

# Corporate Governance Report 2023

**BioPorto A/S**

CVR No. 17500317

## About the Report

This Statutory Corporate Governance Report forms part of the management's review in the Annual Report for 2023, covering the period January 1 - December 31, 2023, and is prepared pursuant to Article 107b of the Danish Financial Statements Act.

The report includes the recommendations of the Committee on Corporate Governance (Komitéen for god Selskabsledelse) and should be interpreted in accordance with the rules for companies listed on Nasdaq Copenhagen.

## Management of BioPorto A/S

BioPorto is managed in a two-tier structure composed of the Board of Directors and the Executive Management.

### The Board of Directors

The General Meeting, which is the Company's supreme authority, elects between three and seven members to the Board of Directors. The Board of Directors elects a Chairperson and a Vice Chairperson. The members elected by the shareholders hold office for terms of one year at a time and may be re-elected.

The members of the Board of Directors are nominated and stand for election on the basis of their specific qualifications and experience of relevance to the Company. Thus, the Board of Directors is composed with a view to ensuring an optimum combination of professional industry experience in general, in research and development, in IP rights and conclusion of contracts, in sales and marketing, as well as in finance and economics. More than half of the Board members are considered independent people in order for the Board of Directors to be able to act independently. Each Board member's special qualifications may be found on the [Company's Website](#).

As of December 31, 2023, the Board of Directors consists of 5 members elected by the shareholders.

## Work of the Board of Directors

The Board of Directors is responsible for the overall strategic management and the financial and managerial supervision of the Company, as well as for regular evaluation of the work of the Executive Management. The Board of Directors also ensures that the Company is properly managed as required by the Articles of Association, other guidelines, policies and applicable rules and regulations. Furthermore, the Board of Directors makes decisions on all unusual matters or matters with far-reaching implications.

The Board of Directors defines guidelines for the distribution of responsibilities between the Board of Directors and the Executive Management but does not participate in the day-to-day management of the Company. The duties of the Board of Directors are described in the Rules of Procedure.

In 2023, the Board of Directors held twenty Board meetings. Eight meetings are planned for 2024 in accordance with the Board of Directors' annual plan, which may be changed at any time to allow for additional meetings or as deemed necessary.

Board of Directors	Nationality	Year of Birth	Independent	First Elected	Term Expires	Board of Directors	Audit Committee	Nomination & Remuneration Committee
Christopher Lindop (Resigned on 27 April 2023)	USA	1957	Yes	2019	27. April 2023	9/20	-	-
John McDonough	USA	1959	Yes	2021	2021	20/20	1/1	2/2
Don Hardison	USA	1950	Yes	2019	2024	19/20	1/1	
Michael Singer	USA	1973	Yes	2019	2024	19/20		2/2
Jan Leth Christensen (resigned on 4 December 2023)	Denmark	1963	Yes	2021	4. December 2023	19/20	1/1	-
Peter Mørch Eriksen	Denmark	1960	No	2021	2024	20/20	-	-
Ninfa Saunders (Elected on 27 April 2023)	USA	1959	Yes	2023	2024	11/20	-	2/2

\*As Mr. Eriksen currently is appointed as interim CEO, he is considered non-independent under the criteria defined by the Danish Committee on Corporate Governance.

## Board Committees

To support the Board of Directors in its duties, the Board of Directors has established and appointed two subcommittees that are charged with reviewing issues pertaining to their respective fields that are due to be considered at board meetings. The terms of reference which specify the tasks and responsibilities for each of the committees are available on the [Company's Website](#).

Below is a report of each committee's main tasks during 2023.

### Audit Committee

In 2023, the committee held two meetings, and dealt with the following tasks

- Reviewed and proposed the Company's financing strategy
- Reviewed and proposed to the Board the annual report 2023 to be approved
- Reviewed and proposed to the Board the quarterly statements for Q1, Q2 and Q3 of 2023 to be approved
- Reviewed and proposed to the Board the auditor's audit book comments and the audit plan to be approved
- Monitored and controlled the auditors' independence, objectivity and competence
- Reviewed and proposed to the Board the election of the auditors at the next AGM
- Reviewed and proposed to the Board engagement fees for the Audit services to be approved
- Reviewed and approved update of procedure for approval on non-audit services from appointed auditors
- Monitored and reported to the Board about significant accounting policies; significant accounting estimates; related party transactions; and uncertainties and risks, including in relation to the outlook for the current year
- Discussed audit legislation and key audit matters with the auditors
- Monitored the internal currency and financing policies
- Reviewed and discussed the Company's risk management process
- Met with the auditors without the CEO
- Assessed the need for an internal audit function

