

BIOTAGE

CORPORATE GOVERNANCE REPORT 2021

Introduction

Biotage AB was formed in 1997 under the name of Pyrosequencing AB. The business offers products and services in analytical chemistry, organic chemistry, scale up, oligonucleotides and biomolecules. Biotage is headquartered in Uppsala, Sweden, and has around 500 employees worldwide. The company's products are sold in more than 70 countries.

Biotage applies the Swedish Corporate Governance Code (the "Code"). The figure below illustrates Biotage's corporate governance model and the way in which the key bodies operate.

Shareholders*

Biotage's ordinary share (BIOT) is listed on Nasdaq Stockholm, Large Cap. The company has been listed on the Stockholm Stock Exchange since 2000. The share capital of Biotage consists of ordinary shares and class C shares, each of which carries one voting right and the same entitlement to a share in the company's assets and profits. A class C share does not entitle the holder to dividends and each C share has one tenth of a vote. C shares are not listed, but can be converted to ordinary shares after a decision by the Board of Directors. C shares are part of Biotage's management incentive program. More about this program can be found under the heading Board of Directors in the Corporate Governance Report and on pages 71–72 in the Annual Report.

As of December 31, 2021, the number of known shareholders was 7,707.

At year-end, Swedbank Robur Fonder was the largest individual shareholder with 9.8% of the votes and capital. SEB Fonder and Handelsbanken Fonder followed in terms of size. Of the shareholders, approximately 86.7% were shareholders with 1,000 or fewer shares, and the 15 largest shareholders owned approximately 47.8% of the total number of ordinary shares. The proportion of foreign owners was approx. 56.0%. For further information about Biotage shares and the ownership structure, see pages 45–46 of the annual report.

*Source: Monitor, Modular Finance.

Annual General Meeting

The company's most important decision-making event is the annual general meeting, where the shareholders' influence over the company is exercised. Shareholders who wish to attend an annual general meeting, in person or via proxy, must be entered in the share register five working days before the meeting and submit a notification to the company in accordance with the notice. Notice of the annual general meeting is published in Post och Inrikes Tidningar and on the company's website. In addition, information that the meeting has been convened is published in Svenska Dagbladet.

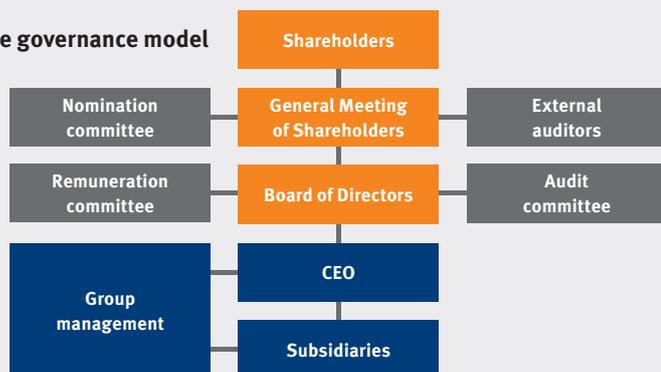
The annual general meeting is held within six months of the end of the fiscal year. At the annual general meeting, shareholders decide, among other things, on the election of the board of directors and auditors, how the nomination committee is to be appointed, and on discharge from liability for the Board and the CEO for the past year. Decisions are also made on the adoption of financial statements, the appropriation of profits, honorariums for the board of directors and auditors, and guidelines for remuneration to the CEO and other senior executives.

Annual General Meeting 2021

Due to the COVID-19 pandemic and in order to counteract its spread, the Board decided that the annual general meeting should be held solely by prior voting, without the physical presence of shareholders, representatives and outsiders. Information on the resolutions adopted at the annual general meeting was published on April 28, 2021. The annual general meeting approved the Annual Report and Consolidated Financial Statements submitted by the Board of Directors and the CEO for 2020, decided upon the appropriation of the company's profit, and granted discharge to the members of the Board of Directors and the CEO.

The annual general meeting resolved that a dividend of SEK 1 and SEK 50 per ordinary share would be paid for the 2020 fiscal year in accordance with the Board's proposal.

Biotage's corporate governance model



Important external and internal regulation and policies that influence the corporate governance

Important internal regulations and policies

- » Articles of incorporation
- » The board of director's rules of procedure with CEO instructions
- » Instructions for Committees Appointed by the Board
- » Fiscal policy
- » Financial handbook
- » Business-ethical stipulations

Important external rules, etc.

