



Corporate governance

BIOARCTIC

2022

*Comments from the Chairman*

# Groundbreaking research and initiatives for the future

2022 was the most successful year in BioArctic's history, and as Chairman of the Board I am extremely proud of the solid research efforts that form the basis of the positive Phase 3 results for lecanemab in Alzheimer's disease. During the year, the Board made several decisions in order to ensure that BioArctic continues to develop sustainably over the long term, and that the company's research helps address society's challenges by offering patients a better life.

It has been 20 years since BioArctic was founded by Lars Lannfelt and Pär Gellerfors. Together the Board and management have developed the company from a dedicated research and development organization into a company that now establish a commercial organization. The hope is that we in the near future will be able to participate in the work of marketing and selling lecanemab, a recently approved drug for Alzheimer's disease in the USA, also in the Nordics. Research is lengthy and time-consuming work, and I am proud of having been part of enabling the company's fantastic journey. Over the past year, BioArctic has presented groundbreaking research in Alzheimer's disease. The company's research in the field has enabled lecanemab to become the first disease-modifying drug in the world that, in a major clinical program, demonstrated a distinct and significant reduction in degeneration of Alzheimer's disease.

The activities of the Board of Directors of BioArctic over the past year were largely oriented on the company's long-term strategy and on issues of financing. Work has involved comprehensive planning for various scenarios regarding the outcome of the results of the Clarity AD Phase 3 study in Alzheimer's disease. Since BioArctic's research portfolio consists primarily of unique antibody treatments targeted at

the misfolded proteins that form the basis for the emergence of several different neurodegenerative diseases, the outcome had a significant impact not only for lecanemab but also for several other projects in the company's research portfolio. The Board of Directors has thus worked to diversify potential risks in the portfolio by expanding and investing for the future. During the year, decisions were made to intensify research into the company's blood-brain barrier technology. A second generation of this technology has already been shown to cause a robust increase of and improve exposure in the brain to the antibodies, and it is now being used in five preliminary projects in BioArctic's portfolio. Furthermore, a new project has been initiated that focuses on enzyme replacement treatment for Gaucher disease, as well as an additional project in Parkinson's disease, both in combination with the company's Brain Transporter technology. The Board's decision to initiate several more exciting research projects in new areas of disease means a greater rate of investment in the company at the same time as future growth potential is increasing. Additionally, this work involves building up a Nordic sales organization that possesses the specialist competence that an organization needs to commercialize a drug in a new phase in the company's history. One recurring, and increasingly important, area for the



Board is BioArctic's sustainability initiatives and the long-term growth strategy. Efforts have been made to increase transparency for investors and other stakeholders regarding what BioArctic is doing in this field, while the company has begun preparations for compliance with the new laws and expanded reporting requirements that the company is covered by, in pace with the growth of the operation.

On behalf of the Board, I would like to extend our sincerest and warmest thanks to CEO Gunilla Osswald, and BioArctic's employees, for their successes and efforts during the year. I would also like to thank my colleagues on the Board for a constructive and pleasant collaboration, and our shareholders, who support our long-term vision. Since I have declined re-election, the nomination committee has proposed to the general meeting that I hand over the position as chair to Eugen Steiner. It has been an exciting and stimulating year, and I wish BioArctic every success.

Stockholm, April 26, 2023

**Wenche Rolfsen**

*Chairman of the Board*



# Corporate governance

## *Bodies, regulations and governance*

### INTRODUCTION

Active control of risks and a well-functioning corporate culture promote the creation of value for stakeholders. Corporate governance refers to the rules and decision-making hierarchies that efficiently and in a controlled manner promote management and governance as well as the ability to monitor developments within the company.

BioArctic AB, corporate registration number 556601-2679, is a Swedish limited company with its head office in Stockholm. The BioArctic share has been listed on Nasdaq Stockholm Mid Cap since 2017; as of January 2, 2023, the company has been listed on Large Cap. The Corporate Governance Report, which is a part of the company's Board of Directors' report, has been examined by the company's auditor, Grant Thornton Sweden AB, and the results of the examination are presented in their statement on page 121 of this Annual Report.

### GOVERNANCE DOCUMENTS

Corporate governance in BioArctic is controlled by external laws and regulations as well as internal instructions and guidelines.

The external regulations include the relevant laws and ordinances (including the Companies Act, the Annual Accounts Act, the Market Abuse Regulation and IFRS), stock market regulations in the market where the company's shares are admitted for trading (the Nordic Man Market Rulebook for Issuers of Shares), and the Swedish Code of Corporate Governance (the "Code").

Internal regulations include the company's Articles of Association, internal instructions, and guidelines. Examples of internal instructions and guidelines include the Board of

Directors' rules of procedure, formal work plans for the committees and instructions to the CEO. In addition, the Board of Directors of BioArctic has adopted a number of policies and guidelines that control the company's operations, and instructions for financial reporting are documented in the company's finance handbook.

### THE SWEDISH CODE OF CORPORATE GOVERNANCE

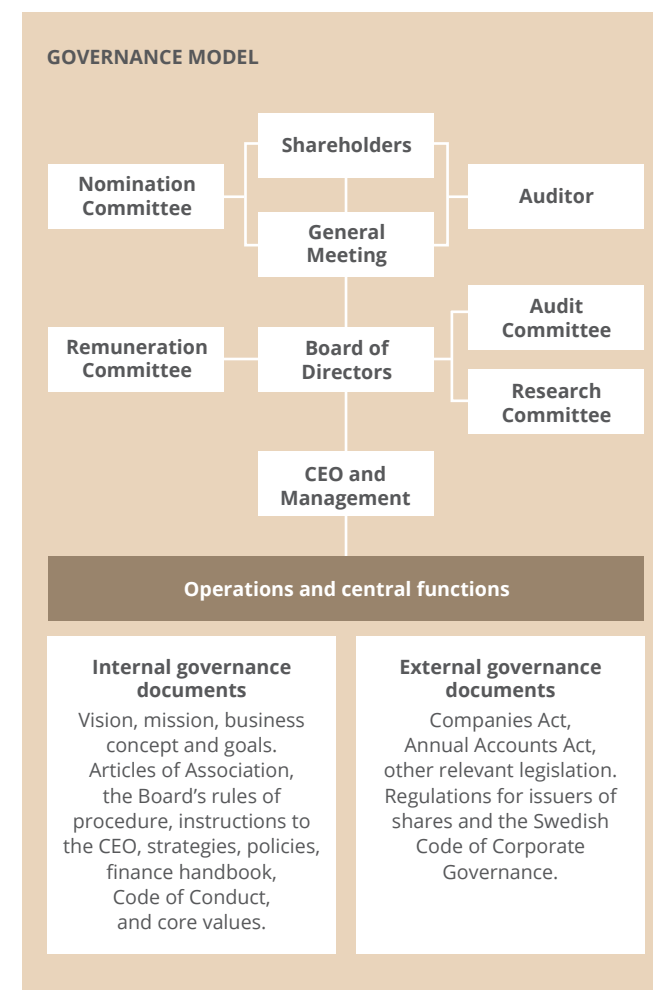
BioArctic applies the Swedish Code of Corporate Governance, and no deviations from the Code occurred during the year. The Company was not subject to any decision of the Nasdaq Stockholm disciplinary board or any statement by the Swedish Securities Council during the year.

