

Corporate Governance Report

This Corporate Governance Report was prepared for BICO Group AB (publ), corporate identity number 559050-5052, for the financial year 2023, pursuant to Chapter 6, Sections 6–9 of the Swedish Annual Accounts Act.

Introduction and principles of corporate governance

BICO Group AB ("BICO") is a Swedish public limited liability company based in Gothenburg and its shares of series B are listed on Nasdaq Stockholm. BICO's corporate governance is based on the Swedish Companies Act, the Swedish Annual Accounts Act, the Nasdaq Stockholm Rule Book for Issuers, internal rules, and the Swedish Corporate Governance Code (the "Code"), which is available at www.corporategovernanceboard.se.

General Meeting		Nomination Committee
Board of Directors 8 members		Auditor
Remuneration Committee 3 members	Audit Committee 3 members	
CEO and Executive Management		

BICO applies any rules provided by laws or other statutes, as well as the Code. To the extent BICO deviates from the Code, the Company adheres to the "comply or explain" mechanism permitted under the Code for deviations from the rules. BICO complied with the Code in all respects in the financial year 2023.

Corporate governance structure

At general meetings, the shareholders make the appointments and adopt the guidelines that form the basis for BICO's corporate governance. The organization chart to the left summarizes BICO's corporate governance structure.

Governance instruments

External governance instruments that set the scope for BICO's corporate governance include the Swedish Companies Act, the Swedish Annual Accounts Act, the Nasdaq Stockholm Rule Book for Issuers, the Code, and other relevant laws. Foreign subsidiaries comply with the applicable laws and regulations in their respective country, but they also ensure compliance with the Group's guidelines for governance and control. The Board of Directors is ultimately responsible for the organization and management of the Company's affairs. Supervision is performed by authorities and bodies appointed by the authorities, both through the Company's reporting to them and through regular audits by the authorities. The internal governance instruments include the Articles of Association as adopted by the Annual General Meeting and the Rules of Procedure for the Board of Directors and the instructions to the CEO, the Board's committees and the financial reporting.

Annual General Meeting

The shareholders of BICO exercise their right to resolve on the Company's affairs at the Annual General Meeting or, where applicable, at an Extraordinary General Meeting. The general meeting is the highest decision-making body of BICO.

The Annual General Meeting shall be held within six months after the end of each financial year. The Annual General Meeting passes resolutions regarding the Articles of Association, appoints the Board of Directors and the Chairman of the Board, elects the auditor, adopts the income statement and balance sheet, resolves on the appropriation of profits and discharge from liability, and resolves on the principles for the appointment of the Nomination Committee and adopts guidelines for remuneration to senior executives, etc.

Each shareholder has the right to be present at the Annual General Meeting, in person or by proxy. Each shareholder has the right to raise issues to be addressed at the Annual General Meeting, and each shareholder is entitled to vote for all shares held by him or her. Notices of meetings and other information prior to general meetings are available at BICO's website. The fact that a meeting has been convened shall also be advertised in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and the Swedish business daily newspaper, Dagens industri.

Shareholders who wish to have a matter addressed at the Annual General Meeting should make a written request to the Board of Directors. The request must normally be made to the Board of Directors well in advance of the Annual Gener-

al Meeting, in accordance with the information provided on BICO's website in connection with the publication of the time and place of the Annual General Meeting.

Shareholders

BICO's shares of series B have been listed on Nasdaq Stockholm since April 20, 2020. According to the share register kept by Euroclear Sweden, there were 22,638 shareholders in BICO per December 31, 2023.

The share capital was SEK 1,764,372.375, divided into 70,574,895 shares, of which 1,500,000 were Series A shares, which confer 10 votes per share, and 69,074,895 were Series B shares, which confer 1 vote per share.

