

# Corporate Governance Report

Ovzon AB is listed on Nasdaq Stockholm Small Cap. 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 2023 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.

## 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.

## 2023 AGM

- Re-election of Board members, Nicklas Paulson, Magnus René, Patrik Tigerschiöld, Dan Jangblad and Cecilia Driving. New election of Board members Markus Messerer and Regina Donato Dahlström. Magnus René was also re-elected as Chairman of the Board.
- KPMG AB was appointed as the auditor of the company with Marc Karlsson as the 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.

## Major shareholders

Ovzon’s three largest shareholders are:

Shareholder	Number of shares	Percentage, %
1. Bure Equity	14,209,525	12.74
2. Öresund	13,527,970	12.13
3 Grignolino	12,574,192	11.27

## 2023 March EGM

- Resolution to approve the board of directors to issue a maximum of 4,494,382 shares, without preferential rights for the Company’s shareholders with a total increase of the company’s share capital amounted to a maximum of 449,438.20 SEK.

## 2023 November EGM

- The meeting resolved that the board shall consist of six directors without deputies.
- Approval of the board of directors’ proposal from October 20, 2023, regarding a new issue of up to 55,765,258 shares. The subscription price for each new share was 4.50 SEK, totaling 250,943,661 SEK. Total increase of share capital of up to 5,576,525.80 SEK.

## 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.

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For the period up until a new Nomination Committee is appointed, the Nomination Committee comprises Öystein Engebretsen, nominated by Investment AB Öresund; Sophie Hagströmer, nominated by Bure Equity; Staffan Persson, nominated by Grignolino AB; and Regina Donato Dahlström, Chairman of the Board of Ovzon.

No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request 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. Seven members were elected at the 2023 Annual General Meeting: Nicklas Paulson, Patrik Tigerschiöld, Magnus René, Cecilia Driving, Dan Jangblad, Markus Messerer and Regina Donato Dahlström. Magnus René was elected Chairman of the Board. On October 19, 2023, it was announced that Magnus René would be stepping down from the Board of Directors, whereupon Board member Regina Donato Dahlström was appointed as the new Chairman of the Board until the next Annual General Meeting. The CEO is not a member of the Board but is always in attendance at Board meetings (refer to pages 61–65 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 60 MUSD 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 2023, 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 Regina Donato Dahlström (chairman) and Dan Jangblad. The company has an Audit Committee consisting of Cecilia Driving (chairman), Nicklas Paulson and Patrik Tigerschiöld. The Board held 23 minuted meetings in 2023.

#### 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, policies for basic salaries, and other conditions of employment.

### 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	Audit committee	Remuneration committee
Regina Donato Dahlström <sup>1</sup>	Chairman	2023	Yes	Yes	12/12		2/2
Magnus René <sup>2</sup>	Chairman	2018	No	Yes	18/18		
Anders Björkman <sup>3</sup>	Board member	2019	Yes	Yes	11/11		2/2
Patrik Tigerschiöld	Board member	2018	Yes	No	23/23	8/10	
Nicklas Paulson	Board member	2018	Yes	No	23/23	10/10	
Cecilia Driving	Board member	2020	Yes	Yes	23/23	10/10	
Dan Jangblad	Board member	2020	Yes	Yes	22/23		4/4
Markus Messerer <sup>4</sup>	Board member	2023	Yes	Yes	10/12		

1) Elected in April 2023, Chairman since October 2023 2) Chairman until October, 2023 3) Board member until April 2023 4) Elected in April 2023

- 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.

**The tasks of the Audit Committee**

The Audit Committee monitors the company’s financial reporting. 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 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 annually reviews the auditors’ proposal for an audit plan, 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. 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 publication of 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 the management group at December 31, 2023 comprised CFO Noora Jayasekara, COO Tom Hopkins, CMO Kristofer Alm, CTO Kennet Lejnell and Chief engineer Lars-Ola Klockervold.

