

# BIOTAGE

# CORPORATE GOVERNANCE REPORT 2019

## Introduction

Biotage AB was established in 1997 under the name Pyrosequencing AB. The Company made a number of acquisitions in the medicinal chemistry sector between 2003 and 2005. Following the divestment in 2008 of the Biosystems business area, the Company is mainly active within analytical and organic chemistry. Two acquisitions were made during 2010, MIP Technologies AB and the TurboVap® and RapidTrace® product lines. These acquisitions were made to strengthen the offering within analytical chemistry, but also to enhance production capabilities and production of consumables in larger scale (Industrial Products). In 2016 Biotage invested in the Danish protein separation company CHRETO Aps with the long term ambition to increase Biotage's commercial presence within Biomolecules. Biotage owned 22 percent of the outstanding share capital of Chreto with an option to acquire all shares in Chreto prior to the end of 2018. Biotage decided not to exercise the option. In 2017 it acquired the outstanding share capital of Horizon Technology, Inc., which was part of the continued strengthening of the offering within analytical chemistry. The acquisition has enabled new efforts within the environmental and food area. On December 4, 2018, Biotage signed an agreement to acquire the outstanding share capital of PhyNexus, Inc. The transaction was closed on January 15, 2019 and further strengthens Biotage's position as a separation company and opens up for new business opportunities with small scale purification of biomolecules. Biotage's head office is situated in Uppsala.

Biotage applies the Swedish Code of Corporate Governance ("the Swedish Code"). The diagram below shows Biotage's corporate governance model and how the central bodies interact.

## Shareholders\*

Biotage's shares have been listed on the Stockholm Stock Exchange since 2000. Share capital in Biotage consists of class A shares, with each share carrying one vote. Class A shares entitle the holder to the same proportion of the Company's assets and earnings.

At December 31, 2019, the number of known shareholders was 7,434. At the end of the year, Swedbank Robur fonder was the single largest shareholder representing 7.8 percent of the shares and votes. ODIN Fonder and Vind LV AS are the next two largest shareholders. Approximately 82.5 percent of the shareholders hold 1,000 shares or fewer, and the fifteen largest owners hold approximately 42.4 percent of the total number of shares. The proportion of foreign investors is approximately 50.5 percent.

Further information about the shareholder structure can be found on page 30 of the annual report.

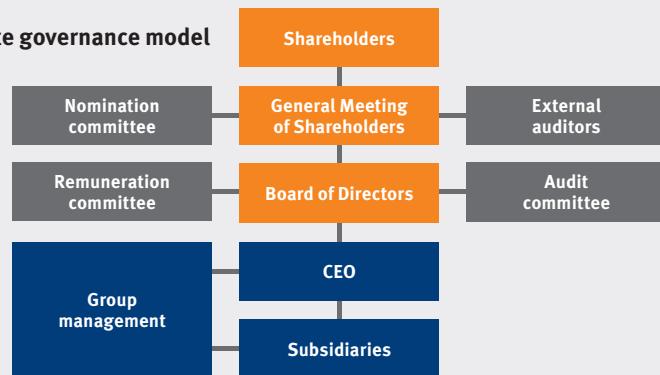
## General Meeting of shareholders

Shareholders' influence in the Company is exercised at the shareholders' meeting, which is the Company's highest decision-making body. Shareholders wishing to participate in the shareholders' meeting, either in person or represented by proxy, must be listed in the register of shareholders no later than five working days before the meeting, and must notify the Company of their intention to attend, as specified in the notice of the meeting. Notice of the annual general meeting of shareholders is given by announcement in Post och Inrikes Tidningar (The Swedish Gazette) and by making the information available on the Company's website ([www.biotage.com](http://www.biotage.com)). When notice of the meeting has been given, information to this effect shall be announced in Svenska Dagbladet.

