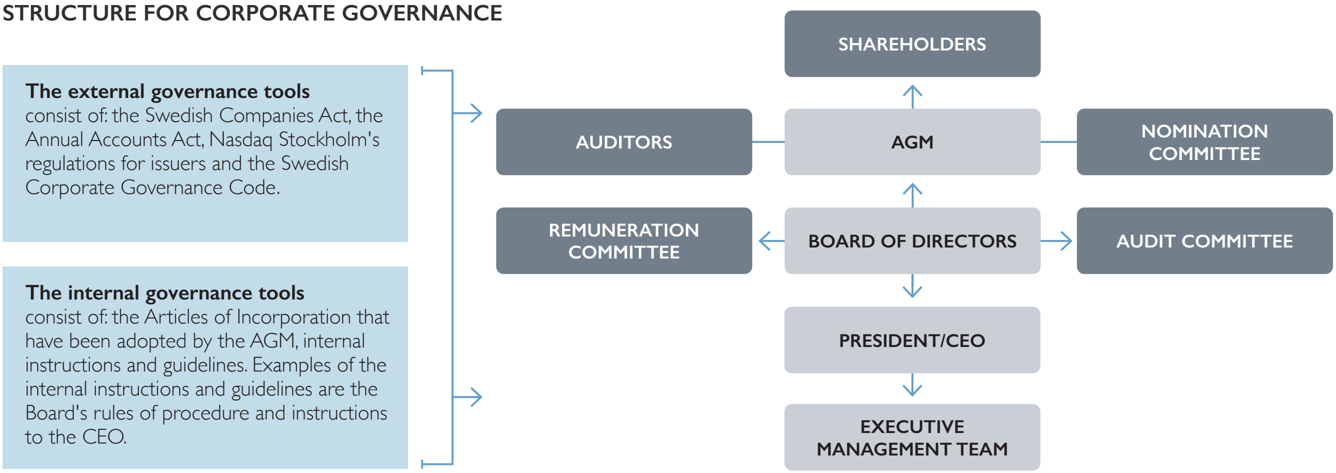
Corporate governance report

STRUCTURE FOR CORPORATE GOVERNANCE



Good corporate governance is about ensuring that companies are managed in a way that is as efficient for shareholders as possible. Corporate governance at Biovica 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 2025/2026 financial year, Biovica did not have any departures from the Code.

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 in order to, among other things, present and adopt the statutory financial statements and reports, appropriate earnings and resolve to discharge the CEO and members of the Board from liability. 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. Biovica's Articles of Incorporation do not contain any limitations on how many votes each shareholder may exercises at the AGM.

Resolutions at the Extraordinary General Meeting in July 2025 included:

- Amendment of the Articles of Incorporation to increase the limits for the share capital to a minimum of SEK 11,000,000 and a maximum of SEK 44,000,000.
- Approval of the Board of Directors' resolution to carry out a rights issue of up to 127,122,299 shares.
- Approval of the Board of Directors' resolution on a directed issue of up to 83,291,780 series TO4B warrants.
- Authorization for the Board of Directors to resolve on an over-subscription option until the next Annual General Meeting comprising up to 83,291,780 Class B shares, with deviation from shareholders' preemptive rights.

Resolutions at the 2025 AGM included:

- Adoption of the Parent Company income statement and balance sheet, as well as the consolidated income statement and balance sheet
- Profit or loss distribution in accordance with the Board's proposal, i.e. carried forward.
- Discharge of liability for Board members and CEO for the 2024/2025 financial year.
- Re-election of Annika Carlsson Berg, Marie Louise Fjällskog, Maria Holmlund, Anders Rylander and Jesper Söderqvist to serve on the Board of Directors, with Cornelis Peter Bogerd and Fredrik Alpsten newly elected to serve on the Board of Directors. It was further resolved to elect Fredrik Alpsten as the new Chairman of the Board of Directors. The outgoing Chairman of the Board, Lars Holmqvist, had declined re-election and was unable to attend the Annual General Meeting due to prior commitments.
- Grant Thornton Sweden AB was re-elected as the company's auditor. Authorized Public Accountant, Stéphanie Ljungberg, will continue as the auditor-in-charge.
- Remuneration to the Board and committees shall remain the same. Remuneration to the Chairman of the Board (SEK 450,000), Board members (SEK 200,000), Committee Chairman (SEK 75,000) and Committee members (SEK 37,500).
- Resolution on the implementation of Performance Share Program 2025/2028:1 for the Board of Directors.
- Resolution on the implementation of Performance Share Program 2025/2028:2 for the company's employees in Sweden.

