

# Corporate Governance Report

Ovzon was listed on Nasdaq First North Premier Growth Market until April 19, 2021 and has been listed on Nasdaq Stockholm since April 20, 2021. The share is listed in the Mid Cap segment. Ovzon complies with statements from the Swedish Securities Council regarding best practice in the Swedish securities market, and applies the Swedish Corporate Governance Code (“the Code”). The Board of Directors is of the opinion that in all respects, Ovzon complied with the Code in 2021 and therefore has no deviations to report or explain. This Corporate Governance Report does not form part of the formal Annual Report, but is a separate report that has been reviewed by the company’s auditor.

## GENERAL MEETINGS

Pursuant to the Companies Act, the general meeting of shareholders is the company’s supreme decision-making body and shareholders exercise their voting rights at such meetings. The Annual General Meeting (AGM) must be held within six months of the end of each preceding financial year to consider such matters as statutory accounts and reports, disposition of profit or loss and discharging the Board members from liability. Ovzon’s Articles of Association stipulate that the notice to attend the AGM shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) and be made available on Ovzon’s website. Announcement of the notice to attend shall be published in the Swedish daily newspaper Svenska Dagbladet. The notice to attend the AGM shall be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary General Meetings are held when the Board of Directors considers such meetings appropriate, or when either the auditor or shareholders representing at least 10 percent of all shares outstanding request such a meeting in writing for a specific purpose.

## 2021 AGM

- Re-election of Board members Anders Björkman, Nicklas Paulson, Magnus René, Patrik Tigerschiöld, Dan Jangblad and Cecilia Driving. Magnus René was also appointed as the new Chairman of the Board.
- Grant Thornton Sweden AB was reappointed auditor for the company. Grant Thornton Sweden AB announced that Carl-Johan Regell would remain auditor in charge.
- The Meeting resolved to adopt guidelines for remuneration to senior executives in accordance with the Board’s proposal. The guidelines remained essentially unchanged from previous years.
- The AGM resolved in accordance with the Board’s proposal to authorize the Board to decide on issues of shares and/or warrants in an amount corresponding to a maximum of ten (10) percent of the total number of shares in the company on the date of the AGM through cash issue and/or offset, with or without deviation from the preferential rights of shareholders, on one or more occasions for the time prior to the next AGM. Issue of new shares by virtue of this authorization will be on the customary terms under prevailing market conditions.

## Major shareholders

Ovzon’s three largest shareholders are:

Shareholder	Number of shares	Percentage, %
1. Öresund	6,089,828	11.9
2. Bure Equity	5,861,034	11.4
3. Futur Pension	4,966,598	9.7

## Nomination Committee

The purpose of the Nomination Committee is to submit proposals regarding the chairman at general meetings, candidates for Board members including the position of Chairman of the Board, fees and other remuneration to each member of the Board of Directors, and remuneration for committee work as well as the election of and remuneration to the external auditor.

For the period up until a new Nomination Committee is appointed, the Nomination Committee comprises Andreas Hofmann, nominated by Investment AB Öresund; Sophie Hagströmer, nominated by Bure Equity; Thomas Ehlin, nominated by the Fourth Swedish National Pension Fund; and Magnus René, Chairman of the Board of Ovzon.

No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request

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remuneration from the company for reasonable expenses that are necessary for the Nomination Committee to fulfill its assignment. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is announced. In conjunction with the work of the Nomination Committee and for its own improvement efforts, the Board of Directors conducts a self-evaluation of its work and efficiency on an annual basis. The results are reported to the Nomination Committee.

### Board of Directors

#### Composition of the Board

According to the company's Articles of Association, the Board of Directors shall consist of no less than three ordinary members and no more than ten ordinary members. Six members were elected at the 2021 AGM: Anders Björkman, Nicklas Paulson, Patrik Tigerschiöld, Magnus René, Cecilia Driving and Dan Jangblad. Magnus René was elected Chairman of the Board. The CEO is not a member of the Board but is always in attendance at Board meetings (see pages 51–54 in this Annual Report for more information on the Board of Directors and CEO). The company's CFO serves as the secretary to the Board.