The annual general meeting is held within six months of the end of the fiscal year. At this meeting, the shareholders make decisions on the election of the Board and auditor, the composition of the nomination committee and the discharge from liability of the Board members and CEO for the previous year. They also make decisions on the adoption of the financial statements, distribution of earnings, Board and auditor fees and principles for remuneration of the CEO and other senior executives.

\*Source: Monitor, Modular Finance.

## 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

## 2019 Annual General Meeting

The Board presented a report on its work during the year. The CEO informed the annual general meeting about the Group's financial performance and position, and commented on the results for 2018. The annual general meeting adopted the 2018 annual financial statements of the Parent Company and the Group, decided on the distribution of the Company's earnings and discharged the Board and CEO from liability. A dividend of SEK 1.50 per share was adopted. The meeting adopted the nomination committee's proposals on remuneration of the Board and auditors.

The meeting also adopted the nomination committee's proposal for the number of Board members to be five. The Board members re-elected were Thomas Eklund, Karolina Lawitz and Peter Ehrenheim. Mark Bradley and Torben Jørgensen were elected as new members of the Board. Thomas Eklund was re-elected as Chairman of the Board. Board members are also the labor representatives, Love Amcoff, Annika Gärdlund, Dan Menasco (deputy) and Magnus Mörling (deputy).

The meeting voted to grant the Board a mandate to issue shares and/or convertibles on one or more occasions before the 2020 annual general meeting, with or without preferential rights for shareholders. A decision by the Board to issue shares and/or convertibles may result in a total increase in the number of shares in the Company of up to 6,520,000 shares. The mandate has not been utilized.

Board members Karolina Lawitz, Nils Olof Björk, Thomas Eklund, Peter Ehrenheim, Yvonne Mårtensson, Love Amcoff and Annika Gärdlund and Chief Auditor Jonas Ståhlberg were present at the annual general meeting.

The minutes of the annual general meeting are available on Biotage's website ([www.biotage.com](http://www.biotage.com)).

## Extra General Meeting 2019

An Extra General Meeting with the shareholders of Biotage was held on November 7, 2019, where amongst other the following resolutions were passed. The Board of Directors shall have one additional member of the board and thus consist of six directors including the Chairman of the Board. Åsa Hedin should be elected as a new member of the Board of Directors and Torben Jørgensen as new Chairman of the Board of Directors for the period until the end of Annual General Meeting 2020.

## Nomination Committee

The nomination committee represents the interests of shareholders. The 2019 annual general meeting adopted a resolution that the company shall have a nomination committee consisting of four members. The members should be one representative of each of the three largest shareholders in the company with regard to the number of votes held who wish to appoint such representatives, together with the Chairman of the board of directors whom also shall convene the first meeting of the nomination committee. The nomination committee shall perform the duty of the nomination committee in accordance with the Swedish corporate governance code. The nomination committee's term of office shall extend until a new nomination committee is appointed.

The nomination committee shall be composed based on shareholder statistics from Euroclear Sweden AB as of the last banking day in August and other reliable shareholder information which has been provided to the company at such time. When determining who are the three largest shareholders with regard to the number of votes held, a group of shareholders shall be considered as one owner if they (i) have been organized as a group in the Euroclear-system or (ii) have made public and notified the company that they have made a written agreement to take – through the coordinated exercise of voting rights – a common long-term view on the management of the company. The nomination committee shall appoint one of the members, who is not

## The 15 largest shareholders as of December 31, 2019

Shareholders	Number of shares	Proportion of capital and votes %
Swedbank Robur Fonder	5 099 741	7.8%
ODIN Fonder	3 620 000	5.6%
Vind AS	2 990 762	4.6%
Fjärde AP-fonden	2 042 249	3.1%
Lannebo Fonder	2 035 824	3.1%
Invesco	2 013 047	3.1%
Handelsbanken Fonder	1 968 000	3.0%
Montanaro	1 716 000	2.6%
Didner & Germge Fonder	1 313 102	2.0%
Groupama Asset Management	1 138 114	1.7%
Dimensional Fund Advisors	869 050	1.3%
Tredje AP-fonden	855 937	1.3%
Berenberg Funds	683 281	1.0%
BlackRock	666 870	1.0%
Fonds de Réserve pour les Retraites	650 000	1.0%
<b>Total</b>	<b>27 661 977</b>	<b>42.4%</b>