- » Swedish Companies Act
- » Swedish Book-keeping Act
- » Swedish Annual Accounts Act
- » EU Market Abuse Rules (MAR)
- » Nasdaq Stockholm listing agreement
- » Swedish Code of Corporate Governance
- » Swedish Securities Council's statements

The annual general meeting resolved on remuneration to the Board of Directors and auditors in accordance with the nomination committee's proposals.

In accordance with the nomination committee's proposal, it was decided that the number of Board members should be six. Torben Jørgensen, Thomas Eklund, Karolina Lawitz, Åsa Hedin, Mark Bradley and Peter Ehrenheim were reelected as Board members. Torben Jørgensen was reelected Chairman of the Board. The Board also includes employee representatives Dan Menasco and Patrik Servin.

At the meeting, Öhrlings PricewaterhouseCoopers AB was elected as the Company's auditor for the period until the conclusion of the annual general meeting to be held in 2022. Leonard Daun has been appointed Chief Auditor.

It was decided at the annual general meeting that the company should have a nomination committee in accordance with the current proposal.

The Board's remuneration report was presented and approved at the meeting.

The annual general meeting resolved to introduce a new Section 11 of the Articles of Association in order to allow the Board to collect powers of attorney in accordance with the order prescribed in Chapter 7, Section 4 of the Swedish Companies Act, and to allow the Board of Directors to decide that shareholders should be able to exercise their voting rights by mail prior to the meeting.

The meeting resolved in accordance with the Board of Directors' proposal to introduce a new incentive program for the CEO, the company's executive management team, and key employees within the Biotage Group ("LTIP 2021"), which means that a maximum of 196,171 ordinary shares will be allocated to participants in accordance with LTIP 2021, and that 47,081 ordinary shares can be used to cover any social security contributions resulting from LTIP 2021. This will have a dilutive effect of approximately 0.37% on the company's ordinary shares for the full allotment during the program.

It was also resolved at the annual general meeting, in accordance with the Board's proposal, to adopt certain hedging measures to ensure delivery of shares at the end of the program. The hedging measures include amendments to the Articles of Association in order to enable the issue of class C shares, authorization for the Board of Directors for a directed new issue of a maximum of 243,313 C shares, authorization for the repurchase of issued C shares, and a decision on the transfer of the repurchased shares, after conversion to ordinary shares, to participants in the program.

At the meeting, the Board of Directors was authorized, on one or more occasions, with or without shareholders' preferential rights, prior to the 2020 meeting, to decide on the issue of ordinary shares. The number of ordinary shares that can be issued on the basis of the authorization shall not imply a dilution of more than 15% of the total number of ordinary shares upon adoption of the proposed authorization at the annual general meeting, after full utilization of the proposed authorization. The authorization has been partially exercised.

The minutes of the annual general meeting can be found on the Biotage website (www.biotage.com).

Nomination Committee

The Company's shareholders resolved at the Annual General Meeting on April 28, 2021, that the Company shall have a Nomination Committee comprising four members. The members shall consist of one representative for each of the three largest shareholders in terms of voting rights, who wish to appoint such a representative and the Chairman of the Board, who will also convene the first meeting of the Nomination Committee. The Committee shall perform the duties incumbent upon it in accordance with the Corporate Governance Code. The Committee's term of office shall extend until the time a new Nominating Committee is appointed.

The composition of the Committee shall be based on shareholder statistics from Euroclear Sweden AB from the last banking day in August as well as other reliable ownership data available to the Company at the time. When it comes to assessing the identity of the three largest shareholders in terms of voting rights, a group of shareholders shall be deemed to comprise one common owner if they (i) are classified as one owner in the Euroclear system or (ii) have publicized and announced to the Company that they have signed a written agreement adopting a long-term common approach on issues relating to the Company's management through a coordinated exercise of their voting rights. The Nominating Committee shall appoint one of its members to the role of Chairman. This cannot be the Company's Chairman of the Board. Unless the Committee decides otherwise, this Chairman shall be the member representing the single largest owner in terms of voting rights. The names of the representatives appointed to the Committee, along with the shareholders they represent, shall be made public as soon as they are appointed.