### THE GOVERNANCE MODEL

Governance, management and control of BioArctic is exercised by the shareholders through the Annual General Meeting, the Board of Directors, the CEO and the auditors in accordance with the Swedish Companies Act and the Articles of Association.

### SHAREHOLDERS AND SHARES

BioArctic's B share (BIOA B) has been traded in Nasdaq Stockholm since 2017. At December 31, 2022 the share capital in BioArctic amounted to SEK 1,762,631.42 divided into 14,399,996 Class A shares (number of votes: 10) and 73,731,575 Class B shares (number of votes: 1), each with a quotient value of SEK 0.02. The number of shares in the company increased by 71,586 during the fourth quarter of 2022 as a result of subscription of shares by participants in the 2019/2028 employee stock option program. According to ownership data from Monitor by Modular Finance, the



number of shareholders at year-end was 14,840 (9,816) and the ten largest shareholders owned 90.2 percent of the votes and 75.7 percent of the capital in the company. Provided that the attendees of the Annual General Meeting have registered in the prescribed order, each owner will have the right at the AGM to vote for all owned, directly registered, and represented shares.

There are no provisions in BioArctic's Articles of Association that limit the right to transfer shares or how many votes each shareholder can cast at a general meeting.

For further information on BioArctic's share and ownership structure, see the BioArctic share section on pages 122-124 or visit [www.bioarctic.com](http://www.bioarctic.com).

#### GENERAL MEETING

The General Meeting is BioArctic's highest decision-making body, where the stakeholders have the right to pass resolutions on issues affecting the company. The Annual General Meeting

(AGM) is held on a yearly basis, six months after the end of the financial year. At the AGM, the balance sheet and income statement are presented, as well as the consolidated balance sheet and income statement, and resolutions are passed on such matters as appropriation of the Company's earnings, election of Board members and fees to Board members and auditors, and other matters submitted to the AGM in accordance with the law.

The Articles of Association do not contain any specific provisions relating to the amending of the Articles of Association.

#### 2022 Annual General Meeting

The AGM of BioArctic was held on May 5, 2022. Due to the coronavirus pandemic, the AGM was held via a postal voting procedure, which meant that the shareholders did not physically attend the meeting. At the meeting, 66,337,793 votes – corresponding to 75.3 percent of the number of votes in the company – were represented via the voting procedure. The

#### Resolutions at the 2022 AGM included:

- that no dividend would be paid for the 2021 financial year, and that profits at the disposal of the General Meeting would be carried forward
- the discharge of the Board members and CEO from liability for the 2021 financial year
- the re-election of Board members Wenche Rolfsen (chairman), Ivar Verner (deputy chairman), Håkan Englund, Pär Gellerfors, Lars Lannfelt, Lotta Ljungqvist, Mikael Smedeby, and Eugen Steiner
- that total fees determined yearly, including fees for committee work, of SEK 2,660,000 are to be paid to the Board
- the appointment of Grant Thornton Sweden AB as the auditing company, with Mia Rutenius as auditor in charge
- the passing of a resolution on the process for establishing a Nomination Committee and guidelines for the Committee's work
- the passing of a resolution on approval of the remuneration report pertaining to the 2021 financial year
- the passing of a resolution on guidelines for remuneration to senior executives
- the passing of a resolution on authorization for share issues
- the passing of a resolution on the adoption of new Articles of Association

The complete minutes are available on BioArctic's web site.



minutes and other documentation from the General Meeting are available on BioArctic's website, [www.bioarctic.com](http://www.bioarctic.com).

#### 2023 ANNUAL GENERAL MEETING

The 2023 AGM will be held on Thursday, June 1, 2023 at Lindhagen Konferens in Stockholm, Sweden. Shareholders registered in the share register maintained by Euroclear Sweden as of May 24, 2023 and who have registered in accordance with the instructions in the notice to attend the AGM will have the right to attend the meeting.

#### NOMINATION COMMITTEE

The task of the Nomination Committee is to ensure that the members of the Board of Directors of BioArctic jointly possess the knowledge and experience that are relevant for enabling the satisfactory performance of the company over time. The Nomination Committee presents a proposal to the AGM regarding the number of Board members and the composition of the Board as well as proposals regarding fees to the

Board of Directors, including fees for committee work. The Nomination Committee will also present a proposal concerning the Chairman of the Board and the AGM, as well as the auditors and their remuneration. Under the Code, the Nomination Committee must have at least three members, a majority of which must be independent in relation to the company and Group Management. The basis for the activities of the Committee consists of the annual assessment of the activities of the Board, as well as the company-specific needs in BioArctic. The proposals of the Nomination Committee are presented in the notice to attend the AGM, and a justification for the Nomination Committee's proposals is published on BioArctic's website. All shareholders have the right to present proposals to the Nomination Committee via e-mail to [arsstamma@bioarctic.se](mailto:arsstamma@bioarctic.se).

According to the resolution at the AGM of BioArctic on May 5, 2022, the members of the Nomination Committee for the 2023 AGM shall be appointed ahead of the AGM by Chairman of the Board contacting the three largest shareholders in terms of voting rights according to Euroclear Sweden AB's transcription of the share register as of September 30, 2022 and asking each of them to appoint a member of the Nomination Committee. In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee, further shareholders should be contacted until the Nomination Committee consists of three members.