\*Source: Monitor, Modular Finance.

the chairman of the board of directors, as chairman of the nomination committee. The chairman of the nomination committee shall, if the nomination committee does not resolve otherwise, be the member that represents the largest shareholder with regard to the number of votes held. The names of the representatives and the names of the shareholders they represent shall be announced as soon as they have been appointed.

If, during the term of office of the nomination committee, one or more shareholders having appointed a representative to the nomination committee no longer is among the three largest shareholders with regard to the number of votes held, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the three largest shareholders with regard to the number of votes held, may appoint their representatives. In the event that a member leaves the nomination committee before its term of office is completed, the shareholder who appointed the member shall appoint a new member. If this shareholder is no longer one of the three largest shareholders with regard to the number of votes held, a new member is appointed according to the above procedure. Unless there are special circumstances, no changes shall be made in the composition of the nomination committee if there are only marginal changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting. A shareholder that has become one of the three largest shareholders, with regard to the number of votes held, due to a more significant change in the number of votes held later than three months before the Annual General Meeting shall, however, be entitled to appoint a representative who shall be invited to participate in the committee's work as a co-opted member. A shareholder who has appointed a representative as member of the nomination committee has the right to dismiss such member and appoint a new representative as member of the committee. Changes in the composition of the nomination committee shall be announced as soon as they have occurred.

The nomination committee consists of Marianne Flink (Swedbank Robur fonder), chairman, Vegard Søraunet (ODIN Fonder), Christian Petersen (Vind LV AS) and Torben Jørgensen (Chairman of the Board).

Shareholders may submit proposals to the nomination committee in various ways, including by e-mail to info@eu.biotope.com. The nomination committee's proposals and reasons must be published no later than the date of publication of the notice of the annual general meeting.

### **The nomination committee's work since the 2019 Annual Meeting**

The nomination committee members have considered any conflict of interest before accepting the assignment. The nomination committee has had regular meetings and status reviews by telephone since its establishment in fall 2019. Following the Extra General Meeting held on November 7, 2019, the Nomination Committee has held two minuted meetings.

To consider the requirements on the Board in the context of the company's current situation and future direction, the nomination committee has continued after the Annual Meeting to discuss the composition of the Board, as regards e.g. business experiences and competences. An important factor has been that the Board shall mirror and make room for the competencies and experiences needed by Biotope that is global company. Less than one percent of the top line is from business generated in Sweden. According to the nomination committee's opinion as published in advance of the Annual Meeting, it has been an ambition for the nomination committee to find Board members with an international view and with experiences from the company's markets and products and to particularly consider the Diversity Policy of the Swedish Corporate Governance Code, and to strive for an appropriate composition of the Board, that is versatile

and broad concerning the Board members competence, experience and background. The ratio of females in the Board was not satisfactory after the 2019 Annual Meeting and the intention has been to complement the Board with a female Board member with the appropriate profile, which resulted in the nomination committee's proposal to elect Åsa Hedin as a new Board member at the Extra General Meeting held on November 7, 2019.

By reason of the exchange of CEO on November 6, 2019, when Tomas Blomquist replaced Torben Jørgensen as CEO of Biotope, the nomination committee proposed that Torben Jørgensen should be elected as new Chairman of the Board for Biotope and thus take benefit of Torben Jørgensen's unique industrial competence and network for continued expansion in the current development stage of Biotope. The Extra General Meeting resolved in accordance with the nomination committee's proposal and elected Torben Jørgensen as Chairman of the Board.