#### Board observer

On July 3, 2019, the company secured a credit facility of USD 60 million from Proventus Capital Partners (PCP). The loan was granted on the condition that PCP be given the right to appoint an observer who is co-opted onto the Board (without voting rights). The observer will be provided with financially significant information, regardless of whether or not it comprises insider information and could have an impact on the assessment of the credit risk for the loan. Additionally, the observer will be provided with all other information that does not comprise insider information, and has been sent to the Board members prior to Board meetings and presented at the meetings. PCP has requested to be permitted to study this information in order to materially facilitate PCP's continual assessment of how the company's financial risk is developing, ultimately for the purpose of being able to more efficiently contribute to solving the company's upcoming financial challenges.

The company ensures through procedures and agreements that, to the extent the observer receives insider information, it will remain confidential and will be handled in a structural manner. The company is of the opinion that the structure is in compliance with Article 17 of the Market Abuse Regulation (MAR). Additionally, the company also deems the participation of the observer not to be in violation of the Companies Act.

#### Board activities

The Board of Directors bears ultimate responsibility for governing the company's operations between Annual General Meetings. The Board decides on issues pertaining to the company's strategic approach, financing, major investments, acquisitions, divestments, organizational issues, incentive principles and key policies. The Board's work is regulated, for example, by the Swedish Companies Act (ABL), the Articles of Association, the rules of procedure that the Board has established for its work and the Board's instructions to the CEO. The Board's Articles of Association clarify the responsibilities of the individual members, especially the Chairman, as well as the allocation of responsibilities between the Board and CEO and the authority of the latter.

These are further clarified in the instructions to the CEO. The rules of procedure also indicate, at a general level, the topics that the Board of Directors will normally address during the work year and the allocation of time for the work.

In 2021, the Board of Directors reviewed its rules of procedure, the instructions to the CEO and the reporting instructions, and evaluated the work of the CEO.

The Board has appointed a Remuneration Committee that during the year comprised Anders Björkman and Dan Jangblad. The company has an Audit Committee consisting of Cecilia Driving (convener), Nicklas Paulson and Patrik Tigerschiöld. The Board held 20 minutes meetings in 2021.

#### The tasks of the Remuneration Committee

The Remuneration Committee prepares items and/or material for decisions concerning the following remuneration issues:

- Providing the Board with proposals for remuneration guidelines and other conditions of employment for the CEO and other senior executives (in accordance with the regulations of the Companies Act) at the first scheduled Board meeting of the financial year. This includes policies regarding salaries, remuneration and other conditions of employment for Ovzon's management. Examples of these are policies for short- and long-term bonus and incentive plans, pension policies and policies for basic salaries and other conditions of employment.
- Proposals regarding individual salaries and other remuneration to the CEO.
- In accordance with proposals from the CEO, decisions on individual salaries and other remuneration to directors who report directly to the CEO.

### Board of Directors

Name	Position	Elected	Independent in relation to the company and Group Management	Independent in relation to the company's major shareholders	Attendance at Board meetings	Attendance at committee meetings
Magnus René	Chairman	2018	No	Yes	20/20	–
Anders Björkman	Board member	2019	Yes	Yes	20/20	3/3
Patrik Tigerschiöld	Board member	2018	Yes	No	18/20	7/8
Nicklas Paulson	Board member	2018	Yes	No	20/20	8/8
Cecilia Driving	Board member	2020	Yes	Yes	20/20	8/8
Dan Jangblad	Board member	2020	Yes	Yes	20/20	3/3

**The tasks of the Audit Committee**

The Audit Committee monitors corporate governance issues and their application. The Committee is tasked with reviewing the procedures for the company’s risk management and control, as well as financial reporting.