The 15 largest shareholders as of December 31 2021

Shareholders	Number of shares	Proportion of capital and votes %
Swedbank Robur Fonder	6 282 895	9,5%
SEB Fonder	5 071 988	7,7%
Handelsbanken Fonder	3 771 861	5,7%
Invesco	3 288 552	5,0%
ODIN Fonder	3 000 000	4,5%
Vanguard	1 997 860	3,0%
Montenaro	1 716 000	2,6%
Tredje AP-fonden	1 732 703	2,6%

Shareholders	Number of shares	Proportion of capital and votes %
Norges Bank	1 405 921	2,1%
Lannebo Fonder	1 171 919	1,8%
Black Rock	1 107 315	1,7%
Didner & Gerge Fonder	1 078 922	1,6%
TIN Fonder	1 019 964	1,5%
Groupama Asset Management	978 686	1,5%
Dimensional Fund Advisors	824 922	1,3%
Total	34 449 508	52,2%

Source: Monitor, Modular Finance.

If, during their term of office, one or more shareholders who have appointed members to the Committee no longer constitute one of the three largest shareholders in terms of voting rights, then their appointed members shall agree to vacate their posts, and the new owner(s) now constituting one of the three largest shareholders in terms of voting rights shall be entitled to appoint one representative each. In the event a member resigns from the Committee before the end of their term of office, the shareholder who appointed the member shall appoint a new one. If the shareholder no longer constitutes one of the three largest shareholders in terms of voting rights, a new member shall be appointed according to the procedure above. Unless special circumstances exist, no changes shall be made to the composition of the Committee if the distribution of voting rights has only changed marginally or has changed within three months of the annual general meeting. However, shareholders who have become one of the three largest owners in terms of voting rights due to a significant shift in these rights within three months of the annual general meeting shall have the right to co-opt a representative for appointment to the Committee. Shareholders who have appointed a representative to serve as a member on the Committee shall be entitled to dismiss that member and appoint a new representative. Any changes to the composition of the Committee must be made public immediately.

A Nominating Committee consisting of shareholder representatives and a Chairman has been appointed for Biotage AB.

The Committee's representatives include:

- » Joachim Spetz, Chairman of the Nomination Committee, appointed by Swedbank Robur Fonder
- » Sussi Kvart, appointed by Handelsbanken Fonder (replaced Hans Christian Bratterud, Odin Fonder, as of December 13, 2021)
- » Christoffer Geijer, appointed by SEB Investment Management
- » Torben Jørgensen, Chairman of the Board of Biotage AB since November 7, 2019.

Shareholders have been able to submit proposals to the Nomination Committee via email at info@biotage.com. The Nomination Committee's proposals and reasoning will be published no later than at the time of announcement of the notice convening the annual general meeting.

Work of the Nomination Committee since the 2021 Annual General Meeting

The tasks of the Nominating Committee include preparing for the election of an auditor, chairman and other members of the Board, election of the chairman of the annual general meeting as well as examining honorariums and making proposals for the Nomination Committee's instructions ahead of the 2022 annual general meeting.

The Nomination Committee held three minuted meetings after the annual general meeting on April 28, 2021, as well as a number of coordination meetings. These meetings have primarily been devoted to the evaluation of the work of the current Board and discussing the number of directors, the recruitment of new members, and prospective new directors, as well as issues concerning Board honorariums.

The members of the Nomination Committee have considered any conflicts of interest before accepting the assignment.

To evaluate the requirements that will be imposed on the Board, based on the company's current situation and future direction, the Committee has discussed the Board's composition in terms of, for example, industry experience and expertise. An important fundamental tenet has been that the Board's composition should reflect and accommodate the wide variety of expertise and experience required by the Company. Biotage is a multinational company in the strictest sense of the word. Sweden accounts for less than 1% of sales. Therefore, the

Committee's goal is to find members with an international perspective as well as experience in the company's markets and product range. Furthermore, the Committee has paid particular attention to the recommendations for a diversity policy found in paragraph 4.1 of the Swedish Corporate Governance Code and adopted them in its work when, for example, presenting proposals to the Board of Directors, with the express goal of arriving at an appropriate composition, whereby members elected at the annual general meeting reflect a diverse, broad spectrum of expertise, experience and backgrounds. The distribution between men and women on the proposed Board of Directors is completely equal, with three men and three women.

Evaluation of the current Board of Directors included Chairman Torben Jørgensen's submission of a report to the Nominating Committee describing the work of the Board. The Nomination Committee has also interviewed all Board members. It is the opinion of the Nomination Committee that the work of the Board of Directors is good, and that the Board of Directors has handled the work of the Board during the ongoing pandemic in a constructive manner vis-à-vis the restrictions.