Continued meetings and status reviews have been mainly been devoted to evaluation of the work of the present Board and discussions on the number of Board members, the need for new recruitment, potential new Board members and Board fees. The Chairman of the Board has provided the nomination committee with an account of the Board's work during the year. The nomination committee has formulated a proposed procedure for establishing the next nomination committee. In accordance with the Swedish Code, the nomination committee has particularly considered the requisites of diversity of the board composition as well as an even distribution of gender amongst the board members. The nomination committee is aiming to have a more balanced distribution in terms of gender. The number of women in the Board is, however, not yet satisfactory.

The nomination committee is also responsible for submitting proposals for remuneration of the Board. To obtain an idea of reasonable remuneration levels, the committee has analyzed and compared fees paid in similar companies. The committee has been assisted by the audit committee in the process of evaluating the auditors and the audit committee has submitted its recommendation to the nomination committee.

The nomination committee has proposed that the Board should consist of six members elected by the AGM.

The nomination committee has proposed the re-election of the current members: Torben Jørgensen, Åsa Hedin, Thomas Eklund, Peter Ehrenheim, Mark Bradley and Karolina Lawitz.

The committee has proposed that Torben Jørgensen should be re-elected as the Chairman of the Board.

The nomination committee considers that, in view of the Company's business, stage of development and other circumstances, the Board is composed in such a way as to enable it meet the requirements of the Company's operations. The nomination committee has paid particular attention to the Company's strategic development, management and controls, and the demands these factors place on the Board's expertise and composition. The nomination committee has reviewed the annual evaluation of the Board, the Chairman of the Board and the Chief Executive Officer. The Nomination Committee has also met and interviewed the proposed board members.

The nomination committee's other proposals are submitted with the notice of the annual general meeting.

### **External Auditors**

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According to the Company's articles of association, Biotope shall have one or two external auditors. At the 2019 annual general meeting, Deloitte AB was re-elected the Company's auditor for one more year with Jonas Ståhlberg as chief auditor. The nomination committee has, in accordance with the audit committee's 2020 proposal, proposed

the re-election of Deloitte AB as the Company's auditor. Deloitte AB proposes Jonas Ståhlberg as chief auditor if elected. See also the nomination committee's detailed statement, which is available on the Company's website.

The external audit of the Parent Company's and Group's accounts and the Board's and CEO's administration is conducted in accordance with generally accepted auditing standards in Sweden. The accountant participates in at least one Board meeting each year in order to go through the annual accounts and discuss matters with Board members without the presence of the CEO.

A review of the internal procedures and control systems is also conducted in the third quarter. The year-end accounts and annual report are reviewed and audited between January and March. The interim reports between January and September are reviewed by the auditors.

Information on auditors' fees can be found in note 4 of the annual report.

## **Board**

The Board's overall task is to manage the Company's affairs in the best possible way on behalf of the shareholders. The Board shall continuously evaluate the Group's financial position and operational management. The Board determines issues concerning the Group's strategic direction and organization, and makes decisions on major investments (over SEK 5 million) and commitments. Each year, the Board establishes its own rules of procedure and a set of CEO instructions defining the division of work between the CEO and Board.

The Board's rules of procedure define the division of work among Board members, the frequency of Board meetings and the tasks of the Board's committees. Board members receive a written agenda and all the necessary decision-support material before each Board meeting.

Each Board meeting includes a thorough examination of the current business situation, the Company's results and financial position and the outlook for the rest of the year. Other matters for consideration include competition and the market situation.

The Chairman of the Board leads the Board's work, represents the Company in ownership matters and is responsible for the evaluation of the Board's work. The Chairman is also responsible for ongoing contact with Group management and ensuring the Board carries out its duties.

According to the articles of association, the Board shall consist of a minimum of five and a maximum of nine members elected by the shareholders' general meeting. The Board has a quorum if more than half the meeting-elected members are present. The Board must have diversity and breadth of qualifications, and a background appropriate to Biotage's organization, sector and operations. New Board members receive introductory training in order to quickly obtain the knowledge they need in order to represent the interests of the Company and its shareholders. The company's articles of association do not contain any provisions concerning dismissal or other changes of the members of the board.

