Treatment decisions with greater confidence™

ANNUAL REPORT **2022/2023**

BIOVICA

Contents

DiviTum® TKa received market clearance in the USA during the financial year and the work to make the assay widely available has begun.

2022/2023 IN BRIEF

Q1 – First quarter

- DiviTum® TKa was highlighted in an oral presentation of the BioItaLEE study at ASCO American Society of Clinical Oncology, which is the world's largest cancer congress. Results from the study indicate that TKa can improve the prediction of treatment results. DiviTum TKa was also featured in two abstracts/posters.
- DiviTum TKa received market approval in the USA as a tool for monitoring disease progression in post-menopausal women with hormone receptor-positive metastatic breast cancer.

Q2 – Second quarter

- Biovica decided to execute a fully guaranteed rights issue to finance the initial launch of DiviTum TKa in the USA and Europa.

Q3 – Third quarter

- The results from the MA38 study with DiviTum TKa were presented at SABCS, the world's largest breast cancer symposium. The results support the use of DiviTum TKa to predict the effect of CDK4/6 inhibitors as a treatment for metastatic breast cancer. The unique design of the TK IMPACT trial using DiviTum TKa was presented as a poster.
- An 8-person sales team was set up for the US launch.
- The targeted new share issue generated approximately SEK 148 million in capital, prior to issue costs.
- Anders Morén took over as CFO on 1 January 2023.
- Results from the clinical validation of DiviTum TKa were published in the scientific journal, Biomarkers.

Q4 – Fourth quarter

- Biovica's laboratory in San Diego, California, obtained CLIA certification.
- A commercial partnership agreement with IT Health Fusion was signed to introduce DiviTum TKa to the Italian market.
- A commercial partnership agreement with TOROMEDICAL Group was signed to introduce DiviTum TKa in the Netherlands and Poland.

Events after the end of the period

- The first commercial agreement for DiviTum TKa in the USA was signed.
- DiviTum TKa results presented at ASCO.
- A commercial agreement with the supplier network, Contigo Health ConfigureNet™ was signed, thus making DiviTum TKa available to millions of patients.

Biovica in brief

Biovica develops and commercializes the blood-based biomarker assay, DiviTum TKa, which is used to evaluate the effect of cancer treatments. DiviTum TKa has successfully demonstrated its capabilities to early evaluate therapy effectiveness in several clinical studies. The initial area for clinical use of DiviTum TKa is monitoring the treatment of metastatic breast cancer. It is an area where there is a great need for better biomarkers so that the treating physicians are more quickly and effectively able to monitor how each individual patient is responding to treatment.

Doctors must choose which treatment to administer to their patient from the multitude of available alternatives. Many of those treatments are quite expensive and there can be serious side effects as well. There is thus a great need for new, cost-effective biomarkers that can monitor how a patient is responding to treatment. Clinical studies have shown that DiviTum TKa also has potential for use with other types of cancer and treatments (such as lung cancer and immunotherapy).

During the financial year, Biovica obtained market clearance for DiviTum TKa for clinical use in the treatment of metastatic breast cancer in the USA from the U.S. Food and Drug Administration (FDA). And, in February 2023, Biovica's fully owned laboratory in San Diego received CLIA certification, thus enabling the assay to be launched in the USA during spring 2023. Simultaneous to the launch in the USA, Biovica introduced DiviTum TKa in Europe, starting with Italy, the Netherlands and Poland. DiviTum TKa will also be launched in selected other markets in Europe, with priority on the five largest countries and the Nordics. More long term, Biovica intends to launch DiviTum TKa in additional markets (such as Japan) and for the treatment of other types of cancer and new targeted therapies. It is also being developed as a prognostic tool for treatment outcome.

In addition to the clinical use of DiviTum TKa for monitoring metastatic breast cancer, Biovica has several collaboration agreements in place with world-leading cancer institutes and pharmaceutical companies that are using DiviTum TKa in clinical studies and to develop new drugs for cancer treatment.

For the 2022/2023 financial year, Biovica's sales amounted to SEK 5.7 million and the company had 35 employees as of the end of the period. The head office, where R&D and production occurs, is located in Uppsala, Sweden. Biovica also has an office and laboratory in the USA, in San Diego, California. In 2017, Biovica's shares became listed on Nasdaq First North Growth Market Stockholm and in 2019, the listing changed to Nasdaq First North Premier.

THREE YEAR AFTER LAUNCH, BIOVICA EXPECTS TO HAVE CLAIMED

15 PERCENT OF THE POTENTIAL IN THE MARKETS WHERE DiviTum®TKa IS LAUNCHED

OVER THE NEXT TEN YEARS, BIOVICA'S GOAL IS TO CLAIM

50 PERCENT OF THE POTENTIAL IN THE MARKETS WHERE DiviTum TKa IS LAUNCHED

BREAST CANCER

DiviTum TKa

DiviTum®TKa is a dynamic biomarker test which, in several studies, has demonstrated its ability to provide answers about how a patient is responding to cancer treatment. Because all that is required of the patient is a simple blood sample, it is possible to, easily and frequently, evaluate the treatment.

The level of TK activity, measured by DiviTum TKa, is closely correlated with cell proliferation. Because of that, monitoring TK with a biomarker is a suitable way of evaluating tumor aggressiveness and disease progression when, for example, patients are being treated with a CDK 4/6 inhibitor.

Measuring TK activity with DiviTum®TKa provides a quick and precise evaluation of how a patient is responding to a particular type of cancer treatment. The information is clinically useful and it enables doctors to tailor and optimize treatment so that the patient gets the best possible outcome and unnecessary costs of care can be avoided.

Metastatic breast cancer

Breast cancer is usually expressed as a number on a scale of 0 through IV, depending on how large the tumor is and whether or not it has spread.

Metastatic breast cancer is stage IV, which means that the original (primary) tumor has traveled through the blood or lymph system to form new tumors (metastases) in other organs or tissues of the body, typically in the skeleton, liver, brain or lungs.

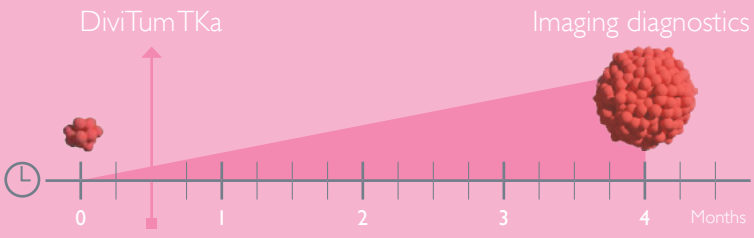
Biovica's history

In 1982, Uppsala researchers ***Simon Gronowitz*** and ***Claes Källander*** discovered the method for measuring thymidine kinase, which was later patented. In 2005, the first version of the assay received CE marking and the first clinical collaborations were initiated.

In 2013, Karolinska Institute published the first clinical study with DiviTum TKa and in the years that followed, important collaborations were set up with leading researchers at, for example, Dana Farber Cancer Institute, Washington University, International Breast Cancer Study Group (IBCSG), BIG against breast cancer, Mayo Clinic and Johns Hopkins University.

Since 2016, the results from clinical studies with DiviTum TKa have been presented each year at San Antonio Breast Cancer Symposium (SABCS), which is the world's largest breast cancer symposium.

DiviTum TKa a biomarker test



DiviTumTKa can quickly reveal whether or not treatment is effective.

Biovica's mission is to transform how cancer treatments are monitored by offering innovative biomarker assays.

The initial focus on metastatic breast cancer facilitates a cost-effective launch of the assay in an area where there is a great need.

Biovica's vision is improved care for cancer patients

Vision
Biovica's vision is improved care for cancer patients.

Mission
Biovica's mission is to transform how cancer treatments are monitored by offering innovative biomarker assays.

Strategy
Theoretically, DiviTum® TKa can be used for all types of cancer, but Biovica has initially chosen to focus on its use for monitoring the treatment of metastatic breast cancer. The initial market launch of DiviTum TKa is in the USA, which has attractive reimbursement levels and is also the world's largest market.

Biovica's strategy is implemented in three steps:

1. Demonstrate the value of the product via the results from clinical collaborations with Key Opinion Leaders and academic institutions
2. Launch via own CLIA laboratory in the USA and through partners in Europe
3. Expansion into other parts of the world and application areas

Business concept
To develop and commercialize blood-based biomarkers that improve monitoring and evaluation of modern cancer treatments.

Business model
DiviTum TKa is sold in the research market for use in clinical studies (Research Use Only) in order to develop new cancer treatments or improve the existing ones. Customers are pharmaceutical companies and academic institutions. The product is either sold as a service (analysis and consultation) or as an analysis for the customer's laboratory. Our market approval in the USA and EU enables us to also use DiviTum TKa in clinical routines. Biovica has created different business models for each of these markets. A service model will be used in the USA, whereby DiviTum TKa is offered as an analysis service via our fully-owned laboratory. In the EU, Biovica will be using partners for both the sales and analysis functions.

Financial targets
Within three years of the launch, Biovica expects to have claimed a sales share of 15 percent in each market where the assay is launched. Over the next ten years, Biovica's goal is to claim 50 percent of the potential in the markets where DiviTumTKa is launched.

Continued progress with our launch in the USA

Many important milestones were achieved during the financial year and it ended on a very positive note with the news that our laboratory in San Diego had obtained CLIA certification, which was the last important milestone we needed to achieve in order to be able to sell the assay commercially in the US market. The feedback we have received thus far has been extremely positive.
Oncologists say that the assay helps them better monitor patients with metastatic breast cancer, which is, of course, very satisfying to hear.

We are continuing our efforts to ensure that DiviTum® TKa is commercially successful and beneficial to patients who are being treated for cancer.

In the USA, those efforts are focused on signing agreements with payers and healthcare providers. This is how we are laying the foundation for a successful market introduction and achieving our ambitious sales targets.

These agreements will ensure that we reach many patients and establish an attractive price level that is on a par with, or higher than, what we have previously communicated. The agreements also ensure that there is a process in place for quickly getting paid, with a minimal amount of administration.

Thus far, our sales team has succeeded in getting two agreements signed, which are with MedINcrease and Contigo Health. They are both Preferred Provider Organizations (PPOs), which are health plans that supplement ordinary health insurance and are something that many employers offer their employees as a benefit. We anticipate that we will soon be signing more agreements in the USA.

Together, these agreements ensure cost reimbursement of DiviTum TKa to millions of policyholders in the USA, particularly via the agreement with Contigo Health, which is by far the largest.

Another area that is important to a successful launch is getting DiviTum TKa included for reimbursement by Medicare, which is the federal health insurance program in the USA. We've made progress with this as well. Our Medicare Enrollment application has been approved, which means that we will be able to submit claims for reimbursement to Medicare.

Thus far, we are being referred to a general code, which involves a more cumbersome administration process and challenging discussions around the price when we seek cost reimbursement from Medicare.

All of this will be solved by obtaining a unique PLA code for DiviTum TKa. We made progress on that front prior to the end of the financial year by submitting our application to obtain such a code. We are expecting to receive feedback on that sometime during the fall of 2023.

During the past year, we have made great progress and reached several important milestones. It paves the way for a successful year ahead when the DiviTum® TKa test will benefit patients in clinical use.

ANDERS RYLANDER
CEO

In Europe, we have made some significant progress too. We signed commercial partnership agreements with both the Italian company, IT Health Fusion and TOROMEDICAL Group, covering the Netherlands and Poland. These agreements cover price levels that are on a par with, or slightly above, what we have previously communicated.

The Italian market is one of the largest in Europe and we have strong support there among Key Opinion Leaders (KOLs). We also have high ambitions for the Netherlands, where we have a nationwide study underway, as well as the strong support we have from KOLs there.

We are looking forward to the 2023-2024 financial year and introducing DiviTum TKa in these markets, along with signing more agreements in Europe.

There is much interest from pharmaceutical companies and robust growth in this area, albeit from low levels thus far. We are striving for exponential growth in our sales to pharmaceutical companies in the years ahead. There is enormous potential in being able to sell the assay as a companion diagnostic to one of the cancer drugs that is currently under development. And, the more collaborations we are involved in, the greater our likelihood of succeeding with that.

Right now, we are facing a situation where access to financing has tightened up considerably and risk appetite is low. It is a drastic decline compared to a year ago. The rights issue we executed during fall 2022 reflects this and it means that we must be cost conscious and careful with our commercial and clinical investments.

Despite these challenges, our outlook for the future is positive because we are certain that DiviTum® TKa can make a difference in the lives of cancer patients. Our full focus is thus on quickly making the assay available to as many patients as possible so that it can improve their lives and benefit both healthcare providers and payers. We are excited and optimistic about the remainder of 2023/2024 and all it holds.

Anders Rylander
CEO

NEW PATIENTS EACH YEAR IN THE USA

31,000 PATIENTS FOR WHOM DiviTum® TKa COULD BE USED TO MONITOR TREATMENT

MARKET POTENTIAL FOR METASTATIC BREAST CANCER IN THE USA

755,000 TESTS PER YEAR

MARKET POTENTIAL FOR METASTATIC BREAST CANCER IN THE USA, EUROPE AND JAPAN

400-700 USD MILLION PER YEAR

Large clinical need and market potential

It is estimated that approximately 450,000 patients in the EU and the USA are currently living with metastatic breast cancer. Breast cancer is responsible for more than 40,000 deaths each year in the USA alone[1]. These deaths happen because the disease has spread through the body and affected critical organs. Of those diagnosed for the first time with breast cancer, the cancer has already started to spread for three to five percent of them. If the cancer has spread, it is incurable. However, new treatments have been developed in recent years that extend the time that a patient can live with metastatic breast cancer. The number of available treatments has also risen. Metastatic breast cancer is currently a chronic illness that requires lifelong treatment. Around 29 percent of patients live more than five years with the disease[2].