Through continual contact with the company’s auditors and treasury function, the Committee ensures that internal and external audits fulfill the necessary requirements and that relevant policies and governance documents exist, and discusses the scope and focus of audit activities.

The Audit Committee prepares an annual audit plan and defines shared issues that the audit will focus on. The Committee evaluates audit measures and approves additional services that the company purchases from the external auditors. The Committee also helps the Nomination Committee in preparing proposals for auditors and the fees for the work.

The chairman of the Audit Committee is responsible for routinely informing the Board of Directors about the activities of the Committee and will hand matters over to the Board for decision as needed.

The Committee’s opportunities for in-depth discussions with the auditors do not replace the meetings between the auditors and the full Board of Directors. Such meetings must take place at least once a year, normally in conjunction with the Annual Report.

**CEO and Group Management**

The CEO is responsible for the routine management of the company’s affairs and the daily operations. The division of work between the Board of Directors and CEO is set forth in the company’s rules of procedure for the Board of Directors and the instructions to the CEO. The CEO keeps the Board continually informed of the company’s operations, results of operations and financial position through monthly reports and other measures. The CEO is responsible for preparing reports and compiling information for Board meetings and for presenting these materials at the Board meetings.

Per Norén has been President and CEO since May 1, 2021 and manages the company’s operations together with CFO Johan Brandt, COO Tom Hopkins, Chief Development and Product Supply Officer Nils Norén, CCO Dan Gager, EVP Business Development Per Wahlberg, VP Satellite Operations Pål Ekberg, CTO Kennet Lejnell and Key Accounts Manager Jim Gerow.

**Remuneration and terms of employment**

**Board of Directors**

The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the AGM. At the AGM on April 13, 2021, it was resolved that fees of SEK 185,000 would be paid to Board members not employed by the company and that a fee of SEK 370,000 would be paid to the Chairman. Additionally, remuneration of SEK 80,000 would be paid to the chair, and SEK 35,000 to other members of the Audit Committee, and SEK 25,000 to the chair, and SEK 20,000 to the other members of the Remuneration Committee.

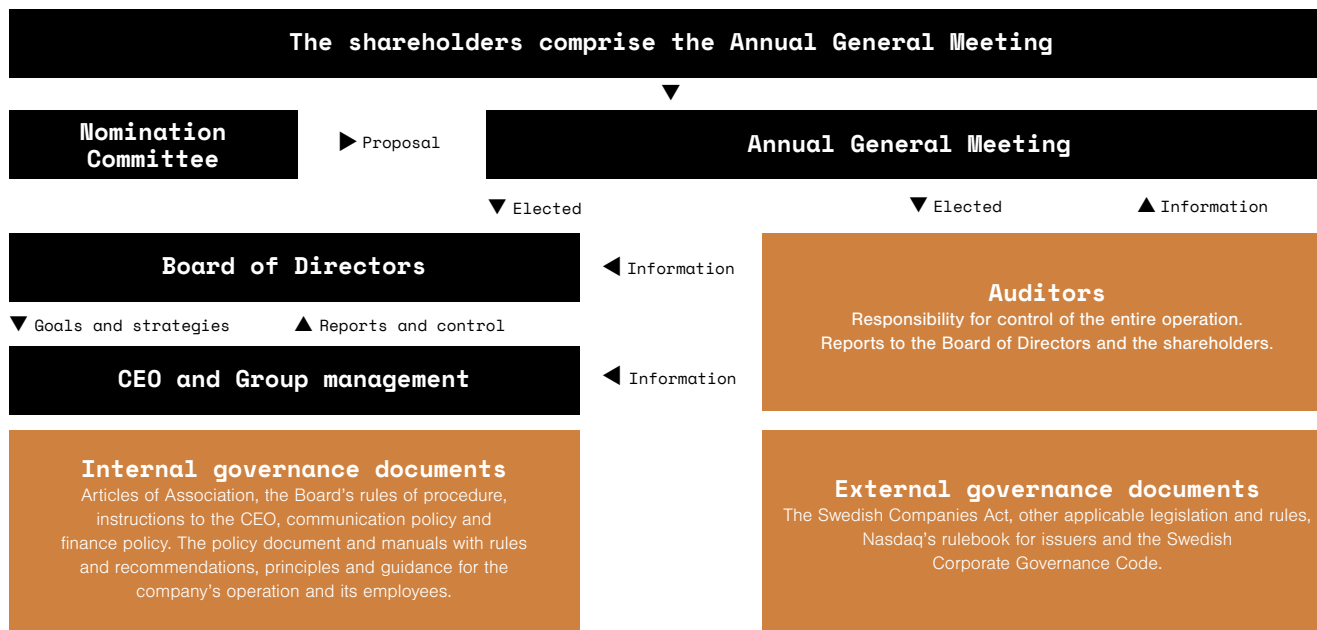
The members of the Board of Directors are not entitled to any benefits upon ceasing to serve as members of the Board of Directors. Remuneration to the members of the Board of Directors for the 2021 financial year amounted to a total of SEK 1,490,000.

