

BIOVICA



Treatment decisions with
greater confidence

ANNUAL REPORT 2019/2020

Corporate governance report

The aim of Biovica's corporate governance activities is to create value for shareholders via active risk management and a healthy company culture. Corporate governance is based on Swedish Law, primarily the Swedish Companies Act, Annual Accounts Act and the Swedish Corporate Governance Code (the Code). Biovica stock is traded on Nasdaq First North Premier Growth Market and accordingly, Biovica complies with the applicable legislation, Nasdaq First North Nordic's rules and regulations and statements issued by the Swedish Securities Council on good practice in the Swedish securities market. During the 2019/2020 financial year, Biovica did not have any departures from the Code.

Shares

As of 30 April 2019, Biovica's total number of shares amounted to 17,573,372 and its share capital amounted to 1,171,558.13 allocated among 7,007,524 Class A shares (each worth 3 votes) and 16,565,848 Class B shares (each worth 1 vote). The quotient value of Biovica's shares is SEK 0.07 per share. The total number of votes amounted to 37,588,420. According to ownership information maintained by Euroclear Sweden AB, the ten largest owners of Biovica owned 57 percent of the votes and 47 percent of

the shares in the company. Swedish owners had a 66 percent ownership share. Biovica's largest shareholder, Anders Rylander, CEO and member of Biovica's Board of Directors owns 17 % (via company) of Biovica's shares, which corresponds to 29 % of the votes in the Company. All other significant relationships between Biovica and the Company's largest shareholder, to the extent the Company is aware, are described in Notes 10 and 11. The Board of Directors does not have any knowledge of any other shareholder agreements on voting rights or other rights. Biovica's Articles of Incorporation do not contain any special provisions on appointing or dismissing Board members or making changes to the Articles of Incorporation. Authority has been issued by the AGM to the Board to decide on issuance of new shares for a maximum of 20 % of the current number of shares during the period up until the next AGM.

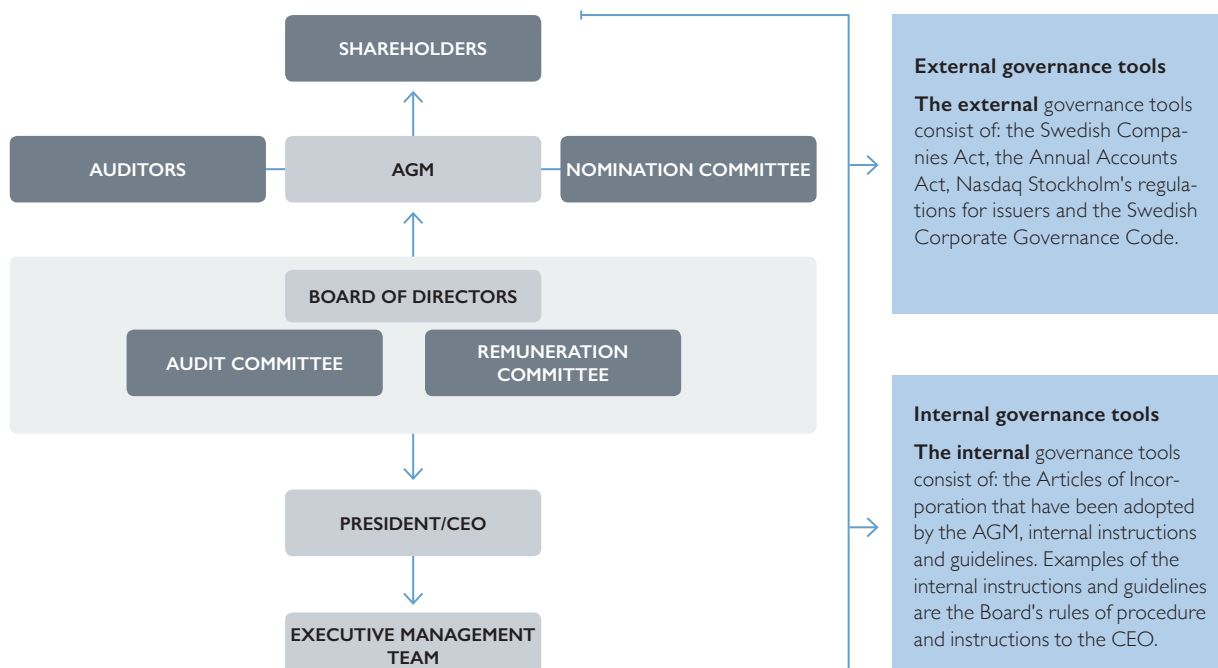
AGM

The AGM is Biovica's highest decision-making body. The Annual General Meeting is held each year within six months of the end of the financial year. At the AGM, the balance sheet and income statement as well as the consolidated balance sheet and consolidated income statement are presented