For patients who are diagnosed with hormone receptor-positive breast cancer, the treatment outcome has primarily been improved through a combination of endocrine therapy and a CDK 4/6 inhibitor to slow down the cell cycle, which counteracts proliferation and inhibits the growth of cancer cells. Approximately 80 percent of all breast cancer patients have hormone receptor-positive cancer.

As more and better treatments become available, it becomes increasingly important for doctors to know, with greater certainty, when it is time to switch from one treatment to the next, or when to transition from endocrine treatment to cytostatic drugs/chemotherapy. Many patients do not respond to treatment or they develop resistance, which is difficult to discover without reliable tests. Furthermore, there is a great need for being able to more easily and quickly evaluate the effect of treatment. Besides that, many cancer treatments involve serious side effects and there are financial incentives because the treatments are expensive, costing more than USD 10,000 per patient and month.

A number of tests and methods are run repeatedly and regularly to assess how the disease is progressing. In most instances, a single test will not provide a definitive answer, which is why many different tests are run repeatedly. Current diagnostic procedures are expensive, complicated and require time for monitoring, which is sub-optimal for the healthcare system and stressful for patients.

The initial target group for DiviTum® TKa is women with hormone receptor-positive metastatic breast cancer who are being treated with endocrine therapy. Each year in the USA alone, there are about 31,000 new patients for whom DiviTum TKa could be part of their treatment monitoring. Patients generally remain in this population for up to three lines of treatment, often for three years or longer.

External advisors and oncologists suggest that a blood-based test such as DiviTum TKa could be used as frequently as monthly early on during a treatment, and every three months thereafter. With testing frequency as suggested here, it corresponds to a market opportunity of 755,000 tests/year for metastatic breast cancer in the USA. For hormone receptor-positive breast cancer, Biovica estimates that the market potential is USD 400-700 million per year for DiviTum TKa in the USA, EU-5, Nordic countries and Japan. The market potential will likely also grow as new treatments lengthen patient lives even more.

One of the strongest trends in cancer treatment and monitoring is personalized medicine, where various biomarkers are used to tailor treatment strategies for defined patient groups. It is a favorable trend for Biovica, since it raises the interest in biomarkers with monitoring potential.

1. www.breastcancer.org/facts-statistics 2. www.cancer.net/cancer-types/breast-cancer-metastatic/statistics

Commercialization in the USA through own laboratory

The launch of new, diagnostic products requires close collaboration with payers. Through its own CLIA laboratory, Biovica will be able to manage the reimbursement process and its relationships with public and private payers. Biovica will be actively working with payers, providing clinical data and striving to ensure that the test gets included in guidelines.

FACTORS FOR A SUCCESSFUL LAUNCH

- Results from clinical studies demonstrating the value of DiviTum®TKa.
- Inclusion in treatment guidelines.
- Inclusion in reimbursement systems.
- Informing and educating oncologists so that they understand the advantages and decide to use DiviTumTKa because it offers important information about a patient's disease status.

In December 2023, Biovica's US organization, Biovica Inc., achieved full staffing and has since successfully implemented a targeting strategy focused on educating physicians and institutions, raising awareness, and generating demand for DiviTum TKa. In February 2023, Biovica's San Diego-based laboratory obtained its CLIA Certificate from the Center of Medicare and Medicaid Services (CMA). DiviTum TKa is now available to healthcare providers in the United States* as a powerful tool for measuring and monitoring thymidine kinase activity, a key biomarker for HR+ metastatic breast cancer patients. The CLIA laboratory is currently processing and reporting clinical samples from patients, as well as clinical research samples from Biovica's pharmaceutical partners and researchers.

CLIA Approved Laboratory Established in San Diego

Biovica's laboratory in the US is situated in San Diego, California. The CLIA certificate that Biovica obtained from CMS enables the laboratory to receive, test, and report clinical samples. Additionally, Biovica has submitted an application for laboratory accreditation to the College of American Pathology (CAP) and expect to receive it in late 2023. Biovica is also working towards ISO certification, which we anticipate achieving in 2024.

To meet future demand, the laboratory workflow has been designed to allow for multiple lines of DiviTum TKa testing to take place in parallel. This results in faster testing turnaround times and expanded testing capacity for the foreseeable future.

In an effort to reduce testing turnaround times and logistics costs while making it easier for healthcare providers to conduct business with us, Biovica has strategically located patient sample collection kits at institutions and healthcare provider offices. The easy-to-use kits have been well-received by healthcare providers.

Salesforce

Biovica's specialized diagnostic salesforce has extensively analyzed industry data and analytics to successfully develop highly targeted call plans that identify high-value healthcare providers, medical practices, and institutions. As part of the onboarding process and leading up to launch, the sales team has participated in educational sessions with Medical Affairs to review key studies and publications, deepening their knowledge and understanding of the treatment of metastatic breast cancer patients.

Biovica maintains ongoing engagement with many of the 71 NCI-designated centers and has made clinical presentations to Key Lab and/or Health Care Professionals (HCPs) & Key Opinion Leaders (KOLs) at many of these centers. In addition, Biovica has established clinical discussions with non-NCI key cancer centers and Integrated Delivery Networks (IDNs). This level of engagement has led to early adoption by some institutions and is driving discussions and evaluations for several near-term agreements.

** Additional submissions required for NY and Washington state*

There are several advantages associated with Biovica having its own laboratory, such as being able to:

- Focus on important breast oncology centers, important opinionmakers and densely populated areas.
- Manage the reimbursement process and develop relationships with public and private payers.
- Have control over the quality of test results.
- Provide continuous DiviTum® TKa patient results to doctors which, over time, should help with the development of patients' response to treatment.
- With patient consent, build a biobank of serum samples that will be useful in the development of future versions of DiviTum TKa.
- Offer a high level of service to research and pharmaceutical partners.
- Develop the research capacity, if, in the future, the company would like to do so.

Market Access

On 31 March, Biovica's US Lab completed its CMS credentialing process and is now recognized as a provider for Medicare beneficiaries. The credentialing enables Biovica to bill for services and begin the process of credentialing for individual state Medicaid programs.

Furthermore, Biovica has successfully submitted its Proprietary Laboratory Analyses (PLA) application, which is a rigorous process with only 60 new codes approved on average each quarter. This submission marks a significant milestone for DiviTum TKa as Biovica is seeking a unique code for the product.

To maximize patients' access to DiviTum TKa, Biovica's market access team is working closely with academic institutions, cancer centers, and local hospitals to establish the test and negotiate contracts. Additionally, we have implemented a comprehensive yet simple patient access program called "Biovica Cares" to ensure that qualified patients in need of financial assistance can readily access the program for financial support.

Collaboration on Studies and Treatment Guidelines

Biovica has established collaborations with world-leading cancer institutions and oncologists, allowing the company to create awareness and demand for the product through these partnerships. Positive results from studies conducted with partners provide a solid foundation for regulatory approval, reimbursement from payers, commercial partnerships, and ultimately, increased demand and sales.

Inclusion of DiviTum TKa in treatment guidelines is a crucial step towards achieving widespread adoption. It has been observed that there is a strong correlation between inclusion in treatment guidelines and reimbursement, making it a priority and a strategic imperative for Biovica.

INTERVIEW WARREN CRESSWELL, PRESIDENT AMERICAS

We want to create products that offer significant clinical benefits which allows us to help caregivers to manage cancer patients more effectively."

WARREN CRESSWELL
PRESIDENT AMERICAS

What can you tell us about the launch so far?

The initial feedback for DiviTum has been extremely positive, HCPs have not only acknowledged the significant clinical utility of our intended use but have also expressed belief in DiviTum's potential for additional utilities across breast and other types of cancer. This response is highly promising and warrants further exploration.

Are you satisfied with the CLIA-lab?

I am extremely pleased with the progress our team has made. We were able to obtain our CLIA certificate in a remarkably short amount of time, and the process was carried out efficiently. Moreover, we were able to pass the site inspection conducted by the California Department of Public Health with no deficiencies. Following our CLIA certification, we immediately submitted our application for College of American Pathologists (CAP) accreditation and are currently working on obtaining licenses for NY State and WA State. Our laboratory has collaborated closely with the marketing team to create both our Commercial Test Requisition and Commercial Sample Kit, both of which are now readily available.

Managing the reimbursement process is an important part. How is it going?

Our team has developed a strategic plan to ensure optimal reimbursement for DiviTum. We have already achieved two key milestones towards this objective, namely the CMS credentialing of our Lab and the successful submission of our PLA application, which seeks a unique code for DiviTum. To further advance our reimbursement efforts, we will continue to develop clinical utility data and work closely with society guideline committees and commercial payers. Our goal is to achieve a high degree of coverage for DiviTum, ensuring that patients can readily access this innovative product.

Which are your future goals?

Our future goals in the US are consistent with our global objectives. Our aim is to create products that offer significant clinical benefits, thereby assisting healthcare providers in managing cancer patients more effectively. We are committed to ensuring that DiviTum TKa is readily accessible to patients both in the US and around the world. In addition, we are dedicated to being responsible corporate citizens while prioritizing the best interests of our shareholders. We strive to keep all Biovica team members motivated and proud to contribute to the healthcare market and make a meaningful impact.

INTERVIEW KENDON RICHARDS, HEAD OF US SALES

Given the great interest we have seen, we are expecting that many doctors will implement DiviTum TKa in their clinical routines."

KENDON RICHARDS
HEAD OF US SALES

You have been with Biovica for about half a year, why did you join?

I was intrigued by the novelty of DiviTum. I've been in the industry for many years and diagnostics like this are rare to be introduced.

Which were your first impressions?

The effort Biovica is making in the US is second to none.

Now that you've been out meeting doctors, how is DiviTum received?

There is a huge need for novel tests. Interest is high.

Which are your hopes for the future?

With the great interest we have seen, we expect to see many doctors implementing DiviTum TKa in their clinical routine.

IMPORTANT COMMERCIAL PROGRESS
JUST AFTER THE END OF THE FINANCIAL YEAR

Just after the end of the financial year, Biovica signed its first commercial agreements for DiviTum® TKa in the USA.

The first one is with MediNcrease Health Plans, which is a nationwide U.S. supplier network and professional association. It makes the assay available and reimbursable to more than 15 million policyholders in the USA.

The second is with Contigo Health ConfigureNet™. It is a supplier network with more than 900,000 representatives at 4.1 million locations in the USA. It thus represents an important milestone for commercialization of DiviTum TKa, since it makes the assay available to tens of thousands of Contigo Health policyholders in the USA.

Biovica at ASCO – supports clinical uptake

In June, just after the end of the financial year, a poster displaying the DiviTum TKa results from the SWOG S0226 trial was presented at the 2023 ASCO Annual Meeting, the premier educational and scientific event in the oncology community.

The study compared the results from DiviTum TKa and CA 15-3, which is a biomarker that is currently being routinely used in the treatment of metastatic breast cancer. Investigators involved in the trial concluded, among other things, that DiviTum TKa values at the start of treatment are very prognostic. Because it compared DiviTum TKa with one of the assays routinely being used today, Biovica feels that the trial results provide important support for commercialization of the assay.

Here are the investigators' conclusions:

- DiviTum TKa values at the start of treatment are very prognostic for patients with HR-positive metastatic breast cancer receiving first line systematic endocrine treatment (low TKa at the start of treatment = superior prognosis)
- CA 15-3 at the start of treatment is not prognostic at the start of treatment and only becomes prognostic after three treatment cycles
- High baseline TKa CA 15-3 values are less prognostic
- DiviTum TKa and CA 15-3 are complementary biomarkers, which offer a more complete understanding of disease status.

Collaboration with the pharmaceutical industry – a long-term pursuit

During the financial year, Biovica successfully managed to pursue its Pharma Services and Collaboration strategy, focusing on building up confidence among pharmaceutical companies regarding the use of TKa as a biomarker for monitoring drug efficacy and patient stratification. The agreements generate income for Biovica as well and percentage-wise, this category of revenue sharply increased during the year. Several new agreements with pharmaceutical companies were signed during the financial year.

Biovica's ability to offer high-quality services and collaborations significantly improved in conjunction with setting up its own CLIA laboratory in San Diego. The company is now able to offer collaboration and testing of TKa as a service to pharmaceutical companies from both Uppsala and San Diego. The US laboratory is an enormous asset given its proximity to the clinical study sites of most major pharmaceutical companies. A typical order is for around 100-700 patient samples.

Biovica now has Master Service Agreements (MSAs) in place with eight pharmaceutical companies that facilitate smooth and efficient implementation of several projects and services for each partner. It also helps speed up the generation of predictive TKa data that can then be included in pivotal studies. Successful proof-of-concept studies have been completed with each of these companies and more comprehensive follow-up studies are underway. In the fourth quarter, Biovica negotiated and signed three new MSAs.