#### The Nomination Committee prior to the 2023 Annual General Meeting

A Nomination Committee was appointed in October 2022. The owners who are included on the Nomination Committee based on the company's ownership structure as of September 30, 2022 are Demban AB, Ackelsta AB and the Fourth AP Fund. The company's Chairman of the Board, Wenche Rolfsen, has been co-opted onto the Nomination Committee. All members have been deemed independent in relation to the company and Group Management. The Nomination Committee has held 2 (2) meetings as well as informal contacts

up until the time for the AGM. No remuneration has been paid for the activities of the Nomination Committee.

#### Composition of the Nomination Committee

Name	Representing	Share of votes as of 30 Sep 2022, %
Margareta Öhrvall	Demban AB	50.1
Claes Andersson	Ackelsta AB	33.4
Jannis Kitsakis	The Fourth AP Fund	1.9

#### BOARD OF DIRECTORS

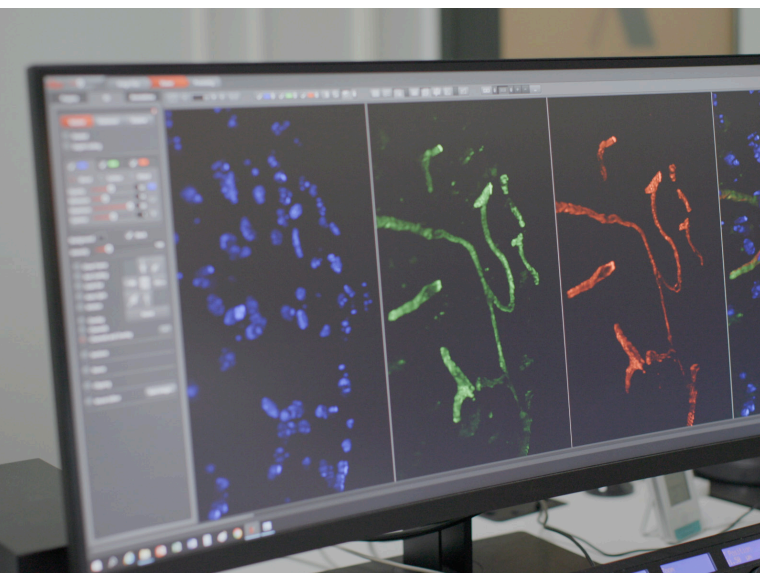
##### Tasks and responsibilities of the Board

The Board of Directors is BioArctic's second highest decision-making body after the General Meeting. The Board has overall responsibility for the suitability of the company's organization, and that operations are carried out in accordance with the Articles of Association, the Companies Act, and other applicable laws and regulations. The Board endeavors to create long-term value for shareholders and other stakeholders, and is responsible together with company management for the overall strategy as well as the company's financing and financial position, and works to ensure the Company has proper risk management and internal control. The tasks of the Board also include issues of reporting, audits, and remuneration.

##### Composition of the Board

Under BioArctic's Articles of Association, the Board shall consist of no less than three and no more than eight ordinary members elected by the General Meeting, with no deputies. The members, who are normally elected annually at the AGM for the period until the close of the next AGM, must provide competence and experience that benefit BioArctic's performance. The Articles of Association do not contain any specific provisions relating to the appointment or dismissal of Board members.

At present, the Board consists of eight regular members with no deputies. All members were re-elected at the AGM on



May 5, 2022. CEO Gunilla Osswald and CFO Jan Mattsson are present at all Board meetings. Jan Mattsson serves as the secretary of the Board. Other senior executives participate as rapporteurs in connection with particular issues. For a summary and presentation of the Board members, see pages 117-118.

#### Independence of the Board

Seven of the eight Board members are independent in relation to both the company and its management, and six of the eight Board members are independent in relation to the major shareholders. The company's two founders, Lars Lannfelt and Pär Gellerfors, who are also Board members and primary owners, cannot be considered independent in relation to major shareholders. Lars Lannfelt is employed by the company and is part of the company's management group, and therefore cannot be considered independent in relation to the company and to management. Pär Gellerfors has provided support around contractual issues and patents via Ackelsta AB. Ackelsta AB submitted invoices during the year totaling MSEK 0.1 (0.1) for

#### Composition of the Board

Name	Elected	Independent in relation to company and management	Independent in relation to major shareholders	Audit Committee	Remuneration Committee	Board of Directors	Audit Committee	Remuneration Committee
Wenche Rolfsen	2016	Yes	Yes	—	Yes <sup>1</sup>	16/16	—	3/5
Ivar Verner	2010	Yes	Yes	Yes	—	16/16	4/4	—
Håkan Englund	2020	Yes	Yes	—	—	16/16	—	—
Pär Gellerfors	2003	Yes	No	—	Yes <sup>2</sup>	15/16	—	2/5
Lars Lannfelt	2003	No	No	—	—	15/16	—	—
Lotta Ljungqvist	2021	Yes	Yes	—	Yes <sup>3</sup>	15/16	—	5/5
Mikael Smedeby	2018	Yes	Yes	Yes	—	16/16	4/4	—
Eugen Steiner	2017	Yes	Yes	Yes	Yes	16/16	4/4	5/5

1) Resigned from the Committee on August 31, 2022

2) Succeeded Lotta Ljungqvist as member on August 31, 2022

3) Succeeded Wenche Rolfsen as Chairman on August 31, 2022

market-based remuneration of consultant services. BioArctic herewith meets the requirements from Nasdaq Stockholm and the Code regarding the independence of Board members.

#### Board activities

The Board will carry out its activities jointly, under leadership of the Chairman. The Board of Directors' rules of procedure are revised annually and adopted at the inaugural Board meeting every year. The rules of procedure govern such aspects as Board functions, work tasks, the decision-making procedure within the company, the Board's meeting agenda, the Chairman's duties and the allocation of responsibilities between the Board and the CEO. The Board also establishes instructions for the Board's committees and the CEO. The Chairman, who is selected by the AGM, has an expanded responsibility for governing and managing the work of the Board and of ensuring that the Board's work is efficiently carried out, that the Board fulfills its commitments in accordance with the Companies Act and the Board's rules of procedure, and that the decisions of the Board are implemented in an

efficient manner. The Chairman is also responsible for conducting an annual Board evaluation, which is also presented to the Nomination Committee.

The Board meets according to a meeting schedule that is established yearly. At each regular Board meeting, an update on the operations and a financial follow-up is given. During the year, matters relating to the company's strategy and future potential opportunities to sell on the Nordic market, as well as the formation of a sales and marketing organization, were also discussed. Development of the company's project portfolio, collaboration with current and potential partners, the organization, financing issues, and competence needs were also addressed.