Per December 31, 2023, Erik Gatenholm held 13.63 percent of the total number of shares and 20.53 percent of the votes and Hector Martinez held 8.95 percent of the total number of shares and 13.59 percent of the votes. Sartorius Lab Holding held 10.09 percent of the total numbers of shares and 8.47 percent of the votes. No other shareholder held a direct or indirect stake representing 10 percent or more of the votes for all shares in BICO.

2023 Annual General Meeting

BICO's 2023 Annual General Meeting (in respect of the financial year 2022) was held on May 9, 2023. Approximately 63.80 percent of the votes were represented at the Annual General Meeting.

Resolutions passed at the Annual General Meeting included the following (in addition to matters ordinarily dealt with by the Annual General Meeting):

- The AGM resolved to amend the principles for the appointment of the Nomination Committee so that the Nomination Committee shall consist of four members appointed by the largest shareholders and that the Chairman of the Board shall not formally be part of the Nomination Committee. However, the Chairman of the Board should normally be co-opted to the meetings of the Nomination Committee. No other changes have been made regarding the principles.

- The AGM resolved, in accordance with the Board of Directors' proposal, to authorize the Board of Directors to, for the period until the end of the next Annual General Meeting, one or several occasions and with or without deviation from the shareholders' preferential rights, to resolve on new issue of shares of series B. The authorization may be utilized for new issues of shares of series B, which may be made with provisions regarding contribution in cash, in kind or through set-off corresponding to a dilution of not more than 10 per cent of the registered share capital in the Company at the time of the issue resolution.

2024 Annual General Meeting

BICO's 2024 Annual General Meeting will be held on May 20, 2024.

Nomination Committee

BICO's Annual General Meeting adopts principles for the appointment of members of the Nomination Committee and instructions to the Nomination Committee. The 2023 AGM resolved to amend the principles for the appointment of the Nomination Committee so that the Nomination Committee shall consist of four members appointed by the largest shareholders in terms of voting rights in the Company per end of September. The Chairman of the Board shall not formally be part of the Nomination Committee. However, the Chairman of the Board should normally be co-opted to the meetings of the Nomination Committee. No other changes have been made regarding the principles.

If the Chairman of the Board, directly or indirectly, is one of the four largest shareholders, the Chairman of the Board shall refrain from nominating a member to the Nomination Committee. The principles also include a procedure for the replacement of a member who resigns prematurely from the Nomination Committee or a member who no longer represents one of the four largest shareholders in terms of voting rights.

The names of the members of the Nomination Committee shall be presented no later than six months before the 2024 Annual General Meeting. The composition of the Nomination

Committee from time to time will be published on BICO's website. A press release stating the composition of the Nomination Committee and setting out the procedure for shareholder proposals to the Nomination Committee was published on November 9, 2023. It was also made available on BICO's website. The following members of the Nomination Committee were appointed: Mats Engström (nominated by Erik Gatenholm), Jens M Artelt (nominated by Sartorius Lab Holding GmbH), Malin Björkmo (nominated by Handelsbanken Funds), Claes Dinkelspiel (nominated by Héctor Martínez) and Rolf Classon, Chairman of the Board of BICO (co-opted). The nominating shareholders represented approximately 51 percent of the votes in BICO.

The Nomination Committee shall submit proposals to the 2024 Annual General Meeting regarding the election of the Chairman of the Annual General Meeting, the number of Board members, the election of the Chairman of the Board and other members of the Board, Board fees and remuneration for committee work, election of auditors, fees to auditors and, where applicable, changes to the instructions to the Nomination Committee.

The Nomination Committee has considered diversity issues in its work and used Rule 4.1 of the Code as its diversity policy. BICO's Board of Directors comprises three women and five men. Consequently, the Nomination Committee notes that the proposed Board of Directors does not meet the Code's goal of an equal gender distribution. The proportion of women on the Board of Directors is 38 percent, and the Nomination Committee will keep striving to meet the Code's goal.