### **The Board for 2019 consisted of the following persons:**

- » Torben Jørgensen (Chairman as of November 7, 2019)
- » Thomas Eklund (Chairman until November 7, 2019)
- » Peter Ehrenheim
- » Karolina Lawitz
- » Åsa Hedin (elected at the EGM held on November 7, 2019)
- » Mark Bradley

In addition to the elected Board members above, Love Amcoff, Annika Gärlund, Dan Menasco (deputy replacing Dan Ohlsson) and Magnus

Mörling (deputy) are members of the Board as employee representatives. Employee representatives are appointed outside the annual general meeting by the trade unions that are represented in the Company.

### **The Board's Independence and Attendance**

All Board members are considered independent of the Company and its management. All members are considered independent of the Company's major shareholders, as defined in the Swedish Code. Information about Board members' attendance can be found on page 7.

### **The Board's work in 2019**

The Board held 11 meetings in 2019 at which minutes were taken. A quorum was established at all meetings. The Secretary of the Board is Biotage's Chief Legal Officer, Lars Bäckman, who is not a member of the Board.

During the year, the Board of Biotage continued its focus on the Company's strategy and organization. The Board also dealt with other important matters during the year.

The Board is continuously evaluating possibilities to acquire businesses and/or products. Efforts are focused towards opportunities to utilize Biotage's global market and sales organization but also opportunities to further strengthen Biotage's product offering. In January 2019 the closing of the acquisition of PhyNexus, Inc. occurred, a company that Biotage agreed to acquire in December 2018. During the year, continuous reviews of the acquisition and integration into Biotage's operations have been conducted.

The Board is committed to work with a long-term view for the creation of securing the Company's long-term capabilities to create wealth. Biotage supports the Ten Principles of the UN Global Compact. A sustainability report for 2019 is contained within the annual report for 2019. The Board appreciates and acknowledges the importance of seeking solutions with as little as possible footprint in the environment. A continuous work is undertaken at the production site in Cardiff in accordance ISO 14001. Biotage is also actively seeking to reduce the volumes of waste and to increase the recycling of waste generated in the production. To continuously decrease the use of solvents in the production processes, Biotage is constantly adjusting and improving the production processes. Solvents used are sent to recycling and destruction.

Another important part for Biotage is to seek to help the customers' imprint on the environment by decreasing the use of solvents. This is a central part of Biotage's product development. A continuous work is also to seek to secure the same methods are applied by Biotage's partners.

Policies and routines are also introduced to secure that Biotage is not exposed to risks for corruption etc. The Board is continuously working with corporate social responsibility matters and compliance. The board realizes the importance of diversity within the organization and adopts a diversity policy that is applied throughout the Biotage group. Personal hand books and other relevant documents follows these policies. Biotage has also recruited female executives to head several of the foreign companies within the group, such as the subsidiaries in India and Korea.

The Board undertakes an annual evaluation of the work within the Board. The evaluation also includes the efforts by the Chairman of the Board and the Chief Executive Officer. The format is a questionnaire. There is also a possibility for the Board members to put forward their own views and suggestions for change. In addition to this, each member of the Board is requested to define his/her skills and state whether the Board is promoting those skills and also to come with proposal how the Board can better utilize each members skill set. The

results from the evaluation is compiled and shared with the entire Board and the nomination committee.

The board has evaluated the succession planning within Biotage and particularly in relation to the forthcoming replacement of the current CEO Torben Jørgensen. His employment contract is a stop date in April 2020 and the Board informed the market that a recruitment process have been initiated in a public announcement January 2, 2019. In a public announcement of May 24, 2019, the market was informed that a replacement of Torben Jørgensen had been hired. Tomas Blomquist started as Biotage's new CEO and President on November 6, 2019.

The Board has not utilized the authorization to issue new shares, which was granted by the Annual Meeting 2019.