**Remuneration and terms of employment**

**Board of Directors**

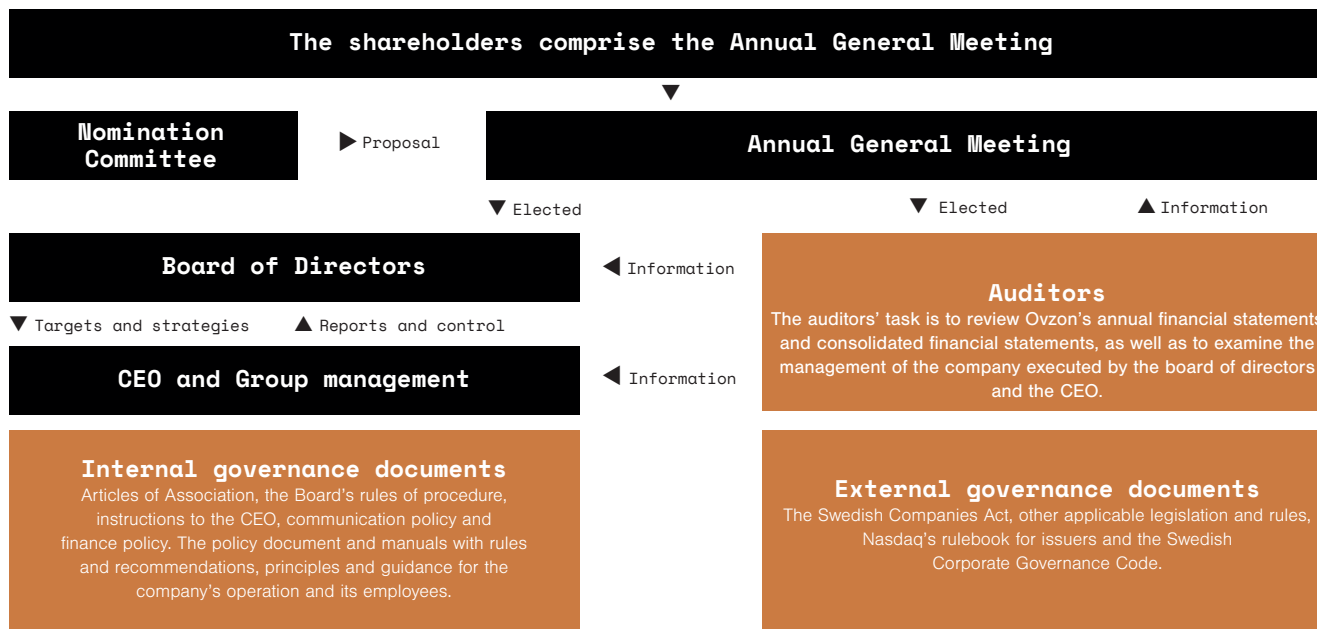
The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the AGM. At the AGM on April 20, 2023, it was resolved that fees of 210,000 SEK would be paid to Board members not employed by the company and that a fee of 420,000 SEK would be paid to the Chairman. Additionally, remuneration of 85,000 SEK would be paid to the chair, and 37,000 SEK to other members of the Audit Committee, and 27,000 SEK to the chair, and 21,000 SEK 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 2023 financial year amounted to a total of 1,756,000 SEK. The remuneration report can be found as a whole at the company’s web page.

**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 savings 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 targets. 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. During the financial year, CEO Per Norén drew a salary of 438 (280) TUSD. Variable remuneration to the company's CEO for 2023 totals 28 (7) TUSD.

### 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. Marc Karlsson from KPMG AB was appointed as auditor for 2023. For the 2023 financial year, the total remuneration to the company's auditor amounted to 1,532 TSEK, of which 300 TSEK related to activities beyond the scope of the audit assignment.

### 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. Ovzon submitted the interim reports for 2023 to Finansinspektionen on time.

Solna, March 27, 2024

Board of Directors of Ovzon AB

# Auditor's report on the corporate governance statement

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

## **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 56 - 59 and that it has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard 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 the examination has provided us with sufficient basis for our opinions.

## **Opinions**

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 27 March 2024

KPMG AB

Marc Karlsson  
Authorized Public Accountant

# Board of Directors, Auditor and Group Management



## Board of Directors



**Regina Donato Dahlström**

Chairman of the board (since 2023),  
Board member (since 2023)

Born 1978

*Nationality:* Swedish.

*Education:* Market economics, London School of Business 2006-2009.

*Current engagements:* CEO Equinix Sweden.

*Previous engagements/Experience:* CEO, GlobalConnect Sweden, Leading positions, Telia Company, including Halebop, Cloud Networking and Skanova.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2023, Regina Donato Dahlström holds 40,000 shares in the company, of which 20,000 direct and 20,000 through closely associated persons.



**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:* Group CFO Mabtech AB. Member of the board of Embracer Group AB.

*Previous engagements/Experience:* EVP CFO/HR/IR Biovica International AB. She has held several CFO positions in life-science, private equity, research and telecom companies.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2023, Cecilia Driving holds 2,000 shares in the company.



**Dan Jangblad**

Board member (since 2020)

Born 1958

*Nationality:* Swedish.

*Education:* M.Sc. Mechanical Engineering, Linköpings University, Linköping, Sweden.

*Current engagements:* Owner and CEO of Emmern Konsult AB. Chairman of the Visual Sweden Vinnväx innovation program (Vinnova).

*Previous engagements/Experience:* Head of business areas and CSO of Saab AB, CEO of Swedish Space Corporation SSC. Responsible for Saab's Venture capital portfolio. Chairman of Combitech AB and Vricon Systems Inc. Vice chairman of Linköpings University and senior advisor to the CEO of Saab AB. Chairman of the association of Swedish Defense industries (SOFF) and board member of Swedish ICT and LIU Holding AB.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2023, Dan Jangblad holds 4,858 shares.