The Nomination Committee deems that the proposed Board of Directors, which consists of eight individuals, has a composition that is appropriate to the Company's operations, phase of development and other relevant circumstances. When the independence of the proposed Board members was considered, the Nomination Committee found that its proposal for the composition of the Board of Directors of BICO meets the Code's independence requirement.

Auditor

The auditors of BICO are elected at the Annual General Meeting. The 2023 Annual General Meeting adopted the Nomination Committee's proposal for the re-election of Deloitte AB with Åsa Löfqvist, Authorized Public Accountant, as auditor in charge.

Audit work

The auditor shall review the Company's annual report and accounts and the administration by the Board of Directors and the CEO. After the end of each financial year, the auditor shall submit an auditor's report and an auditor's report for the Group to the Annual General Meeting. According to BICO's Articles of Association, BICO shall have at least one auditor and no more than one deputy auditor.

The auditor in charge has reported her observations from the audit work to the Board of Directors and to the Audit Committee. In connection with the audit work described above, the annual report, the accounts and the administration by the Board of Directors and the CEO were reviewed. In addition to the audit assignment, which is paid according to customary charging standards, Deloitte AB also provided consultations and audit-related services for approximately SEK 0.9m the financial year 2023.

Board of Directors

According to the Articles of Association, the Board of Directors of BICO shall consist of no less than three and no more than 8 members, with no deputies. At the end of the financial year 2023, the Board of Directors of BICO comprised 8 members, elected by the general meeting.

The Board of Directors complies with written Rules of Procedure that are revised annually and adopted at the statutory Board meeting held every year. The Rules of Procedure include rules on Board practices, functions, and the division of work between the Board members and the CEO. In connection with the statutory Board meeting, the Board of Directors also adopts instructions to the CEO, including on financial reporting.

Evaluation of the work of the Board of Directors

The Board of Directors annually conducts a systematic evaluation during which the members are given the opportunity to present their views on the working methods, documentation and their own and the other members' efforts in connection with the work of the Board of Directors. The purpose is to improve the work of the Board of Directors and provide the Nomination Committee with relevant documentation for decisions prior to the Annual General Meeting.

Independence

According to the Code, the majority of the Board members elected by the shareholders' meeting should be independent of the Company and its executive management, and at least two of these Board members should also be independent in relation to the Company's major shareholders.

BICO's Board of Directors is considered to meet the Code's independence requirements, as 7 of the members elected by the general meeting are considered independent in relation to the Company, its executive management and its major shareholders. In 2023, all Board members elected by the general meeting were independent in relation to the Company, its Executive management, and its major shareholders, with the exception of Board member Erik Gatenholm, as he was CEO and President up until November 20, 2023, as well as he is also the largest shareholder of the Company.

The work and responsibilities of the Board of Directors

At the 2023 Annual General Meeting, 8 ordinary Board members with expertise in medical technology and the fields of finance and strategy were elected. The Company's General Counsel, Lotta Bus, was the secretary of the Board during the year. In 2023, 17 Board meetings were held (25 meetings during the financial year 2022), all of which were minuted. The CEO and the CFO presented matters at the Board meetings. On a couple of occasions, other members of the Executive Management also presented matters.

The Board of Directors oversees the work of the CEO and is responsible for ensuring that the organization, management, and guidelines for the Company's funds are appropriately structured. The Board of Directors is also responsible for ensuring that the Company is organized in such a way that there is appropriate internal control and appropriate systems for follow-up of the Company's operations and risks, and for compliance with laws, regulations and internal guidelines. The Board of Directors is further responsible for the development and follow-up of the Company's strategies through plans and goals, decisions on corporate acquisitions and divestments, major investments, appointments and remuneration to the Executive management along with ongoing follow-up during the year. The Board of Directors adopts the budget and year-end accounts.