and decisions are made on, among other things, appropriation of the company's earnings, election of and remuneration to Board members and auditors, and other matters that are dealt with at the AGM in accordance with law. All shareholders registered in the shareholders' register who have announced their intent to participate by the date specified in notice of the AGM are entitled to participate in the meeting and exercise their voting rights. A shareholder who would like to have a particular matter dealt with at the AGM must, well in advance of the AGM, submit their request to the AGM, using the address published on the company's website. The Board of Directors may also, beyond the AGM, summon shareholders to extraordinary general meetings.

Resolutions at the 2019 AGM included:

- The AGM resolved that the funds available for appropriation of SEK 32,698,918 shall be carried forward
- The AGM resolved that each Director shall be paid a fee of SEK 150,000 and that the Chairman of the Board shall be paid a fee of SEK 400,000. The fee to the company's auditors is in accordance with the approved invoiced amounts.



- The following individuals were re-elected to serve on the Board of Directors until the next AGM: Lars Holmqvist, Maria Holmlund, Ulf Jungnelius, Anders Rylander and Jesper Söderqvist. Henrik Osvald was newly elected to the Board of Directors. Lars Holmqvist was elected Chairman of the Board.
- Grant Thornton Sweden AB was reelected as the company's auditor for the period through to the end of the next AGM, with Stéphanie Ljungberg as the head auditor.
- The AGM resolved in accordance with the submitted proposals on the following:
 - To revise the Articles of Incorporation as regards share capital, number of shares and notice of the AGM.
 - Guidelines for remuneration to the company's senior executives.
 - Process for appointing a nomination committee along with the work instructions that it should follow.
 - Decision on granting the Board of Directors the authority to issue new shares for a maximum amount equal to 20 % of the current number of shares.
 - A warrant scheme for staff of 270,000 warrants.

2020 AGM

The AGM for the 2018/2020 financial year will be held on 27 August 2020 at 4 p.m. The location is Hubben, Dag Hammarskjölds väg 38 in Uppsala, Sweden. Registration will begin at 3:30 p.m. Shareholders who are registered in the shareholders' register maintained by Euroclear Sweden AB by Friday 21 August 2020 and who have notified the company of their intent to participate by 4:00 p.m. on that same date, are entitled to participate in the AGM.

Nomination Committee

The Nomination Committee is responsible for ensuring that each member of Biovica's Board of Directors has knowledge and experience that is relevant for being able to make a contribution that enhances Biovica's performance over time in the best possible way. The Nomination Committee monitors the Board's efforts based on the Board evaluation that is carried out once per year, what is stipulated in the Code and having considered Biovica's needs and views from other owners. The Nomination Committee then presents a proposal to the AGM on the number of Board members, the composition of the Board and fees to be paid to the Board of Directors. The Nomination Committee is also responsible for presenting a proposal on the person to serve as Chairman of the Board of Directors and Chairman of the AGM, along with the selection of auditors and their remuneration. The Nomination Committee's proposals are published in the notice of the AGM. Motivation for its proposals are published on Biovica's website in conjunction with issuing the notice of the AGM.

In accordance with the Code, Biovica adopted an instruction for the Nomination Committee at the 2018 AGM. It stipulates that the Nomination Committee shall consist of three members. These members shall be appointed by the Company's two largest shareholders (in terms of number of votes) based on information in the shareholders' register maintained by Euroclear as of 31 December the year before the AGM. They shall be summoned by the Chairman of the Board and each given the opportunity to appoint one member to the Nomination Committee. The Chairman of the Nomination Committee shall be appointed by the member who is the largest shareholder (in terms of the number of votes). The Chairman of the Board shall not serve as

Chairman of the Nomination Committee. Members of the Nomination Committee that will be proposed at the 2020 AGM were presented on Biovica's website in February 2020. Members of the Nomination Committee may not receive any remuneration for their work on the committee.