In 2022, the Board held 16 (15) meetings, one of which was an inaugural meeting in connection with the AGM on May 5, 2022. The minutes taken at these meetings record decisions that have been taken.

#### Remuneration to the Board

Fees and other remuneration to the Board members are established at the AGM. At the AGM on May 5, 2022, it was resolved that the total fees to Board members, including committee work, would remain unchanged at SEK 2,660,000 and allocated as follows:

- Fees to Chairman of the Board Wenche Rolfsen totaling SEK 750,000 and fees to Deputy Chairman Ivar Verner totaling SEK 300,000
- For regular Board members not employed by the company (i.e. five members excluding Lars Lannfelt) fees totaling SEK 250,000 each
- Fees in the Audit Committee totaling SEK 100,000 to the Chairman and SEK 60,000 to the other non-executive committee members
- Fees in the Remuneration Committee totaling SEK 60,000 to the Chairman and SEK 40,000 to the other non-executive committee members
- No fees are paid to the Research Committee



## AUDIT COMMITTEE

The primary task of the Audit Committee is to support the Board in its work of fulfilling its financial reporting responsibilities including accounting, audits, internal control, internal audits and risk management. The Audit Committee also routinely ensures contact with the Company's auditor and stays informed and active in decisions concerning financial issues, risks, the company's annual report, quarterly reports and internal control.

The Audit Committee works in accordance with instructions established by the Board of Directors. The company's auditor reports on the orientation and scope of the audit, as well as its views on the company's risks, in the committee meetings. The tasks of the Audit Committee also include establishing guidelines for which services, other than the audit, the company can procure from the company's auditor. All meetings of the Audit Committee are minuted and the minutes are reported in connection with the meetings of the Board.

### *Audit Committee members, 2022–2023*

- Ivar Verner (Chairman)
- Mikael Smedeby (member)
- Eugen Steiner (member)

The Audit Committee met 4 (5) times. The company's auditor participated in two of these meetings.

## REMUNERATION COMMITTEE

The primary task of the Remuneration Committee is to submit proposals to the Board regarding remuneration to the CEO and principles of remuneration and other conditions of employment for management as well as monitoring and evaluating variable remuneration and long-term incentive programs. The Remuneration Committee will monitor and assess application of the guidelines for remuneration to senior executives that the AGM resolved on. The Remuneration Committee works in accordance with a formal work plan established by the Board

of Directors. All meetings of the Remuneration Committee are minuted and the minutes are reported to the Board.

### *Remuneration Committee members, 2022–2023*

- Lotta Ljungqvist (succeeded Wenche Rolfsen as Chairman on August 31, 2022)
- Pär Gellerfors (member) (succeeded Lotta Ljungqvist as member on August 31, 2022)
- Eugen Steiner (member)

The Remuneration Committee met 5 (3) times.

## RESEARCH COMMITTEE

BioArctic's operations have a scientific focus, with drug projects in both early and late phases. The company has a Research Committee that focuses on addressing scientific issues. The Research Committee works according to rules of procedure adopted by the Board and has an advisory capacity in relation to the Board and the CEO. The Research Committee has one ordinary member, with BioArctic's Chief Science Officer (Christer Möller) and Distinguished Scientist Per-Ola Freskgård as co-opted members. In addition, internal and external researchers take part depending on the area being discussed. The role of the Research Committee is primarily to identify and evaluate research areas and disease indications where BioArctic can develop commercially successful products.

### *Research Committee members, 2022–2023*

- Lars Lannfelt (Chairman)

The Research Committee met 8 (8) times.

## AUDITORS

The auditor is appointed by the AGM in accordance with proposals from the Nomination Committee. The auditor is to review BioArctic's annual report and financial statements, as well as the administration of the company. After each financial year, the auditor will submit an Auditor's Report

and a Group Auditor's Report to the AGM. The external audit of the financial statements is to be carried out in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The company's auditor, Grant Thornton Sweden AB, was first elected at the 2016 Annual General Meeting. The current mandate is for the period up until the end of the 2023 Annual General Meeting, and Mia Rutenius is the auditor in charge. An authorized public accountant, Mia Rutenius is a member of FAR, the association of Swedish professional accountants. Grant Thornton Sweden AB may be responsible for the audit until 2027, or until 2037 if a new procurement is carried out after ten years, before a new auditor is chosen in accordance with the rules in force. Authorized public accountant Mia Rutenius can be the auditor in charge until the 2024 AGM, when in accordance with regulations she will need to rotate her assignments. In addition to the assignment in BioArctic, Mia Rutenius is auditor in charge for among others PION Group AB och Infrea AB. For information on remuneration to auditors, refer to Note 8 in the 2022 Annual Report.

## CEO AND MANAGEMENT GROUP

The Management Group of BioArctic consists of the CEO and nine other individuals, six of whom are men and four women. Management meets twice a month for discussion and decisions concerning the ongoing operations, and hold at least one strategy meeting annually. The members of the Management Group develop the annual business plan, which the Board decides on at the end of the year, and prepare material in their respective areas that is presented to the Board.

For a summary and presentation of the Management Group, see pages 119-120.

## GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Updated guidelines for remuneration to senior executives were adopted at the AGM on May 5, 2022 and are valid up until the 2026 AGM. One change to the previously adopted guidelines

was made in order to adjust the guidelines to BioArctic's existing and future milestone-related rewards program.

