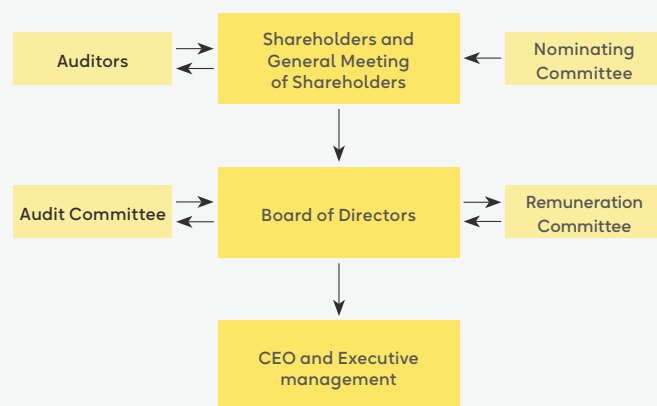


# Corporate Governance Report 2024

## Corporate governance in BioGaia

BioGaia AB (publ), a Swedish public limited company whose class B shares are listed on the Nasdaq Stockholm, applies the Swedish Corporate Governance Code (the Code). The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se), where the Swedish model for corporate governance is also described. This corporate governance report is submitted in accordance with the Swedish Annual Accounts Act and the Code and describes BioGaia's corporate governance during the 2024 financial year. In 2024, BioGaia has not deviated from any of the rules set out in the Code nor committed any violations of Nasdaq Stockholm's rules or good practice in the securities market. The corporate governance report has been reviewed by BioGaia's auditor, as set out on page 169.



## Shares

At year-end 2024, the share capital in BioGaia amounted to SEK 20,232,462, consisting of 3,703,340 class A shares carrying 10 votes per share and 97,458,970 class B shares carrying one vote per share. Annwall & Rothschild Investment AB owns 4.16% of the capital and 27.91% of the voting rights in the company. Other individual shareholders hold less than 10% of the capital and voting rights. Additional information about the company's shares, shareholders, etc., is presented on page 170 and on the company's website under the heading Investors/The Share.

## General Meeting of Shareholders

The General Meeting of Shareholders is the company's highest decision-making body. Notice of a general meeting of BioGaia's shareholders is given through an announcement in Post- och Inrikes Tidningar and on the company's website. An announcement that notice has been given is published in Svenska Dagbladet.

Shareholders representing 69.31% of the total number of votes in the company attended BioGaia's Annual General Meeting on May 7, 2024. The CEO, most of the year's members elected by the Annual General Meeting, the Board Chairman, and the company's elected auditing firm attended the Annual General Meeting. Two representatives from the Nominating Committee were also in attendance. BioGaia's 2025 Annual General Meeting will take place on May 7, 2025, and the notice for the Annual General Meeting will be sent out at the end of March or no later than the beginning of April 2024. Shareholders who wish to have items included on the agenda of the meeting have, in accordance with instructions on the company's website, had an opportunity to submit a proposal to the company no later than seven weeks prior to the meeting.

In addition to statutory rights of shareholders to attend a General Meeting of Shareholders, BioGaia's Articles of Association require that shareholders who wish to participate in a General Meeting of Shareholders must notify the company no later than the day stipulated in the notice for the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve, and may not occur earlier than the fifth weekday prior to the meeting. Each voting shareholder in BioGaia entitled to vote may vote for the full number of shares owned and represented by the shareholder with no limit to the number of votes. Class A shares entitle the holder to ten votes, and class B shares entitle the holder to one vote. If relevant, notice shall also be given of whether the shareholder intends to be accompanied by an assistant. Documents related to general meetings as well as meetings from earlier annual general meetings and extraordinary general meetings are available on the company's website under the heading Investors/Corporate governance.

## Nominating Committee

The 2024 Annual General Meeting resolved that the Nominating Committee would be appointed as follows: The Board Chairman shall convene the four largest shareholders in terms of voting rights in the company, each of whom may appoint one member to the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership situation at June 30, 2024. The Nominating Committee shall be chaired by the member representing the largest shareholder in terms of voting rights on that date. If any of the four largest shareholders should waive their right to appoint a member to the Nominating Committee, the next largest shareholder in order of size shall be given the opportunity to appoint a member. The names of the four shareholder representatives shall be made public as soon as they are appointed, but no later than six months prior to the 2025 Annual General Meeting. The term of office of the Nominating Committee shall extend until a new Nominating Committee is appointed.

