

Corporate Governance Report 2023

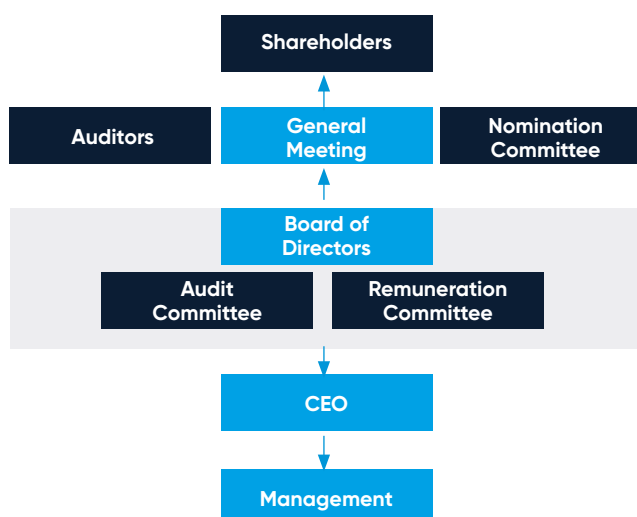
Boule Diagnostics AB (publ)



Corporate Governance Report

Corporate governance within Boule Diagnostics AB defines decision-making systems, clarifies roles and division of responsibilities between the Board of Directors, management and control bodies and ensures transparency towards the Group's stakeholders.

Boule Diagnostics AB ("Boule" or "the Company") bases its corporate governance on Swedish legislation (primarily the Swedish Companies Act), the Company's articles of association, internal rules, regulations and policies, and Nasdaq Stockholm's Regulations for Issuers. Boule applies the Swedish Corporate Governance Code (the "Code"), the purpose of which is to ensure companies are managed sustainably, responsibly and as efficiently as possible for their shareholders. There have been no violations of the Code or other external regulations. The Corporate Governance Report is available on the Company's website at www.boule.com/investor-relations/corporate-governance.



General Meeting

The General Meeting is the Company's highest decision-making body and amendments to the articles of association are adopted by the meeting. Company shares are issued in a single class, with each share carrying entitlement to one vote. The AGM elects the Board of Directors and auditors, and makes decisions in accordance with the Swedish Companies Act and the Company's articles of association. The Board presents the Annual Report and Consolidated Financial Statements to the AGM. The auditors present the auditor's report for the Parent Company and the Group.

The notice of the AGM, which is published in a press release and on the Company website, includes information on business to be dealt with at the meeting. Decisions made at the meeting are published in a press release and are available on the Company website. The 2024 Annual General Meeting will be held on May 8 at 16.30 in the Company's premises at Domnarvsgatan 4 in Spånga.

Nomination Committee

The AGM decides on the Nomination Committee's composition.

The 2023 AGM decided that the Nomination Committee would consist of three members representing the three largest shareholders at the end of September. The composition is announced no later than six months before the AGM and was published on November 7, 2023.

Ahead of the 2024 annual general meeting, Erik Ivarsson, representing the company's largest shareholder AB Grenspecialisten AB, has been appointed chairman of the election committee. Other members of the nomination committee are Tomas Risbecker for Svolder AB and Thomas Eklund. The chairman of the board, Torben Jörgensen, is co-opted.

The Nomination Committee prepares decision-support material for the AGM related to the election and remuneration of the meeting Chairman, Board members, Chairman of the Board and auditors. The Nomination Committee reports to the AGM on its work. The Committee does not receive any remuneration for its work. Shareholders can contact the Nomination Committee with proposals and views regarding the Board's composition.

Auditors were elected at the 2023 AGM. The Nomination Committee's composition as from November 2023 is shown in the table below:

Name	Representing	Ownership, % September 30, 2023
Erik Ivarsson (Nomination Committee Chair)	AB Grenspecialisten	12,59
Tomas Risbecker	Svolder AB	12,43
Thomas Eklund	Thomas Eklund	10,07

Owners

Boule's largest shareholders as of December 31, 2023, and their shareholdings are presented in the Directors' Report under Share and Ownership Structure on page 54.