The following members have been proposed for reelection and confirmed their availability: Torben Jørgensen, Karolina Lawitz, Peter Ehrenheim, Mark Bradley, and Åsa Hedin. The Nomination Committee also proposes the new election of Karen Lykke Sørensen. Karen is a Danish national, and currently CEO of Philips Capital. The Nomination Committee believes that Karen, with her extensive experience in the healthcare sector and from leading positions in several global companies, can bring important knowledge and insights to Biotage, as well as be a great asset to the company in its growth journey.

Thomas Eklund has declined reelection after 16 years on the Board of Biotage.

Torben Jørgensen is once again proposed as Chairman of the Board.

The Committee believes that the proposed board is appropriately constituted to meet the requirements of the Company's business with respect to its operations, stage of development, and other conditions. The Committee has paid particular attention to the Company's strategic development, management and control systems as well as the requirements that these impose on the expertise and composition of the Board.

The Committee has also discussed honorarium levels for Biotage board work in relation to those companies with comparable market capitalization. It was also noted that Biotage's board work is highly complex with regard to the company's international breadth and coverage, and product areas. In the Committee's opinion, it is important for board honorariums to be set at a level capable of attracting the right expertise to the Board. In 2021, the honorarium of the Chairman of the Board and Board members was adjusted significantly. In order for the Company to continue to be attractive, the Nomination Committee has decided to propose an increase for the coming fiscal year as well. It was also proposed that the honorarium of the Chairman and members of the Company's Audit and Remuneration Committees be increased.

All of the directors were deemed to be independent of the Company and the Company's management, with the exception of Torben Jørgensen, who previously served as the Company's CEO. All directors were also deemed to be independent of the Company's larger shareholders with respect to the Swedish Corporate Governance Code's requirements pertaining to the independence of corporate Boards of Directors.

The Committee also interviewed each of the proposed directors.

Ahead of the 2022 annual general meeting, the Board's Audit Committee, along with the rest of the Board, evaluated the current audit assignment. The Nomination Committee proposes the reelection of the auditing firm Öhrlings PricewaterhouseCoopers AB, based on the recommendation of the Audit Committee, which, when elected, proposes Leonard Daun as auditor-in-charge. This appointment shall furthermore be for a one-year period.

The Nomination Committee's reasoned statement and proposals in their entirety are submitted in connection with the invitation to the annual general meeting.

External Auditors

According to the Articles of Association, Biotage should have one or two external auditors. At the 2021 annual general meeting, Öhrlings PricewaterhouseCoopers AB (PwC) was elected as the company's auditor, and Authorized Public Accountant Leonard Daun was appointed as auditor-in-charge. The Nomination Committee proposes that PwC be reelected as the Company's auditor, and Leonard Daun will once again be appointed as auditor-in-charge. See also the Nomination Committee's reasoned statement, which is available on the Company's website.

The external audit of the parent company's and the Group's financial statements and of the administration of the Board of Directors and the CEO is conducted in accordance with generally accepted auditing standards in Sweden. At least one Board meeting per year is attended by the auditor, who reviews the annual audit and holds a discussion with the Board members without the presence of the CEO.

Audits of internal procedures and control systems are carried out during the third quarter. The annual accounts and financial statements are reviewed and audited in January-March. The interim report for January-September is subject to the auditors' review.

For information on the auditors' honorarium, see note 4 in the annual report.

Board of Directors

The overall task of the Board of Directors is to manage the Company's affairs on behalf of shareholders in the best possible way. The Board of Directors shall continually assess the Group's financial situation and evaluate operational management. The Board decides on issues such as the Group's strategic direction and organization, and on significant investments (exceeding SEK 5 million) and commitments. The Board annually establishes rules of procedure, including instructions to the CEO, which regulate, among other things, the division of work between the Board and the CEO.

The rules of procedure also regulate how the work of the Board of Directors should be divided between the Board members, how often the Board of Directors should meet, and how the work should be divided between various Board committees. Prior to each Board meeting, the Board members receive a written agenda and complete decision-making documentation. At each Board meeting there is a review of the current business situation, the Group's results and financial position, and the outlook for the rest of the year. Other issues dealt with include the competitive and market situations.

The Chairman of the Board directs the work of the Board, represents the Company in ownership issues and is responsible for the evaluation of the Board's work. In addition, the Chairman is responsible for ongoing contact with Group management and ensuring that the Board fulfills its obligations.

According to the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of nine members elected during the annual general meeting. The Board of Directors has a quorum when more than half of the members elected at the annual general meeting are present.