**Markus Messerer**

Board member (since 2023)

Born 1981

*Nationality:* Austrian.

*Education:* PLD Program, Harvard Business School 2017-2019, PhD., International Management, Pan European University 2009-2011, Executive MBA Program, Arkansas State University 2006-2006, Master in Business Consulting, University of Applied Science 2001-2005.

*Current engagements:* Senior Vice President, Chief Strategy & Commercial Officer, Telia Company AB. Board member of C More Entertainment AB, TV4 Aktiebolag, TV4 Media AB, TV4 Media Holding AB and cyan AG.

*Previous engagements/Experience:* CEO of Alltrion AG, Head of Corporate Strategy at Swisscom.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

Markus Messerer holds no shares in the company.

## Board of Directors, cont.



**Nicklas Paulson**

Board member (since 2018)

Born 1970

*Nationality:* Swedish.

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

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

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

Independent in relation to the Company and the Group management. Not independent in relation to the Company's major shareholders.

As of December 31, 2023, Nicklas Paulson holds 42,000 shares in the company, of which 35,140 direct and 6,860 through closely associated persons.



**Patrik Tigerschiöld**

Board member (since 2018)

Born 1964

*Nationality:* Swedish.

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

*Current engagements:* Chairman of the Board of Bure Equity AB, Mycronic AB, Cavotec S/A, Yubico AB and SNS. Member of the Royal Swedish Academy of Engineering Science (IVA).

*Previous engagements/Experience:* CEO at Bure Equity AB 2010-2013, CEO at Skanditek Industriförvaltning 1999-2010, CEO at SEB Allemansfonder AB 1995-1999.

Independent in relation to the Company and the Group management. Not independent in relation to the Company's major shareholders.

As of December 31, 2023, Patrik Tigerschiöld hold 436,362 shares.

## Auditor



**Marc Karlsson**

Chief Auditor

Born 1980

Authorized auditor

KPMG AB



## Group Management



**Per Norén**

Chief Executive Officer (since 2021)

Born 1965

**Nationality:** Swedish and American.

**Education:** Economics, School of Business, Economics and Law, University of Gothenburg. Swedish Military Academy. Executive Education, Harvard Business School.

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

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

As of January 11 2024, Per Norén holds 139,500 shares in the company and 100,000 warrants of the 2021/2024 program, 50,000 employee stock options of the 2022/2025 program and 200,000 call options (expiring May 2025).



**Noora Jayasekara**

Chief Financial Officer (since 2022)

Born 1978

**Nationality:** Finnish and Swedish.

**Education:** Master in Economics with a major in Business Finance.

**Current engagements:** Board member of Doro AB.

**Previous engagements/Experience:** CFO at Humana AB, Manager and consult at consultancy group EY.

As of December 31, 2023, Noora Jayasekara holds 1,000 shares in the company and 5,000 warrants of the 2022/2025 program.



**Tom Hopkins**

Chief Operating Officer (since 2020)

Born 1962

**Nationality:** American.

**Education:** MBA, Benedictine College and BA in Political Science, University of Connecticut.

**Current engagements:** –

**Previous engagements/Experience:** Director of Raytheon Blackbird Technologies, Inc., Commissioned Officer (Colonel) in the US Army with multiple command positions in key organizations.

As of December 31, 2023, Tom Hopkins holds 42 750 shares in the company and 50,000 warrants of the 2021/2024 program and 25,000 employee stock options of the 2022/2025 program.



**Kennet Lejnell**

Chief Technology Officer (since 2019)

Born 1968

**Nationality:** Swedish.

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

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

**Previous engagements/Experience:** CTO and CSO at Swe-Dish Satellite Systems.

As of December 31, 2023, Kennet Lejnell holds 515,017 shares in the company and 25,000 warrants of the 2022/2025 program.

## Group Management, cont.



**Kristofer Alm**

Chief Marketing Officer (since 2023)

Born 1973

*Nationality:* Swedish.

*Education:* Master of Science in business administration, Stockholm University, Sweden.

*Current engagements:* –

*Previous engagements/Experience:*

Senior Director Sourcing Telia company, Head of Sales & commercial Management, Ericsson AB.

Kristofer Alm hold no shares in the company.



**Lars-Ola Klockervold**

Chief Engineer (since 2023)

Born 1964

*Nationality:* Swedish.

*Education:* Master of Science Mechanical Engineering. Royal Institute of Technology, Sweden.

*Current engagements:* –

*Previous engagements/Experience:*

Managing Director Syntronic Research and Development AB, Vice President R&D Rock Tools Sandvik Mining, Senior Manager Offering and Product Development Process Sandvik Mining & Construction.

As of December 31, 2023 Lars-Ola Klockervold holds 2,600 shares in the company.