- Resolution on the implementation of Performance Share Program 2025/2028:3 for employees of the company's U.S. subsidiary.
- Resolution 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.

Major shareholder

Bogerd Family Office, through HDF Impact, is Biovica's largest shareholder, holding 26.41 percent of the share capital and 24.04 percent of the voting rights.

Nomination Committee

The Nomination Committee is responsible for submitting proposals on who should serve as chairman for general meetings of shareholders, candidates for Board members, including the Chairman of the Board, fees and other remuneration to each Board member, along with remuneration for committee work, as well as the election of, and remuneration to, external auditors.

For the period until the 2026 Annual General Meeting, the Nomination Committee consists of Carlo Bogerd, representing Bogerd Family Office and affiliated entities; Anna Rylander Eklund, representing the Rylander family and affiliated entities; Peter Høngaard Andersen, representing shareholder Fredrik Lundgren; and Fredrik Alpsten, Chair of the Board of Directors of Biovica, who also serves as convener of the Nomination Committee.

No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request compensation from the company for reasonable costs that are necessary for the committee to carry out its assigned tasks. The mandate period for the Nomination Committee extends until a new Nomination Committee is announced. In conjunction with the Nomination Committee's work and for the purpose of own improvement efforts, the Board of Directors conducts an evaluation each year of its work and efficiency. The results of that evaluation are distributed to the Nomination Committee.

Composition of the Board of Directors

Biovica's Articles of Incorporation stipulate that the company must have at least three Board members and at most ten Board members. At the 2025 AGM, a total of seven Board members were appointed: three female and four male. Fredrik Alpsten, Marie-Louise Fjällskog, Maria Holmlund, Annika Carlsson Berg, Cornelis Peter Bogerd, Anders Rylander and Jesper Söderqvist. Fredrik Alpsten was appointed as Chairman of the Board. Given the company's stage of development and need for continuity in its governance, the CEO also served as a member of the Board of Directors during fiscal year 2025/2026. The Board of Directors considered this arrangement appropriate, but does not intend for the CEO to continue serving as a Board member going forward. Anders Morén, CFO at Biovica serves as secretary for the Board of Directors.

All Board members (except for Anders Rylander) are independent in relation to the Company, its management and major shareholders. Cornelis Peter Bogerd is independent of the company and its executive management, but not independent of the company's major shareholders. Accordingly, Biovica complies with the independence requirements for Board members set out by Nasdaq Stockholm and the Swedish Corporate Governance Code.

The work done by the Board and Board evaluation

The Board has the ultimate responsibility for directing the company's operations between the Annual General Meetings. The Board makes decisions on issues relating to the company's strategic direction, financing, major investments, acquisitions, divestments, organizational issues, incentive principles and important policies. The work done by the Board is regulated by, among others, the Swedish Companies Act, the Articles of Incorporation, the rules of procedure that the Board has adopted and the Board's instructions to the CEO. The rules of procedure clarify each Board member's responsibilities, in particular the Chairman's, as well as allocation of responsibilities between the Board of Directors and CEO along with the CEO's authorities. Those authorities have also been clarified in more detail in the instructions to the CEO. The rules of procedure also state, at an overall level, the subject areas that the Board of Directors shall cover and work with during the year, along with how time should be allocated to the various components of their work.