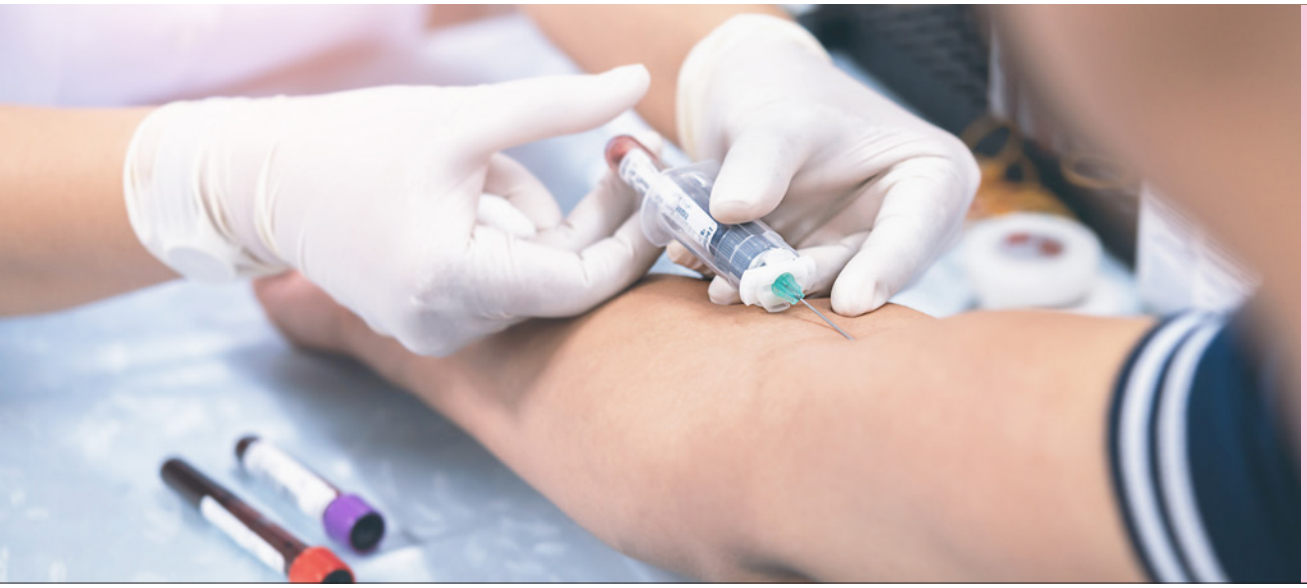
The company also has Technology Evaluation Service Agreements (TESAs) with pharmaceutical companies that are evaluating DiviTum TKa in smaller, early-phase clinical studies. Once a TESA has been signed, it typically leads to a broader collaboration. DiviTum TKa is currently being evaluated by a handful of pharmaceutical companies. Our pharmaceutical customers are involved in the development of antiproliferative drugs, which include next generation CDK4/6i, Selective Estrogen Receptor Degrader/Modulators (SERD/SERMs) and Immune Checkpoint Inhibitors (ICIs). During the financial year, Biovica also continued to deliver DiviTum TKa through third party CRO laboratories. One example was the BioItaLEE study.

Biovica's focus on building confidence in TKa as a biomarker and in the company itself is the first step, after which comes collaboration agreements on product development, registration and commercialization together with pharmaceutical companies. During the financial year, the monitoring and predictive abilities of TKa received much attention among those developing antiproliferative drugs. Biovica is enthusiastic about the next financial year and is continuing to make the DiviTum TKa assay available for pharmaceutical collaborations and potential new product developments.

CDx – attractive opportunity for developing new products

Companion Diagnostic (CDx) is a concept that has become well established in the field of oncology over the last twenty years or so. Companion Diagnostic tests help match a patient to a specific drug or therapy. It creates benefits to everyone involved, which means patients, payers, pharmaceutical companies and diagnostic companies.

Regarding monitoring, there are few examples of successful CDx collaborations even though, for example, the FDA is demanding it so that treatment outcomes will improve. It thus creates a unique opportunity for Biovica to develop these types of collaborations, particularly since the company already has sales to some of the largest pharmaceutical companies in that area, as well as employees with unique experience in developing these types of products.



DURING SPRING 2023, BIOVICA SIGNED ITS FIRST EUROPEAN PARTNERSHIP AGREEMENTS FOR ITALY, THE NETHERLANDS AND POLAND

2023

Launch in Europe has begun

To ensure a successful market penetration, DiviTum® TKa is being introduced in selected markets via partners. The company has already partnered with some companies that have documented success with sales in the area of oncology and it is working to set up more in markets that address the overall situation of a cancer patient.

Launch in the **USA (1)** followed by launch in **Europe**, where the first markets are Italy, the Netherlands and Poland, followed by the remainder of **EU-5** (Germany, UK, Spain and France) and the Nordic countries. **(2)** After that, Biovica will launch the product in **Japan (3)**

These three markets have a total potential of USD 400– 700 million per year for metastatic breast cancer. Besides that, there is additional potential elsewhere in the world and for other forms of cancer.

The partners that Biovica decides to collaborate with must have a recent track record of strong sales, success in getting new products included in reimbursement systems, and an established network of payers.

During spring 2023, Biovica signed its first European partnership agreements for Italy, the Netherlands and Poland. Approximately 17,000 women are diagnosed with metastatic breast cancer each year in Italy. In the Netherlands, the corresponding figure is 7,000 and in Poland, it is 8,000 women. The Italian market is one of the largest in Europe, but besides that, Biovica also has strong support there among Key Opinion Leaders (KOLs). Biovica also has strong support with KOLs and an ongoing study in the Netherlands. There is a high percentage of out-of-pocket payments directly from patients in both Italy and Poland. Because of that, we expect market penetration to be quicker compared to markets where there is a higher percentage of payment via the national insurance scheme.

Other reasons for choosing Italy as the first country for European launch are the guidelines for treatment, its private, insurance-based payment system and the price levels in the private market. Further European expansion will be based on the experience and knowledge gained from the launch in these first three countries, each of which has its own unique healthcare infrastructure and payment schemes.

Simultaneous to our efforts to sign additional partnership agreements, Biovica is involved in a variety of activities for reimbursement in each European country, thereby recognizing the full potential that exists in the EU over time. Support from local KOLs in the field of breast cancer will also be an import success factor for the launch in each market.

Biovica will gradually be launching the product in other parts of Europe. Markets with a medium-high to high price level and reimbursement systems that allow hospitals to set their own budgets, such as the Nordic countries and Spain, are attractive for clinical, routine use of DiviTum TKa. Biovica's European expansion strategy is based on a gradual market introduction, which will enable the company to learn from experiences in the first countries where the product is launched and prepare for the next level of expansion.

Because DiviTum TKa has CE-IVD marking, the product may be sold throughout the EU, as well as in the UK and Norway, both of which accept this as the regulatory framework for market approval there. Biovica now has collaborations established in three important markets and expects to set up more in Europe during the near future.

Clinical evidence is crucial for a successful launch

Favorable results from clinical studies are a prerequisite for successful launch of a diagnostic product. Biovica's strategy is to generate strong results from studies showing DiviTum® TKa's accuracy and clinical usefulness, along with collaborating with researchers to ensure that results are quickly published in prestigious scientific journals. It generates demand, as well as the support for pricing and inclusion in reimbursement systems.

Biovica's goal is to facilitate better treatment decisions and enable doctors to more easily determine when a treatment is still effective and when it should be replaced by a new one. Another aim is to show that it is possible to cut down on the use of other diagnostic testing when DiviTum TKa is used. During 2022/2023, Biovica obtained the results from several important clinical studies, which deepened its understanding of how DiviTum TKa can be used in clinical practice:

Clinical validation data published in Biomarkers

One of the important publications during the financial year was the results from the clinical validation of DiviTum® TKa that were published in the scientific journal, Biomarkers. The results were based on the analysis of more than 1,500 samples and clinical data from the SWOG study (S0226), supporting the use of DiviTum TKa to monitor patients with metastatic breast cancer. It was the foundation upon which the FDA granted approval of the assay. Furthermore, because this has been documented in a scientific journal, Biovica can use it as part of its marketing material.

Among the patient samples tested, DiviTum TKa test values below the pre-specified cut-off (both before and during treatment), predicted a very low likelihood of disease progression, also known as Negative Predictive Value (NPV). A high NPV reveals that it is unlikely for a woman to progress in the disease, indicating that the current treatment is working.

The investigators concluded that DiviTum TKa levels in serum can identify patients who will do well for a long time as well as patients who can forgo ancillary treatment (i.e. treatment in addition to standard endocrine treatment). The combined effect of avoiding ancillary treatments with a possible reduction of inconvenient and costly serial imaging, is something that can improve the quality of life for patients.

MA38 study presented at SABCS

The study called MA38 was conducted by the Canadian Cancer Trials Group (CCTG) and investigated two different dosing schedules of the CDK4/6 inhibitor treatment palbociclib. Thymidine Kinase activity (TKa), measured using DiviTum TKa, was used as a predictive biomarker to identify patients with a long duration on treatment and an extended overall survival in women with metastatic breast cancer. The study results were presented on 8 December 2022 at SABCS, the world's largest breast cancer symposium.

The results support the use of DiviTum TKa to predict the effect of CDK4/6 inhibitors as a treatment for metastatic breast cancer. The results confirm the value of measuring TKa prior to treatment as a new marker for patient stratification.

"

The results support the use of DiviTum TKa as a tool to stratify metastatic breast cancer patients when initiating therapy and to identify patients with the best pre-requisites for improved survival during CDK4/6 inhibitor treatment

DR. **AMELIA MCCARTNEY** BSC, BA (HONS), MBBS, FRACP, FIRST AUTHOR OF THE MA38 STUDY AND MEDICAL ONCOLOGIST AT MONASH HEALTH, MELBOURNE, AUSTRALIA.

BioItaLEE study presented at ASCO 2023

DiviTum TKa was highlighted in an oral presentation of the Phase IIIb study, BioItaLEE at the ASCO Annual Meeting on 6 June 2022. Results from the study support that DiviTum TKa can improve the prediction of treatment results. The BioItaLEE study is a Novartis sponsored Italian multi-center study involving 287 patients with hormone receptor-positive (HR+), HER2-negative, metastatic breast cancer receiving the CDK4/6 inhibitor ribociclib and letrozole as first-line treatment. DiviTum TKa can be used to analyze the disease status and treatment effect by taking blood samples from patients before and during treatment.

The study concluded that testing blood samples for both TKa and ctDNA prior to the start of treatment (baseline), and after 15 days (D15) in the first treatment cycle was prognostic for progression free survival and that it predicted the treatment response (BioItaLEE study; NCT03439046).

The findings indicate that prior dynamic changes and a combination of both ctDNA and TKa can, with greater precision, predict the outcome for patients being treated with ribociclib and letrozole. In general, patients who are ctDNA and TKa positive do not respond to treatment. TKa and ctDNA capture different characteristics of the tumor's biological activity and the combination motivates further evaluation in relation to other treatments and diseases.

CDK 4/6 inhibitors

Cyclin-dependent kinases (CDKs) 4 and 6 play an important role in controlling the cell cycle. CDK4/6 inhibitors "shut down" these kinases and thereby slow down the cell cycle, which inhibits the growth of cancer cells. Hormone receptor-positive breast cancer cells are sensitive to the anti-proliferative effects of CDK4/6 inhibitors, particularly in combination with endocrine therapy.

PUBLISHED ARTICLES

Thus far, ***13 scientific articles*** from clinical studies on breast cancer have been published covering more than ***1,900 patients***. In these studies, it has been documented that DiviTum TKa can be used as a predictive and prognostic tool for the patient's time to progression and survival, as well as monitoring treatment effect for patients with metastatic breast cancer. In total, **27 *articles have been published*** covering a wide spectrum of cancer forms.

535

PATIENTS PARTICIPATING IN ONGOING STUDIES WITH DiviTumTKa

5

PUBLISHED ONGOING STUDIES

LOCALLY ADVANCED BREAST CANCER ADDS

30-40

PERCENT TO THE MARKET POTENTIAL IN EXISTING MARKETS

ONGOING STUDIES

DiviTum® TKa is being used in several ongoing national and international retrospective and prospective clinical studies. Each has been carefully chosen to both add and strengthen data that can support the use of DiviTum TKa for monitoring cancer treatment and as an effective tool for evaluating treatment effect. DiviTum TKa is currently included in four published ongoing studies on metastatic breast cancer and one study on locally advanced breast cancer.

A higher rate of cell growth applies to all types of cancers and many cancers are treated with drugs that specifically target cell division. Biovica intends to expand the use of DiviTum®TKa to some of these other indications after the launch for metastatic breast cancer. Locally advanced cancer is a natural choice, since it is expected that the treatments used for metastatic cancer will also be used for locally advanced cancer. The needs are therefore similar. Locally advanced cancer adds another 30–40 percent market potential in existing markets.

Biovica will also continue its research collaborations with Johns Hopkins, Mayo Clinic, Christie Hospital, Karolinska Institutet, Prato Hospital and many others to add to the growing body of strong data that supports clinical use of DiviTum TKa. Through its Scientific Advisory Board (SAB), Biovica also collaborates with 12 of the leading breast cancer specialists in the USA in order to share and discuss current DiviTum TKa data. The feedback from this has been extremely positive, resulting in new ideas about potential new research collaborations for future studies.