If the shareholder who appointed the member is no longer one of the four largest shareholders in terms of voting power, and if the Nominating Committee deems it appropriate, the member shall leave and the next largest shareholder in order of voting power is given the opportunity to replace this member. If an appointed member of the Nominating Committee resigns for some other reason, the shareholder who appointed that member has the right to appoint a new member to the Nominating Committee. If this shareholder waives the right to appoint a new member, the Nominating Committee, if it deems so appropriate considering the remaining mandate period, shall ask the next largest shareholder in terms of voting power if they wish to appoint a member to the Nominating Committee. The Nominating Committee shall prepare proposals on the following matters to be put before the 2025 Annual General Meeting for resolution:

- appointment of the Chairman of the Annual General Meeting
- election of the Board of Directors
- election of the Board Chairman and possibly Vice Chairman
- fees for Board members
- election of auditors
- fees for the auditors
- appointment of the Nominating Committee ahead of the 2026 Annual General Meeting.

The Nominating Committee has been formed in accordance with the decision of the Annual General Meeting and consists of the Board Chairman Peter Rothschild, David Dangoor (also the Chairman of the Nominating Committee), appointed by Annwall & Rothschild Investments AB, the company's largest shareholder, Jannis Kitsakis, appointed by the company's second largest shareholder Fjärde AP-fonden (AP4), Alexander Kohane, appointed by the company's third largest shareholder Anatom Holding AG, and Thomas Brown, appointed by the company's fourth largest shareholder Premier Miton Investors. All members of the Nominating Committee, except for Peter Rothschild, are independent in relation to the company and its Executive Management. No fees are paid by the company for work in the Nominating Committee, but BioGaia shall meet reasonable costs that the Nominating Committee deems necessary for completion of its assignment.

All shareholders have had the opportunity to approach the Nominating Committee with recommendations for Board candidates for further evaluation within the framework of the Committee's work. No suggestions or proposals have been submitted to the Nominating Committee to date. The Nominating Committee shall take into account diversity and breadth in the Board as well as strive for an even gender distribution in its written justification to the Board of Directors.

### Board of Directors' size and composition

The Board has ultimate responsibility for BioGaia's organization and management. According to BioGaia's Articles of Association, the Board shall consist of no fewer than five and no more than nine members, with no more than three deputies. The Board was made up of eight members (without deputies) throughout the year. The Nominating Committee has applied the Code's rule 4.1 as a diversity policy when drafting the proposal for the Board. The Nominating Committee considers, which has also been the Nominating Committee's goal and the aim of the policy, that the Board has an appropriate composition and size and is characterized by diversity and breadth in terms of the members' competence and experience within areas of strategic importance for BioGaia. A presentation of the Board is provided on page 173.

### Board independence

According to the Code, a majority of the Board shall be independent of the company and its Executive Management. At least two of the independent members shall also be independent in relation to the company's major shareholders. The composition of the Board meets the requirements in the Code related to the Board members' independence.

### The work of the Board

According to the Board's rules of procedure, the Board shall hold at least five Board meetings, in addition to the statutory meeting. BioGaia has appointed the company's General Counsel to serve as Secretary at Board meetings. The CEO is not a member of the Board but, together with the company's CFO, is co-opted to attend all Board meetings. Other executives in the company take part in Board meetings in order to present reports. Every Board meeting has included an item on the agenda where the Board has had an opportunity for discussion without representatives of Executive Management being present.

The Board held 8 meetings in 2024. For information about attendance at these meetings, see the table on page 167. Ahead of Board meetings, members have received an agreed agenda for the meeting together with written material regarding issues to be handled at the meeting. A key part of the work of the Board is the financial reports that are presented, including the interim report, interim management statements, and year-end report. In addition, during the year, the Board dealt with matters relating to major investments and other expansion issues, strategic issues, and sustainability issues. The Board also held detailed discussions about the overall strategy for BioGaia. The Board has adopted rules of procedure for its work as well as CEO instructions, which describe the division of work between the Board and

the CEO. The Board has also adopted a number of instructions and policies for conducting operations, for example, Signatory and authorization instructions, a Code of Conduct, Governance Policy, Financial Policy, Communication Policy, Insider Trading Policy, Anti-Corruption Policy, Conflict of Interest Policy, Information Security Policy, People Policy, Procurement Policy, and Environmental Policy.

### Evaluation of the Board

Within BioGaia's Board there are routines for an annual evaluation of the work of Board members. The evaluation provides a basis for improvements and for the work of the Nominating Committee with the composition of the Board.

All Board members assessed the Board's work in a survey concerning the Board's activities in 2024. The surveys were analyzed to gain an understanding of the opinions of Board members on how the work of the Board is conducted and what measures might be taken to streamline the work of the Board. The intention of the surveys was also to find out what type of issues the Board considers should be given more space and in which areas additional competence might be required in the Board. The results of the evaluation have been discussed by the Board and reported to the Nominating Committee.