Members of the Nomination Committee that will be proposed at 2020 AGM are:

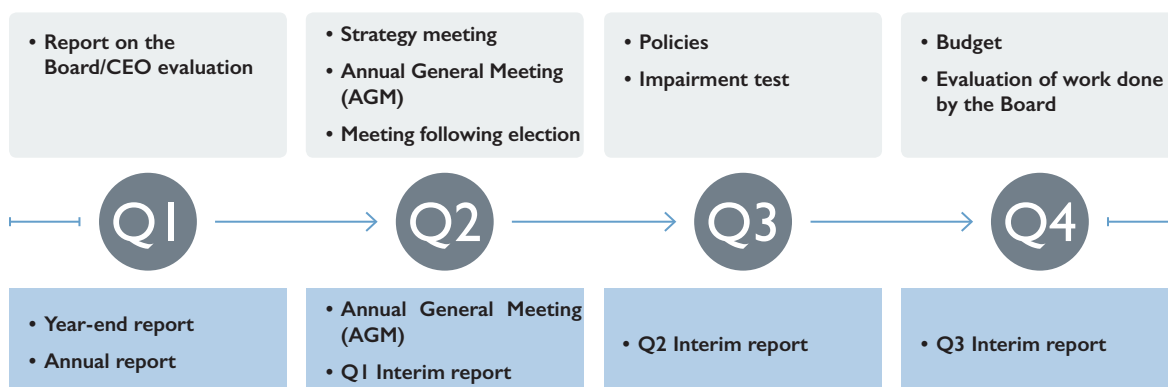
- Ann Rylander Eklund, Chairman of the Nomination Committee (appointed by Anders Rylander)
- Mikael Petersson (representing Coeli)
- Lars Holmqvist, Chairman of the Board

Composition of the Board of Directors

Biovica's Articles of Association stipulate that the company must have at least three board members and at most ten board members. Board members must contribute expertise and experience that is beneficial to Biovica's development. Biovica's Board of Directors currently consist of six ordinary members (one woman and five men). Henrik Osvald was newly elected to the Board of Directors at the 2019 AGM and all of the other members of the Board were re-elected to serve until the 2020 AGM. Both Anders Rylander (President and CEO) and Cecilia Driving (EVP CFO/HR/IR) attend every Board meeting. Cecilia Driving serves as secretary at each Board meeting. Other senior executives participate as needed to present on specific issues.

All Board members (except for Anders Rylander) are independent in relation to the Company, its management and major shareholders. Biovica is thus in compliance with the requirements issued by Nasdaq Stockholm and with the Code as regards the independence of Board members.

BOARD TASKS AND EVENTS



Please see pages 9-11 of the annual report for a presentation of each of the Board members.

The work done by the Board and Board evaluation

The Board's responsibilities and its tasks are regulated in the Swedish Companies Act, Biovica's Articles of Incorporation and in the Board's Rules of Procedure, which are revised each year and adopted at each Board meeting following election. The Rules of Procedure regulate such things as the Board's functions and allocation of work between Board members and the CEO. The Board is responsible for continually monitoring the company's strategic direction, financial performance, its methods, processes and controls to ensure that operations function optimally.

The Board shall also participate in, and help ensure that, the company's financial reporting and internal controls are of high quality. It is also responsible for evaluating the company based on the established financial targets and guidelines for senior executives. Other responsibilities of the Board are to continually evaluate performance of the CEO and participate in the annual audit carried out by Grant Thornton AB, with Stéphanie Ljungberg as the auditor-in-charge. The Chairman of the Board, who is elected at the AGM, has special responsibility for managing the work done by the Board and for ensuring that such work is well-organized and conducted in an efficient manner. Board meetings are planned by the Chairman and CEO, jointly. The Board convenes in accordance with a set schedule of meetings for the year.

Beyond that, the Board may hold additional meetings to deal with specific matters. Besides their interaction in conjunction with Board meetings, the Chairman of the Board and CEO maintain an ongoing dialog on

management of the company. During the 2019/2020 financial year, the Board held 15 meetings (along with a strategy day with management). Seven of those were physical meetings, five were per capsulam and three were phone conferences. At regular Board meetings, the Board deals with ordinary reports from the CEO. The Board reviews the interim reports at its meetings in August, December, March and June.

The Chairman of the Board is responsible for ensuring that Board members evaluate the work that they have done throughout the year. Evaluation covers the Board's work process, compilation of the Board and its expertise. Evaluation is partly in the form of a survey and partly by interviewing the Board members. The work done by the Board is presented to the Nomination Committee.