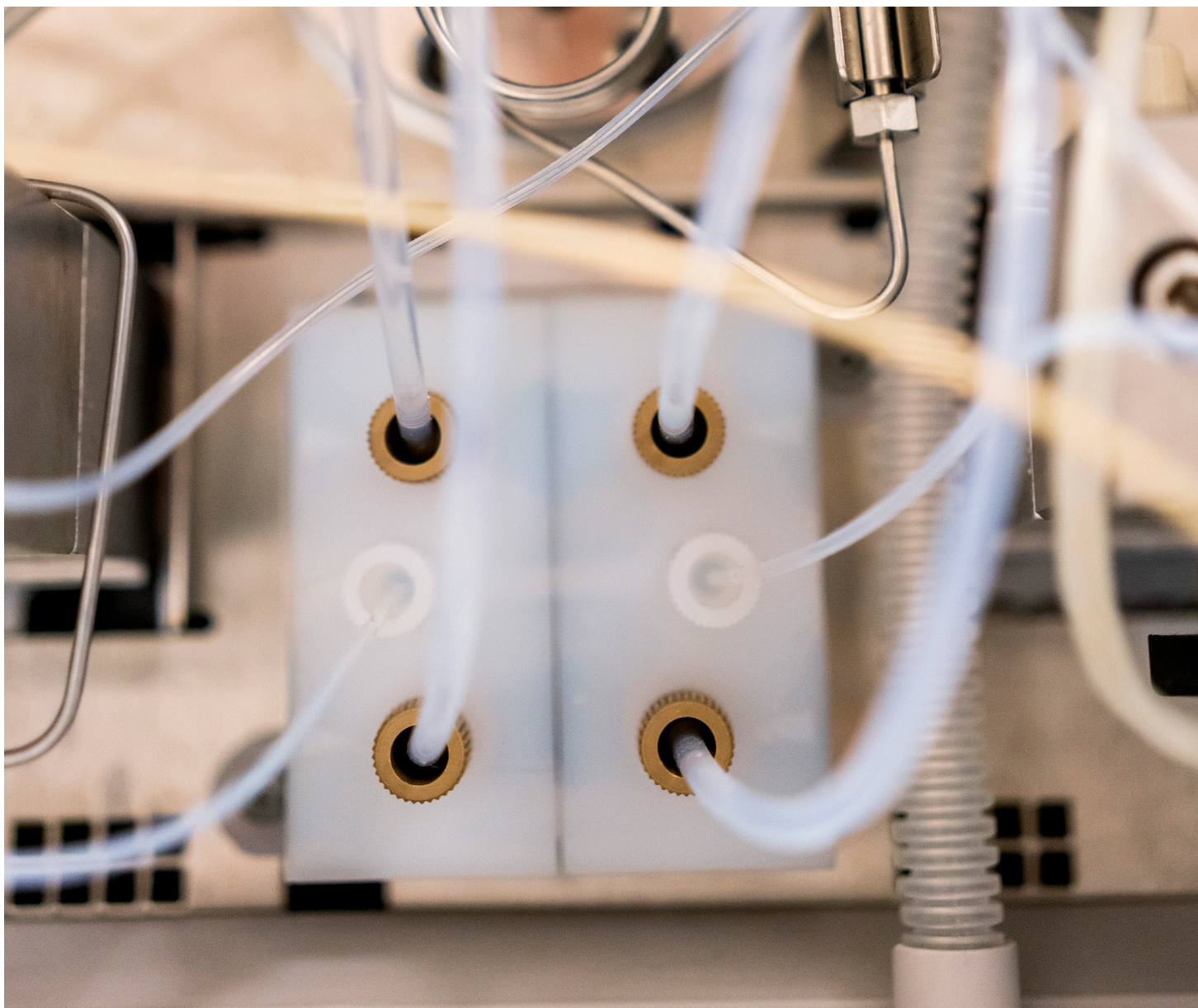
The guidelines cover the CEO as well as the members of company management. The guidelines do not cover remuneration that is to be resolved on by the General Meeting (e.g., fees to Board members or share-based incentive programs). The guidelines will be applied to remuneration that is agreed on – and to changes made to remuneration that was previously agreed on – after the guidelines were adopted by the 2022 AGM. The guidelines also cover remuneration paid out under BioArctic's existing milestone-related incentive programs in accordance with resolutions by the General Meeting. The guidelines govern the decisions on remuneration that are taken by the Remuneration Committee and Board of Directors.

BioArctic's remuneration system must be market-based and competitive. Remuneration can be paid out in the form of fixed salary, variable remuneration, pensions and other benefits. Fixed salary will be individual for each executive and based on the executive's position, responsibility, competence, experience and performance. Variable remuneration will be related to the outcome of BioArctic's goals and strategies and based on pre-defined and measurable criteria designed to promote long-term value creation. The share of total remuneration that comprises variable remuneration may vary depending on position. Short-term variable remuneration is expensed during the financial year and paid out after the AGM has adopted the income statement and balance sheet. The guidelines that were resolved on by the 2022 AGM have been complied with, and all previously decided remuneration that has not yet been paid out is within the framework indicated above.

For the complete guidelines as resolved, refer to Note 7 on pages 84-89.

#### BOARD PROPOSALS FOR NEW GUIDELINES FOR REMUNERATION TO GROUP MANAGEMENT

No changes to the policies for remuneration and other terms of employment for Group Management have been proposed ahead of the 2023 AGM.





# The report of the Board on internal control regarding financial reporting

The objective of internal control is to identify, assess, and manage BioArctic's risks. Using effective risk management, the work can concentrate on the areas that are most important for reducing the Company's total risk exposure.

In accordance with the Companies Act and the Swedish Code of Corporate Governance (the Code), the Board is responsible for the company having well-designed control and functional procedures so that the company's financial reporting, administration and operation are monitored and controlled in a satisfactory manner. The report has been prepared in accordance with the Annual Accounts Act and the Code.

The CEO of BioArctic is ultimately responsible for monitoring whether the work on the company's internal control is being carried out in accordance with the form decided on by the Board of Directors. BioArctic's work on internal control pertaining to financial reporting is led by the CFO. The overall

purpose of the internal control is to ensure, to a reasonable degree, that the company's operating strategies, targets and defined risks are monitored and that the owners' investments are protected. Furthermore, the internal control shall ensure, with reasonable certainty, that external financial reporting is reliable and prepared in accordance with accepted accounting practices in Sweden, that applicable laws and regulations are followed, and that the requirements that are set on listed companies are complied with.

## Framework for internal control

Internal control at BioArctic is based on the Committee of Sponsoring Organizations of the Threadway Commission (COSO) model, the framework of which has been applied to the company's operations and conditions. The framework comprises five components:

- control environment
- risk assessment
- control activities
- information and communication
- monitoring

## Control environment

The control environment constitutes the basis for internal control concerning financial reporting. Clearly defining and

communicating the company's decision-making paths, authority and responsibility in the organization, as well as making governing documents in the form of policies, instructions and manuals available, is important.

The Board of Directors of BioArctic has established a work procedure and rules of procedure for its work and the Board's committee activities. For monitoring and quality assurance of the financial reporting, the Board has inaugurated an Audit Committee. To create a foundation for proper internal control and to maintain a high standard in the company, the Board has adopted a number of fundamental governing documents including rules of procedure for the Board and the CEO, instructions for financial reporting, a finance policy, a Code of Conduct, and an information policy.