### Board attendance in 2024<sup>1)</sup>

Name	Elected in	Independent in relation to the company	Independent in relation to the major shareholders	Board meeting attendance	Audit Committee attendance	Remuneration Committee	Board fee	Fee Audit Committee	Fee Remuneration	Fixed salary
Total number of meetings				8	4	4				
Peter Rothschild	2018	No	No	8 of 8		4 of 4	910,000		25,000	420,000
David Dangoor	2003	Yes	Yes	8 of 8	4 of 4	4 of 4	510,000	62,000	50,000	
Anthon Jahreskog <sup>2)</sup>	2015	Yes	Yes	8 of 8	4 of 4		290,000	124,000	25,000	
Vanessa Rothschild <sup>3)</sup>	2020	Yes	No	6 of 8	2 of 4		290,000	62,000		
Bénédicte Flambard	2022	Yes	Yes	6 of 8			290,000			
Barbro Fridén	2023	Yes	Yes	7 of 8			290,000			
Outi Armstrong	2023	Yes	Yes	8 of 8			290,000			
Vesa Koskinen	2023	Yes	No	8 of 8			290,000			

Jacob Sellman resigned from the Nominating Committee prior to its first meeting and was replaced by Alexander Kahane, appointed by Anatom Holding AG.

1) If a member was unable to attend a Board meeting, they were able to submit their opinions to the chairman prior to the meeting

2) Is not independent in relation to the shareholder Sebastian Jahreskog, who is not a major shareholder.

3) Elected as a member of the audit committee in May 2024.

## Remuneration Committee

The Board has appointed a Remuneration Committee from among its members to prepare matters concerning remuneration and other terms of employment for the CEO and other senior executives who together make up the Group's Executive Management. The Remuneration Committee follows the guidelines for senior executives established by the Annual General Meeting in 2024. The members of the Remuneration Committee consist of David Dangoor (chairman), Peter Rothschild, and Anthon Jahreskog. During 2024, the Remuneration Committee held four minuted meetings. All members who were appointed at the time of the meetings were in attendance at these meetings.

## Audit Committee

The Board has appointed an Audit Committee from among its members. The key task of the Audit Committee is to support the Board with quality assurance of the financial reporting. The Audit Committee also prepares matters relating to regulatory compliance and sustainability reporting. The Committee holds regular meetings with the company's auditors and evaluates audit work. The Committee discusses significant accounting issues that affect the Group and assists the Nominating Committee in the preparation of proposals for auditors and their remuneration. The chairman of the Audit Committee is responsible for ensuring that the entire Board is kept informed about the work of the Committee as well as, when necessary, presenting the Board with matters for decision. The Audit Committee's members comprise Anthon Jahreskog (chairman), David Dangoor, and Vanessa Rothschild. During 2024, the Audit Committee held four minuted meetings. The members of the Audit Committee attended each meeting. The auditors participated and reported at the meeting that addressed the interim report for the second quarter as well as in connection with the year-end report.

## CEO and Executive management

The company's chief executive officer (CEO) is appointed by the Board of Directors. The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations. The Board has established instructions for the CEO that, among other things, regulate management and development of the company and the provision of reports and decision-making data to the Board. According to the CEO Instructions, the CEO shall refer certain matters to the Board for decision.

The CEO prepares requisite information and basis for decisions such as reports relating, among other things, to the company's finances, order situation, significant transactions, and strategic issues ahead of Board meetings, and makes presentations including motivated proposals for decision. The CEO also keeps the Board Chairman regularly informed about the company's operations. The Board evaluates the work of the CEO annually. No member of Executive Management is present at this evaluation.

Executive Management is presented on page 172. The management team is headed by the CEO and is responsible for planning, supervising and monitoring the company's day-to-day operations. Minuted meetings are normally held once a month. The responsibilities and powers of the Executive Management are defined in the job descriptions and in signature authority instructions.

## Auditors

BioGaia's auditors are normally appointed by the Annual General Meeting for a period of one year. The 2024 Annual General Meeting resolved on re-election of the registered auditing firm of Deloitte AB to serve for the period until the end of the Annual General Meeting to be held in 2025. The auditing firm appointed Jenny Holmgren as Auditor in Charge. By decision of the Annual General Meeting, auditing fees are paid according to approved account.