The Board members should possess broad expertise and diversity, and have a suitable background for the company's organization, industry and operations. New Board members undergo introductory training in order to quickly obtain the knowledge that is expected to best safeguard the interests of the company and its owners. The Company's Articles of Association do not contain any special provisions concerning dismissal or change of Board members.

The Board for 2021 consisted of the following persons:

- » Torben Jørgensen (Chairman of the Board)
- » Thomas Eklund
- » Peter von Ehrenheim
- » Karolina Lawitz
- » Åsa Hedin
- » Mark Bradley

Besides the members elected at the annual general meeting above, the 2021 Board of Directors consisted of employee representatives Dan Menasco and Patrik Servin.

In addition to the general meeting, the employee representatives are appointed by the trade union organizations represented by the company.

The Board's Independence and Attendance

All Board members are deemed to be independent of the Company and its executive management, with the exception of Torben Jørgensen, who, due to his time as CEO of Biotage, is deemed to be dependent in relation to the Company and its management. All directors were also deemed to be independent of the Company's larger shareholders with respect to the Swedish Corporate Governance Code's requirements pertaining to the independence of corporate Boards of Directors. For information on board members' attendance statistics, see page [•] in the Corporate Governance Report.

The Board's work in 2021

During 2021, 11 minuted meetings were held and the Board has always been quorum-based. The secretary of the Board of Directors has been the Chief Legal Officer of Biotage, Lars Bäckman, who is not a member of the Board. During the year, the Board continued to work on the company's strategy and organization. In addition, the following activities were dealt with by the Board during the year.

The Board continually evaluates opportunities to acquire companies and/or products. It is particularly important to consider opportunities to take advantage of Biotage's global marketing and sales organization, as well as opportunities to further strengthen Biotage's product offering. The UK company ATDBio Limited was acquired during the year. The acquisition of ATDBio means that Biotage is providing important platform solutions for the synthesis and purification of DNA and RNA-oligonucleotides. This technology is used for applications in the development of new drugs, molecular diagnostics (such as PCR testing), therapies based on nucleic acids and the new generation technology for DNA and RNA sequencing. The acquisition of the UK company is expected to significantly broaden and strengthen Biotage as a leading supplier of tools and services in the life sciences and impact tech sectors.

The Board works to ensure the company's long-term value-creating capacity and establishes the necessary guidelines for the company's societal conduct in order to achieve this. Biotage supports the Ten Principles of the UN Global Compact. A sustainability report for 2021 is presented in the 2021 annual report. The Board understands and appreciates the importance of continually seeking solutions that have as little environmental impact as possible. Ongoing work is carried out in accordance with the ISO 14001 environmental management standard at the production facility in Cardiff. Biotage is actively working to reduce the overall amount of waste and increase the proportion that is recycled. In order to reduce the use of solvents in its production processes, Biotage is constantly working to implement changes. The solvents that are used are recycled or destroyed.

Another important aspect of Biotage's environmental work is to help customers reduce their environmental impact in relation to solvent use. This is particularly important in Biotage's product development, including advanced software development, where Biotage has been able to reduce solvent use in certain chemical processes. Work is also under way on an ongoing basis to try to ensure this, including with the company's business partners.

Procedures and terms and conditions are introduced to ensure that Biotage is not exposed to the risk of corruption and similar issues. The Board works continually on social responsibility issues and compliance with regulations.

The Board understands the importance of diversity within the business and adopts a diversity policy that is applied across the Group. This is expressed in personnel handbooks and other relevant documents.

In action and practice, this means, among other things, the appointment of managers for several of the foreign companies. In both India and Korea, female managers have been recruited and appointed.

The Board conducts an annual evaluation of the work within the Board. The evaluation also covers the work of the CEO and the Chairman of the Board. This is done by each member completing questionnaires and providing a rating. In conjunction with this, it is also possible to submit personal comments. In addition, each member is given the opportunity to define their skills and express an opinion on whether the Board takes advantage of them, or make suggestions on how they could be better utilized. At the same time, it is possible to freely comment and submit requests for improvements, or other requests. The results of the evaluation are compiled and shared with all members of the Board and the Nomination Committee.

During the year, the Board worked on the conditions and implementation of an incentive program (performance-based share program), LTIP 2021. The program was approved at the annual general meeting on April 28, and the Board of Directors granted 32,698 performance shares to the CEO and 11,889 such shares to each of the 10 members of the company's management during LTIP 2021. The vesting period and more detailed conditions were described in the notice convening the 2021 annual general meeting and on pages 71–72 of the Annual Report.