**CEO and Group Management**

Ovzon will offer market-based total compensation that permits recruitment and retention of senior executives. Compensation will comprise fixed salary, earnings-based remuneration, share shavings programs, pensions and other remuneration. Altogether, these portions composed the total compensation to an individual.

The fixed salary will take into account the individual’s areas of responsibility and experience, and will be reviewed annually. The performance-based remuneration will depend on the individual’s fulfillment of qualitative and quantitative goals. For senior executives, the variable portion can constitute up to 50 percent of the fixed salary.

The Board of Directors decides on the remuneration policy for the CEO and Group Management. As of the date of publication of this Annual Report, the applicable policy is designed in accordance with



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the guidelines for remuneration of the CEO and Group Management, as adopted by the Annual General Meeting. Individual remuneration to the CEO is proposed by the Remuneration Committee and approved by the Board of Directors, whereas individual remuneration to other members of Group Management is proposed by the CEO and approved by the Remuneration Committee.

Magnus René, who was CEO until April 30, 2021 received a salary of TUSD 142 during the financial year. Variable remuneration to Magnus René for 2021 amounted to TUSD 3.6, and for 2020 that was settled in 2021 amounted to TUSD 56.8.

Per Norén, who took office as CEO on May 1, 2021, received a salary of TUSD 280 during the financial year. Variable remuneration to the company's CEO for 2021 totals TUSD 7.

### Auditing

The company's statutory auditor is appointed at the Annual General Meeting. During the year, the Board receives presentations from the company's auditors, who have reviewed whether the company's internal control and external reporting meet the requirements placed on a listed company. Carl-Johan Regell from Grant Thornton Sweden AB was appointed as auditor for 2021. For the 2021 financial year, the total remuneration to the company's auditor amounted to TSEK 1,364.

### Internal control and risk management

The Board of Directors is responsible for internal control. Internal control and risk management regarding financial reporting is a process designed by the Audit Committee and the Board of Directors for the purpose of providing the Board, management and others concerned in the organization with reasonable assurance concerning reliability in the external financial reporting, and whether the financial reports have been prepared in accordance with accepted business practice and applicable laws and ordinances as well as other requirements for listed companies.

### Control environment

The basis for the internal control environment is the allocation of authority and responsibility among the Board of Directors, its committees, the CEO and the rest of company management. Within the company, the most substantial components of the control environment are documented in the Board's rules of procedure and the instructions to the CEO as well as policies and other governing documents.

### Control activities

Suitable control activities are a prerequisite for managing substantial risks in internal control. To safeguard this internal control, the Company has both automated system-based controls and manual controls, for example, in the form of check-offs and inventories. Financial analyses of the company's earnings and monitoring of plans and forecasts supplement the controls, providing an overall confirmation of the quality of the reporting.