The Board of Directors

The Articles of Association state that the Board shall consist of a minimum of three and a maximum of seven members, with no deputies. Through the Nomination Committee's preparation of proposals for the election of Board members, Boule applies rule 4.1 of the Swedish Corporate Governance Code as a diversity policy. The Board must have an appropriate composition, characterized by diversity and breadth with regard to elected members' skills, experience and background, that takes into account the Company's operations, stage of development and other circumstances. There must be an aim to achieve gender balance.

Since the AGM on May 4, 2023, the Board has consisted of five members: three men and two women. At the 2023 AGM, previ-

ous member Torben Jørgensen was elected as Chairman of the Board. Karin Dahllöf, Thomas Eklund, Emil Hjalmarsson and Yvonne Mårtensson were re-elected as Board members. Former member Jon Risberg had declared himself unavailable for re-election.

Board responsibilities are regulated in the Swedish Companies Act and the Board's rules of procedure. The rules of procedure define the division of work between the Board and its committees, and between the Board and the CEO. According to the rules of procedure, the Board's tasks include approving strategies and budgets, adopting annual reports, other financial reports, important policies, and authorization instructions, appointing the CEO, evaluating the CEO's work, establishing rules for internal control, monitoring internal control, making decisions on major investments and substantial agreements, deciding on the focus of the Board's work, appointing audit and remuneration committees and evaluating its own work.

It is also the Board's task to define the necessary guidelines for the Company's conduct in society, with the aim of ensuring its long-term value-creation capability. Finally, the Board shall monitor compliance with adopted guidelines on remuneration of senior executives and propose remuneration guidelines to the AGM.

The Chairman of the Board leads the work of the Board. It is also the Chairman's task to monitor the Company's development and ensure that the Board receives the information it requires to enable it to conduct its work. The rules of procedure state that the Chairman will represent the Company in ownership matters.

Remuneration of Board members

The 2023 AGM adopted Board fees as follows: SEK 500,000 (SEK 500,000 for 2022) to the Chairman and SEK 250,000 (250,000) to each of the other Board members. In addition, it was decided that total remuneration of SEK 120,000 (120,000) would be paid to the Audit Committee, to be distributed among its members, in addition to an amount of up to SEK 50,000 that the Board can pay for special efforts. The total Board fee is therefore SEK 1,670,000 (1,670,000).

Work of the Board

Board meetings are prepared by the Chairman of the Board and the CEO. The Board receives written material prior to each meeting. Business conditions and financial reporting are dealt with at each ordinary Board meeting. Board minutes are kept by the Company's CFO.

In 2023, the Board of Directors has held a total of 13 minuted meetings, with a strong focus on understanding and monitoring the Company's development and financial position. The Board has supported the work of the management in the major logistics challenges the Company faces as a result of the war in Ukraine and the overall deterioration of the world economy.

The Board has evaluated and monitored the ongoing development project for a new product platform and cloud-based service offering, and the continued strengthening of R&D capacity. The Board has also been engaged and involved in producing the Company's updated strategy. The Board has also dealt with and contributed to organizational and leadership development.

Evaluation of the work of the Board

The Board evaluates its own work, in accordance with the rules of procedure. This is done through discussions within the Board and an annual evaluation conducted by the Nomination Committee. The Nomination Committee reports through its statement to the AGM.

Summary of Board meetings during the year

In 2023, the Board of Directors held eight ordinary board meetings, including a strategy day, and five meetings specifically concerning financial information. Three board meetings were held per capsulam. The external auditors attended one Board meeting and two Audit Committee meetings during the year.

A list of Board members and their attendance at meetings in 2023 is presented in the table at the bottom of the page.

Audit Committee

The Board of Directors decided at the statutory board meeting on May 4, 2023, to appoint an Audit Committee consisting of two board members, Emil Hjalmarsson and Yvonne Mårtensson. In accordance with the AGM's decision, remuneration of SEK 70 thousand shall be paid to the Chair of the Audit Committee and SEK 50 thousand to the member.

The Audit Committee held its statutory meeting on June 24, 2023, electing Emil Hjalmarsson as Chair. The Audit Committee also decided on the meeting dates for the year and the rules of procedure.