The Board has also worked to evaluate and seek to minimize the effects of the ongoing COVID-19 pandemic. The work spanned a large area. Important parameters included measures to ensure the health and safety of employees, as well as ensuring deliveries to the company's customers. After the end of the fiscal year and following the COVID-19 pandemic, Russia's invasion of Ukraine has created even more instability in the world. The Board closely monitors developments and has evaluated possible consequences for Biotage. In purely operational terms, the war in Ukraine is having little impact on Biotage at present. The Board expresses its sympathy and compassion for the people of Ukraine.

The authority granted to the Board of Directors at the 2021 annual general meeting to resolve to issue ordinary shares until the 2022 annual general meeting was partially exercised in connection with the acquisition of ATDBio Limited when 781,991 ordinary shares were issued to sellers as part of the consideration. The authorization to issue and buy back class C shares has been exercised in connection with the implementation of incentive programs for management and other key personnel, LTIP 2021.

The Board has two preparatory committees, the Remuneration Committee and the Audit Committee.

Remuneration Committee

The Remuneration Committee submits proposals to the Board concerning the CEO's salary and other terms of employment, establishes salaries and terms of employment for other Group management, and provides a framework for salaries and terms of employment for other senior executives. During the year, the Remuneration Committee held two formal meetings. Telephone calls and correspondence also took place.

The Remuneration Committee consisted of Torben Jørgensen (Chairman), Åsa Hedin and Karolina Lawitz, all of whom participated in meetings, telephone calls and correspondence.

At the 2020 annual general meeting, the Board presented proposals for guidelines for the determination of salaries and other remuneration to the CEO and other members of the company's management, for approval by shareholders. At the 2020 annual general meeting, it was resolved in accordance with the Board's proposal that the Company shall strive to offer senior executives in the Company market-based remuneration, that the Remuneration Committee shall prepare remuneration matters and present proposals to the Board for the Board's decision, and that remuneration shall consist of a fixed annual salary, variable remuneration, pension benefits, discretionary remuneration and severance pay. This decision continues to apply and can be found on pages 82–83 of the Annual Report. For a further description of employment conditions for the Group's senior executives, see note 1 in the Annual Report.

Audit Committee

The Audit Committee follows established rules of procedure, which are adopted annually by the Board. The Chairman of the Audit Committee is responsible for ensuring that the Board of Directors is continually kept informed of the committee's work and, if necessary, instructs the Board of Directors to make decisions.

The Audit Committee's main task is to support the Board in ensuring the quality of financial reporting.

The Audit Committee also deals with compliance issues. The Committee meets with the company's auditors on an ongoing basis and evaluates the audit work. The Committee discusses significant accounting issues that affect the Group, and assists the Nomination Committee in the preparation of proposals for auditors and their honorarium.

The members of the Audit Committee were Peter von Ehrenheim (Chairman), Thomas Eklund and Torben Jørgensen. In 2021, the Audit Committee held four minuted meetings. The members of the Audit Committee were present on all occasions.

Group management

Group management is responsible for defining and implementing the Group's overall strategies, and deals with issues such as acquisitions and divestments. These issues and major investments are prepared by Group management for decisions by the Board of Directors. The CEO is responsible for the day-to-day management of the company in accordance with the Board's instructions and guidelines. Group management consisted of CEO Tomas Blomquist; Annette Colin, Chief Financial Officer, until September 30, 2021; Maja Nilsson, Chief Financial Officer, October 1, 2021, onwards; and Lars Bäckman, Chief Legal Officer.

Group management regularly holds meetings to discuss the Group's and subsidiaries' results and financial position. Other issues, which are dealt with at Group management meetings, include strategy issues and follow-up on budgets and forecasts. The parent company's CEO is chairman of the boards of directors of the directly-owned subsidiaries, which also include other members of Group management.

The subsidiaries monitor ongoing operations, and set the respective strategies and budgets.

None of Group management owns shares or is in any other way a co-owner of companies with which Biotage has significant business relationships.

The Board's description of the internal control system

According to the Company Code, the Board of Directors should submit an annual description of the most important elements of the Company's system for internal control and risk management in respect of financial reporting.