### Internal audit

Ovzon has established a governance and internal control system, compliance with which is monitored regularly at different levels in the company. In light of this, the Board of Directors is of the opinion that there is currently no need to inaugurate a special audit function. This assessment is reviewed annually by the Board.

### Information and communication

The company's governing documentation in the form of policies, guidelines and manuals in terms of internal and external communication is kept updated and is communicated internally through the relevant channels, such as internal meetings and internal news mails. The company's communication policy, containing the guidelines for how information is to be disclosed, applies to communication with external parties. The purpose of this policy is to ensure that the company meets its disclosure obligations correctly and completely in accordance with applicable legislation and rules.

Solna, March 25, 2022

Board of Directors of Ovzon AB

# The Auditor´s Examination of the Corporate Governance report

To the general meeting of the shareholders of Ovzon AB (publ), corporate identity number 559079–2650

## **Engagement and responsibility**

The Board of Directors is responsible for that the corporate governance report of the fiscal year 2021-01-01 – 2021-12-31, on page 45-48 has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination of the corporate governance report is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance report. This means that our examination of the corporate governance report is different and a 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.

## **Opinion**

A corporate governance report 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 the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 25 march 2022

Grant Thornton Sweden AB

Carl-Johan Regell  
Authorized public accountant

# Board of Directors, Auditor and Group Management



## Board of Directors



### **Magnus René**

Chairman of the Board (since 2021),  
Board member (since 2018)

Born 1962.

**Nationality:** Swedish.

**Education:** Electrical Engineering,  
Chalmers Institute of Technology.

**Current engagements:** Board member of  
SLM Solutions Group AG, Inkbit Corporation  
and Bomill AB. Member of the Royal  
Swedish Academy of Engineering (IVA).

**Previous engagements/Experience:** CEO  
Ovzon AB 2019–2021; CEO Arcam AB  
2001–2018. CEO and business area  
president Hogia Teknik 1999–2000. VP  
Customer Service Mycronic, 1990–1999.

Not independent in relation to the company  
and Group Management. Independent in  
relation to the company's major share-  
holders.

Magnus René holds 87,272 shares and  
200,000 call options in the company. In  
addition, Magnus holds 100,000 warrants in  
the 2020/2023 option program.



### **Anders Björkman**

Board member (since 2019)

Born 1959.

**Nationality:** Swedish.

**Education:** M.Sc., Chalmers Institute of  
Technology, Gothenburg.

**Current engagements:** Chairman of the  
Board of Vinnergi AB, Maven Wireless AB  
and Elonroad AB. Board member of Allgon  
AB and KebNi AB.

**Previous engagements/Experience:** Anders  
has a background in the telecommuni-  
cations industry, where he was a driving  
force in the formation of what is now  
the Swedish telecom operator Tele2. He  
worked for Ericsson AB, was the CEO for  
Joint Ventures between OnePhone Holding  
with KPN and British Telecom and CEO  
of Argnor Wireless Ventures as well as a  
partner in Brainheart Capital. Chairman of  
the Board of Ovzon, 2019–2021.

Independent in relation to the company and  
Group Management. Independent in relation  
to the company's principal owners.

Anders Björkman holds 4,363 shares and  
30,000 call options in the company.



### **Patrik Tigerschiöld**

Board member (since 2018)

Born 1964.

**Nationality:** Swedish.

**Education:** M.Sc. in Business and  
Economics, Stockholm University.

**Current engagements:** Chairman of the  
Board of Bure Equity AB, Mycronic AB,  
Cavotec S/A, ACO Bure AB, the Association  
for Generally Accepted Practices in the  
Securities Market. Board member of SNS and  
Fondita AB. Member of the Royal Swedish  
Academy of Engineering Sciences (IVA).

**Previous engagements/Experience:**  
CEO of Bure Equity AB 2010–2013; CEO  
of Skanditek Industriförvaltning 1999–2010;  
CEO of SEB Allemansfonder AB 1995–1999.  
Independent in relation to the company and  
Group Management. Not independent in  
relation to the company's principal owners.  
Patrik Tigerschiöld holds 218,181 shares in  
the company.