The Committee's primary task is to ensure the quality of financial reporting, which includes internal control, reviewing significant reporting and valuation issues and reviewing the Company's external reports. The Committee assesses auditing activities and assists the Nomination Committee by proposing auditors for election and their remuneration. The Audit Committee determines the services additional to auditing that the Company may procure from its auditors. Certain meetings between the Audit Committee and the external auditors take place without the presence of employees.

In 2023, the Audit Committee met ten times, including the statutory meeting. The meetings have primarily dealt with the quarterly reports, but also issues concerning the current business situation, risk management, order intake and the work of the management. The Audit Committee has also discussed the external audit plan 2023.

Chairman of the Board Torben Jørgensen and CEO Jesper Söderqvist were co-opted to all of the meetings. The Company's CFO took the minutes.

Remuneration Committee

No separate committee has been appointed; instead, the tasks of a remuneration committee are performed as part of the work of the Board. The primary task is to propose salary, other benefits and employment terms for the CEO. The Board prepares proposed guidelines on remuneration and employment terms for other senior executives in Group management and proposals on incentive programs. The Board shall ensure compliance with the adopted guidelines on remuneration of senior executives.

Guidelines on remuneration and other terms of employment for senior executives

The AGM adopts guidelines on remuneration of senior executives. Proposals are made by the Board. The primary principle is that Boule should offer competitive terms to enable the Company to recruit and retain competent employees. More information on the proposed remuneration guidelines can be found in the Directors' report on page 55.

BOARD MEMBERS AFTER THE 2023 AGM

Name	Period	Function	Attendance	Independent	Shareholding	Elected
Thomas Eklund	1/1-31/12	Member	13/13	No*	4,038,728	2014
Jon Risfelt	1/1-5/5	Member	6/6	Yes	-	2016
Karin Dahllöf	1/1-31/12	Member	13/13	Yes	22,300	2015
Yvonne Mårtensson	5/5-31/12	Member	7/7	Yes	22,000	2021
Yvonne Mårtensson	1/1-5/5	Chairman	6/6	Yes	-	2022
Torben Jørgensen	1/1-5/5	Member	6/6	Yes	-	2021
Torben Jørgensen	5/5-31/12	Chairman	7/7	Yes	20,000	2021
Emil Hjalmarsson	1/11-31/12	Member	13/13	No*	26,021	2022

* Independent in relation to the company and the company's management, but not in relation to major shareholders.

Authorization for the Board

At the Annual General Meeting on May 4, 2023, the Board was authorized to increase the Company's share capital within the framework of the current articles of association by issuing new shares, warrants or convertible instruments, with or without derogation from preferential rights for shareholders, on one or more occasions in the period up to the next AGM. Total new shares issued may not exceed ten percent of the shares in the Company, based on the total number of votes in the Company when the Board first exercises the authorization.

At the Annual General Meeting on May 4, 2023, the Board was authorized to decide on the acquisition or transfer of shares, provided the number of shares that the Company holds at any time does not exceed one-tenth of all shares in the Company, on one or more occasions in the period up to the next Annual General Meeting.

Audit

The Company's auditors are elected at the AGM for a period of one year. The 2023 AGM re-elected Öhrlings Pricewaterhouse-Coopers as auditor, with authorized public accountant Lars Kylberg as chief auditor for the Group. Öhrlings Pricewaterhouse-Coopers has been the Company's auditor since the 2014 AGM and Lars Kylberg was elected as chief auditor at the 2022 AGM. The Company's auditor conducts a review of at least one interim report per year on behalf of the Board. Other statutory audits of the Annual Report, Consolidated Financial Statements, accounting records and administration of the Board and CEO are conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden.

The auditors meet annually with the full Board, with and without senior management present.

Financial reporting to the Board

The Board determines the reports that must be prepared to enable it to monitor the Company's performance. The quality of financial reporting to the Board is evaluated by the Audit Committee. External financial information in accordance with the Company's information policy, which is adopted annually by the Board of Directors, is provided by the Company in the form of interim reports, year-end reports, annual reports and press releases in connection with significant events that may affect the share price. Information is disclosed in accordance with Nasdaq Stockholm's Regulations for Issuers.

The Board reviews the external financial reports before they are published. The information policy also defines how communication will take place and who will represent the Company.

Information distributed through press releases is also available on the Company's website, as well as other information deemed to be of value.