### Nomination & Remuneration Committee

In 2023, the committee held one meeting, and dealt with the following tasks

- Performed a Board composition review, including desired competencies and qualifications required by the Board
- Mapping of Competencies for new Board Members
- Reviewed and proposed to the Board the remuneration levels for 2023 for the Board and its sub-committees to be approved by the AGM
- Reviewed the remuneration levels for 2023 for the Executive Management
- Discussed Diversity at the Board and Company level as well as Diversity and Inclusion activities going forward.

## The Executive Management

The Executive Management is appointed by the Board of Directors, which lays down their terms and conditions of employment and the framework for their duties. The Executive Management is responsible for the day-to-day management of the Company in compliance with the guidelines and directions issued by the Board. The day-to-day operations do not include transactions of an unusual nature or of material importance to the affairs of the Company.

As of January 9, 2024, the Executive Management consisted of Peter Mørch Eriksen, CEO.

## **Internal controls and risk management in relation to the financial reporting process**

### **Financial Reporting Process**

The Board of Directors and the Management of BioPorto are responsible for the Group's control and risk management in connection with the financial reporting process, including compliance with rules and regulations that are relevant in reporting. The Board of Directors has established an Audit Committee, which reviews and discusses the accounting and audit practices, risk and policies with the Company's auditors elected at the AGM in accordance with the working framework of the committee.

The Company's main focus is to ensure that its financial statements follow rules, policies and practices, and give a materially accurate and reliable view of the Company's operations and financial position.

The Company's finance function provides regular detailed internal interim financial reporting to Executive Management as part of Executive Management's financial controlling and oversight role. Monthly financial reporting is provided to the Board of Directors as part of their oversight role. The interim financial reports are prepared by the Finance function and reviewed by the auditors. The annual audit and reporting process includes detailed planning of individual tasks and planning meetings between Finance and the auditors and is based on an audit strategy approved by the Audit Committee.

### **Internal Controls**

The Company has policies and procedures for all key areas of financial reporting as well as plans for the month-end closing process, ensuring an in-depth analysis of deviations between actual performance, business plans and budgets, and updated estimates for the financial year. The monthly closing procedures ensure that all relevant reconciliations are prepared and reviewed. The accounting and controller functions are responsible for the monthly closing process. Financial planning, follow-up and reporting is supported by a group reporting system that enables transparency on actual and budgeted financial figures.

## Risk Assessment

The Company's policy is to identify and mitigate risks deriving from the Company's operations and to establish appropriate level of internal controls and reporting processes, and to establish sufficient insurance coverage where possible and as deemed necessary in the circumstances.

The Board of Directors is responsible for the risk management strategy and the overall risk management framework and policies. The Board, advised by the Audit Committee as appropriate, manages risks and reviews the effectiveness of the risk management, internal controls and financial reporting systems and processes. Management believes that all significant elements of risks have been identified and addressed.

At least once a year, the Audit Committee evaluates the risks connected with the financial reporting process, including the presence of internal controls, policies and guidelines. The Committee assesses the Group's organizational structure, including the risk of fraud and the measures to be taken to reduce and/or eliminate such risk. In that regard, any incentive or motive from the Executive Management to manipulate earnings or perform any other fraudulent action is discussed.

The Group's internal controls and guidelines provide a reasonable but not absolute certainty that unlawful use of assets, loss and/or significant errors or deficiencies in relation to the financial reporting process can be avoided. The Board of Directors has decided not to institute an internal audit function in BioPorto, based on its assessment that the Company's size and complexity does not necessitate such a function.

BioPorto has established a whistleblower scheme, which gives employees and other stakeholders the opportunity to report serious wrongdoing or suspicions thereof in an appropriate and confidential manner, and with a secure procedure for handling any whistleblower cases.

## Risk Factors

The Company has identified a number of risks that the BioPorto's Management currently views as material in terms of the Company. For an overview of key risks and examples of mitigating actions, please see the Company's Annual Report.

## Control Environment

The Executive Management has implemented approval and authorization rules, and segregation of duties have been implemented as much as possible with due regard to the Company's current size and organizational structure, to avoid that unauthorized transactions can take place, or remain undetected for an unacceptable period.