The Board reviewed its rules of procedure during 2025, along with instructions to the CEO and reporting instructions. It also evaluated the work done by the CEO. The Board has had two committees during the year. The Remuneration Committee consists of Maria Holmlund, Chair, and one member, Annika Carlsson Berg. The Audit Committee consists of the Committee Chair, Jesper Söderqvist and one member, Fredrik Alpsten.

BOARD MEMBERS AND THEIR INDEPENDENCE

			Independent in relation to		Attendance at		
Name	Position	Elected	the company and Group management	major shareholder	Board meetings	Audit committee	Remuneration committee
Lars Holmqvist[1]	Chairman	2019	Yes	Yes	11/23	2/5	
Fredrik Alpsten	Chairman	2025	Yes	Yes	12/23	3/5	
Annika Carlsson Berg	Board member	2021	Yes	Yes	20/23		8/8
Cornelis (Niels) Peter Bogerd	Board member	2025	Yes	No	12/23		
Marie-Louise Fjällskog	Board member	2020	Yes	Yes	22/23		
Maria Holmlund	Board member	2016	Yes	Yes	23/23		8/8
Jesper Söderqvist	Board member	2013	Yes	Yes	23/23	5/5	
Anders Rylander[2]	Board member, CEO	2010	No	No	23/23	5/5	

1 Lars Holmqvist stepped down as Chairman of the Board and member of the Audit Committee at the 2025 AGM.
2. Anders Rylander stepped down as President and CEO on 1 May 2026.

BOARD CALENDAR

Q1 MAY–JULY	Q2 AUGUST–OCTOBER	Q3 NOVEMBER–JANUARY	Q4 FEBRUARY–APRIL
• Board report/CEO evaluation	• Strategy meeting • Annual General Meeting (AGM) • Meeting following election	• Policies	• Budget
• Year-end report • Annual report	• Annual General Meeting (AGM) • Q1 Interim report	• Q2 Interim report	• Q3 Interim report

During the 2025/2026 financial year, the Board held 23 meetings where the minutes were taken.

Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for preparing matters and/or materials for decisions having to do with the following:

- Providing the Board with proposals on remuneration guidelines and other employment terms for the CEO and other senior executives (in accordance with the rules stipulated in the Swedish Companies Act). This occurs at the first ordinary Board meeting of the financial year. This includes policies on such things as salary, benefits and other employment terms for Biovica's senior executives. Examples are policies on bonus and incentive programs for the short and long term, pensions, basic salary and other employment terms.
- The Committee also makes a proposal for the CEO's salary and other benefits.

Responsibilities of the Audit Committee

The Audit Committee supports the Board of Directors in overseeing the quality, reliability, and transparency of the company's financial reporting, as well as matters relating to internal control, risk management, and auditing.

The Audit Committee oversees the company's financial reporting processes, as well as the effectiveness of its internal control and risk management systems relating to financial reporting.

The Audit Committee maintains an ongoing dialog with the company's auditors and finance function, reviews the audit plan, follows up on completed audits, and evaluates the auditor's independence and objectivity. The Audit Committee also approves any non-audit services to be provided by the external auditor.

The Audit Committee assists the Nomination Committee in preparing proposals for the appointment of the external auditor and auditor remuneration.

The Chair of the Audit Committee is responsible for keeping the Board of Directors informed of the Committee's work and, when necessary, bringing relevant matters before the Board for decision.

The work of the Audit Committee does not replace the responsibilities of the Board of Directors or the meetings held between the Board of Directors and the company's auditor. Such meetings are to be held at least once a year, normally in connection with the Board's review of the annual report.

CEO and Group management

The CEO is responsible for the ongoing administration and running of the company's business. Allocation of work between the Board and the CEO is detailed in the company's rules of procedure for the Board and instructions to the CEO. The CEO keeps the Board continuously informed about the company's operations, performance and financial position through, among others, monthly reports. The CEO is also responsible for preparing reports and compiling information for Board meetings, along with presenting that information at Board meetings.

Anders Rylander is President and CEO and leads the company's operations together with Anders Morén, CFO; Hanna Ritzén, SVP Marketing & Business Development; Hector Tamburini, Head of U.S. Operations; Henrik Winther, SVP Pharma Services; Rickard Boman, VP R&D and Production; and Sofia Löhman, VP QA/RA.