Internal control

The Board is responsible for internal control in compliance with the Swedish Companies Act and the Code. The Board's work in the area of internal control is based on the control environment, risk assessment, control activities, information and communication, and monitoring. Internal control is a process influenced by the Board, senior management and other employees, and is designed to provide reasonable assurance that the Company's goals are achieved in terms of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Control environment

The Board has overall responsibility for establishing and maintaining good internal control. A good control environment is built by designing the organization, decision-making paths, authority and responsibility as expressed in policies and guidelines. Common values create consensus and reinforce internal control. The Board establishes certain policies and instructions, including the authorization instructions. The Board and Company management consider it important to have fast and accurate reporting. The finance function ensures that all operations are assessed and streamlined. The evaluation of internal control within the Group follows a plan that is approved annually by the Audit Committee.

Department managers are responsible for creating processes to implement appropriate internal control.

Risk assessment

The Company has established a process for risk assessment and risk management to ensure the risks to which the Company is exposed are managed within the framework set by the Board. The Audit Committee monitors this process. Business processes are evaluated regarding efficiency and risk. This includes identifying the risk of error in financial reporting. The company's support processes are also assessed. A comprehensive risk assessment is conducted quarterly. Risks are ranked and linked to processes. Processes assessed as critical include development, manufacturing, sales, quality and support processes such as financial statements and IT. The risk of material errors or misstatement in financial reporting is reported to the Audit Committee.

Control activities

The risks identified regarding financial reporting shall be managed through control measures. Significant processes are doc-

umented and assessed to improve efficiency in the control systems. The control structure includes defined authority, division of work and management's regular reviews of financial information.

Information and communication

The Board and management have established information and communication channels to ensure completeness and accuracy in financial reporting. Governing documents, such as internal policies, guidelines and instructions, are available in the Company's quality system. Members of Group management regularly visit subsidiaries and employees of subsidiaries regularly visit the head office.

Monitoring

The Board has decided that internal control will be monitored by evaluating critical processes. After risk assessment, the processes to be documented and evaluated during the year are determined. Self-evaluation means that employees in each operation evaluate the process and address the risks and controls. This approach involves employees and creates an understanding of the importance of internal control.

The Company's internal self-evaluation activities in 2023 focused on improving and streamlining processes and procedures, increasing automation and system support, strengthening internal control related to financial reporting, and the Company's IT security. The aim is to identify the overall control environment and material risks, and to introduce joint rules covering general control issues. The Audit Committee monitors the Company's internal control activities through regular feedback and maintains regular contact with the external auditors.

Planned activities 2024

In 2024, business and control processes will be further documented and evaluated in order to strengthen internal control.

Internal audit

The Board's assessment is that Boule does not need a formalized internal audit function in addition to the processes and functions for internal governance and control that are currently implemented. The Board conducts an annual assessment to determine whether an internal audit function is necessary to maintain good control within Boule.

Stockholm, April 12, 2024

Torben Jörgensen
Chairman of the Board

Emil Hjalmarsson
Member

Yvonne Mårtensson
Member

Thomas Eklund
Member

Karin Dahllöf
Member

Jesper Söderqvist
Chief Executive Officer

Auditor's statement on the Corporate Governance Report

To the Annual General Meeting of Boule Diagnostics AB (publ), corporate ID 556535-0252

Engagement and responsibility

The Board of Directors is responsible for the corporate governance report for 2023 on pages 46-49 and for ensuring it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's examination of the corporate governance statement. This means that our examination of the corporate governance report has a different focus and is 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 provides us with sufficient basis for our opinions.

Opinions

A corporate governance report has been prepared. Disclosures pursuant to Chapter 6, Section 6, second paragraph, items 2-6, of the Annual Accounts Act and Chapter 7, Section 31, second paragraph, of the same Act are consistent with the Annual Report and the Consolidated Financial Statements and are in accordance with the Annual Accounts Act.

Uppsala, April 12, 2024

Öhrlings PricewaterhouseCoopers AB

LARS KYLBERG
Authorized Public Accountant

Board of Directors



Torben Jørgesen

Born 1952. Chairman of the Board since 2023. Board member since 2021.