### **Nicklas Paulson**

Board member (since 2018)

Born 1970.

**Nationality:** Swedish.

**Education:** M.Sc. in Business and  
Economics, Stockholm University.

**Current engagements:** CEO of Investment  
AB Öresund. Board member of Bilja AB.

**Previous engagements/Experience:** Invest-  
ment Banking at Carnegie Investment Bank  
AB (publ) and Alfred Berg ABN AMRO.

Independent in relation to the company and  
Group Management. Not independent in  
relation to the company's principal owners.

Nicklas Paulson (including related parties)  
holds 10,907 shares in the company.

## Board of Directors, cont.



**Cecilia Driving**

Board member (since 2020)

Born 1971.

*Nationality:* Swedish.

*Education:* LL.M. and a B. Sc. in Business Administration from Stockholm University.

*Current engagements:* EVP Biovica International AB, Board member of Adom AB and Biovica Services AB.

*Previous engagements/Experience:* Several positions as CFO in life science, private equity, research and telecom companies Independent in relation to the company and Group Management. Independent in relation to the company's principal owners.

Cecilia Driving holds 1,000 shares in the company.



**Dan Jangblad**

Board member (since 2020)

Born 1958.

*Nationality:* Swedish.

*Education:* M.Sc. in Mechanical Engineering, Linköping University.

*Current engagements:* Owner and CEO of Emmern Konsult AB, including commission as Senior Adviser to CEO of Saab AB. Board member of Combitech AB; Chairman of the Board of Visual Sweden Vinnäx Innovation Program (Vinnova) and Vice Chairman of the Board of Linköping University.

*Previous engagements/Experience:* Head of business areas and CSO for Saab AB, CEO of Swedish Space Corporation SSC. Responsible for Saab's venture capital portfolio and Chairman of the Board of Combitech AB. Chairman of the Board of Defense Innovation Sweden (SOFF) and Board member of Swedish ICT and LIU Holding AB.

Independent in relation to the company and Group Management. Independent in relation to the company's principal owners.

Dan Jangblad holds 650 shares in the company.

**Auditor in Charge**

**Carl-Johan Regell**

Born 1963.

Authorized Public Accountant,  
Grant Thornton Sweden AB



# Group Management



**Per Norén**

CEO (since 2021)

Born 1965.

**Nationality:** Swedish and US.

**Education:** Economics, School of Business, Economics and Law, University of Gothenburg. Swedish Infantry Officers College, Executive Education, Harvard Business School.

**Current engagements:** Board member of the National Nordic Museum in Seattle, WA.

**Previous engagements/Experience:** President, Anuvu 2017–2021. Vice President, The Boeing Company, 2007-2017. President and CEO Carmen Systems AB 1998–2007.

Per Norén owns 20,000 shares in the company. In addition, Per holds 100,000 warrants in the 2021/2024 option program.



**Per Wahlberg**

Deputy CEO

Born 1966.

**Nationality:** Swedish.

**Education:** History of Science and Ideas, Umeå University; radio link technician, Swedish Air Force tele-technical school; and tele-technical program in upper secondary school.

**Current engagements:** Deputy CEO responsible for innovation and business development in the company, deputy CEO and Board member for Ovzon Sweden AB, founder and Board member of Ethern AB.

**Previous engagements/Experience:** Satellite operator Tele-X and project manager at Swedish Space Corporation; co-founder of Swe-Dish Satellite Systems AB.

Per Wahlberg (including related parties) holds 676,046 shares in the company. In addition, Per holds 50,000 warrants in the 2020/2023 warrants program and 50,000 warrants in the 2021/2024 option program.



**Kennet Lejnell**

CTO

Born 1968.