Remuneration and employment terms

Board of Directors

At the AGM on 23 September 2025, it was resolved that a fee of SEK 200,000 would be paid to each member of the Board who is not an employee of the company and that the fee paid to the Chairman of the Board would be SEK 450,000. An additional SEK 75,000 shall be paid to the Chairman of each committee and SEK 37,500 to each committee member. For the 2025/2026 financial year, remuneration to the Board of Directors totaled SEK 1,875,000.

CEO and Group management

Biovica shall offer a market-competitive total compensation package such that it is possible to recruit and retain talent for its executive management team. Compensation shall consist of fixed salary, performance-based remuneration, share savings programs, pension and other remuneration. Together, it comprises an individual's total compensation package.

Fixed salary, which is reviewed each year, shall reflect the individual's areas of responsibility and experience. Performance-based remuneration is based on the individual achieving certain qualitative and quantitative targets. For senior executives, the variable portion of compensation may not exceed 50 percent of fixed salary.

The Board of Directors decides on the remuneration policy for the CEO and Group management team. The policy in place as of the date of this annual report has been designed in accordance with the guidelines for remuneration to the CEO and Group management that were adopted by the AGM. Individual remuneration to the CEO is proposed by the Remuneration Committee and approved by the Board of Directors. For other members of the Group management team, individual remuneration is proposed by the CEO and approved by the Board.

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.

Auditors

The company's auditor is appointed at the AGM. During the year, the auditor meets with the Board of Directors at various times to present their findings based on the audit of the financial statements and internal controls. For the 2025/2026 fiscal year, Grant Thornton was elected as the company's auditor, with Stéphanie Ljungberg as the auditor-in-charge.
The company's auditor met with the Audit Committee/Board of Directors on three occasions to present the findings and conclusions from their audits.

Internal control and risk management

The Board of Directors is responsible for internal control and overall risk management in Biovica International AB (publ). Internal control and risk management relating to financial reporting are designed to provide reasonable assurance regarding the reliability of the company's financial reporting and the preparation of financial statements in accordance with applicable laws, regulations, and accounting principles.

Internal control and risk management are based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and comprise the following key components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The control environment provides the foundation for the company's internal control framework, with clearly defined roles and responsibilities for the AGM, the Board of Directors, its committees, the President and CEO, and executive management. The company's key governance documents include the Articles of Incorporation, the Board of Directors' Rules of Procedure, the CEO Instruction, delegation-of-authority policies, and adopted policies and guidelines.

Risk assessment

Biovica continuously identifies and assesses risks that may affect its financial reporting. The risk assessment covers both operational and financial risks and guides the design of relevant control activities.

Control activities

The company has established appropriate control activities to address identified risks, including both automated and manual controls. These control activities include reconciliations, follow-ups, analyses of actual results against budget and forecast, and procedures for approvals and authorization levels. The company monitors its control activities through ongoing reporting to the Audit Committee and the Board of Directors.

Information and communication

Policies, guidelines, and procedures relevant to internal control are documented and communicated to relevant employees through internal channels. Biovica applies an established information policy for external communications to ensure accurate, relevant, and consistent disclosure to the market in accordance with applicable regulations.

Follow-up

The Board of Directors continuously monitors the effectiveness of the company's internal control through the work of the Audit Committee, dialog with the company's auditor, and regular reporting from management. The Board of Directors has determined that the company's current internal control and risk management framework is appropriate.

Internal audit

The Board of Directors has determined that the company does not currently require a separate internal audit function, given the scope and complexity of its operations. This assessment is reviewed annually.

Uppsala, dated in accordance with electronic signature

Fredrik Alpsten
Chairman of the Board

Annika Carlsson Berg
Board member

Cornelis (Niels) Peter Bogerd
Board member

Marie-Louise Fjällskog
Board member

Maria Holmlund
Board member

Anders Rylander
Board member

Jesper Söderqvist
Board member