Other assignments: Chairman of Genovis AB. Board member of Biotage and Advanced Instruments PLC.

Present occupation: CEO of Biotage AB

Education: BSc Economics from Copenhagen Business School.

Shareholding including related parties in Boule: 20,000.

Independence: Independent of the Company and its management. Independent of major shareholders.



Karin Dahllöf

Born 1959. Board member since 2015.

Other assignments: Board member of Bio Vitos Pharma AB and Histolab Products AB.

Present occupation: CEO of Monivent AB.

Education: Biomedical analyst, Vårdhögskolan, Gothenburg University.

Shareholding including related parties in Boule: 22,300.

Independence: Independent of the Company and its management. Independent of major shareholders.



Thomas Eklund

Born 1967. Board member since 2014.

Other assignments: Chairman of the Board of Sedana Medical AB and Board member of Surgical Science Sweden AB and Swedencare AB.

Present occupation: Independent Board member, advisor and consultant.

Education: MBA from Stockholm School of Economics.

Shareholding including related parties in Boule: 4,038,728.

Independence: Independent of the Company and its management but not independent of major shareholders.



Emil Hjalmarsson

Born 1989. Board member since 2022. Chairman of the Audit Committee.

Other assignments: Board member of Lime Technologies AB, Grenspecialisten Seqond AB and Emil Hjalmarsson Förvaltning AB and Deputy Board member of MW Asset Management AB and GSB Investco AB.

Present occupation: Portfolio Manager Grenspecialisten.

Education: Civil engineer.

Shareholding including related parties in Boule: 26,021.

Independence: Independent of the Company and its management but not independent of major shareholders.



Yvonne Mårtensson

Born 1953. Board member since 2021. Member of the Audit Committee.

Other assignments: Chairman of the Board of Ortoma AB and YCM Consulting AB. Board member of Vidhance AB and Uniogen OY.

Present occupation: Independent Board member.

Education: MSc Industrial Economics, Linköping University School of Technology.

Shareholding including related parties in Boule: 22,000.

Independence: Independent of the Company and its management. Independent of major shareholders.

Group management



Jesper Söderqvist

Jesper Söderqvist is CEO and started his employment at Boule in May 2020.

Other assignments: Board member of Biovica International AB and Dekatria AB.

Education: MSc in Engineering Physics, Royal Institute of Technology (KTH), and PhD in Experimental Particle Physics from KTH/CERN.

Shareholding in Boule: 123,940 shares.



Aishat Bislieva

Aishat Bislieva, Senior Vice President People & Culture, joined Boule in October 2022.

Education: Master's degree from the Norwegian University of Science & Technology and BA in Education from the University of Silesia in Poland.

Shareholding in Boule: 0 shares.



Kiarash Farr

Kiarash Farr is Senior Vice President Commercial Operations and started his employment on March 1, 2018.

Education: MSc in Engineering Physics from Royal Institute of Technology (KTH) and Master in Management, INSEAD, Fontainebleau, France.

Shareholding in Boule: 4,000 shares.



Jörgen Jehander

Jörgen Jehander heads the Development Department.

Education: Mathematics at Stockholm University.

Shareholding in Boule: 0 shares.



Holger Lembrér

Holger Lembrér is Chief Financial Officer at Boule and started his employment at Boule in January 2024.

Education: MSc in Business and Economics, Uppsala University.

Shareholding in Boule: 15,000 shares.



David Metrena

David Metrena is Senior Vice President of Commercial Operations for the US and has been employed at Boule US since June 2022.

Education: BS Medical Technology; MBA.

Shareholding in Boule: 0 shares.



Eduardo Pagani

Eduardo Pagani is Chief Operating Officer and has been employed since August 2015.

Education: BSc in Mechanical Engineering from Maua Institute of Technology in Brazil and MSc in Manufacturing Management from Kettering University in the US.

Shareholding in Boule: 0 shares.



Simonetta Tumbiolo

Simonetta Tumbiolo is Senior Vice President Marketing at Boule and started her employment in January 2024.

Education: PhD in Chemistry, University of Nice Sophia Antipolis (France) and Executive Marketing Program, Haute Ecole de Commerce (Paris, France).

Shareholding in Boule: 0 shares.

Boule Diagnostics AB

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