The Board has two preparatory committees – the remuneration committee and the audit committee.

## Remuneration Committee

The remuneration committee submits proposals to the Board about the CEO's salary and employment terms. It also defines salaries and terms of employment for the other members of Group management and a framework for salaries and terms of employment for other key management personnel. The remuneration committee held two formal meetings during the year as well as telephone conferences and correspondence. The remuneration committee members are Torben Jørgensen (chairman), Thomas Eklund and Karolina Lawitz following the EGM held on November 7, 2019.

The Board of Directors presents their proposal for a resolution on guidelines for compensation for the executive management at the annual general meeting for approval by the shareholders. The 2019 AGM resolved to adopt the Board of Directors' proposal that the guidelines for compensation for the executive management substantially shall be in accordance with the following. The company shall strive to offer members of the executive management of the company a compensation that is adjusted to the conditions of the market. The remuneration committee shall prepare and present such compensation proposals to the board of directors for resolution. In the compensation proposals the importance of the work, competence, experience and performance shall be taken into account. The compensation may consist of: fixed yearly income, variable income, pension benefits, discretionary bonus arrangements, and severance pay. A more detailed description of the terms of employment for the Group's senior executives can be found in note 1 of the annual report.

## Audit Committee

The audit committee follows its own rules of procedure, which the Board defines each year. The chairman of the audit committee is responsible for keeping the Board informed of the committee's activities and, when appropriate, submitting matters to the Board for approval. The audit committee's main task is to support the Board in ensuring financial reporting is of high quality. The audit committee also processes compliance matters. The committee has regular meetings with the Company's auditor and evaluates the aims and scope of the audit.

The committee also discusses auditing issues of particular significance to the Group, and assists the nomination committee in preparing nominations for the post of auditor and recommendations on fees for auditing services.

Following the EGM of November 7, 2019, the audit committee consisted of Peter Ehrenheim (chairman), Thomas Eklund and Åsa Hedin (as of November 7 when Åsa Hedin replaced Karolina Lawitz).

In 2019, the audit committee held four meetings at which minutes were taken and were all members attended.

## Group management

Group management is responsible for establishing and implementing the Group's overall strategy, and dealing with matters such as acquisitions, disposals and large investments, which are prepared by Group management for approval by the Parent Company's Board. The CEO is responsible for the day-to-day management of the Company in accordance with the Board's instructions and guidelines. Group management consists of Torben Jørgensen up to 6 November and Tomas Blomquist from 6 November and onwards (CEO), Erika Söderberg Johnson (CFO) and Lars Bäckman (Chief Legal Officer).

Group management holds monthly meetings to discuss the financial performance and position of the Group and subsidiaries. The meetings also deal with strategic plans and the monitoring of budgets and forecasts. The Parent Company's CEO chairs the boards of the Company's directly owned subsidiaries. Other members of Group's management also serve on these boards. The boards of the subsidiaries supervise current operations and the strategies and budgets.

None of the members of the group management owns shares or equivalent in any significant business partner of Biotage.

## The Board's description of internal controls

Under the Swedish Code of Corporate Governance, the Board is required to provide an annual description of the Company's internal controls and risk management with regard to financial reporting.

The Board is responsible for the internal control and is annually evaluating the need for a separate internal audit function. In its evaluation, the Board has come to the conclusion that Biotage's present size and risk exposure do not justify a separate internal audit function.

Currently the Board believes that a satisfactory control and risk management of the financial reporting is done through the collaboration with external auditors and thorough reviews and monitoring at the quarterly meetings with the Audit Committee. The Chairman of the Audit Committee presents to the Board, which topics that have been up for discussion and what proposals and matters the entire Board should decide upon.

## Control environment – the basis of internal controls

The control environment creates Biotage's culture and defines the standards and guidelines on which the Group's business actions take place. In substance, the control environment consists of the documented guidelines, manuals and instructions which have been communicated across the entire organization.