The Board is responsible for internal control, and annually evaluates the need for an internal audit function. During the evaluation, the Board has determined that Biotage's current size and risk exposure do not justify a separate internal audit function. At present, the Board of Directors considers that satisfactory control and risk management of financial reporting are carried out through collaboration with external auditors, and through reviews and follow-ups at quarterly meetings with the Audit Committee. At the next Board meeting, the Chairman of the Audit Committee presents the matters discussed, and the proposals and matters to be considered by the Board as a whole.

The control environment forms the basis of internal control

The control environment creates the culture in which Biotage operates, and defines standards and guidelines for the company's actions. In practice, the control environment consists of documented guidelines, manuals and instructions communicated throughout the organization, as well as authorization limitations in internal business systems and systems for the management of bank transactions.

The organizational structure is clear with defined roles and responsibilities communicated via documented work instructions to the Board of Directors, Board committees, CEO and to managers of subsidiaries in the Group. Regular evaluations are carried out in the organization, at both functional and departmental level, to ensure relevant knowledge of financial reporting within the organization.

Risk assessment

The aim of risk assessment is to identify areas within the high-risk business and evaluate the controls required to manage these risks. Examples include the Group's finance function, where the company seeks to ensure that no powers are exceeded by means of authorization rules and IT-supported solutions. To further support the management of risks in the financial function, Biotage has taken out insurance coverage against purely financial loss. Special guidelines have been drawn up to assess the risks in specific IT projects and in the general IT environment. A special risk analysis that includes all of Biotage's functions is conducted annually, where the risk level is assessed according to a given scale and the possibilities to mitigate the risk or level of risk.

Control activities

The control structure has been designed to manage the risks that the Board of Directors and company management consider to be significant for operational activities, compliance with laws and regulations, and for financial reporting. Defined decision-making procedures, including attestation instructions, are established, for example, for investments and signing contracts. Where appropriate, automatic controls specifically related to financial reporting have been established.

The majority of control activities are integrated into the company's key processes, such as order booking, revenue recognition, investments, supplier contracts, and purchasing.

The IT structure is designed to manage potential IT-related risks with controls in the IT systems related to the processes that affect financial reporting. In 2021, security and controllability of intrusions were further strengthened.

Internal information and communication

The most important governing documents concerning financial reporting are continually updated and communicated to relevant personnel via the company's intranet, newsletters, regular meetings, etc. Information channels are established in order to communicate as effectively as possible to relevant employees within the organization.

Monitoring

Each local manager/CEO is responsible for ensuring adequate internal control in the respective legal unit, and for ensuring that the unit complies with the Group's global rules and directives for financial reporting.

The Board of Directors' follow-up on internal control regarding financial reporting is primarily through the Audit Committee as well as through follow-up on the work and reports of the external auditors. At the Board meeting that approves the quarterly report, the Chairman of the Audit Committee presents the matters that have been discussed together with the company's auditors at the Audit Committee meeting before submitting the quarterly report. In addition, the Audit Committee prepares decision proposals that have been called for in connection with current matters. The Board also holds a meeting, without the presence of Company management, with the Company's auditors to review observations during the annual audit.

Breach of rules

No breach has taken place during the last fiscal year of the regulations of the stock exchange on which the Company's shares are admitted for trading or of good practice on the stock market in accordance with a decision by the disciplinary board of the respective stock exchange or statement by the Swedish Securities Council.

External information and communication

All communication shall be made in accordance with the listing agreement for listed companies in Sweden. The financial information shall provide stock market data: current and prospective shareholders, with a comprehensive and clear picture of the company, its operations, strategy and economic development. The Board of Directors establishes the Group's annual report and year-end reports, and commissions the CEO to submit interim reports. All financial reports are published on the website (www.biotage.com) and simultaneously distributed to the media and Nasdaq Stockholm. Financial information about the Group may only be provided by the CEO and the Group Chief Financial Officer (CFO).

The Company applies silent periods, which occur four weeks before the publication of the full or interim report. In the event of leakage of price-sensitive information or special events that may affect the valuation of the company, Nasdaq Stockholm must be informed, after which a press release with relevant information is sent out. The Company's disclosure of information is governed by an information policy.

Uppsala, April 7, 2022

Torben Jørgensen

Thomas Eklund

Peter von Ehrenheim

Karolina Lawitz

Åsa Hedin

Mark Bradley

Daniel Menasco

Patrik Servin

Auditor's report on the Corporate Governance Report

To the Annual General Meeting of the shareholders of Biotage AB, EIN no. 556539-3138

Task and allocation of responsibilities

The Board of Directors is responsible for the Corporate Governance Report for the year 2021, and for ensuring that it is drawn up pursuant to the Annual Accounts Act.