ONGOING STUDIES IN BRIEF

Study	Number of patients	Indication	Focus of the study
Johns Hopkins	50	Metastatic breast cancer	Identification of resistance development
TIRESIAS	150	Metastatic breast cancer	Early identification of resistance
PDM-MBC	100	Metastatic breast cancer	Monitoring and less imaging
TK IMPACT	55	Metastatic breast cancer	Evaluation of clinical usefulness
PREDIX	180	Locally advanced cancer	To identify treatment response and risk of relapse
TOTAL	**535**		

ONGOING STUDIES WHERE DiviTumTKa IS BEING USED

- **Johns Hopkins |** Together with one of the leading universities in the USA, Johns Hopkins University, Biovica is conducting a study involving 50 patients to document biomarkers and measure the development of resistance to CDK4/6 inhibitors. The objective of the study is to find markers to identify early development of resistance of today's standard treatment in combination with Ibrance® (palbociclib, Pfizer). By early identification of women who are not responding to treatment, these patients can be offered other therapies and the opportunity for more effective treatment and better outcome.

- **TIRESIAS |** In January 2021, DiviTum TKa was selected to be included in the new prospective clinical study, TIRESIAS, with the aim of investigating if DiviTum TKa can be used to identify early resistance to treatment. TIRESIAS is a multi-center study that will collect samples from 150 patients with hormone receptor-positive metastatic breast cancer who receive the first-line standard treatment: a CDK4/6 inhibitor and an aromatase inhibitor. The aim is to demonstrate that DiviTum TKa can predict progression free survival and clinical benefit from samples taken as early as two weeks into treatment.

- **PDM-MBC** *(Personalized Disease Monitoring in Metastatic Beast Cancer)* DiviTumTKa was selected in November 2020 for inclusion in a new prospective UK breast cancer study of 100 women with hormone receptor-positive metastatic breast cancer. The study, which is being led by researchers at Christie Hospital in Manchester, is investigating whether DiviTum TKa can be used for disease monitoring during treatment with a CDK4/6 inhibitor and aromatase inhibitor. The hypothesis is that routine imaging can be delayed until predefined levels of biomarker progression is detected.

- **TK IMPACT |** In November 2021, Biovica announced that it will be supporting the TK IMPACT study, which is an investigator initiated prospective clinical trial at Washington University of St Louis to evaluate the clinical utility of DiviTum TKa for monitoring patients with hormone receptor-positive (HR+) metastatic breast cancer receiving CDK4/6 inhibitor treatment. The study, which is open for recruitment, is very important to Biovica since it is the first study where doctors who are treating patients will regularly receive TKa data, which will enable them to make treatment decisions based on TKa levels. Data from this study will be crucial for defining the clinical usability of DiviTum TKa after the launch.

- **In the PREDIX study** at Karolinska University Hospital, DiviTum®TKa is being used to identify disease progression and response to CDK4/6i treatment for 180 patients with locally advanced breast cancer.

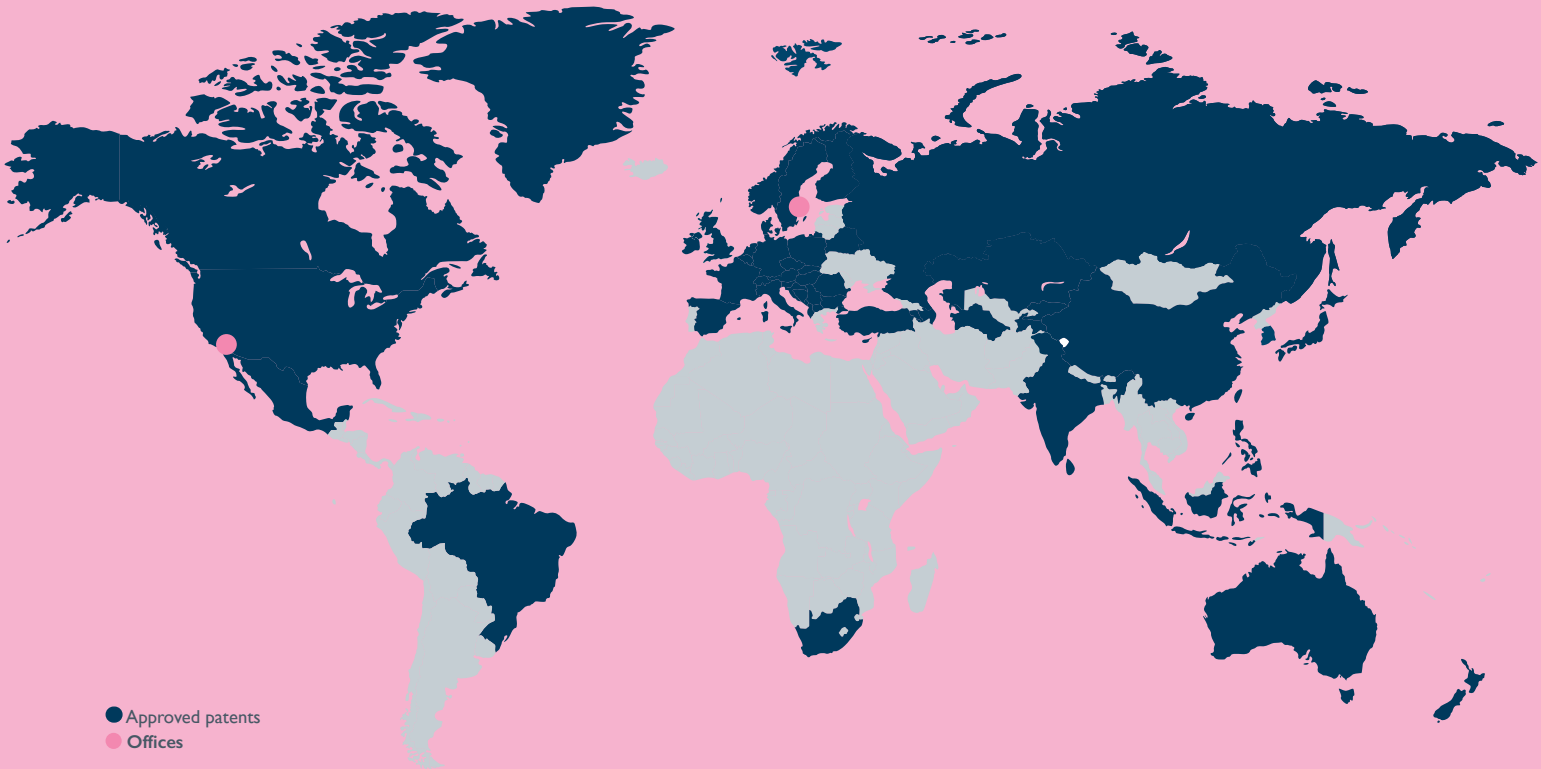
Strong protection that goes beyond strong patents

Biovica feels that intellectual property rights are a cornerstone for successful commercialization and thereby value creation. Biovica has strong patent protection, having been granted patents in all markets were the company applied for one. At present, Biovica has patents in 49 countries.

The patents for DiviTum® TKa expire in 2026 and 2031 for the two different patent families, which cover two different technology platforms, ELISA and PCR. Both platforms measure TK and the correlation between them is high.

During the development of DiviTum TKa, Biovica accumulated considerable know-how that would make it difficult for others to copy it. Even after the patents expire, Biovica expects that it will retain strong protection since neither the manufacturing process nor compilation of the test is disclosed in the patent specification. The risk that Biovica's technology is copied is further lowered by the fact that Biovica does not share this type of knowledge with any production partners.

In most countries, clinical documentation is also required for successful commercialization of a diagnostic test. Demonstrating that a copied product works as well as DiviTum TKa would be a difficult and costly task.



49

AT PRESENT, BIOVICA HAS PATENTS IN 49 COUNTRIES.

Sustainability

Biovica's sustainability work is closely associated with the company's vision of improving the quality of life for cancer patients. The core of operations, and the company's most important contribution to sustainable development, is making safer, more efficient diagnostics available to cancer patients.

Core values

Biovica actively strives to continually improve its company culture. Biovica's core values clearly capture the principles that provide the foundation for our organization and its culture along with how the company makes decisions and how we interact with each other, our customers, owners, partners and other stakeholders.

Collaboration – We work as a team, supporting each other to become successful.

Innovation – We use technology to create innovative, sustainable solutions for carrying out our mission.

Appreciation – We behave ethically and responsibly in order to build confidence.

Dedicated employees are the key to success

Employee commitment, initiative and motivation to perform contribute to Biovica's success. The company culture fosters dedication and entrepreneurial spirit. We also have a decentralized organizational structure where all employees contribute to the end results. Biovica's employees are aligned in the pursuing the vision of improving the quality of life for cancer patients. All employees at Biovica have the same mission, namely, to bring about a change in how cancer care is monitored by offering innovative biomarker assays.

Commitment and clarity are values that permeate the entire organization. At Biovica, we want every employee to feel proud of their contribution to the company's success. Biovica strives for equality, sustainability and to provide a healthy work environment where every employee is able to perform, develop and thrive. Future growth and success require that Biovica continually works with the brand and strengthening the company's reputation as an attractive employer.

Biovica has operations in three countries, but most are employed in Sweden. At present, we have 35 employees, of which 13 are in the USA and 22 in Sweden. Of the total number of employees, 40 percent are women and 60 percent are men. Biovica strives to achieve and maintain an even gender balance at the company.

Over the last few years, employee turnover and absence due to illness have been at low, sustainable levels at Biovica. The results from our employee satisfaction surveys also indicate that our employees enjoy their work.

An attractive workplace

With that in mind, Biovica is focusing on the following areas: work environment, skills development, sustainability and self-leadership.

Biovica expects a lot from its employees and they, in turn, can expect a lot from Biovica. Over the last few years, Biovica has invested in benefits and incentives that provide employees with more security and higher quality of life. Biovica's employees have salary options for making higher pension provisions, subsidized fitness memberships, wellness programs and fun team-building activities.

SUSTAINABIITY EFFORTS

Biovica's sustainability efforts are based on the 17 UN Sustainable Development Goals. In total, Biovica has focused on five of these goals, which represent the areas where Biovica can contribute most and make a difference.

By offering DiviTumTKa, Biovica helps improve the health of women suffering from metastatic breast cancer. The vision is to improve the quality of life for cancer patients.

Biovica believes that all people have equal worth, regardless of, for example, their gender or ethnicity. These values govern both how the company recruits and interacts with employees and stakeholders alike.

As an employer, Biovica strives to provide a good work environment, with opportunities for development and market-based terms.

Biovica's innovative technology will help lower the reliance on other technologies that have a negative impact on both health and the environment. By replacing such technologies with monitoring of cancer treatments, Biovica helps reduce travel for patients, along with their exposure to radiation, which is beneficial to both health and the environment.

Biovica strives to minimize negative impact on the environment. Biovica does this by packaging efficiently and using as much environmentally-friendly and recyclable material as possible. Besides that, efficient packaging helps lower the environmental impact of transports. Furthermore, Biovica considers the environmental aspects of employee business trips. Unnecessary travel should be avoided and priority given to more environmentally friendly travel options whenever possible.

Biovica shares

Biovica's shares became listed on Nasdaq First North Growth Market Stockholm on 29 March 2017 and are included in the First North All-Share SEK index and the First North Health Care PI index. Since 4 March 2019, the company has been listed on Nasdaq First North Premier Growth Market. Since 4 March 2019, the company has been listed on Nasdaq First North Premier.

Biovica has two share classes: Class A shares (3 votes each) and Class B shares (1 vote each). Registered share capital is SEK 3,049,426.27 allocated across 45,741,394 shares of which 6,271,293 are Class A shares and 39,470,101 are Class B shares. The quotient value is SEK 0.07 per share.

Nasdaq First North and Certified Adviser

First North Growth Market is an alternative marketplace for Nordic growth companies that is designed primarily for small and medium-sized companies. It does not have the same legal status as a regulated market and the regulations are somewhat less extensive than those that apply to the stock exchange's larger marketplaces.

All companies whose shares are traded on First North Growth Market have a Certified Adviser who monitors that the company complies with First North Growth Market's regulations for providing information to the market and investors.

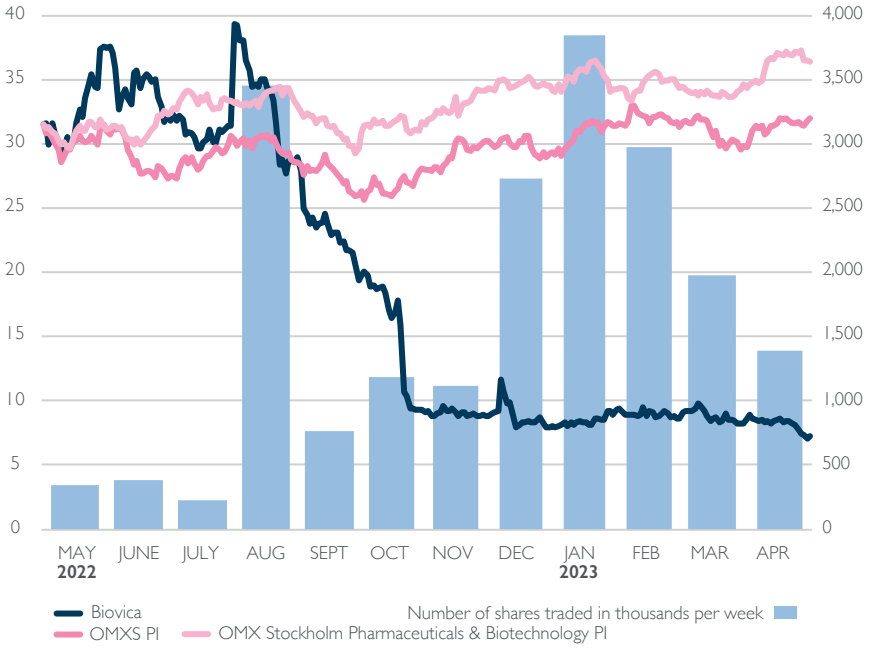
FNCA Sweden AB is the appointed Certified Adviser. Phone: +46 8 528 00 399,
E-mail: info@fnca.se

TRADING INFORMATION

Ticker symbol on Nasdaq First North Stockholm: BIOVIC B
ISIN code: SE0008613731
LEI code: 549300VADE1VRR555N78
The shares are registered by Euroclear Sweden AB.