The Executive Management believes that all significant elements of risk have been identified and addressed.

## Statutory Report on Corporate Governance, cf. Section 107(b) of the Danish Financial Statements Act - BioPorto A/S ("Company")

*This Statutory Report on Corporate Governance is from January 1 to December 31, 2023, and forms part of the Management Review in the Company's Annual Report 2023. The Corporate Governance section is not covered by the auditor's statement in the Annual Report. The particulars concerning the composition of the Company's management bodies are covered by the auditor's statement on the Management Review in the Company's Annual Report.*

*The report includes the recommendations of the Committee on Corporate Governance (Komitéen for god Selskabsledelse) and should be interpreted in accordance with the rules for companies listed on Nasdaq Copenhagen.*

As part of its management process, BioPorto focuses on Investor Relations, and the Board of Directors gives priority to exercising good corporate governance, which is defined based on the Company's Articles of Association, values and policies as well as relevant legislation and Nasdaq Copenhagen A/S' "Rules for Issuers of Shares".



## Corporate Governance Recommendations

BioPorto is subject to the Recommendations prepared by the Committee on Corporate Governance (the “Recommendation”), which are available at <https://corporategovernance.dk/>

The Board of Directors regularly assesses how the Recommendations may contribute to strengthening the management of BioPorto and ensure maximum value creation for the Company’s shareholders. Once a year, the Board of Directors reviews the Recommendations and evaluates BioPorto’s compliance with the Recommendations. The Board of Directors believes that BioPorto has complied with all but four of the Recommendations. This report on the Company’s compliance with the Recommendations is available at the Company’s website: [www.bioporto.com](http://www.bioporto.com).

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<b>1. Communication and interaction by the Company with its investors and other stakeholders</b>			
<i>1.1. Dialogue between Company, shareholders and other stakeholders</i>			
<p>1.1.1. <b>The Committee recommends</b> that the management through ongoing dialogue and interaction ensures that shareholders, investors, and other stakeholders gain the relevant insight into the Company's affairs, and that the Board of Directors obtains the possibility of hearing and including their views in its work.</p>	x		<p>The Company strives for transparency regarding the Company’s business and communicates with all stakeholders by providing updated material and information on the Company's website and through Company announcements.</p> <p>Further, a Communication Policy has been adopted and made available on the Company's website.</p> <p>All stakeholders can sign up for newsletters and alerts from the Company.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
			<p>The Company has established an Investor Relations function, and the CEO, CFO and Investor Relations are the stakeholders' primary contacts.</p> <p>The Investor Relations function also informs the Executive Management and the Board of Directors on shareholders' matters on an ongoing basis.</p> <p>The Company holds several investor meetings each year in connection with the Company's financial reporting to the market. In addition, separate meetings are held with investors and analysts in Denmark and abroad.</p>
<p>1.1.2. <b>The Committee recommends</b> that the Board of Directors adopts policies on the Company's relationship with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the Company's considerations and that such policies are made available on the Company's website.</p>	X		<p>The Board of Directors has adopted a policy for the Company's relationship with its stakeholders. The policy is evaluated annually and is published on the Company's website.</p>
<p>1.1.3. <b>The Committee recommends</b> that the Company publishes quarterly reports</p>	X		<p>The Company publishes quarterly Reports. Dates for publications can be found in the Company's Financial Calendar on the Company's website.</p>
<p><b>1.2. General Meeting</b></p>			
<p>1.2.1. <b>The Committee recommends</b> that the Board of Directors organizes the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to</p>		<p>Due to the size of the Company and current financial state, it is assessed that resources can be</p>	<p>The Company encourages shareholders to use their influence, especially by attending general meetings and using their voting rights and their right to speak and ask questions.</p> <p>Currently, the Company does not webcast all of its general meetings (except where the AGM is held as a fully electronic</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
or at the general meeting. The Committee recommends that the Board of Directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.		spent more wisely at the moment.	meeting) and thus only partially complies with this recommendation.
1.2.2. <b>The Committee recommends</b> that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	X		Proxies and postal votes enable the Company's shareholders to consider each individual item on the agenda.
1.3. Takeover bids			
1.3.1. <b>The Committee recommends</b> that the Company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the Board of Directors to consider in the event of a takeover bid, or if the Board of Directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the Board of Directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	X		The Company has adopted a procedure with a road map for takeover bids covering the recommended information and which prevents decisions on a takeover without shareholder approval.
1.4. Corporate Social Responsibility			