The organizational structure is explicit, with defined roles and responsibilities communicated in the form of documented instructions to the Board, the Board's committees, the CEO and managers of the subsidiaries. Regular evaluation is carried out at the function and department levels in the organization to ensure there is relevant knowledge with regard to financial reporting.

## Risk assessment

The aim of risk assessment is to identify high-risk areas of the Group's operations and decide which controls are required to manage these risks. Examples are to be found within the group's finance departments, where signing provisions and IT-supported solutions help to safe guard that payments are done within authorized levels. Crime policies are also part of Biotage's insurance program to further minimize risk for economic losses. Special guidelines are used to assess the risk associated with specific IT projects and the general IT environment. A risk analysis is conducted annually that involves all functions within Biotage, where the level of risk is measured according to a scale together with possible activities to mitigate the risk or level of risk.

## **Control activities**

The control structure is designed to ensure effective management of what the Board and management consider significant risks to the Company's operations, compliance with legislation and regulations and financial reporting. Defined decision procedures, including authorization instructions, have been established for activities such as investments and the signing of contracts. Where appropriate, automatic controls designed especially for financial reporting have been established. Most control activities are integrated into the Company's key processes, which include ordering, revenue recognition, investments, supply contracts and purchasing.

The IT structure is designed to handle potential IT-related risks. This is done by means of controls and checks in the IT systems related to processes which affect financial reporting. During 2018 the security of and the monitoring capacity of the IT systems have been improved.

## **Internal information and communication**

The most important steering documents for financial reporting are regularly updated and communicated to relevant personnel via the Company's intranet, newsletters, regular meetings, etc. Information channels have been established to ensure effective communication to relevant employees in the organization.

## **Monitoring**

Each local manager or CEO is responsible for ensuring there are adequate internal controls in his own entity and that the entity follows the Group's overall rules and directives for financial reporting.

The Board's monitoring of internal controls with regard to financial reporting is primarily carried out by its audit committee, which monitors the work and reporting of the external auditors, and by review of the external auditors' work and reports. The chairman of the audit committee presents at each board meeting in conjunction with the approval of the quarterly report, what subjects have been up for discussion with the external auditors at the audit committee meeting.

The audit committee is also preparing any Board decision proposals by reason of topics monitored and discussed in the audit committee. The Board is also meeting with the company's external auditors, without management being present, to discuss the external auditors' observations during the annual audit.

## **Breach of rules**

There has been no breach of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.

## **External information and communication**

Biotage's communication must be correct, open and prompt, and delivered simultaneously to all its stakeholders. All communication shall be provided in accordance with the Nasdaq OMX Listing Agreement for listed companies in Sweden. Financial information shall give the stock market and present and future shareholders a clear overall picture of the Company and its operations, strategy and financial development. The Board approves the Group's annual report and year-end report, and instructs the Group President to release interim reports. All financial reports are published on the Company's website ([www.biotope.com](http://www.biotope.com)) and distributed to the media and NASDAQ OMX Stockholm. Financial information about the Group may only be communicated by the Group President and the Group CFO.

The Company observes a silent period of thirty days prior to publication of annual and interim reports. If price-sensitive information is leaked or incidents occur which could affect the valuation of the Company, NASDAQ OMX Stockholm must be informed and a corresponding press release issued. The Company's information sharing is regulated by an information policy.

**Uppsala, March 26, 2019**

Peter Ehrenheim  
Thomas Eklund  
Love Amcoff

Mark Bradley  
Åsa Hedin  
Dan Menasco  
Magnus Mörling

Karolina Lawitz  
Torben Jørgensen  
Annika Gärdlund

## **Auditor's report on the corporate Governance statement**

To the general meeting of the shareholders in Biotage AB corporate identity number 556539-3138

## **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the financial year 2019-01-01–2019-12-31 and that it has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevU 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, March 26, 2019**