SHARE PRICE GROWTH

During the financial year, the price of the Biovica share fell 77 percent, compared to OMX Stockholm PI, which rose by 2 percent during that same period. The highest closing price was SEK 39.28 on 1 August 2022 and the lowest closing price was SEK 7.10 on 27 April 2023.
On 28 April 2023, the listed price for shares in Biovica was SEK 7.24, corresponding to market capitalization of SEK 331 million.



THE TEN LARGEST OWNERS AS OF 30 APRIL 2023

Name	Number of class	Share of capital, %	Share of votes, %
Anders Rylander	5,137,714	11.23%	21.08%
Avanza Pension	3,422,983	7.48%	5.87%
Gunnar Rylander	2,085,225	4.56%	6.77%
Nordnet Pensionsförsäkring	1,178,631	2.58%	2.02%
Mattias Sesemann	782,000	1.71%	1.34%
Second Swedish National Pension Fund (AP2)	760,000	1.66%	1.30%
Henrik Osvald	739,714	1.62%	1.27%
Lars Holmqvist	659,436	1.44%	1.13%
Gunvald Berger	543,428	1.19%	0.93%
Mats Danielsson	533,845	1.17%	0.92%
	15,842,976	**34.64%**	**42.65%**
Other shareholders	29,898,418	65.36%	57.35%
Total number of shares	**45,741,394**	**100.00**	**100.00**

Source: Euroclear & Holdings

SHARE-RELATED INCENTIVE PROGRAMS

Biovica has seven ongoing incentive programs The table below provides an overview of the content of each program.

Program	To	Class B shares	Subscription price	Option price	Subscription period	Share capital increase	Number of class B shares
TO4	Board of Directors	155,568	18.8	0.94	25 March 2022 - 25 August 2023	10,371	155,568
TO6	employees	179,421	43.52	3.31	25 March 2022 - 25 August 2023	11,962	179,421
TO7	Board of Directors	207,424	43.52	3.31	25 March 2022 - 25 August 2023	13,828	207,424
TO8	employees	241,648	67.83	2.61	25 March 2023 - 25 August 2024	16,110	241,648
PO9	employees	134,825	67.83	-	25 March 2023 - 25 August 2024	8,988	134,825
TO10	Board of Directors	124,454	67.83	3.94	1 August 2025 - 30 September 2025	8,297	124,454
TO11	employees	248,908	54.61	NA	1 September 2025 - 30 September 2025	16,594	248,908
TO12	Board of Directors	165,939	54.61	NA	1 September 2026 - 30 September 2026	11,063	165,939
PO13:1	employees	62,227	54.61	-	1 September 2025 - 30 September 2025	4,148	62,227
PO13:2	employees	62,227	12.4	-	1 February 2026 - 28 February 2026	4,148	62,227
PA14:1	employees	20,742				1,383	20,742
PA14:2	employees	20,742				1,383	20,742
		1,624,125				**108,275**	**1,624,125**

GROWTH OF SHARE CAPITAL OVER TIME

The table below shows the historical growth of Biovica's share capital 2008 until the present time.

		Number of class				
Registration date	Event	Change	Total	Share capital (SEK)	Total	Quotient value
2022-12-15	New share issue	17,153,022	45,741,394	1,143,534.79	3,049,426.27	0.07
2022-08-23	Share subscription due to warrants	60,000	28,588,372	4,000.00	1,905,891.44	0.07
2022-07-15	Share subscription due to warrants	20,000	28,528,372	1,333.33	1,901,891.45	0.07
2022-06-29	Share subscription due to warrants	20,000	28,508,372	1,333.33	1,900,558.11	0.07
2022-04-14	Share subscription due to warrants	20,000	28,488,372	1,333.33	1,899,224.78	0.07
2021-10-01	Share subscription due to warrants	10,000	28,468,372	666.67	1,897,891.45	0.07
2021-09-22	Share subscription due to warrants	20,000	28,458,372	1,333.33	1,897,224.78	0.07
2021-08-18	Share subscription due to warrants	20,000	28,438,372	1,333.33	1,895,891.45	0.07
2021-01-28	Share subscription due to warrants	145,000	28,418,372	9,666.67	1,894,558.11	0.07
2020-08-25	New share issue	4,700,000	28,273,372	313,333.33	1,884,891.45	0.07
2019-05-07	New share issue	6,000,000	23,573,372	400,000.00	1,571,558.12	0.07
2017-04-06	New share issue	4,800,000	17,573,372	319,999.99	1,171,558.12	0.07
2016-07-29	New share issue	2,300,000	12,773,372	153,333.33	851,558.12	0.07
2016-07-29	New share issue	690,000	10,473,372	46,000.00	698,224.79	0.07
2016-07-29	New share issue	465,875	9,783,372	31,058.33	652,224.79	0.07
2016-05-24	New share issue	931,747	9,317,497	62,116.47	621,166.46	0.07
2016-04-28	Split 1:15	7,826,700	8,385,750	-	559,050.00	0.07
2016-04-19	New share issue	6,346	559,050	6,346.00	559,050.00	1.00
2016-01-12	New share issue	50,625	552,704	50,625.00	552,704.00	1.00
2015-06-08	New share issue	61,150	502,079	61,150.00	502,079.00	1.00
2015-05-15	Exchange of convertibles	54,080	440,929	54,080.00	440,929.00	1.00
2015-05-15	Decrease in share capital	-12,500	386,849	-12,500.00	386,849.00	1.00
2014-08-14	New share issue	82,893	399,349	82,893.00	399,349.00	1.00
2014-07-07	Decrease in share capital	-12,500	316,456	-12,500.00	316,456.00	1.00
2013-09-25	New share issue	45,987	328,956	45,987.00	328,956.00	1.00
2012-07-16	Decrease in share capital	-	282,969	-25,000.00	282,969.00	1.00
2012-07-16	New share issue	25,000	282,969	25,000.00	307,969.00	1.09
2012-07-05	Bonus issue	-	257,969	25,000.00	282,969.00	1.10
2012-07-05	Decrease in share capital	-25,000	257,969	-25,000.00	257,969.00	1.00
2011-06-01	New share issue	3,906	282,969	3,906.00	282,969.00	1.00
2011-06-01	New share issue	39,063	279,063	39,063.00	279,063.00	1.00
2010-06-09	New share issue	50,000	240,000	50,000.00	240,000.00	1.00
2009-11-06	New share issue	30,000	190,000	30,000.00	190,000.00	1.00
2009-02-24	New share issue	60,000	160,000	60,000.00	160,000.00	1.00
2009-02-24	Split 1:100	99,000	100,000	-	100,000.00	1.00
2008-12-29	New formation	1,000	1,000	100,000.00	100,000.00	100.00

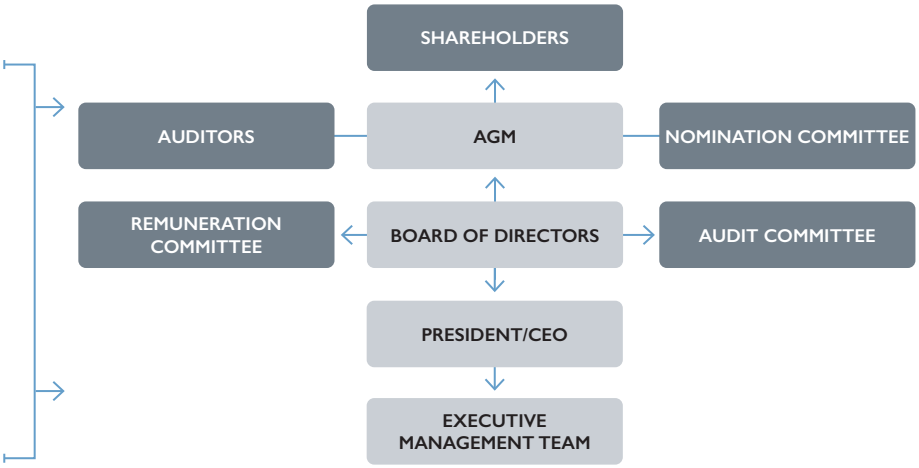
The initial target group for DiviTum®TKa is women with hormone receptor-positive metastatic breast cancer who are being treated with endocrine therapy. Each year in the USA alone, there are about 31,000 new patients for whom DiviTum®TKa could be part of their treatment monitoring.

Corporate governance report

STRUCTURE FOR CORPORATE GOVERNANCE

The external governance tools consist of: the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's regulations for issuers and the Swedish Corporate Governance Code.

The internal governance tools consist of: the Articles of Incorporation that have been adopted by the AGM, internal instructions and guidelines. Examples of the internal instructions and guidelines are the Board's rules of procedure and instructions to the CEO.



Good corporate governance is about ensuring that companies are managed in a way that is as efficient for shareholders as possible. Corporate governance at Biovica is based on Swedish Law, primarily the Swedish Companies Act, Annual Accounts Act and the Swedish Corporate Governance Code (the Code). Biovica stock is traded on Nasdaq First North Premier Growth Market and accordingly, Biovica complies with the applicable legislation, Nasdaq First North Nordic's rules and regulations and statements issued by the Swedish Securities Council on good practice in the Swedish securities market. During the 2022/2023 financial year, Biovica did not have any departures from the Code.

AGM

The AGM is Biovica's highest decision-making body. The Annual General Meeting is held each year within six months of the end of the financial year. The Annual General Meeting shall be held within six months after the end of the previous financial year in order to, among other things, present and adopt the statutory financial statements and reports, appropriate earnings and resolve to discharge the members of the Board from liability. All shareholders registered in the shareholders' register who have announced their intent to participate by the date specified in notice of the AGM are entitled to participate in the meeting and exercise their voting rights. A shareholder who would like to have a particular matter dealt with at the AGM must, well in advance of the AGM, submit their request to the AGM, using the address published on the company's website.

The Board of Directors may also, beyond the AGM, summon shareholders to extraordinary general meetings. Biovica's Articles of Incorporation do not contain any limitations on how many votes each shareholder may exercises at the AGM.

Resolutions at the 2022 AGM included:

- The following Board members were reelected: Lars Holmqvist, Maria Holmlund, Marie-Louise Fjällskog, Annika Carlsson Berg, Ulf Jungnelius, Henrik Osvald, Anders Rylander and Jesper Söderqvist. Lars Holmqvist was elected as the Chairman of the Board.
- Grant Thornton Sweden AB was re-elected as the company's auditor. Authorized Public Accountant, Stéphanie Ljungberg, will continue as the auditor-in-charge.
- Guidelines for remuneration to senior executives. The guidelines were unchanged from last year.
- Resolution on granting the Board of Directors the authority to issue new shares for a maximum amount equal to 20% of the current number of shares.
- Warrant scheme (TO11) for staff of 240,000 warrants.
- Warrant scheme (TO12) for members of the Board of Directors of 160,000 warrants.
- Stock options for staff in the USA (PO13:1 and PO13:2) of 120,000 options.
- Performance shares for staff in the USA (PA14:1 and PA14:2) of 40,000 shares

Resolutions at the extraordinary general meeting in November 2022 included:

- Rights issue of 17,153,022 Class B shares. The total increase of the Company's share capital amounts to SEK 1,143,534.80. The subscription price for the new Class B shares was SEK 8.65 per share, generating SEK 148,373,640.30 for the company prior to issue costs. More information is available in the prospectus, published on the company's website.

Resolutions at the extraordinary general meeting in May 2023 included:

- New stock options for staff in the USA (PO15) for a maximum amount of 168,000 stock options.
- New performance shares for staff in the USA (PA16) for a maximum amount of 56,000 performance shares.

Major shareholder

Anders Rylander is Biovica's largest shareholder with 11.23 % of the capital and 21.08% of the votes.

Nomination Committee

The Nomination Committee is responsible for submitting proposals on who should serve as chairman for general meetings of shareholders, candidates for Board members, including the Chairman of the Board, fees and other remuneration to each Board member, along with remuneration for committee work, as well as the election of, and remuneration to, external auditors.

For the period up until the 2023 AGM, the Nomination Committee consists of:

Anna Rylander Eklund, appointed by the Rylander family, Johan Wadell, appointed by Second Swedish National Pension Fund (AP2) and Lars Holmqvist, Chairman of the Board at Biovica.

No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request compensation from the company for reasonable costs that are necessary for the committee to carry out its assigned tasks. The mandate period for the Nomination Committee extends until a new Nomination Committee is announced. In conjunction with the Nomination Committee's work and for the purpose of own improvement efforts, the Board of Directors conducts an evaluation each year of its work and efficiency. The results of that evaluation are distributed to the Nomination Committee.