Remuneration to the Board

The fees paid and other remuneration to Board members is decided at the AGM. At the AGM on 29 August 2019, it was decided that each Director (who is not employed by the company) shall be paid a fee of SEK 150,000 and that the Chairman of the Board shall be paid a fee of SEK 400,000. Total remuneration for the Board and Committee work for the 2019/2020 financial year amounted to SEK 1,000,000.

Audit Committee

The entire Board of Directors serves as the company's Audit Committee. The primary responsibility of the Audit Committee is to ensure the quality of the company's financial reporting, which covers internal controls, a review of the important accounting and valuation policies and also a review of the Company's external reports. The Audit Committee evaluates the audit effort and assists the Nomination Committee in making proposals for selection of auditors and remuneration for the audit work. The

Audit Committee also decides on which other services, beyond the audit, to procure from the Company's auditors.

Remuneration Committee

The entire Board of Directors serves as the company's Remuneration Committee. The Remuneration Committee's main responsibility is to propose the salary, other benefits and employment terms for the CEO. It is also responsible for proposing principles for remuneration and employment terms for other members of the executive management team. Furthermore, it makes proposals for incentive programs. The Remuneration Committee shall ensure that there is compliance with the established guidelines for remuneration to senior executives.

Auditors

The auditor is responsible for auditing Biovica's annual report and financial statements, along with the administration of the company. Subsequent to the end of each financial year, the auditor submits an audit report and Group audit report to the AGM. The external audit of Biovica's financial statements and all of its subsidiaries that are subject to audit are carried out in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. Biovica's auditor is elected at the AGM based on a proposal by the Nomination Committee. At the 2019 AGM, Grant Thornton was elected as the company's auditor, with Stéphanie Ljungberg as the auditor-in-charge. On behalf of the Board, the company's auditor also conducts a review of at least one interim report per year. The auditors meet with the entire Board each year, both with, and without, senior executives being present.

BOARD MEMBERS AND THEIR INDEPENDENCE

Name	Role in the company	Year elected to Board	Attendance	Fee	Independence to the Board's management	Independence to major shareholders
Lars Holmqvist	Chairman of the Board	2019	15/15	400,000	Yes	Yes
Maria Holmlund	Board member	2016	15/15	150,000	Yes	Yes
Ulf Jungnelius	Board member	2014	15/15	150,000	Yes	Yes
Jesper Söderqvist	Board member	2013	15/15	150,000	Yes	Yes
Henrik Osvald	Board member	2019	7/15	150,000	Yes	Yes
Anders Rylander	Board member and CEO	2010	15/15	-	No	No

BOARD OF DIRECTORS



LARS HOLMQVIST (1959)
Chairman of the Board since 2019

Education/background: Executive MBA from INSEAD France. Previously Senior Advisor for healthcare at Bain Capital. Senior management roles in pharmaceutical and medtech companies including: Agilent, Dako, Applied Biosystems Inc. and Medtronic Europe Sarl.

Current assignments: Board member at: Lundbeck Fonden A/S, H Lundbeck A/S, ALK-Abelló A/S, Tecan AG, Naga Uk TopCo and Vitrolife AB.

Holding in the company: 410,630 Class B shares, 50,000 warrants (TO4)



MARIA HOLMLUND (1956)
Board member since 2016

Education/background: B.A. in chemistry and biology from Uppsala University and Gothenburg University. M.Sc. from University of North Carolina. Maria has 30 years of experience working in the field of life license and diagnostics. She has held senior positions in marketing at several major international diagnostic companies.

Current assignments: Board member and CEO at Prolight Diagnostics AB (publ).

Holding in the company: 9,750 Class B shares, 25,000 warrants (TO4)



ULF JUNGNELIUS, MD (1951)
Board member since 2014

Education/background: Oncology Specialist with diploma from Karolinska Institute, along with clinical experience from Radiumhemmet in Stockholm. Dr. Jungnelius has extensive experience in international clinical research & development in the field of oncology. He has held executive positions at several international companies such as Eli Lilly, Pfizer, Takeda and Celgene.

Current assignments: Chairman of the Board at Isofol Medical AB. Board member at: Oncopeptides AB, Ryvu Therapeutics and Monocl AB.

Holding in the company: 25,000 warrants (TO4)



HENRIK OSVALD (1959)
Board member since 2019

Education/background: Henrik is CEO at Primas Invest AB and has a portfolio of investments in, for example, the life science sector. He has experience as an entrepreneur and CEO working with distribution and retail. He has also successfully built up major international operations.