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>1.4.1. <b>The Committee recommends</b> that the Board of Directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the Company's website. The Committee recommends that the Board of Directors ensures compliance with the policy.</p>	X		<p>The Board of Directors has adopted a policy on Corporate Social Responsibility, which is available on the Company's website. To ensure compliance with the policy, the Board of Directors has, among other initiatives, adopted a Code of Conduct consisting of a number of principles on the environment, human rights, labour rights etc. and which is binding upon the Company's employees. Furthermore, the Company has acceded to the United Nation's Global Compact Initiative.</p>
<p>1.4.2. <b>The Committee recommends</b> that the Board of Directors adopts a tax policy to be made available on the Company's website.</p>	X		<p>The Company has adopted a tax policy, which has been made available on the Company's website.</p>
<p><b>2. The duties and responsibilities of the Board of Directors</b></p>			
<p><i>2.1. Overall tasks and responsibilities</i></p>			
<p>2.1.1. <b>The Committee recommends</b> that the Board of Directors in support of the Company's statutory objects according to its articles of association and the long-term value creation considers the Company's purpose and ensures and promotes a good culture and sound values in the Company. The Company should provide an account thereof in the management commentary and/or on the Company's website.</p>	X		<p>The Board of Directors has defined the Company's overall strategy and assessed how the strategy contributes to the Company's purpose and long-term value creation. It is a primary aim for the Company to promote a good culture and sound values. To ensure this aim, the Board of Directors has adopted a Code of Conduct consisting of a number of principles, which reflects the culture that the Board of Directors wants to promote in the Company and among its employees and stakeholders.</p> <p>A statement on the Company's strategy is included as part of the management commentary in the Annual Report, which is available on the Company's website.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
2.1.2. <b>The Committee recommends</b> that the Board of Directors at least once a year discusses and on a regular basis follows up on the Company's overall strategic targets in order to ensure the value creation in the Company.	X		The Company's overall strategy is regularly discussed at the Company's Board meetings and includes discussions on how the strategy may provide the greatest possible value creation for the Company and its shareholders.
2.1.3. <b>The Committee recommends</b> that the Board of Directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the Company as well as the shareholders. The Committee recommends that the Company gives an account thereof in the management commentary.	X		The Board of Directors closely monitors the Company's share and capital structure, and an account thereof has been included in the management commentary in the Annual Report.
2.1.4. <b>The Committee recommends</b> that the Board of Directors prepares and on an annual basis reviews guidelines for the Executive Management, including requirements in respect of the reporting to the Board of Directors.	X		The Board of Directors annually reviews and approves the Executive Management's Rules of Procedure.
2.2. Members of the board of directors			
2.2.1. <b>The Committee recommends</b> that the Board of Directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	X		The Board of Director has elected both a Chairperson and a Vice Chairperson. A Vice Chairperson, in accordance with the Rules of Procedure of the Board of Directors, functions in the event of the Chairpersons absence and is otherwise an effective sparring partner for the Chairperson. The item is assessed each year in connection with the annual self-evaluation.