Composition of the Board of Directors

Biovica's Articles of Incorporation stipulate that the company must have at least three Board members and at most ten Board members. At the 2022 AGM, a total of eight Board members were appointed: three women and five men. Lars Holmqvist, Marie-Louise Fjällskog, Maria Holmlund, Annika Carlsson Berg, Ulf Jungnelius, Henrik Osvald, Anders Rylander and Jesper Söderqvist. Lars Holmqvist was elected as the new Chairman of the Board. The CEO is always a member of the Board of Directors and is always present at Board meetings. Anders Morén, CFO at Biovica serves as secretary for the Board of Directors.

All Board members (except for Anders Rylander) are independent in relation to the Company, its management and major shareholders. Biovica is thus in compliance with the requirements issued by Nasdaq Stockholm and with the Code as regards the independence of Board members.

The work done by the Board and Board evaluation

The Board has the ultimate responsibility for directing the company's operations between the Annual General Meetings. The Board makes decisions on issues relating to the company's strategic direction, financing, major investments, acquisitions, divestments, organizational issues, incentive principles and important policies. The work done by the Board is regulated by, among others, the Swedish Companies Act, the Articles of Incorporation, the rules of procedure that the Board has adopted and the Board's instructions to the CEO. The rules of procedure clarify each Board member's responsibilities, in particular the Chairman's, as well as allocation of responsibilities between the Board of Directors and CEO along with the CEO's authorities. Those authorities have also been clarified in more detail in the instructions to the CEO. The rules of procedure also state, at an overall level, the subject areas that the Board of Directors shall cover and work with during the year, along with how time should be allocated to the various components of their work.

The Board reviewed its rules of procedure during 2022, along with instructions to the CEO and reporting instructions. It also evaluated the work done by the CEO. During the year, the Board has had two committees: a Remuneration Committee consisting of Maria Holmlund, Chair, and Jesper Söderqvist; and an Audit Committee consisting of Henrik Osvald, Chair, and Lars Holmqvist. During the 2022/2023 financial year, the Board held 16 meetings where the minutes were taken.

Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for preparing matters and/or materials for decisions having to do with the following:

- Providing the Board with proposals on remuneration guidelines and other employment terms for the CEO and other senior executives (in accordance with the rules stipulated in the Swedish Companies Act). This occurs at the first ordinary Board meeting of the financial year. This includes policies on such things as salary, benefits and other employment terms for Biovica's senior executives. Examples are policies on bonus and incentive programs for the short and long term, pensions, basic salary and other employment terms.
- The Committee also makes a proposal for the CEO's salary and other benefits.

Responsibilities of the Audit Committee

The Audit Committee is responsible for monitoring corporate governance issues and how they are applied. It reviews the company's risk management routines, as well as its management and control of the financial reporting.

By maintaining a continuous dialog with the company's auditors and the accounting/finance function, the Committee shall ensure that external auditors fulfill the stipulated requirements and that there are relevant policies and governing documents in place. They also discuss with auditors the scope and focus of audit work.

Each year, the Audit Committee updates itself on the audit plan. The Audit Committee evaluates the audit work and approves any additional services that the company has engaged from the external auditors. The Committee also assists the Nomination Committee by making a proposal for the company's selected auditor, along with the fees for that work.

The Chair of the Audit Committee is responsible for keeping the entire Board continuously informed about the Committee's work and, as needed, referring any matters to the Board for a decision.

Although the Audit Committee is able to have in-depth discussions with the company's auditors, this does not replace the meetings that the auditors otherwise have with the entire Board of Directors. Such meetings take place at least once per year, typically in conjunction with the annual report.

CEO and Group management

The CEO is responsible for the ongoing administration and running of the compa-

BOARD MEMBERS AND THEIR INDEPENDENCE

Name	Position	Elected	Independent in relation to the company and Group management	Independent in relation to major shareholder	Attendance Board meetings	Attendance committee meetings
Lars Holmqvist	Chairman	2019	Yes	Yes	16/16	9/9
Annika Carlsson Berg	Board member	2021	Yes	Yes	15/16	
Marie-Louise Fjällskog	Board member	2020	Yes	Yes	16/16	
Maria Holmlund	Board member	2016	Yes	Yes	16/16	6/6
Ulf Jungnelius	Board member	2014	Yes	Yes	14/16	
Jesper Söderqvist	Board member	2013	Yes	Yes	15/16	6/6
Henrik Osvald	Board member	2019	Yes	Yes	16/16	9/9
Anders Rylander	Board member, CEO	2010	No	No	16/16	

BOARD CALENDAR

Q1 MAY–JULY	Q2 AUGUST–OCTOBER	Q3 NOVEMBER–JANUARY	Q4 FEBRUARY–APRIL
• Board report/CEO evaluation	• Strategy meeting • Annual General Meeting (AGM) • Meeting following election	• Policies	• Budget
• Year-end report • Annual report	• Annual General Meeting (AGM) • Q1 Interim report	• Q2 Interim report	• Q3 Interim report

ny's business. Allocation of work between the Board and the CEO is detailed in the company's rules of procedure for the Board and instructions to the CEO. The CEO keeps the Board continuously informed about the company's operations, performance and financial position through, among others, monthly reports. The CEO is also responsible for preparing reports and compiling information for Board meetings, along with presenting that information at Board meetings.

Anders Rylander is the President and CEO of Biovica and the other members of the management team are: Anders Morén, CFO; Tomas Andersson, VP Operations; Joakim Arwidson, VP Regulatory and QA; Hanna Ritzén, VP R&D; Warren Cresswell, President Americas; Helle Fisker, VP Commercial and Marketing; and Henrik Winther, SVP Business Development.

Remuneration and employment terms

Board of Directors

At the AGM on 31 August 2022, it was resolved that a fee of SEK 200,000 would be paid to each member of the Board who is not an employee of the company and that the fee paid to the Chairman of the Board would be SEK 450,000. An additional SEK 50,000 shall be paid to the Chairman of each committee and SEK 25,000 to each committee member.
For the 2022/2023 financial year, remuneration to the Board of Directors totaled SEK 1,810,000.

CEO and Group management

Biovica shall offer a market-competitive total compensation package such that it is possible to recruit and retain talent for its executive management team. Compensation shall consist of fixed salary, performance-based remuneration, share savings programs, pension and other remuneration. Together, it comprises an individual's total compensation package.

Fixed salary, which is reviewed each year, shall reflect the individual's areas of responsibility and experience. Performance-based remuneration is based on the individual achieving certain qualitative and quantitative targets. For senior executives, the variable portion of compensation may not exceed 50 percent of fixed salary.

The Board of Directors decides on the remuneration policy for the CEO and Group management team. The policy in place as of the date of this annual report has been designed in accordance with the guidelines for remuneration to the CEO and Group management that were adopted by the AGM. Individual remuneration to the CEO is proposed by the Remuneration Committee and approved by the Board of Directors. For other members of the Group management team, individual remuneration is proposed by the CEO and approved by the Board.

Details on the total remuneration and other remuneration that has been granted, directly or indirectly, by the Company to its senior executives is provided in Note 10.

Auditors

The company's auditor is appointed at the AGM. During the year, the auditor meets with the Board of Directors at various times to present their findings based on the audit of the financial statements and internal controls. For the 2022/2023 financial year, Grant Thornton Sweden AB was appointed as the company's auditor, with Stéphanie Ljungberg as the auditor-in-charge. The company's auditor met with the Audit Committee/Board of Directors on four occasions to present the findings and conclusions from their audits.

Internal control and risk management

The Board of Directors is responsible for internal control at Biovica. For financial reporting, internal control and risk management is a process that has been designed by the Board aimed at providing them, management and others within the organization with reasonable assurance about the reliability of external financial reporting and that it has been prepared in accordance with generally accepted accounting principles, applicable laws & regulations and the requirements for listed companies.

Control environment

The internal control environment is based on allocation of responsibilities and authorities among the members of the Board of Directors, Board committees, the CEO and other senior executives. The most important components of Biovica's control environment are documented in the rules of procedure for the Board, instructions to the CEO, policies and other governance documents.

Control activities

Appropriate control activities are a prerequisite for managing the significant risks associated with internal control. In order to safeguard its internal control, Biovica has both automated, system-based controls and manual controls, such as reconciliations and physical inventory counts. Financial analyses of the company's results, along with follow-up on plans and forecasts, supplement the controls and provide an overall confirmation of the quality of reporting. This is monitored continuously throughout the year via reports to the Board and at both Audit Committee meetings and Board meetings.

Internal audit

Biovica has set up a governance and internal control system and activities are carried out at various levels of the company regularly to ensure compliance. Based on that, the Board has assessed that, at the present time, there is no need for setting up a special audit function. The Board reconsiders this decision each year.

Information and communication

The company's governing documents in the form of policies, guidelines and manuals on both internal and external communication are regularly updated and communicated via such things as meetings and other relevant company-internal channels. Biovica's information policy governs communication with external partners, which specifies the guidelines on how information is made public. The aim of the policy is to ensure that the company fully and completely fulfills its information obligations in accordance with the applicable laws and regulations.

Board of Directors

Biovica's Board of Directors consists of eight ordinary members elected by the AGM, including the Chairman of the Board, who have been elected for the period until the next Annual General Meeting.

	LARS HOLMQVIST	ANNIKA CARLSSON BERG	MARIE-LOUISE FJÄLLSKOG, MD, PhD	MARIA HOLMLUND
Born	1959	1963	1964	1956
Ordinary member	Chairman of the Board since 2019 and member of the Audit Committee since 2020	Board member since 2021	Board member since 2020	Board member since 2016 and Chairman of the Remuneration Committee since 2020
Citizenship	Swedish	Swedish	Swedish	Swedish
Education/background	MBA Mid Sweden University Previously Senior Advisor for healthcare at Bain Capital. Senior management roles at various pharmaceutical and medtech companies, including Agilent, Dako, Applied Biosystems Inc. and Medtronic Europe Sarl.	Annika Carlsson Berg has more than 35 years of experience in the pharmaceutical, biotech, Life Sciences and diagnostics industry, of which, 24 years have been in executive positions. Annika is currently the Chief Quality Officer at Vectura Fertin Pharma. Her prior positions were Global Vice President of Quality Assurance & Regulatory Affairs, at the Division of Immunodiagnostics at Thermo Fisher Scientific, Global Vice President of Quality Assurance, Regulatory Affairs and Medical Affairs at Agilent Technologies, Global Vice President of QA/RA at GE Healthcare and Section Manager at Pfizer. Annika is an analytical chemist and she holds a licentiate's degree in analytical chemistry.	Marie-Louise is an MD (specialist in oncology), having received her degree in medicine from Uppsala University, where she also defended her thesis in 2002 and became Associate Professor of Oncology in 2008. Marie-Louise has more than 25 years of experience in clinical oncology, translational research, and drug development. She is currently the Chief Medical Officer at Faron Pharmaceuticals. Her prior experience includes: CMO at Sensei Biotherapeutics in Boston, USA, Global Clinical Program Leader at Novartis Institute for Biomedical Research (NIBR), where she worked with Translational Clinical Oncology (TCO) and had global responsibility for the development of targeted therapies for CDK4/6, BCL-2, and immunotherapy (CSF-1, PD-1 and CD73). She was also Vice President (VP) Clinical Development at Merus and Infinity Pharmaceuticals, Cambridge, USA.	B.A. in chemistry and biology from Uppsala University and Gothenburg University. M.Sc. from University of North Carolina. More than 30 years of experience working in the field of Life Science and diagnostics. Senior positions in marketing at several major international diagnostic companies.
Current assignments	Board member at: Lundbeck Fonden A/S, H Lundbeck A/S, ALK-Abelló A/S,Life Healthcare Group Holdings Limited and Vitrolife AB.	Board member at ACB Diagnostics AB.	Chief Medical Officer at Faron Pharmaceuticals. Board member at Lytix Biopharma AS.	Board member at Prolight Diagnostics AB (publ).
Holding in the company	Directly and indirectly 659,436 Class B shares, 50,000 TO4 and 50,000 TO7	25,000 TO7 and 25,000 TO10	25,000 TO7 and 25,000 TO10	15,600 Class B shares, 25,000 TO4, 25,000 TO7. 25,000 TO10
Independent in relation to the Company, its management and major shareholders.	Yes	Yes	Yes	Yes

	ULF JUNGNELIUS, MD	**HENRIK OSVALD**	**ANDERS RYLANDER**	**JESPER SÖDERQVIST,** PhD
Born	1951	1959	1970	1966
Ordinary member	Board member since 2014	Board member since 2019 and Chairman of the Audit Committee since 2020	Board member since 2010	Chairman of the Board since 2013 and member of the Remuneration Committee since 2020
Citizenship	Swedish	Swedish	Swedish	Swedish
Education/background	Oncology Specialist with diploma from Karolinska Institute, along with clinical experience from Radiumhemmet in Stockholm. Dr. Jungnelius has extensive experience in international clinical research & development in the field of oncology. He has held executive positions at several international companies such as Eli Lilly, Pfizer, Takeda and Celgene.	Henrik is CEO at Primas Invest AB and has a portfolio of investments in, for example, the life science sector. He has experience as an entrepreneur and CEO working with distribution and retail. He has also successfully built up major international operations.	M.Sc. in mechanical engineering with focus on industrial economics from KTH Royal Institute of Technology. Previously Senior Manager at Accenture, CTO for ICA AB and founder of Axholmen (consultancy firm).	M.Sc.Eng. from KTH Royal Institute of Technology. Ph.D. in Physics from KTH Royal Institute of Technology and CERN. He has previously held the positions of CEO and Board member at Arcoma, Vice President for Elekta AB's neuroscience division, General Manager for mammography at Philips Healthcare and CEO at Sectra Mamea.
Current assignments	Chairman of the Board at Ryvu Therapeuticas S.A. and Oncopeptides AB.	Henrik is CEO and a member of the Board of Directors at Primas Invest AB.	Board member at Arinvest AB and Anders Rylander Investment AB.	Jesper Söderqvist is CEO of Boule Diagnostics AB, as well as Board member and CEO of Dekatria AB.
Holding in the company	25,000 TO4, 25,000 TO7, 25,000 TO10	Directly and indirectly 739,714 Class B shares, 25,000 TO4 and 25,000 TO7	Directly and indirectly 3,575,640 Class A shares and 1,562,074 Class B shares, 20,000 TO6 and 50,000 TO8	directly and indirectly 41,085 Class A shares and 61,120 Class B shares, 25,000 TO4, 25,000 TO7 and 25,000 TO10
Independent in relation to the Company, its management and major shareholders.	Yes	Yes	Anders Rylander is (via companies and related parties) Biovica's largest shareholder.	Yes

Senior executives

Biovica's executive management team consists of the President/CEO and six additional senior executives. There are five men and two women on the executive management team.