	Elected	Attendance at Board meetings	Remuneration Committee	Audit Committee	Total remuneration
Rolf Classon ¹	2022	16/17	1/1	21/21	650
Ulrika Dellby ²	2022	17/17	5/5	23/25	510
Carsten Browall ³	2018	7/7	1/1	4/4	0
Erik Gatenholm	2016	17/17	-	-	0
Gerry Mackay ⁴	2023	8/10	-	-	250
Bengt Sjöholm ⁵	2016	17/17	4/5	-	285
Helena Skåntorp	2019	17/17	-	25/25	350
Susan Tousi	2021	17/17	-	-	250
Christian Wildmoser	2019	17/17	6/6	-	285

¹ Rolf Classon was elected Chairman of the Board at the Annual General Meeting held on May 9, 2023 and member of the Audit committee.

² Ulrika Dellby was elected vice chair woman at the Annual General Meeting held on May 9, 2023, Chairwoman of the Remuneration committee and member of the Audit committee.

³ Carsten Browall declined re-election to the Board of Directors at the Annual General Meeting held on May 9, 2023.

⁴ Gerry Mackay was elected Board member at the Annual General Meeting held on May 9, 2023.

⁵ Bengt Sjöholm was elected member of the Remuneration committee at the Annual General Meeting held on May 9, 2023.

The work of the Board of Directors in 2023

During 2023 the Board of Directors addressed fixed agenda items as per its annual plan, such as strategy for the Group and its three business areas, long-term goals, financial targets, risks and risk management, corporate governance documents, sustainability issues, year-end accounts, and interim reports.

Over the year, the Board of Directors also regularly discussed the business situation, operational excellence, financial targets, financing, cost savings, partnerships, ethics, and compliance.

The Board of Directors gained regular insight into the operations through presentations from the executive management and CEOs of subsidiaries. In addition to scheduled Board meetings, the Board of Directors is provided with monthly updates from the CEO.

Rules of Procedure of the Board of Directors

Prior to each Board meeting, the draft agenda and supporting documents on the matters to be addressed at the meeting are distributed. The draft agenda is prepared by the CEO in consultation with the Chairman of the Board. Matters presented to the Board of Directors are presented for information, discussion, or decision purposes. Resolutions are not passed until the matters have been discussed and each Board member present has been given the opportunity to make a statement. The broad experience of the Board of Directors in various areas ensures a constructive and open discussion. During the year, no Board member made a reservation against a resolution. Open matters are followed up on an ongoing basis.

Committees of the Board of Directors

The Board has the full knowledge of, and is responsible for, all matters on its agenda. Over the year, work was carried out by two committees appointed by the Board of Directors: The Audit Committee and the Remuneration Committee.

Audit Committee

The Board of Directors has appointed an Audit Committee consisting of Helena Skåntorp (chairwoman), Ulrika Dellby and Rolf Classon. The tasks of the Audit Committee are set

out in its rules of procedure, which are adopted annually. Without prejudice to the general responsibilities and tasks of the Board of Directors, the Audit Committee shall monitor BICO's financial reporting, monitor the effectiveness of BICO's internal control and risk management, stay informed of the audit of the annual accounts and consolidated accounts, monitor the handling of related party transactions, review and monitor the auditor's impartiality and independence, with particular attention to whether the auditor provides the Company with services other than audit services, and assist in preparations to procure audit services. The auditor, who is elected by the general meeting, attends at least all the Committee's meetings covering external financial reporting. The chairwoman has also updated the party in addition to the Committee's meetings. The Committee also reviews its own work and that of the external auditors annually. The reviews are based on questionnaires, which are then discussed by the Committee as part of a continuous improvement process. The Committee meet at least annually with the auditors without the Executive management present.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of Ulrika Dellby (chairwoman), Christian Wildmoser and Bengt Sjöholm. The tasks of the Remuneration Committee are set out in its rules of procedure, which are adopted annually. The Remuneration Committee shall prepare proposals regarding remuneration principles, remuneration to and other terms of employment for the Company's senior executives. The Remuneration Committee shall also review and evaluate the Company's program for variable remuneration to senior executives, compliance with the guidelines for remuneration to senior executives adopted by the Annual General Meeting, and the Company's current remuneration levels and structures.