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>2.2.2. <b>The Committee recommends</b> that the chairperson in cooperation with the individual members of the Board of Directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.</p>	X		<p>At least once a year, the Company's board members' special knowledge and competencies are mapped as part of the Board of Directors' annual self-evaluation.</p> <p>In connection with this evaluation, the Chairperson in cooperation with the individual board members evaluate, based on the Company's current state, whether competences are being applied in the best possible manner and the need for new knowledge or skills in the Board.</p>
<p>2.2.3. <b>The Committee recommends</b> that if the Board of Directors, in exceptional cases, requests a member of the Board of Directors to take on special duties for the Company, for instance, for a short period to take part in the daily management of the Company, the Board of Directors should approve this in order to ensure that the Board of Directors maintains its independent overall management and control function. It is recommended that the Company publishes any decision on allowing a member of the Board of Directors to take part in the daily management, including the expected duration thereof.</p>	X		<p>The Board of Directors' Rules of Procedure contain guidelines for the Chairperson or a Board member's exceptional execution of special tasks for the Company. Such a decision will be made public.</p>
<p><b>3. The composition, organization and evaluation of the board of directors</b></p>			
<p><i>3.1. Composition</i></p>			
<p>3.1.1. <b>The Committee recommends</b> that the Board of Directors on an annual basic review and in the management commentary and/or or on the Company's website states</p>	X		<p>As a part of the Annual Plan, the Board of Directors will carry out an assessment of the qualifications, composition and diversity of the Board as part of its annual self-evaluation.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<ul style="list-style-type: none"> <li>• which qualifications the Board of Directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and</li> <li>• the composition of and diversity on the Board of Directors.</li> </ul>			<p>A description of the Board's qualifications, composition and diversity will be included in the management commentary in the Annual Report. The individual members' qualifications will also appear on the website and will be announced at the convening of the Annual General Meeting.</p>
<p>3.1.2. <b>The Committee recommends</b> that the Board of Directors on an annual basis discusses the Company's activities in order to ensure relevant diversity at the different management levels and adopts a diversity policy, which is included in the management commentary and/or available on the Company's website.</p>	X		<p>The Board of Directors' annual plan includes activities for ensuring that the Company takes steps to ensure diversity at all levels. In addition, the Board has adopted a policy on diversity, which will be included in the management commentary and has been published on the Company's website.</p>
<p>3.1.3. <b>The Committee recommends</b> that candidates for the Board of Directors are recruited based on a thorough process approved by the Board of Directors.</p> <p>The Committee recommends that in assessing candidates for the Board of Directors - in addition to individual competencies and qualifications - the need for continuity, renewal and diversity is also considered.</p>	X		<p>The process of selection and recommendation has been stated in the Board of Directors' Rules of Procedure which has been approved by the Board of Directors and is planned to be reviewed annually by the entire Board of Directors.</p> <p>When evaluating its composition and assessing new candidates, the Board of directors will consider its competencies and qualifications as well as the need for continuity, renewal and diversity.</p>
<p>3.1.4. <b>The Committee recommends</b> that the notice convening general meetings, where election of members to the Board of Directors is on the agenda - in addition to the statutory items also includes a description of the proposed candidates'</p>	X		<p>The notice convening the General Meeting contains a presentation of proposed candidates, qualifications, including information on qualifications, other managerial duties in commercial undertakings and demanding organizational assignments (if any).</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<ul style="list-style-type: none"> <li>• qualifications,</li> <li>• other managerial duties in commercial undertakings, including board committees,</li> <li>• demanding organizational assignments and</li> <li>• independence.</li> </ul>			It is also stated whether the candidate under consideration for the Board of Directors is considered independent.
<p>3.1.5. <b>The Committee recommends</b> that members of the Board of Directors elected by the general meeting stand for election every year at the Annual General Meeting, and that the members are nominated and elected individually.</p>	X		The Company's Articles of Association state that Board members are elected for one year at a time and are accordingly up for election every year. The candidates are nominated and elected individually.
3.2. The board of <i>director's independence</i>			
<p>3.2.1. <b>The Committee recommends</b> that at least half of the members of the Board of Directors elected in general meeting are independent in order for the Board of Directors to be able to act independently avoiding conflicts of interests.</p> <p>In order to be independent, the member in question may not:</p> <ul style="list-style-type: none"> <li>• be or within the past five years have been a member of the Executive Management or an executive employee in the Company, a subsidiary or a Group Company,</li> <li>• within the past five years have received large emoluments from the Company/Group, a subsidiary or a Group Company in another capacity than as member of the Board of Directors,</li> </ul>	X		More than half of the members of the Board of Directors elected by the general meeting are deemed to be independent, so that the Board can act independently of special interests. All items mentioned are included in the Board's annual plan for self-evaluation, where the independence of the Board members is assessed.



Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<ul style="list-style-type: none"> <li>• represent or be associated with a controlling shareholder,</li> <li>• within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the Company, a subsidiary or a Group Company, which is significant for the Company and/or the business relationship,</li> <li>• be or within the past three years have been employed with or a partner in the same company as the Company's auditor elected by general meeting,</li> <li>• be the CEO in a Company with cross-memberships in the Company's management,</li> <li>• have been a member of the Board of Directors for more than twelve years, or</li> <li>• be closely related to persons, who are not considered independent, cf. the above-stated criteria.</li> </ul> <p>Even if a member of the Board of Directors does not fall within the above-stated criteria, the Board of Directors may for other reasons decide that the member in question is not independent</p>			
<p>3.2.2. <b>The Committee recommends</b> that members of the Executive Management are not members of</p>		<p>Board Member Peter Mørch Eriksen was</p>	<p>As a main rule, members of the Executive Management are not members of the Board of Directors. However, on 9 January 2024,</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
the Board of Directors and that members retiring from the Executive Management does not join the Board of Directors immediately thereafter.		appointed as interim CEO as of 9 January 2024.	Board Member Peter Mørch Eriksen was appointed interim CEO in the Company.
<i>3.3. Members of the Board of Directors and the number of other managerial duties</i>			
3.3.1. <b>The Committee recommends</b> that the Board of Directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.	X		The item is included in the Board of Directors' annual plan for self-evaluation, so that each Board member submits the said assessment. Furthermore, it is clear from the Board of Directors' Rules of Procedure that members of the Board of Directors must not assume more duties than can be performed in a manner satisfactory to the Company.
3.3.2. <b>The Committee recommends</b> that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the Board of Directors: <ul style="list-style-type: none"> <li>• the position, age and gender</li> <li>• competencies and qualification relevant to the Company,</li> <li>• independence,</li> <li>• year of joining the Board of Directors,</li> <li>• year of expiry of the current election period,</li> <li>• participation in the meetings of the Board of Directors and Committee meetings,</li> <li>• managerial duties in other commercial undertakings, including board committees,</li> </ul>	X		The items mentioned are available in the management commentary in the Annual Report.