In addition to the above-described internal control pertaining to financial reporting, there is also internal, operation-specific control of data regarding research and development and quality control systems, including systematic monitoring and evaluation of the company's research and manufacturing work and products.

## Risk assessment

BioArctic continually evaluates the risks that could lead to errors in the financial reporting in order to ensure proactive management of these risks and proper internal control over risk-taking.



*The report of the Board on internal control regarding financial reporting, cont.*

The Board's Audit Committee takes decisions in which risks are essential to monitor in order to ensure proper internal control in financial reporting. This is done by identifying key procedures in financial administration, project reporting, and company-wide areas, and defining controls for these.

In addition, the Audit Committee conducts an annual risk analysis pertaining to operational and strategic risks. For a more detailed description of risks and risk management, refer to pages 49-52.

#### Control activities

The Company's organization and procedures are designed to manage the risks that the Board deems to be essential for internal control of financial reporting. At BioArctic, the company's control structure consists of an organization with clear roles that facilitate an efficient and suitable allocation of responsibilities as well as specific control activities designed to detect, manage, and proactively prevent risks of errors in the reporting.

Examples of control activities can include decision-making processes in connection with important decisions or investments, as well as routine monitoring and procedures as regards earnings analyses, payments, VAT and tax accounting, spot checks, and reconciliation. The items and key procedures that are linked to the risks identified are routinely subjected to tests by external consultant, who also review the design of the internal controls with regard to quality and efficiency. The results of the tests are reported to the Audit Committee, where they are prepared for presentation to the Board.

#### Information and communication

All of BioArctic's governing documents such as policies, instructions, and procedural descriptions are communicated and are available via a validated electronic document

management system. The finance handbook comprises a governing document that contains guidelines and procedural descriptions for the routine work in the finance department. The finance handbook is routinely updated based on changes to both internal and external requirements. For communication with internal and external parties, there is an information policy that contains guidelines for disseminating information pertaining to internal and external reporting of financial information. The purpose of the policy is to ensure that BioArctic complies correctly and completely with all its disclosure obligations.

#### Monitoring

The internal control work constitutes support for the Board, the Audit Committee and senior management in their work on assessing and evaluating material areas of risk in financial reporting in order to subsequently select suitable initiatives and follow-up actions to ensure reliable financial reporting.

#### Areas of focus during the year

The activities that strengthened internal control during the year include:

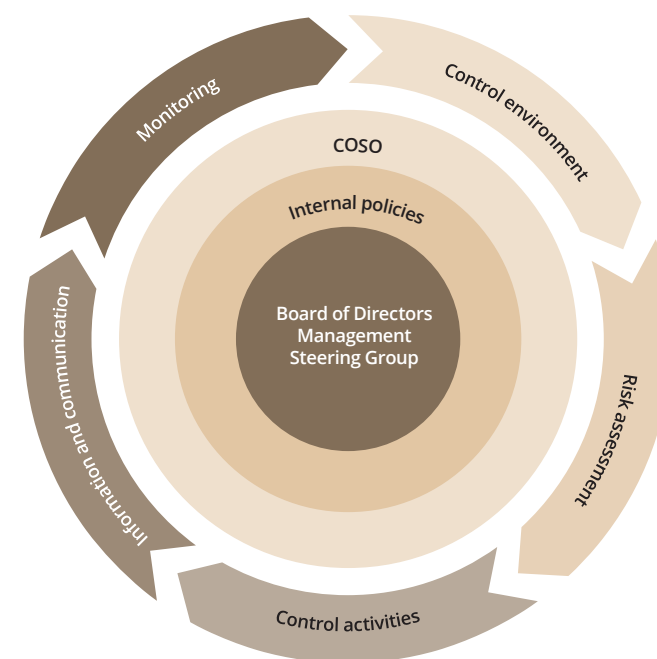
- external reviews of internal controls
- external penetration tests of the company's IT environment
- reviews and updates of BioArctic's internal control descriptions, with regard to quality and efficiency
- annual update of selected governing documents
- preparation of additional procedural descriptions and instructions for the purchasing process

Stockholm, April 26, 2023

*Board of Directors of BioArctic AB*

#### Evaluation of specific review function

BioArctic does not have a specific review function, meaning an internal audit function. BioArctic has a review function performed by an external party that is appointed by the Board. It is the opinion of the Audit Committee and of the Board of Directors that monitoring, documentation, and review of the company's internal control through an external review function fulfills the role of a specific review function.





## Board of Directors



**Wenche Rolfsen**  
*Chairman*

**Born:** 1952

**Other assignments:** Chairman of InDex Pharmaceuticals Holding AB. Board member of InDex Diagnostics AB; CEO and board member of Rolfsen Consulting AB. Partner in Serendipity Partners.

**Education:** Pharmacist, Doctor of Pharmacy (pharmacognosy), Adjunct Professor at Uppsala University, Sweden.

**Experience and prior assignments:** Head of pharmacology at Pharmacia & Upjohn; VP clinical trials Quintiles Europe, CEO of Quintiles Scandinavia. Chairman of Aprea Therapeutics AB, Denator AB and Aprea Personal AB. Board member of Swedish Match AB, Swedish Orphan Biovitrum AB (SOBI), Recipharm AB, Smartfish AB, Moberg Pharma AB, TFS Trial Form Support International AB, Apotek Produktion & Laboratorier AB and Stiftelsen Industrifonden.

**Member since:** 2016  
Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 36,675 Class B shares.



**Ivar Verner**  
*Deputy Chairman and Board member*

**Born:** 1947

**Other assignments:** Chairman of Erlandsons Brygga AB, Craft Software Holding AB and Valsattra Exploaterings AB. Board member of Sehhall Fastigheter AB.

**Education:** Master of Business Administration, Stockholm School of Economics, Sweden.

**Experience and prior assignments:** Chairman of Rejlers AB, Centrum Fastigheter i Norrtälje AB, Tegnér och Son AB, Welcome Hotel i Sverige AB and Grant Thornton Sweden AB. Board member of Forex Bank AB and Svenska Vårdfastigheter AB.

**Member since:** 2010

**Committee membership:** Chairman of the Audit Committee. Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 113,770 B shares, privately and through Förvaltningsaktiebolaget Kanalen.



**Håkan Englund**  
*Board member*

**Born:** 1952

**Other assignments:** Chairman of the board of SecureAppbox AB. Board member of Antrad Medical AB and Prostatype Genomics AB. Owner and CEO of JDS Invest AB, which conducts consultancy operations and invests in listed and unlisted companies.