**Nationality:** Swedish.

**Education:** Ph.D. in Theoretical Physics, Stockholm University and Princeton University.

**Current engagements:** CTO of the company and Board member of Equi Performance Sweden AB and Bahnhof AB.

**Previous engagements/Experience:** CTO and CSO at Swe-Dish Satellite Systems. Kennet Lejnell (including related parties) holds 289,017 shares in the company. In addition, Kennet holds 50,000 warrants in the 2020/2023 option program.



**Johan Brandt**

CFO

Born 1974.

**Nationality:** Swedish.

**Education:** MBA, Gothenburg University.

**Other engagements:** Founder and owner of Axellen AB. Chairman of the Board of Enairon AB.

**Previous engagements/Experience:** EVP and CFO at Arcam AB; CFO at Nimbus; Authorized Public Accountant at EY. Johan Brandt (including related parties) holds 30,645 shares in the company. In addition, Johan holds 50,000 warrants in the 2020/2023 option program as well as 50,000 warrants in the 2021/2024 option program.

## Group Management, cont.



**Tom Hopkins**

COO  
Born 1962.  
*Nationality:* US.  
*Education:* MBA, Benedictine College and BA in Political Science, University of Connecticut.  
*Current engagements:* –  
*Previous engagements/Experience:* Executive Director for Raytheon Blackbird Technologies, Inc; commissioned officer (colonel) in the United States Army, with several positions of command in crucial organizations.  
Tom Hopkins holds 50,000 warrants in the 2020/2023 option program and 50,000 warrants in the 2021/2024 option program.



**Daniel Gager**

Chief Commercial Officer  
Born 1971.  
*Nationality:* US.  
*Education:* B. Sc. in Science and Technology, Cameron University.  
*Current engagements:* –  
*Previous engagements/Experience:* VP Business Development at Comsat; Director of Government Business at Iridium, various positions at SATCOM with the US Department of Defense.  
Daniel Gager holds 50,000 warrants in the 2020/2023 option program and 10,000 warrants in the 2021/2024 option program.



**Nils Norén**

Chief Product Development & Supply Officer  
Born 1961.  
*Nationality:* Swedish.  
*Education:* M. Sc. Electrical Engineering, Chalmers University of Technology.  
*Current engagements:* –  
*Previous engagements/Experience:* Chief Development & Production Officer at Zound Industries AB, 2012–2020. Head of System & Requirements at Platform Development, Sony Ericsson, 2010–2012. Head of Electronics R&D, Sony Ericsson Beijing, 2007–2010.  
Nils Norén (including related parties) owns 21,818 shares in the company. In addition, Nils holds 50,000 warrants in the 2020/2023 option program as well as 50,000 warrants in the 2021/2024 option program.



**Pål Ekberg**

VP Satellite Operations  
Born 1972.  
*Nationality:* Swedish.  
*Education:* Political Science and Economics, Lund University.  
*Current engagements:* CEO of OverHorizon LLC.  
*Previous engagements/Experience:* VP Sales at Swe-Dish Satellite Systems, consultant at the Swedish Trade Council (Exportrådet) and lieutenant in the Swedish Air Force Reserve.  
Pål Ekberg holds 140,000 shares in the company. In addition, Pål holds 50,000 employee stock options in the 2020/2023 option program and 50,000 warrants in the 2021/2024 option program.



**Jim Gerow**

Key Accounts Manager  
Born 1961.  
*Nationality:* US.  
*Education:* Bachelor of Science in Electrical Engineering, University of Connecticut.  
*Current engagements:* –  
*Previous engagements/Experience:* President of Swe-Dish Satellite Systems LLC; Government Program Manager at USSOCOM, Department of the Army (DOA); USSOCEUR. Department of the Navy (DON) at the Naval Air Warfare Center.  
Jim Gerow (including related parties) holds 42,254 shares in the company. In addition, Jim holds 50,000 warrants in the 2020/2023 option program as well as 50,000 warrants in the 2021/2024 option program.