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>and demanding organizational assignments, and</p> <ul style="list-style-type: none"> <li>the number of shares, options, warrants, etc. that the holds in the Company and its group companies and any changes in such holdings during the financial year.</li> </ul>			
<p><b>3.4. Board Committees</b></p>			
<p>3.4.1. The Committee recommends that the management describes in the management commentary:</p> <ul style="list-style-type: none"> <li>the board committees' most significant activities and number of meetings in the past year, and</li> <li>the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.</li> </ul> <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	X		<p>The Company's website and the management commentary includes:</p> <ul style="list-style-type: none"> <li>The board committees' most significant activities and number of meetings in the past year, and</li> <li>The members on the individual board committees, including the chairperson and the independence of the members of the committee in question.</li> <li>Terms of reference.</li> </ul>
<p>3.4.2. <b>The Committee recommends</b> that the Board Committees solely consist of members of the Board</p>	X		<p>The board committees consist solely of members of the Board of Directors, and the majority of the members of the Board Committees are considered independent.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
of Directors and that the majority of the members of the Board Committees are independent.			This item is also be included in the Board of Director's annual plan for the self-evaluation, and each Board member will perform the assessment.
<p>3.4.3. <b>The Committee recommends</b> that the Board of Directors establish an Audit Committee and appoints a chairperson of the Audit Committee, who is not the Chairperson of the Board of Directors.</p> <p>The Committee recommends that the Audit Committee, in addition to its statutory duties, assists the Board of Directors in:</p> <ul style="list-style-type: none"> <li>• supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,</li> <li>• reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,</li> <li>• assessing the need for internal audit,</li> <li>• performing the evaluation of the auditor elected by the general meeting,</li> <li>• reviewing the auditor fee for the auditor elected by the general meeting,</li> <li>• supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and</li> <li>• ensuring regular interaction between the auditor elected by the general meeting and the Board of Directors, for instance,</li> </ul>	X		<p>The Board of Directors has set up an Audit Committee. The chair of the Audit Committee is not Chairman of the Board of Directors.</p> <p>In accordance with the Board of Director's annual plan and the Audit Committee's commission, the Audit Committee monitors and reports to the Board of Directors on the items mentioned in the recommendation, including the need for internal auditing (which is assessed annually).</p> <p>The Audit Committee's commission is stated on the Company's website and is reviewed annually by the Board of Directors in accordance with the Board's annual plan.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>that the Board of Directors and the Audit Committee at least once a year meet with the auditor without the Executive Management being present.</p> <p>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> <li>• prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,</li> <li>• ensure that the internal audit function has sufficient resources and competencies to perform its role, and</li> <li>• supervise the executive management’s follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>			
<p>3.4.4. The Committee recommends that the Board of Directors establishes a Nomination Committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describing the required qualifications for a given member of the Board of Directors and the Executive Management, the estimated time required for performing the duties of this member of the Board of Directors and the competencies,</li> </ul>	X		<p>The Board of directors has established a Nomination &amp; Remuneration Committee.</p> <p>The Committee's mandate includes the listed tasks and has been published on the Company's website. The mandate will be reviewed annually by the Board of Directors in accordance with the Board's annual plan.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>knowledge and experience that is or should be represented in the two management bodies,</p> <ul style="list-style-type: none"> <li>• on an annual basis evaluating the Board of Directors and the Executive Management's structure, size, composition and results and preparing recommendations for the Board of Directors for any changes,</li> <li>• in cooperation with the chairperson handling the annual evaluation of the Board of Directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the Board of Directors,</li> <li>• handling the recruitment of new members to the Board of Directors and the Executive Management and nominating candidates for the Board of Directors' approval,</li> <li>• ensuring that a succession plan for the Executive Management is in place,</li> <li>• supervising Executive Managements' policy for the engagement of executive employees, and</li> <li>• supervising the preparation of a diversity policy for the Board of Directors' approval.</li> </ul>			
<p>3.4.5. <b>The Committee recommends</b> that the Board of Directors establishes a Remuneration Committee to perform at least the following preparatory tasks:</p>	X		<p>The Board of directors has established a Nomination &amp; Remuneration Committee.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<ul style="list-style-type: none"> <li>• preparing a draft remuneration policy for the Board of Directors' approval prior to the presentation at the general meeting,</li> <li>• providing a proposal to the Board of Directors on the remuneration of the members of the Executive Management,</li> <li>• providing a proposal to the Board of Directors on the remuneration of the Board of Directors prior to the presentation at the general meeting,</li> <li>• ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and</li> <li>• assisting in the preparation of the annual remuneration report for the Board of Directors' approval prior to the presentation for the general meeting's advisory vote.</li> </ul>			<p>The Committee's mandate includes the listed tasks and has been published on the Company's website. The mandate will be reviewed annually by the Board of Directors in accordance with the annual plan.</p>
<p><i>3.5. Evaluation of the performance of the Board of Directors and the Executive management</i></p>			
<p>3.5.1. The Committee <b>recommends</b> that the Board of Directors once a year evaluates the Board of Directors and at least every third year engages external assistance in the evaluation focuses on the recommendations on the Board of Directors' work efficiency, composition and organization, cf. recommendations 3.1.-3.4. above, and that the</p>	<p>X</p>		<p>In accordance with the Board of Director's annual plan, the Board of Directors will carry out an annual self-evaluation, which will include the recommended topics.</p> <p>The Board of Directors intend to - at least every third year - engage external assistance to assist with the evaluation of the Board of Directors' work etc., cf. recommendations 3.1-3.4.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>evaluation as a minimum always includes the following topics.</p> <ul style="list-style-type: none"> <li>• the composition of the Board of Directors with focus on competencies and diversity</li> <li>• the Board of Directors and the individual member's contribution and results,</li> <li>• the cooperation on the Board of Directors and between the Board of Directors and the Executive Management,</li> <li>• the chairperson's leadership of the Board of Directors,</li> <li>• the committee structure and the work in the committees,</li> <li>• the organization of the work of the Board of Directors and the quality of the material provided to the Board of Directors, and</li> <li>• the board members' preparation for and active participation in the meetings of the Board of Directors.</li> </ul>			
<p>3.5.2. <b>The Committee recommends</b> that the entire Board of Directors discusses the result of the evaluation of the Board of Directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the Company's website and at the Company's general meeting.</p>	X		<p>According to the Board of Directors' annual plan and the planned self-evaluation, the Board of Directors assesses and discusses the results of the evaluation, and the general conclusions of the evaluation are described in the management commentary and on the company's website and at the company's general meeting.</p> <p>The Chairperson also explains the Board's evaluation, including the process and overall conclusions at the general meeting prior to election to the Board of Directors.</p>



Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
<p>3.5.3. <b>The Committee recommends</b> that the Board of Directors at least once a year evaluates the work and results of the Executive Management according to pre-established criteria, and that the chairperson reviews the evaluation together with the Executive Management. In addition, the Board of Directors should on a continuous basis assess the need for changes in the structure and composition of the Executive Management, including in respect of diversity, succession planning and risks, in light of the Company's strategy.</p>	X		<p>The Board of Directors evaluates the work of the Executive Management on a continuous basis (in accordance with pre-established criteria), and the performance of the Executive Management is reviewed and assessed at least once a year.</p> <p>The Board of Directors also discusses and assesses the need for changes in the structure and composition of the Executive Management in light of diversity, succession planning, the Company's strategy etc. on an ongoing basis.</p> <p>The Chairperson of the Board of Directors and the Executive Management also meet at least once annually and discuss the results of the evaluation.</p>
<p><b>4. Remuneration of management</b></p>			
<p><i>4.1. Remuneration of the board of directors and the executive management</i></p>			
<p>4.1.1. <b>The Committee recommends</b> that the remuneration for the Board of Directors and the Executive Management and the other terms of employment/service is considered competitive and consistent with the Company's long-term shareholder interests.</p>	X		<p>The General Meeting has approved a Remuneration Policy for the Board of Directors and the Executive Management, which provides that remuneration for the Board of Directors and the Executive Management is set at a level that is deemed competitive.</p> <p>From this Remuneration Policy, it will be clear that the remuneration of the Board of Directors and Executive Management is set with an aim to ensure achievement of the Company's short-term and long-term goals as well as to ensure consistency between the interests of management, the Company and shareholders.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
			The Remuneration Policy is to be approved at the Annual General Meeting every fourth year and will be made available on the Company's website once adopted by the Annual General Meeting.
<p>4.1.2. <b>The Committee recommends</b> that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.</p>		<p>The Company does not follow this recommendation as the Company needs to provide a competitive Remuneration package to recipients.</p>	<p>According to the Company's Remuneration Policy, the allocation, maturity, maturation and utilization of share-based instruments can, according to the decision of the Board of Directors, depend on whether the conditions and goals defined in the agreement have been achieved in whole or in part.</p> <p>This may include measurable results related to the Executive Management's own performance, the Company's financial results, other financial ratios or the occurrence of relevant events ("KPIs") and continued employment with BioPorto A/S. KPIs, if any, are set by the Board of Directors at the time of grant.</p> <p>The Board of Directors has assessed that a vesting or maturation period should in some cases be below the recommended level to motivate the recipient to implement the Company's short-term goals that are relevant to the Company's long-term value creation. Specifically, the Company's programs have a maturity period of two years and in a few instances 12 months.</p>
<p>4.1.3. <b>The Committee recommends</b> that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.</p>	X		<p>The Company's Remuneration Policy, which has been adopted by the Annual General Meeting, (and individual agreements) contains the recommended information, including a defined limit to the variable parts of the remuneration at the time of grant and requirements for performance criteria to be quantifiable and clearly defined.</p>
<p>4.1.4. <b>The Committee recommends</b> that the overall value of the remuneration for the notice period, including severance payment, in connection</p>	X		<p>The Company has not entered into an agreement with any member of the Executive Management, which includes remuneration (incl.</p>

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
with a member of the Executive Management's departure, does not exceed two years' remuneration including all remuneration elements.			severance pay) for a termination period of more than two years of total remuneration, incl. all remuneration elements.
4.1.5. <b>The Committee recommends</b> that members of the Board of Directors are not remunerated with share options and warrants.		The Company does not follow this recommendation as the Company needs to provide a competitive Remuneration package to recipients.	The Board of Directors was in 2023 authorized by the General Meeting to issue share options to the Board of Directors. Warrants was issued to the Board of Directors in September 2023.
4.1.6. <b>The Committee recommends</b> that the Company has the option to reclaim, in whole or in part, variable remuneration from the Board of Directors and the Executive Management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	X		In accordance with the Company's Remuneration Policy the Company will have the option to reclaim variable remuneration if it was paid on the basis of information which can be subsequently documented as being incorrect.
<b>5. Risk management</b>			
<i>5.1. Identification of risks and openness in respect of additional information</i>			
5.1.1. <b>The Committee recommends</b> that the Board of Directors based on the Company's strategy and business model considers, for instance, the most	X		Risk management is an integrated part of the Company's operations, which is a part of the Board of Directors Annual Plan. The Board of Directors and Audit Committee discusses the

Recommendation	The Company complies	Why not compliant	The explanation for complying or not complying with the recommendation
significant strategic, business, accounting and liquidity risks. The Company should in the management commentary give an account of these risks and the Company's risk management.			Company's risks, which then form part of the Board's overall decisions about the Company's strategy. An overview of the key risks and how they are managed are presented in the Company's Annual Report.
5.1.2. <b>The Committee recommends</b> that the Board of Directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	X		BioPorto has established a whistleblower scheme.