The auditors examine the administration of the company by the Board of Directors and the CEO and the quality of the company's financial reporting. At the request of the Board, the auditors also review the interim report and the year-end report. The auditors report the results of their review to the shareholders through the audit report, which is presented at the Annual General Meeting. In addition, the auditors submit written and oral reports to the Executive Management, the Audit Committee, and the Board. The auditors participate and report to the Audit Committee in connection with both the interim report for the second quarter and the year-end report. Furthermore, the auditors participate in at least one Board meeting a year in accordance with the Code. The auditors also submit an auditor's statement on the corporate governance report, the sustainability report, and a report on the examination of remuneration to senior executives.

Information about remuneration to the auditors can be found in Note 4 of the annual report.

Furthermore, the entire Board of Directors meets with the auditor at least once a year without the presence of the company's CEO or other members of the Executive Management.

## The Board's report on internal control over financial reporting for the 2024 financial year

### Introduction

Pursuant to the Swedish Companies Act, the Annual Accounts Act, and the Code, the Board of Directors is responsible for internal control. This description has been prepared in accordance with these rules and provisions and is thereby limited to internal control over financial reporting.

### Internal control of financial reporting

The Board is responsible for ensuring that the company's organization is suitably structured so that the financial accounts, cash management and other financial conditions are satisfactorily controlled.

Every year, the Board of Directors adopts rules of procedure for the Board's activities and instructions regulating the division of responsibilities between the Board and the CEO. The instructions state which matters require approval or authorization from the Board. At Board meetings, the CEO reports on matters requiring consideration by the Board.

The CEO shall ensure that the Board is provided with the objective, detailed and relevant information needed for the Board to make well-founded decisions and that the Board is continuously informed about the development of the company's operations and financial position.

Aside from the instructions between the Board and the CEO, BioGaia's control structure is based on the company's organization and way of conducting operations, where roles and responsibilities are defined. Employee awareness of maintaining good control over financial reporting is high. The company's financial development is assessed and monitored monthly. Financial reports and summaries are prepared by the group's finance department and are reported to the Board quarterly and to the Executive Management monthly.

## The company's values

BioGaia has overarching values and the company's employees are well aware of them. This is ensured through interviews during new recruitment and through regular workshops with each department.

## Risk assessment

The company continuously works with risk assessment and risk management to ensure that the risks to which the company is exposed are handled within the limits ultimately established by the Board. The Executive Management continuously analyzes the company's business processes with regard to efficiency and risks. This work includes identifying significant risks for misstatements and deficiencies in the financial reporting and ensuring that there are suitable processes and controls in the company's operations to limit these risks. The most critical business processes and the absolutely largest values, in terms of both assets and business/product development are found in the Parent Company. In addition, the bulk of sales take place in the Parent Company. Processes that are deemed to be of particular importance to BioGaia are sales including quality assurance, research and development, and manufacturing. In 2023, management established a Risk Committee, which is headed by the CEO and comprises members of the Executive Management.

## Control activities

The risks identified in the financial reporting are managed through a number of control measures in the company's processes. Processes and controls are reviewed and updated regularly in order to detect, prevent and correct any errors or inaccuracies. The control structure also includes the division of powers and responsibilities and the Executive Management's monthly review of the company's financial information.

## Information and communication

BioGaia has information and communication paths aimed at promoting completeness and accuracy in the financial reporting. Authorization instructions and policies are distributed to all employees and can be viewed on the company's intranet. All BioGaia employees normally meet once a year to increase their knowledge about the company's processes and goals, as well as to exchange information and share experiences.

## Monitoring

The Executive Management performs a yearly evaluation of the effectiveness of internal control. The company's elected auditors, Deloitte AB, also review a selection of BioGaia's routines and internal controls annually. The Board then evaluates this information and ensures that measures are taken in respect of the identified deficiencies and resulting recommendations.

The company has no special review function (internal audit). In light of the company's size and the volume of transactions, together with the expertise in this area possessed by the Board of Directors and the Board's meeting with the independent auditor, the Board has determined that there is no reason to establish a formal internal audit function.

Stockholm, March 25, 2025

Peter Rothschild  
Board Chairman

David Dangoor  
Vice Chairman

Barbro Fridén  
Member of the Board

Outi Armstrong  
Member of the Board

Bénédicte Flambard  
Member of the Board

Anthon Jahreskog  
Member of the Board

Vesa Koskinen  
Member of the Board

Vanessa Rothschild  
Member of the Board

## Auditor's report on the corporate governance report

To the general meeting of the shareholders in BioGaia AB (publ) corporate identity number 556380-8723

### Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance report for the financial year from January 1, 2023 to December 31, 2023 on pages 166-169 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 recommendation RevR 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 this 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 of the Annual Accounts Act and chapter 7 section 31 the second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 25, 2025

Deloitte AB

Jenny Holmgren  
Authorized Public Accountant