Deloitte AB  
Jonas Ståhlberg  
Auktoriserad revisor

## BOARD OF DIRECTORS

### Torben Jørgensen

**Chairman of the Board**

**Education:** B.Sc. in Economics, University of Copenhagen

**Born:** 1952

**Occupation:** Independent Advisor, Consultant and Board Member

**Other assignments:** Chairman of the Board in Atlas Antibodies AB, Board Member of Intervacc AB and Micropos Medical AB

**Length of Board service:** 1 year

**Shares:** 520 200

### Thomas Eklund

**Board member**

**Education:** MBA Stockholm School of Economics.

**Born:** 1967

**Occupation:** Independent advisor, consultant and board director

**Other assignments:** Chairman of the Board of Sedana Medical AB, Board member of Boule Diagnostics AB, Memira AB, Rodebjer Form AB, Bioworks AB, Immedica AB and Surgical Science AB.

**Length of Board service:** 14 years

**Shares:** 111 538 shares including shares owned through pension and endowment insurances

**Thomas Eklund attended all board meetings during the year**

### Peter Ehrenheim

**Board member**

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

**Born:** 1955

**Occupation:** Entrepreneur

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

**Length of Board service:** 7 years

**Shares:** 0

**Peter Ehrenheim attended all board meetings during the year**

### Karolina Lawitz

**Board member**

**Education:** M.Sc., University of Uppsala  
**Born:** 1956

**Occupation:** Director

**Other assignments:** Board member of Pepticore and Red Glead Discovery

**Length of Board service:** 7 years

**Shares:** 19 500

**Karolina Lawitz attended all board meetings during the year**

### Mark Bradley

**Board member**

**Education:** MA, D.Phil

**Born:** 1962

**Occupation:** Professor

**Other assignments:** Academic

**Length of Board service:** 1 year

**Shares:** 0

**Mark Bradley has attended all but one meeting since he was elected.**

### Åsa Hedin

**Board member**

**Education:** MSc University of Minnesota Biophysics

**Born:** 1962

**Occupation:** Non-executive

Director, Investor, Advisor

**Other assignments:** Chairman of Artificial Solutions AB, Director of Nolato AB, Tobii AB, Cellavision AB, C-Rad AB, Industrifonden and the Swedish Tennis Association

**Length of Board service:** 2 years

**Shares:**

**Åsa Hedin attended all board meetings since she was elected**

### Love Amcoff

**Employee Representative**

**Education:** M.Sc. Engineering, Uppsala University

**Born:** 1974

**Occupation:** Systems Engineer

**Other assignments:** –

**Length of Board service:** 8 years

**Shares:** 3,200

**Love Amcoff attended 11 out of 12 board meetings during the year.**

### Magnus Mörling

**Employee representative (deputy)**

**Education:** Bachelor, Mechanical Engineering, Uppsala University

**Born:** 1978

**Occupation:** Project Manager

**Other assignments:** –

**Length of Board service:** 1 year

**Shares:** –

**Magnus Mörling attended all board meetings since he was appointed**

### Jonas Ståhlberg

**Auditor**

**Born:** 1975

**Authorized Public Accountant, Deloitte AB**

## EXECUTIVE MANAGEMENT

### Tomas Blomquist

**Position:** Employee since the 1st of September 2019 and started as Biotage's new CEO and President on November 6, 2019

**Position:** President and CEO

**Born:** 1970

**Education:** B.Sc. in Economics

**Employment in the group:** 1

**Shares:** 15 000 shares

**Other assignments:**

### Erika Söderberg Johnson

**Position:** CFO

**Born:** 1970

**Education:** MBA, Stockholm School of Economics

**Employment in the group:** 7 years

**Shares:** 7 700 shares

**Other assignments:** Board member of

SAAB AB and Qliro Group AB

### Lars Bäckman

**Position:** Chief Legal Officer

**Born:** 1961

**Education:** LLM

**Employment in the group:** 12 years

**Shares:** 20 000 shares

**Other assignments:** Board member of Chreto A/S