**Education:** Various courses at Uppsala University in economics and chemistry. Courses in polymer technology at KTH Royal Institute of Technology in Stockholm.

**Experience and prior assignments:** Various executive positions including positions in commercialization at Pharmacia Biotech AB and Phadia AB. More than 30 years of experience in the industry. Former board member of Apoteks-Samariten AB, Olink AB, Sensidose AB, Immuneed AB and Arocell AB.

**Member since:** 2020

Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 0 Class B shares.



**Pär Gellerfors**  
*Board member*

**Born:** 1947

**Other assignments:** Founder and CEO of MPG Medical AB. Board member of Ackelsta AB and LPB Sweden AB.

**Education:** Bachelor degree in chemistry; PhD in chemistry; Associate Professor of Biochemistry. All at Stockholm University, Sweden.

**Experience and prior assignments:** Founder of BioArctic in 2003, former CEO of the company. CEO and board member of Swenora Biotech AB; founder and research director at Zymenex AS; founder and board member of LPB Sweden Holding AB; board member of Sigrid AB.

**Member since:** 2003

**Committee membership:** Remuneration Committee

Independent in relation to the company and company management. Not independent in relation to major shareholders in the company.

**Total holdings\* in BioArctic:** 5,759,988 Class A shares through Ackelsta AB. 13,343,201 Class B shares through Ackelsta AB.

\* Includes holdings by self, closely associated persons, controlled companies or in capital insurance accounts as per March, 31, 2023.



Board of Directors, cont.



**Lars Lannfelt**  
Board member

**Born:** 1949

**Other assignments:** Board member of Demban AB and LPB Sweden AB.

**Education:** Medical degree (specialist in psychiatry) and doctoral thesis at Karolinska Institutet, Stockholm, Sweden; Associate Professor of Neurogenetics at Karolinska Institutet, specialist in geriatrics.

**Experience and prior assignments:** More than 35 years of experience in research into Alzheimer's disease and other neurodegenerative diseases. Professor of Geriatrics at Uppsala University; member of the Royal Swedish Academy of Sciences. Founder of BioArctic in 2003, Chairman of the Board and a number of assignments and roles in the company.

**Member since:** 2003

Not independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 8,639,998 Class A shares through Demban AB. 20,885,052 Class B shares through Demban AB.



**Lotta Ljungqvist**  
Board member

**Born:** 1961

**Other assignments:** Board member of Atlas Antibodies AB, Genovis AB, Arocell AB, NorthXBiologics AB, and BioLamina AB. Chairman of the Royal Swedish Academy of Engineering's (IVA) Division X, Biotechnology, and chairman of SwedenBio.

**Education:** Degree in biochemistry from KTH Royal Institute of Technology in Stockholm, Sweden. Doctorate in biochemical technology.

**Experience and prior assignments:** CEO of Testa Center, Cytiva (formerly GE Healthcare Life Sciences). Executive roles as CEO, head of business area, head of research and project manager for biopharma projects at GE Healthcare Life Sciences, Biovitrum and Pharmacia.

**Member since:** 2021

**Committee membership:** Chairman of the Remuneration Committee. Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 3,159 Class B shares.



**Mikael Smedeby**  
Board member

**Born:** 1968

**Other assignments:** Lawyer and partner at Advokatfirman Lindahl. Chairman of the board of Coeli Holding AB (including subsidiaries) and Sälléngruppen AB (including subsidiaries). Board member of Rarity Bioscience AB. Sirius Fotboll and Smedeby Forvaltning AB.

**Education:** Master of Laws, Uppsala University, Sweden. Reserve officer training at the Swedish Infantry Officers' College and the Swedish Infantry Combat School.

**Experience and prior assignments:** Special experience in corporate law, mergers and acquisitions, financing and licensing. Held executive positions at Advokatfirman Lindahl 2010–2019, including Managing Partner and chairman of the board. Member of the Board of Directors of BioArctic, 2014–2017.

**Member since:** 2018

**Committee membership:** Audit Committee Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 27,270 Class B shares.



**Eugen Steiner**  
Board member

**Born:** 1954

**Other assignments:** Chairman of the board of Spago Nanomedical AB and Empros Pharma AB. Board member of A3P Biomedical AB, Inbox Capital AB, Epiendo Pharmaceuticals ehf, and Stockholm School of Entrepreneurship. Venture partner in HealthCap.

**Education:** Karolinska Institutet (licensed physician, Doctor of Clinical Pharmacology).

**Experience and prior assignments:** CEO or acting chairman of the board in several life science companies in Sweden, Norway, the UK and the US for more than 35 years. Member of Royal Swedish Academy of Engineering (IVA) and deputy chairman of its Division X, Biotechnology.

**Member since:** 2017

**Committee membership:** Audit Committee and Remuneration Committee. Independent in relation to the company and management, and to major shareholders in the company.

**Total holdings\* in BioArctic:** 75,000 Class B shares.

\* Includes holdings by self, closely associated persons, controlled companies or in capital insurance accounts as per March, 31, 2023.



# Management



**Gunilla Osswald**

*President and CEO of BioArctic AB*

**Born:** 1961

**Employed since:** 2013

**Other assignments:** Board member of Egetis Therapeutics AB.

**Education:** Pharmacist; Ph.D. in biopharmacy and pharmacokinetics at Uppsala University, Sweden.

**Experience and prior assignments:** More than 35 years of experience in drug development. Executive positions at Astra/AstraZeneca, including Vice President responsible for the product portfolio in neurodegenerative diseases. Board member of SP Process Development AB.

**Member of BioArctic Group Management since:** 2013

**Total holdings\* and warrants in BioArctic:** 75,070 Class B shares. Warrants granting acquisition rights to 150,000 Class B shares (2019/2028 program).



**Gunilla Andersson**

*Vice President HR.*

**Born:** 1961

**Employed since:** 2019 (contracted since 2014).

**Other assignments:** Manages her own consulting firm in HR.

**Education:** B.Sc. Human Resource Development and Labor Relations with a specialization in labor rights from Lund University, Sweden.

**Experience and prior assignments:** Over 30 years of experience as HR consultant and HR manager in educational organizations and pharma companies such as Pharmacia and Novartis.

**Member of BioArctic Group Management since:** 2019

**Total holdings\* and warrants in BioArctic:** 0 shares. Warrants granting acquisition rights to 20,000 Class B shares (2019/2028 program).



