### Risk assessment

The Board and the Audit Committee continuously assess risks related to financial reporting to ensure controls are in place, ensuring that financial reporting is appropriate and accurate as well as identify and address any errors in external reporting.

At present neither the size of the company nor its risk exposure warrants a separate internal audit function. The Board assesses that with the procedures in place for follow-up and control there is currently no necessity for this.

### Control activities

The main purpose of control activities is to prevent and discover errors as soon as possible in order to rectify any deficiencies. Procedures and activities have been designed to discover and deal with the most material risks related to financial reporting. Group companies are followed up by the CFO through regular reports and personal meetings with the management of the respective subsidiary. The Board receives monthly reports in which the CEO and CFO give an account of the past period regarding the Group's result and financial position. The work on monthly closings and annual accounts is well-defined and reporting is in accordance with standardized reporting templates including comments regarding all material income and balance sheet items. There are CFOs and controllers with functional responsibility for accounting, reporting and analysis at both parent company and subsidiaries. In this way the company's financial reports are checked several times, which reduces the risk of error.

### Information and communication

CellaVision's procedures and systems for provision of information are aimed at supplying the market with relevant, reliable, correct and current information about the company's development and financial position. The Board has adopted an information policy that specifies what is to be communicated, by whom and in what way the information is to be published, to ensure that external information is correct and complete. Financial information is published regularly in the form of interim reports, annual report and press releases on price-sensitive news. The material is published in Swedish and English on the company's website.

### Follow-up

Compliance and effectiveness of internal controls are followed up regularly. The Group's financial results and position is dealt with at each Board meeting, when the Board receives detailed monthly reports regarding the financial position and development of operations. Each interim report is analyzed by the Audit Committee, discussed with the CEO and CFO and then approved by the Board before publication.

### Activities in 2023

CellaVision works constantly to minimize risks by removing superfluous manual steps from the company's processes. In 2023, the process of risk analysis, controls, and self-assessment regarding financial reporting has been developed and strengthened. Through expansion and refinement of processes and controls, precision and reliability have increased. This effort has not only resulted in reduced risk of potential errors and deficiencies in financial reporting but has also enhanced the ability to identify and address risks at an early stage.



# Auditor's Report on the Corporate Governance Statement

**To the Annual General Meeting of CellaVision AB (publ),  
Corporate Identity Number 556500-0998**

## **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 44 - 49 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 RevR 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 accordance 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.

Malmö April 10 2024

KPMG AB