	ANDERS RYLANDER	ANDERS MORÉN	TOMAS ANDERSSON	JOAKIM ARWIDSON
Born	1970	1965	1960	1968
Position	CEO since 2011	CFO since 2023	VP Operations since 2020	VP RA / QA since 2021
Citizenship	Swedish	Swedish	Swedish	Swedish
Education/ background	M.Sc. in mechanical engineering with focus on industrial economics from KTH Royal Institute of Technology. Previously Senior Manager at Accenture, CTO for ICA AB and founder of Axholmen (consultancy firm).	MBA from Uppsala University. Anders has extensive experience as the head of accounting and finance departments at global Life Science and pharmaceutical companies, including Baxter, Roche and Merck and Co Inc. Before joining Biovica, Anders was the Executive Director Finance EMEA Region 1, Australia and Israel at Gilead Sciences.	Tomas has a university degree in medical laboratory technology and more then 30 years of experience in the Life Sciences field, working with everything from production and logistics, to process development, introduction of new products and quality control. He has been employed in leading positions at Biacore, GE Healthcare and Doxa over the last 20 years. Before Tomas joined Biovica, he was Head of Supply Chain at Olink Proteomics, a company that works with human protein biomarker discovery. For five years in a row, it achieved growth in the range of 50-100 percent by introducing two to three new products per year.	Joakim has a bachelor's degree in computer and electrical engineering from the Institute of Technology at Linköping University (LiTH). He has more than 25 years of experience in QA/RA experience in the Life Sciences field working with development, production, market introduction and market follow-up in North America, Europe and Asia. He has worked specifically with bone densitometry, fluoroscopy and C-frames. During the last ten years, he has held the position of VP Quality and Regulatory at Hermes Medical Solutions, a molecular imaging company that focuses on applications used in oncology and theranostics.
Current assignments	Board member at Arinvest AB and Anders Rylander Investment AB.	Board member at Moréns Ekonomi och Skogsservice AB.	–	–
Holding in the company	Indirectly 3,575,640 Class A shares, 1,562,074 Class B shares, 20,000 TO6 and 50,000 TO8 Anders Rylander is (via companies and related parties) Biovica's largest shareholder.	23,000 Class B shares	20,000 TO6 and 20,000 TO8	880 Class B shares, 20,000 TO8

	HANNA RITZÉN	WARREN CRESSWELL	HELLE FISKER	HENRIK WINTHER
Born	1979	1968	1969	1966
Position	VP R&D since 2022	President Americas since 2021	VP Commercial and Marketing since 2021	SVP Business Development since 2020
Citizenship	Swedish	American	Swedish	Swedish
Education/ background	Hanna has a B.A. in Engineering, focus on chemistry and biotechnology, from Uppsala University. She has 20 years of experience working in the field of Life Science in various R&D management roles, focusing on methodology and product development that supports academia, pharmaceutical companies, contract research organizations and clinical diagnostic companies. She has worked as an expert in measurement quality and participated in many international standardization and harmonization programs. For R&D, she has actively participated and been responsible for many product development programs and the launch of RUO and IVD products. Hanna has also implemented many innovation, product development, customer support and CAPA processes. Before joining Biovica, Hanna worked as Managing Director, Research and Development at Mercodia AB, responsible for strategy, business and organizational development and at Bioanalytisk Serviceverksamhet.	MBA from University of Pittsburgh and BA in Chemistry California State University, Northridge. Warren has more than 25 years of experience in the diagnostics industry. He has previously held the positions of CEO at Prometheus Labs, CEO at Microbiome Diagnostic Partners and VP of the Asia Pacific Business Unit at Dako.	Helle has an MSc Eng in Biotechnology from the Technical University of Denmark (DTU) specializing in immunology and an Executive MBA from Copenhagen Business School. During the last 20 years, she has held a variety of sales and marketing positions at oncology and cancer diagnostic companies and was influential in implementing several global product launches and commercial strategies for such companies as GSK, Dako (now Agilent) and Leica Biosystems, as well as introducing new products in the European markets for small and medium-sized companies, examples of which are ViroGates and Visiopharm. Before joining Biovica, Helle worked as a strategy and marketing consultant on assignments for such clients as Sysmex, Diaceutics, Tieto and Pathcore, working with advanced nuclear, genetic and digital cancer diagnostics and oncology.	Henrik was Associate Professor in Anatomy, Physiology and Cell Biology at University of Copenhagen prior to taking employment at the diagnostics company, Dako, which was later acquired by Agilent. Henrik held several executive management positions at Dako. He was the R&D Director prior to taking over as Business Area Manager for Companion Diagnostics. Under his management, the business area experienced tenfold growth in both revenue and number of employees. At Agilent, Henrik was appointed Vice President and General Manager of the Companion Diagnostics Division. Prior to joining Biovica, Henrik worked at SVP Business Development at the Swedish diagnostics company, Immunovia.
Current assignments	–	Board member at Demeter Sciences.	Board member at Qlucore AB.	–
Holding in the company	3,100 Class B shares	100,000 stock options	18,700 Class B shares, 20,000 TO8	32,000 Class B shares, 20,000 TO6

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Biovica Internatonal AB (publ), corporate identity number 556774–6150.

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the year the financial year 2022-05-01 – 2023-04-30 on pages 29-35 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 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.

Opinion
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.

Uppsala June 30th 2023

Grant Thornton Sweden AB

Stéphanie Ljungberg
Authorized Public Accountant

Directors' report

2022-05-01—2023-04-30

The Board of Directors and CEO of Biovica International AB (publ), Biovica, CIN 556774-6150, hereby present the annual report and consolidated financial statements for the financial year 1 May 2022 through 30 April 2023. The annual report will be put forth for adoption at the AGM on 5 September 2023. Biovica's class B shares are traded on Nasdaq First North Premier Growth Market. The ticker symbol is BIOVIC. The company's head office is located in Uppsala, Sweden. The annual report has been prepared in SEK and in accordance with International Financial Reporting Standards (IFRS) that have been adopted by the EU.

General information about the business

Biovica International AB is the Parent Company of a Group that was established in 2009, with the goal of developing and producing a biomarker assay that measures cell proliferation for the benefit of cancer patients and healthcare providers. The Group's head office is in Uppsala, Sweden and it also has an office in San Diego for business in the USA.

Vision and mission

Biovica's vision is to improve the lives of cancer patients by transforming how cancer treatment is monitored by offering innovative biomarker assays.

Financial targets

Within three years of the launch of DiviTum® TKa, Biovica's goal is to have achieved a sales share of 15 percent of the total market potential wherever the assay has been launched. The total market potential for the USA, Europe and Japan is estimated at USD 400-700 million per year. Launch occurred in the US market during Q1 2023. At the end of March 2023, and agreement was signed for launch in Poland and the Netherlands, and in April, an agreement was signed for launch in Italy. After that, further geographic expansion will occur in Europe and the Japanese market.
Over the next ten years, Biovica's goal is to claim 50 percent of the potential in the markets where DiviTumTKa is launched.

Significant events during the 2022/2023 financial year

Biovica received FDA approval for DiviTum TKa

On 30 July 2022, the FDA granted 510(k) clearance for DiviTum TKa as a tool for monitoring disease progression in post-menopausal women with hormone receptor-positive metastatic breast cancer. DiviTum TKa is the first FDA approved biomarker in this area. Clearance for DiviTum TKa was granted on the basis of clinical data from the SWOG study (S0226), along with a clinical validation study that was based on the SWOG study. In the clinical validation study, DiviTum TKa demonstrated excellent capabilities to identify non progressors with high negative predictive values, NPV, of 96.7% for progression within 30 days and 93.5% for progression within 60 days. It means that 96.7% of patients with DiviTum TKa measurements below the assay clinical cut-off, did not experience disease progression within the next 30 days.

Extraordinary General Meeting 2022

An extraordinary general meeting was held on 7 November 2022, where the resolution on a rights issue of SEK 148 million was approved. The purpose of the rights issue was to finance the initial launch of DiviTum TKa in the USA and Europe following the FDA 510(k) approval received in July 2022 for the treatment monitoring of metastatic breast cancer.

Resolution on rights issue at EGM

The extra general meeting resolved to approve the Board of Directors' resolution from 18 October 2022 on a rights issue of a maximum of 17,153,022 B shares. The total increase of the Company's share capital amounts to SEK 1,143,534.80. The subscription price for the new Class B shares was SEK 8.65 per share, generating SEK 148,373,640.30 for the company prior to issue costs.

More information is available in the prospectus, published on the company's website.

DiviTum TKa results from MA38 study presented at SABCS

"These results support *the use of DiviTum TKa as a tool to stratify metastatic breast cancer patients when initiating therapy and to identify patients with the best pre-requisites for improved survival during CDK4/6* inhibitor treatment," says Dr. Amelia McCartney, BSc, BA (Hons), MBBS, FRACP, first author and medical oncologist at Monash Health, Melbourne, Australia.

About the MA38 study

The study called MA38 was conducted by the Canadian Cancer Trials Group (CCTG) and investigated two different dosing schedules of the CDK4/6 inhibitor treatment palbociclib. Thymidine Kinase activity (TKa), as measured by the DiviTum TKa assay, was used as a predictive biomarker to identify patients with a long duration on treatment and an extended overall survival in women with previously diagnosed HR-positive metastatic breast cancer (MBC).

DiviTum TKa featured in TK IMPACT study at SABCS

The TK IMPACT study, using the DiviTum TKa blood test were presented as a poster at the world's largest breast cancer symposium, SABCS, on 8 December 2022.

About the TK IMPACT study

TK IMPACT is an ongoing prospective, single arm trial that assesses the impact of "real-time" DiviTum TKa test measurements on a physician's decision about changing usage and/or timing of other routine monitoring tests such as CT scans and other imaging modalities. The study includes patients with advanced HR-positive, HER2-negative metastatic breast cancer receiving endocrine therapy and a CDK4/6 inhibitor.

Biovica established experienced US sales team

Biovica is growing its US organization to facilitate launch of its blood-based biomarker assay, DiviTum TKa, which was recently cleared by the FDA. Biovica plans to launch DiviTum TKa on the US market through its fully owned CLIA laboratory in San Diego.

The team consists of the following:

- Four specialty sales representatives have been hired to pursue engagement with health care professionals in face-to-face meetings and educate them on is used TKa's strong clinical data. Their expertise will simplify ordering and samples collection logistics. They will help minimize patient out-of-pocket expense through direct billing and financial assistance programs.
- In addition to the specialty sales representatives, Biovica has hired two Market Access Directors who will leverage their relationships with hospitals to set up direct billing contracts. They will also partner with Integrated Delivery Networks (IDNs) and pursue inclusion into care pathways. These market access directors will have a regional payer focus.
- A Head of Managed Care and Head of Revenue Cycle have also been hired, both of whom will assist the team with their efforts and implementation.

Successful outcome for the rights issue

The final result of the rights issue is that 10,951,361 Class B shares were subscribed for, corresponding to approximately 63.8 percent of the rights issue, with and without subscription rights. Approximately 36.2 percent of the rights issue has thus been allocated to the parties who entered into guarantee undertakings, whereby the rights issue is subscribed at 100 percent. Biovica will receive proceeds amounting to approximately SEK 148 million before deduction of costs attributable to the rights issue.

Anders Morén appointed CFO

Anders Morén has been appointed as the Chief Financial Officer (CFO). He will take over the position as of 1 January 2023. Anders Morén has extensive experience from the pharmaceutical industry and most recently, he worked for the global pharmaceutical company, Gilead, where he was responsible for the finance function of Mid-Sized Markets in EMEA (Europe, Middle East and Africa), Australia and Israel.

Clinical validation data on DiviTum® TKa published in Biomarkers

An analysis of the results from the SWOG S0226 were presented in the scientific journal, Biomarkers. The results of the clinical validation of DiviTum TKa support its use for monitoring patients with metastatic breast cancer and this served as the foundation for obtaining FDA approval. Among the patient samples tested, DiviTum TKa test values below the pre-specified cut-off, both before and during treatment, predicted low likelihood of disease progression, also known as Negative Predictive Value (NPV), with very high accuracy and precision The NPV for disease progression within 30 days of the DiviTum TKa test was 96.7% and for 60 days it was DiviTum® TKa 93.5%. It means that 96.7% of patients with DiviTum TKa measurements below the assay clinical cut-off, did not experience disease progression within the next 30 days. A high NPV reveals that it is unlikely for a woman to progress in the disease, indicating that the current treatment is effective.