Current assignments: Henrik is CEO and a member of the Board of Directors at Primas Invest AB.

Holding in the company: 474,106 Class B shares and 25,000 warrants (TO4)



ANDERS RYLANDER (1970)
Board member since 2010 and CEO since 2011

Education/background: M.Sc. in mechanical engineering with focus on industrial economics from KTH Royal Institute of Technology. Previously Senior Manager at Accenture, CTO for ICA AB and founder of Axholmen (consultancy firm).

Current assignments: Chairman of the Board for Springcap Invest AB, Board member at Arinvest AB and Anders Rylander Investment AB.

Holding in the company: Indirectly 3,575,640 Class A shares, 379,756 Class B shares and 20,000 warrants (TO5)



JESPER SÖDERQVIST, PH.D (1966)
Board member since 2013

Education/background: M.Sc.Eng. from KTH Royal Institute of Technology. Ph.D. in Physics from KTH Royal Institute of Technology and CERN. Previously CEO at Arcoma, Vice President for Elekta AB's neuroscience division, General Manager for mammography at Philips Healthcare and CEO at Sectra Mamea.

Current assignments: Jesper Söderqvist is CEO of Boule Diagnostics AB. He is also a Board member of Arcoma AB, as well as Board member and CEO of Dekatria AB.

Holding in the company: Directly and indirectly: 41,085 Class A shares and 38,200 Class B shares and 25,000 warrants (TO4)

EXECUTIVE MANAGEMENT TEAM

Biovica's executive management team consists of the President/CEO and six additional senior executives. There are five men and two women on the executive management team.

ANDERS RYLANDER (1970), CEO See the section "Board of Directors".



OTTE BENGTSSON GREF, (1968)
R&D Director since 2020

Education/background: Otte holds a Licentiate of Medical Science degree in immunology from Uppsala University. She also has an Executive MBA from MGruppen. She has more than 20 years of experience working with research, product development and production in both academia and industry. She has held several management positions in both development and production at Thermo Fischer and she has extensive experience in product development of in vitro diagnostics. Most recently, Otte worked as R&D Director at Cavid AB developing, manufacturing and marketing HIV molecular diagnostics.

Current assignments: -

Holdings: 20,000 warrants (TO5)

Holding in the company: 20,000 warrants 2019/2022 (TO5)



WING CHENG, PH.D. (1974)
Market Access and Quality Assurance Director since 2018

Education/background: Ph. D. in clinical immunology, M.Sc. in molecular biotechnology from Uppsala University. Wing has held leading positions in regulatory and reimbursement at government authorities, including TLV, Swedish Medical Products Agency, EMA and the European Commission. He most recently held the position of Manager Clinical Utility at Thermo Fisher Scientific.

Current assignments: -

Holdings: 3,700 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)

Holding in the company: 3,700 Class B shares, 20,000 warrants (TO3) and 20,000 warrants 2019/2022 (TO5)



ROBERT DANN, (1962)
SVP Marketing and US Business since 2020

Education/background: Robert Dann has and MA in Russian Civilization from University of Chicago and an MBA from Columbia University. He has more than 20 years of experience working in the healthcare industry in a variety of roles, including country manager, head of global launches and strategy formulation. He has worked with cancer care, pharmaceuticals, diagnostics and artificial intelligence at AstraZeneca, GE Healthcare and IBM Watson Health. Robert has been influential in the market launch of several revolutionary products in the healthcare industry.

Current assignments: -

Holding in the company: 20,000 B shares



CECILIA DRIVING (1971)
EVP CFO/HR/IR since 2016

Education/background: Master of Laws and B.Sc. in business administration from Stockholm University. Cecilia has experience working in the fields of life science, IT, telecommunications and research as CFO and Corporate Counsel. She also has experience working with listed companies, in private equity and with both privately owned and state-owned companies.

Current assignments: Board member at Ovzon AB.

Holding in the company: 10,000 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)



ADAM GERMUNDER (1984)
Operations Director since 2017

Education/background: Adam has a B.Sc. in mechanical engineering from Uppsala University. He has extensive experience working with product management and process development. For example, he was involved in developing and implementing the new production methods in ISO 13485 Medical devices--Quality management systems. He previously worked as Head of Production at Fiom Diagnostics, where he was responsible for ongoing production. He also worked as Team Leader at Fresenius Kabi.