The Chief Executive Officer (CEO)

In accordance with the rules of the Swedish Companies Act and other legislation, the CEO is responsible for the day-to-day management in accordance with the Board of Director's guidelines and instructions and should take care of any necessary measures to ensure that the Company's accounts are handled in a satisfactory manner. The CEO shall further en-

sure that the Board of Directors is provided regularly with the information required by the Board of Directors to adequately monitor the Company and the Group's financial situation, position and development and otherwise meet its reporting obligation regarding financial conditions.

The CEO is also responsible for preparing reports, compiling information from the Executive management prior to Board meetings and presenting the information at the Board meetings.

The CEO shall keep the Board of Directors continuously informed of the development of the Company's operations and sales, the Company's performance and financial position, liquidity and credit situation, important business events and any other event, circumstance or situation that is likely to be of material importance to the Company's shareholders.

Guidelines for remuneration to senior executives

At the Annual General Meeting on April 26, 2021, it was resolved to adopt guidelines for remuneration to senior executives. The term senior executives refer to the CEO, the CFO and certain other people in the Executive management. The guidelines, which must be updated at least every four years, essentially entail the following:

Remuneration shall be market-based and may consist of a fixed salary, variable cash remuneration, pension benefits and other benefits. The general meeting may also decide on share-based remuneration and remuneration linked to the share price. The fixed salary shall be based on the individual's areas of responsibility and experience and shall be reviewed annually. The remuneration guidelines are available in their entirety on the Company's website.

The meeting of the criteria for payment of variable cash remuneration shall be measurable over a period of one or several years. The variable cash remuneration must not exceed 100 percent of the fixed cash salary during the measurement period. Additional variable remuneration may be payable under extraordinary circumstances.

The CEO's pension benefits shall be according to a defined contribution plan. Pension benefits for other senior executives shall be according to defined contribution plans unless the executive is covered by a defined benefit plan under the compulsory provisions of a collective bargaining agreement. Pension premiums for defined contribution plans must not exceed 31 percent of the fixed annual salary.

Other benefits may include life insurance, health insurance and car insurance. Such premiums must not exceed 5 percent of the fixed annual cash salary.

If the Company terminates the employment, the notice period must not exceed 12 months. Fixed salary and severance pay during the notice period must not exceed an amount corresponding to the fixed salary for 12 months. If the employment is terminated by the senior executive, the notice period may not exceed six months and shall not confer a right to severance pay.

As mentioned previously, a Remuneration Committee has been established by the Board of Directors. The Committee's duties include preparing the Board of Directors' decisions on proposals for guidelines for remuneration to senior executives. The Board of Directors shall prepare proposals for new guidelines at least every four years and present the proposals for adoption by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the Executive management, the application of the guidelines for remuneration to senior executives and prevailing remuneration structures and remuneration levels in the Company.

The Board of Directors may temporarily resolve to deviate from the guidelines, wholly or in part, if there are special reasons to do so in the individual case and it is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. For information on the year's remuneration to senior executives, see Note 6.

Further information is available on bico.com

- Articles of Association

- Information from previous Annual General Meetings (notices, documentation, minutes, etc.)
- Information about the Nomination Committee

Internal control systems

Pursuant to the Swedish Companies Act and the Code, the Board of Directors is responsible for internal control in the Company. According to the Swedish Annual Accounts Act, the Corporate Governance Report shall also include information on the most important elements of the Company's system for internal control and risk management in connection with the financial reporting. In addition, the Board of Directors is responsible for ensuring that there are suitable systems for monitoring and controlling the Company's operations and the risks associated with the Company and its operations.