**Oskar Bosson**

*Vice President Investor Relations & Communications*

**Born:** 1976

**Employed since:** 2020

**Other assignments:** —

**Education:** Engineering degree in molecular biotechnics and bachelor's degree in business administration from Uppsala University.

**Experience and prior assignments:** 20 years of experience globally in communications. Has held senior positions in companies such as Sobi, Ovako and Elekta.

**Member of BioArctic Group Management since:** 2020

**Total holdings\* and warrants in BioArctic:** 4,381 Class B shares. Warrants granting acquisition rights to 20,000 Class B shares (2019/2028 program).



**Johanna Fälting**

*Vice President Head of Research*

**Born:** 1972

**Employed since:** 2012

**Other assignments:** —

**Education:** Ph.D. in Physiology, Stockholm University; Licentiate degree in physiology, Stockholm University; Master's degree in biology, Stockholm University, Sweden.

**Experience and prior assignments:** Over 20 years of experience in drug development in executive positions in R&D, and development in the global pharma and biotech industry.

**Member of BioArctic Group Management since:** 2012

**Total holdings\* and warrants in BioArctic:** 41,855 Class B shares. Warrants granting acquisition rights to 15,500 Class B shares (2019/2028 program).



**Anna-Kajja Grönblad**

*Chief Commercial Officer.*

**Born:** 1968

**Employed since:** 2021 (contracted since 2020)

**Other assignments:** —

**Education:** B.Sc. in business administration from Uppsala University.

**Experience and prior assignments:** More than 25 years of experience in leading commercial roles in the global pharmaceutical industry. Previously CEO for Sanofi AB and General Manager, Nordics & Baltics General Medicines.

**Member of BioArctic Group Management since:** 2021

**Total holdings\* and warrants in BioArctic:** 9,300 B shares, privately and through Saimi AB. Warrants granting acquisition rights to 20,000 Class B shares (2019/2028 program).

\* Includes holdings by self, closely associated persons, controlled companies or in capital insurance accounts as per March 31, 2023.



Management, cont.



### Lars Lannfelt

Senior Vice President  
University Collaborations. Founder of BioArctic  
in 2003.

**Born:** 1949

**Employed since:** 2016

**Other assignments:** Board member of BioArctic AB, Demban AB and LPB Sweden AB.

**Education:** Medical degree (specialist in psychiatry) and doctoral thesis at Karolinska Institutet, Stockholm, Sweden; Associate Professor of Neurogenetics at Karolinska Institutet, specialist in geriatrics.

**Experience and prior assignments:** More than 35 years of experience in research into Alzheimer's disease and other neurodegenerative diseases. Professor of Geriatrics at Uppsala University; member of the Royal Swedish Academy of Sciences. Founder of BioArctic in 2003, Chairman of the Board and a number of assignments and roles in the company.

**Member of BioArctic Group Management since:** 2003

**Total holdings\* and warrants in BioArctic:** 8,639,998 Class A shares through Demban AB. 22,635,052 Class B shares through Demban AB.



### Jan Mattsson

Vice President Finance,  
Chief Financial Officer.

**Born:** 1960

**Employed since:** 2017

**Other assignments:** —

**Education:** MBA from Örebro University.

**Experience and prior assignments:** More than 30 years of experience in business and administration, including as CFO at Sefina Finance AB, Allenex AB, Argnor Wireless Ventures AB, Logitall AB and Investment AB Kinnevik.

**Member of BioArctic Group Management since:** 2017

**Total holdings\* and warrants in BioArctic:** 23,855 Class B shares, privately and through Almsäter Interim Management AB. Warrants granting acquisition rights to 20,000 Class B shares (2019/2028 program).



### Mikael Moge

Vice President Chemistry,  
Manufacturing & Control

**Born:** 1967

**Employed since:** 2012

**Other assignments:** —

**Education:** Master of Chemical Engineering, KTH Royal Institute of Technology; Ph.D. in organic chemistry, KTH; Stockholm, Sweden.

**Experience and prior assignments:** Over 20 years of experience in drug development and 20 years of experience as R&D director in process development and GMP manufacturing. Former section manager in Process R&D at AstraZeneca.

**Member of BioArctic Group Management since:** 2012

**Total holdings\* and warrants in BioArctic:** 9,470 shares Warrants granting acquisition rights to 19,000 Class B shares (2019/2028 program).



### Christer Möller

Vice President Pre-Clinical Development,  
Chief Scientific Officer

**Born:** 1959

**Employed since:** 2006

**Other assignments:** —

**Education:** B.Sc. in Biology, Stockholm University, Sweden; Ph.D. in Medical Science, Karolinska Institutet, Stockholm, Sweden.

**Experience and prior assignments:** Over 20 years of experience in developing protein drugs from idea to clinical trials including leading positions at small biotech/pharma companies such as Zymenex A/S. In addition, comprehensive academic experience from research projects concerning growth factors and preclinical research in diabetes.

**Member of BioArctic Group Management since:** 2006

**Total holdings\* and warrants in BioArctic:** 52,770 Class B shares. Warrants granting acquisition rights to 21,000 Class B shares (2019/2028 program).



### Tomas Odergren

Chief Medical Officer

**Born:** 1959

**Employed since:** 2019 (contracted since 2016)

**Other assignments:** Senior Clinical Consultant, GKeller Consulting.

**Education:** Medical degree and specialist training in neurology, M.D. from Karolinska Institutet; Pharmaceutical Medicine EUCOR/ECPM certified.

**Experience and prior assignments:** Over 25 years of experience in the pharma industry, in leading positions in clinical research at AstraZeneca and H. Lundbeck. Chief Specialist ICR Neurology H Lundbeck A/S (2015–2017).

**Member of BioArctic Group Management since:** 2020

**Total holdings\* and warrants in BioArctic:** 5,700 Class B shares. Warrants granting acquisition rights to 20,000 Class B shares (2019/2028 program).

\* Includes holdings by self, closely associated persons, controlled companies or in capital insurance accounts as per March 31, 2023.



# Auditor's report on the corporate governance statement

*To the general meeting of the shareholders in BioArctic AB (publ), corporate identity number 556601-2679*

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 108–120 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 standard Rev 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.

Stockholm April 26, 2023

Grant Thornton Sweden AB

Mia Rutenius  
Authorized public accountant  
Auditor in charge

Therese Utengen  
Authorized public accountant