Current assignments: -

Holding in the company: 4,600 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)



HENRIK WINTHER, (1966)
SVP Business Development since 2020

Education/background: Henrik was Associate Professor in Anatomy, Physiology and Cell Biology at University of Copenhagen prior to taking employment at the diagnostics company, Dako, which was later acquired by Agilent. Henrik held several executive management positions at Dako. He was the R&D Director prior to taking over as Business Area Manager for Companion Diagnostics. Under his management, the business area experienced tenfold growth in both revenue and number of employees. At Agilent, Henrik was appointed Vice President and General Manager of the Companion Diagnostics Division. Prior to his employment at Biovica, Henrik worked at SVP Business Development at the Swedish diagnostics company, Immunovia.

Current assignments: Board member at SAGA Diagnostics AB.

Holding in the company: 20,000 warrants (TO5)

Remuneration to senior executives

Details on the total remuneration and other remuneration that has been granted, directly or indirectly, by the Company to its senior executives is provided in Note 10. The Company has not granted any loans to its senior executives.

The Board of Directors' proposal for guidelines for remuneration to senior executives

The Board of Directors proposes that remuneration to senior executives shall consist of fixed salary, variable remuneration (possibly), other ordinary benefits and pension. The total annual remuneration shall be market-based and competitive having considered the labor market and specific position that the individual holds. It should also take into account the individual's qualifications, experience, and any outstanding achievements. Fixed salary shall be reviewed annually. Senior executives include the President/CEO and other members of the executive management team.

Fixed salary and variable remuneration shall be related to the senior executive's responsibilities and authority. Variable salary shall not exceed 40% of fixed salary. Conditions for variable remuneration should be designed so that the Board is able to limit or exclude it if the variable remuneration is deemed to be unreasonable or incompatible with the company's responsibilities towards its shareholders. For annual bonus, it should be possible to limit or exclude variable remuneration if the Board feels that it is motivated for other reasons.

Pension benefits shall be defined contributions. Notice of termination for the CEO and other senior executives shall be 12 months, at most. Fixed salary during the notice period and severance pay shall not, in aggregate, exceed an amount corresponding to the fixed salary for one year and shall also be deductible.

These principles shall be applied by all subsidiaries in the Group. The Board of Directors shall have the right to deviate from the above guidelines if it considers that, in a particular case, there are special reasons for doing so. Matters having to do with salary and other remuneration to the CEO and other senior executives are prepared by the CEO and resolved in consultation with the Chairman of the Board.

The Board's report on internal control over the financial statements

The Board's responsibility for internal control and governance is regulated in the Swedish Companies Act and the Annual Accounts Act. The Swedish Corporate Governance Code is also applied. Biovica strives to run the business as efficiently as possible. Financial reporting must be reliable, reflect the Company's operations in a correct manner and be prepared in accordance with applicable laws and regulations. The Board determines which reports must be prepared in order for it to monitor the Company's progress. The quality of financial reporting to the Board is evaluated primarily by the audit committee.

Internal control and risk management

The Board of Directors is responsible for internal control at Biovica. For financial reporting, internal control and risk management is a process that has been designed by the Board aimed at providing them, management and others within the organization with reasonable assurance about the reliability of external financial reporting and that it has been prepared in accordance with generally accepted accounting principles, applicable laws & regulations and the requirements for listed companies.

Control environment

The internal control environment is based on allocation of responsibilities and authorities among the members of the Board of Directors, Board committees, the CEO and other senior executives. The most important components of Biovica's control environment are documented in the rules of procedure for the Board, instructions to the CEO, policies and other governance documents.

Control activities

Appropriate control activities are a prerequisite for managing the significant risks associated with internal control. In order to safeguard its internal control, Biovica has both automated, system-based controls and manual controls, such as reconciliations and physical inventory counts. Financial analyses of the company's results, along follow-up on plans and monitoring, supplement the controls and provide an overall confirmation of the quality of reporting.

Internal audit

The Group has a simple legal and operational structure, along with a detailed governance and internal control system. Based on that, the Board has decided not to set up a special internal audit function. The Board reconsiders this decision each year.

Information and communication

The company's governing documents in the form of policies, guidelines and manuals on both internal and external communication are regularly updated and communicated via such things as meetings and other relevant company-internal channels. Biovica's information policy governs communication with external partners, which specifies the guidelines on how information is made public. The aim of the policy is to ensure that the company fully and completely fulfills its information obligations in accordance with the applicable laws and regulations.