The overall purpose of internal control is to ensure with reasonable certainty that the Company's operational strategies and goals are followed up and that the shareholders' investments are protected. The internal control shall also ensure that it is reasonably certain that the external financial reporting is reliable and prepared in accordance with generally accepted accounting principles and complies with applicable laws and regulations, and requirements on publicly listed companies.

BICO's internal control structure is mainly based on the following five components:

- Control environment
- Risk assessment
- Control activities
- Follow-up
- Information and communication

Control environment

The Board of Directors has the overall responsibility for internal control with regards to financial reporting. To create and maintain a functioning control environment, the

Board of Directors has adopted several policies and governance documents that govern the financial reporting. These consist mainly of the Rules of Procedure for the Board, the Instructions to the CEO, the Rules of Procedure for the Audit Committee, and the Instructions for Financial Reporting. The Instructions for Financial Reporting include principles, guidelines and process descriptions for accounting and financial reporting aimed at ensuring good internal control.

The CEO is responsible for ensuring an effective control environment and for the continuous work on internal control and risk management. The CEO reports to the Board of Directors based on established procedures. The CEO is also responsible for internal activity-specific control in the day-to-day operations.

Risk assessment

The risk assessment includes identifying risks that may arise if the fundamental requirements on financial reporting in the Company are not met. BICO's Executive management has prepared a special risk register, in which they have identified and evaluated the risks arising in the Company's operations and evaluated how to manage these risks. Every year, BICO's Executive management shall carry out an overall risk assessment of strategic, operational, and financial risks and present these to the Audit Committee and Board of Directors. The CEO is responsible for the presentation, and the Executive management's risk assessment shall be reviewed annually by the CFO before being presented to the Audit Committee and Board of Directors. The Board of Director's Audit Committee is primarily responsible for continuously evaluating the Company's risk situation, after which the Board also conducts an annual review and assesses the risk situation.

Control activities

Control activities limit the identified risks and ensure an accurate and reliable financial reporting. The Board of Directors is responsible for internal control and follow-up of the Executive management. The annual risk review was presented to the Board of Directors in August 2023 and was based on the

annual risk review work being carried out by the Executive management in June 2023. In addition, the risks are also being reviewed as part of the work with the Annual report. This is done through internal and external control activities and by reviewing and following up on the Company's risk-related policy documents. The effectiveness of the control activities are evaluated annually, and the results of these evaluations are reported to the Board of Directors and the Audit Committee. According to agreements with important suppliers, the Company is guaranteed the right to review each supplier's delivery of services, including any quality aspects thereof.

Ongoing work and measures for 2024

In 2023, BICO focused on the group's internal control in the form of added resources to the internal control function, renewed risk assessments, relevant key controls testing and process reviews in the portfolio companies. BICO has updated finance manuals and control matrixes and communicated these to subsidiaries to ensure good internal control. BICO will continue these efforts in 2024.

Follow-up

Compliance with, and the effectiveness, of the internal control system is monitored continuously. The CEO shall ensure that the Board of Directors receives regular reports on the performance of BICO's operations, including the Company's financial performance and position and information on important events. The CEO also reports on these issues at each regular Board meeting. The Company's compliance with policies and governance documents is subject to annual evaluations. The results of these evaluations will be compiled by BICO's General Counsel and reported to the Board of Directors and the Audit Committee annually.

Information and communication

The Company has information and communication channels aimed at promoting the accuracy of the financial reporting and allowing reporting and feedback from the operations to the Board of Directors and Executive management, for example by preparing and communicating governance documents in the form of internal policies, guidelines, and instructions on financial reporting available and known to the employees concerned. The Board has also adopted an information policy that governs the Company's disclosure of information.

Auditor's examination of the Corporate Governance Statement

To the general meeting of the shareholders in BICO Group AB (publ) corporate identity number 559050-5052

Engagement and responsibility

The Board of Directors is responsible for that the corporate governance statement on pages 101-106 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance statement is 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.

Gothenburg, March 15, 2024
Deloitte AB

Åsa Löfqvist

Authorized Public Accountant