The focus and scope of the review

Our review has been conducted in accordance with FAR's recommendation RevR 16 Auditor's review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit pursuant to International Standards on Auditing and best auditing practices in Sweden. We believe that this review provides sufficient grounds for our statement.

Statement

A corporate governance report has been prepared. Information in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act, and Chapter 7, Section 31(2) of the same Act are consistent with the annual accounts and consolidated accounts, and are in accordance with the Annual Accounts Act.

Uppsala, April 7, 2022

Öhrlings PricewaterhouseCoopers AB
Leonard Daun
Authorized Public Accountant

BOARD OF DIRECTORS

Torben Jørgensen

Chairman of the Board

Education: B.Sc. Economics, Copenhagen Business School

Born: 1952

Occupation: Independent Adviser, Consultant, and Director

Other assignments: Chairman of the Board of Atlas Antibodies AB and Genovis AB. Board member of Boule Diagnostics AB, Medistim AS and Advanced Instruments Inc.

Number of years on the Board: 3 years

Shares: 320,200 shares

Torben Jørgensen has attended all annual board meetings.

Thomas Eklund

Board member

Education: MBA, Stockholm School of Economics

Born: 1967

Occupation: Independent Adviser, Consultant, and Director

Other assignments: Chairman of the Board of Sedana Medical AB, Immedica AB and Mabtech AB. Board member of Boule Diagnostics AB, Swedencare AB, and Surgical Science AB

Number of years on the Board: 16 years

Shares: 33,727 shares, including shares owned through endowment and retirement policies

Thomas Eklund has attended nine of the 11 annual board meetings.

Peter von Ehrenheim

Board member

Education: M.Sc. Mechanical Engineering, KTH Royal Institute of Technology, Stockholm

Born: 1955

Occupation: Entrepreneur

Other assignments: Chairman of the Board of Boule Diagnostics AB, Bioworks Technologies AB, Sophion A/S, Grönsö Säteri AB and Färjsundet Industri AB.

Number of years on the Board: 9 years

Shares: 0

Peter von Ehrenheim has attended 10 of the 11 annual board meetings.

Karolina Lawitz

Board member

Education: MSc., Uppsala University

Born: 1956

Occupation: Managing Director

Other assignments: Board member of Pepticore AB and Red Glead Discovery AB.

Number of years on the Board: 9 years

Shares: 17,000

Karolina Lawitz has attended all the annual board meetings.

Åsa Hedin

Board member

Education: M.Sc. in Biophysics, University of Minnesota US, B.Sc. in Physics, Gustavus Adolphus College US

Born: 1962

Occupation: Board member, Investor.

Other assignments: Chairman of the Board of Tobii Dynavox AB and Artificial Solutions International AB. Board member of Nolato AB, Cellavision AB, C-Rad AB, E Öhman Fonder AB and Industrifonden

Number of years on the Board: 3 years

Shares: 0

Åsa Hedin has attended 10 of the 11 annual board meetings.

Mark Bradley

Board member

Education: MA, D.Phil.

Born: 1962

Occupation: Professor

Other assignments: Academy

Number of years on the Board: 3 years

Shares: 0

Mark Bradley has attended all the annual board meetings.

Daniel Menasco

Employee Representative

Education: Ph.D., Chemistry, University of South Carolina

Born: 1977

Occupation: Global Product Manager, Analytical

Other assignments: None

Number of years on the Board: 3 years

Shares: 0

Daniel Menasco has attended 10 of the 11 annual board meetings.

Patrik Servin

Employee Representative

Education: MSc. Computer Engineering

Born: 1973

Occupation: System Architect

Other assignments: None

Number of years on the Board: 1

Shares: 0

Since being elected, Patrik Servin has attended all the annual board meetings.

Leonard Daun

Chief Auditor.

Born: 1964

Authorized Public Accountant, Öhrlings PricewaterhouseCoopers AB

SENIOR EXECUTIVES

Tomas Blomquist

Position: CEO and President

Born: 1970

Education: Market Economist

Employment in the Group: 3 years

Shareholding: 15,000

Maja Nilsson

Position: Chief Financial Officer

Born: 1979

Education: M.S. Business Administration, Stockholm University

Employment in the Group: 0 years

Shareholding: 0

Lars Bäckman

Position: Chief Legal Officer

Born: 1961

Education: Jur.Cand.

Employment in the Group: 15

Shareholding: 10,000