A low TKa value at first follow up (approx. 8 weeks into treatment) indicated longer time to progression compared to high TKa values; 17.5 vs. 7.7 months with corresponding numbers for overall survival being 56.6 vs. 27.4 months.

The investigators concluded that low serum DiviTum TKa levels can identify patients who will do well for a long time as well as patients who can forego ancillary treatment (i.e. treatment in addition to standard endocrine treatment). The combined effect of avoiding ancillary treatments with a possible reduction of inconvenient and costly serial imaging, should improve the quality of life for patients.

Biovica obtains CLIA certification

Biovica's laboratory in San Diego has obtained CLIA certification on 8 February 2023, which means that the company can start its commercial sales of the newly approved FDA assay, DiviTum TKa, in the USA. The Clinical Laboratory Improvement Amendment (CLIA) is run by the Centers for Medicare & Medicaid Services (CMS), which regulates laboratories performing tests and diagnostics on human samples so ensure that they meet the requirements on accuracy, reliability, and reporting of patient test results. Biovica obtained certification for its laboratory from the California Department of Public Health.

Biovica signed a commercial partnership agreement for the use of DiviTum TKa in the Netherlands and Poland

On 28 March 2023, Biovica signed its first partnership agreement with the European distributor, TOROMEDICAL Group for commercialization of DiviTum® TKa for clinical use in the Netherlands and Poland. In the Netherlands, approximately 7,000 women are diagnosed with metastatic breast cancer each year. In Poland, the corresponding figure is approximately 8,000 women..

Biovica signs a commercial partnership agreement for the use of DiviTum TKa in Italy

On 4 April 2023, Biovica signed its second partnership agreement with the Italian company, IT Health Fusion, for commercialization of DiviTum® TKa in Italy. In Italy, approximately 17,000 women are diagnosed with metastatic breast cancer each year. IT Health Fusion, a subsidiary of BIOVIIIx, will be leading the Italian market introduction of DiviTum TKa. Focus will initially be on private insurance and direct payments from customers (out-of-pocket), which together comprise approximately 40 percent of the Italian market.

Significant events after the end of the period

Extraordinary General Meeting in May 2023

Decision to issue new stock options (for a maximum amount of 168,000 stock options) and performance share program (for a maximum amount of 56,000 performance shares) for employees in the USA.

Biovica signs first commercial agreement in the USA

On 17 May 2023, Biovica's laboratory in the USA and our subsidiary in the USA, Biovica Inc., signed an agreement with MediNcrease Health, which is a nationwide U.S. supplier network and professional association. It makes DiviTum TKa available and reimbursable to more than 15 million people with insurance coverage through MediNcrease's clients and payers.

DiviTum TKA results presented at ASCO

The results support the use of DiviTum TKa as a unique biomarker assay that provides important information about patients with hormone receptor (HR)-positive metastatic breast cancer

Biovica signs its second commercial agreement in the USA

This commercialization agreement will make DiviTum® TKa available to customers and members affiliated with Contigo Heallth.

Financial performance of the Group

Profit (loss)

Net sales for 2022/2023 amounted to SEK 3,383 (2,045) thousand, which corresponds to an increase of 65% compared to the previous year. Sales are solely to customers in the research market, where we have noticed that there is a sharply increasing interest in using DiviTum TKa in the pharmaceutical industry as a biomarker for developing new cancer drugs. The company reported a loss for the year of SEK -110,492 (-60,003) thousand. The net loss for the year exceeds that of the previous year due to higher costs associated with growing the size of the organization and commercialization activities, primarily in the USA. Launch in the USA is progressing as planned. Other external costs and employee benefit expenses increased by SEK 47,335 (16,799) thousand compared to last year and for the 2022/2023 financial year amounted to SEK 106,684 (59,349) thousand. The results for the year are lower than the budget that was presented for the 2022/2023 financial year. This is attributable to the delay in the FDA's review of our 510(k) application, causing us to delay growth of the organization in the USA.

R&D work

R&D work has progressed according to plan. The capitalized costs for R&D work during the year amounted to SEK 1,573 (2,992) thousand, which corresponds to 1 (5) percent of the Group's total operating expenses. Capitalized expenditure pertains to the expenditure for development of the latest version of DiviTum® TKa. Final development of the assay was completed during the year. This version will initially be offered as a research product, primarily to the pharmaceutical industry, see Note 13.

Cash flow

Cash flow from operating activities was SEK -94,640 (-52,220) thousand and total cash flow for the year was SEK 24,589 (-55,659) thousand. Cash flow for the year is in line with what has been budgeted.

Investments

The acquisition of intangible assets for the year amounted to SEK 1,573 (2,992) thousand, of which 100 percent was capitalized both this year and last year. Capitalized development expenditure primarily consists of personnel expenses associated with development of the biomarker assay that monitors cell proliferation by measuring thymidine kinase (TK) activity, This is in line with plan. Please also see the comments above, in the section *R&D work.* Property, plant and equipment was acquired during the year (in the form of equipment) for SEK 1,206 (406) thousand. These investments primarily pertain to purchases associated with research and development, along with expansion of our premises in Uppsala, as well as equipment for our CLIA laboratory in the USA.

The right-of-use assets amount to SEK 9,875 (13,005). See Note 16 for more details.

Financial position

The closing amount for cash & cash equivalents on 30 April 2023 was SEK 114,327 (89,792) thousand. The company's senior executives and Board of Directors have thus concluded that there is adequate working capital to cover the company's need, according to the adopted budget up until March 2024. The necessary funding for continued operations over the next 12 months has thus not been secured. The Board has a plan for securing the company's financing that includes various alternatives, such as a new issue. The various alternatives are being evaluated to arrive at the most attractive solution from the perspective of both the company and its shareholders. The Board and management have concluded that there are good options for obtaining the necessary capital during fall 2023.

Equity at the end of the period was SEK 138,636 (124,088) thousand and the equity ratio was 80 (82) percent. No dividends have been proposed for the 2022/2023 financial year.

Parent Company

The figures reported for the Parent Company are essentially the same as those reported for the Group in terms of sales, which, for the Parent Company also include intra-Group sales to the U.S. subsidiary, Biovica Inc. The Parent Company's balance sheet total was SEK 158,305 (137,255). Other comments for the Group thus also apply to the Parent Company.

Subsidiary

Operations were run on a smaller scale in the US company Biovica Inc. up until December 2022, at which time Biovica Inc. set up its first sales team in the USA to launch DiviTum TKa in the US market. They have since been working to launch the product in the USA.

The work of the Board

At the 2022 AGM, a total of eight Board members were elected: Lars Holmqvist, Annika Carlsson Berg, Marie-Louise Fjällskog, Maria Holmlund, Ulf Jungnelius, Henrik Osvald, Anders Rylander, Annika Carlsson Berg and Jesper Söderqvist. Lars Holmqvist was elected as the new Chairman of the Board. During the year, the Board held 16 meetings and it also set up two committees. Biovica thus now has a Remuneration Committee and an Audit Committee. The Board dealt with such matters as financing and financial reporting. The Board is responsible for the company's organization and administration, along with continuously assessing the company's financial situation. The Board has adopted a written rules of procedure document which regulates such things as Board meetings, matters to be submitted to the Board, financial reports and instructions to the CEO.

Corporate governance report

The corporate governance report is prepared separately and presented on pages 29-35 of the printed version of the annual report.

Employees

The average number of employees is 31 (25) of which 14 (12) women.

Sustainability

See the separate section on Biovica's sustainability work on page 25 of the printed version of the annual report.

Share and share capital

The company has both Class A shares (each worth 3 votes) and Class B shares (each worth 1 vote). The company has registered share capital of SEK 3,049,426.27 allocated between 6,271,293 Class A shares and 39,470,101 Class B shares. The quotient value is SEK 0.07 per share. During the year, (5,000) 266,567 Class A shares were converted to Class B shares in accordance with what has been stipulated in the Articles of Incorporation. This may occur at the end of each quarter until there are no longer any Class A shares registered.

During the year, subscription of 100,000 Class B shares occurred through the warrant scheme, TO5.

At the 2022 AGM, it was decided to implement four new incentive programs. TO11, TO 12, PO13:1-2 and PA14:1-2. More information is available in Note 23.

A table showing share capital performance is presented on page 27.

Major shareholders
Anders Rylander, CEO and member of Biovica's Board of Directors owns approximately 11% of Biovica's shares, which corresponds to approximately 21% of the votes in the Biovica.

Related party transactions
During the year, the company, represented by parties related to the main owner and board member, Anders Rylander, leased office facilities to the Parent Company. The total fee for rent paid was SEK 230 (223) thousand.

Expected future development
Biovica's business plan aims to launch DiviTum TKa in the clinical market for monitoring metastatic breast cancer. The first market launch of DiviTum TKa occurred during March-April 2023 and the initial feedback from leading oncologists has been very positive. The decision to own and run its own CLIA laboratory in San Diego enables Biovica to more effectively develop the sales and reimbursement process for DiviTum TKa. It gives Biovica more control over the pricing, to ensure that it reflects the value and benefits to payers, doctors and patients, thereby facilitating better margins in the US market.

Launch of DiviTum TKa in Europe occurred during the same period via partners in the Netherlands, Poland and Italy. Agreements for commercialization of DiviTum TKa in selected markets in Europe will be negotiated during the remainder of 2023 and the following year.

Biovica currently has around a dozen service agreements with companies in the global pharmaceutical industry, where Biovica provides analysis services for research purposes and clinical trials. We have noticed that there is great interest from the global pharmaceutical industry for the use of DiviTum TKa as a biomarker for measuring cell proliferation and response to treatment. Our assessment is that this market has great potential for future growth.

Significant risks and uncertainties
In general, the Group's risks can be grouped into two categories, which are operational risks related to business activities and risks related to financing activities. The Board is responsible for ensuring that the Group manages its risks in the right way and that there is compliance with the established principles for financial reporting and internal control.

In Note 3 of this annual report, Biovica lists the company's main financial risks and explains which measures are in place to mitigate those risks. A summary of other business risks is presented below.

Regulatory risk
Having obtained FDA 510k Clearance for DiviTum TKa in July 2022 and CLIA Certification in February 2023 for our fully owned laboratory, the assessed regulatory risk for DiviTum TKa is low.

Financing and inadequate working capital
There is also a risk that Biovica will not succeed in attracting the capital it requires for implementing its business plan. That could delay or constrict commercial activities and result in lower sales than what the company is aiming for in the business plan that has been adopted for 2023/2024. Deterioration of the economic situation towards the end of 2022 and early in 2023 has meant that this risk has increased compared to last year. The management team is currently evaluating various financing solutions that will guarantee continued operations until the Group has a positive cash flow. Please see the comments on Financial position on page 39.

Employees
Biovica is highly dependent on key employees. There is a risk of the company's projects becoming delayed or not being able to complete them if these key employees leave the company or, for some other reason, are unable to perform their assigned tasks.

Effects of COVID-19
At present and compared to last year, there are only minor risks remaining that are associated with the pandemic, which include the risk of a delay to commercial activities, potential disruptions in supply chains, the health of our employees and financial stability of our customers and suppliers. The Board is actively monitoring the situation and is prepared take action if any of those risks were to materialize.

Russia's invasion of Ukraine
At present, management's assessment is that Biovica is not impacted by Russia's invasion of Ukraine. The Board and management team are monitoring the situation closely but the current assessment is that the war has very little impact on Biovica's operations. The war does, however, impact global supply chains, which could lead to delivery problems for our suppliers and customers and that is something that could cause significant problems.

R&D activities
Biovica develops and commercializes blood-based biomarker assays for evaluating the effect of cancer treatments. Biovica's DiviTum® TKa measures the cell proliferation rate and clinical studies have shown that it can quickly reveal whether treatment is effective. Nearly half of Biovica's employees work in the R&D department.

Environmental impact
Biovica does not run any environmentally hazardous activities requiring a permit or obligation to report in accordance with the Swedish Environmental Code.

Dividends
The Board proposes that no dividends shall be paid for the 2022/2023 financial year.

Proposal for appropriation of funds
The Board proposes that the available funds of SEK 107,284,959 are appropriated as follows:

accumulated losses	-246,853,769
share premium reserve	463,938,372
loss for the year	-109,799,644
Retained funds at year-end	**107,284,959**
Amount to be carried forward	107,284,959

For further information on the company's profit (loss) and financial position, please see the accompanying income statements, balance sheets and supplementary disclosures.

MULTI-YEAR COMPARISON FOR THE GROUP

All amounts are in SEK thousands, unless otherwise stated	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Net sales	3,383	2,045	2,077	1,671	3,005
Operating profit (loss)	-110,457	-60,101	-40,181	-29,816	-21,718
Profit (loss) for the period	-110,492	-60,003	-39,483	-30,318	-21,556
Cash and cash equivalents	114,327	89,792	145,364	40,777	16,831
Equity	138,636	124,088	182,661	78,217	52,097
Total assets	172,288	151,631	192,650	90,259	60,859
Equity ratio, %	80	82	95	87	86
Number of employees	31	25	20	17	16
Number of shares at the end of the period	45,741,394	28,488,372	28,418,372	23,573,372	17,573,372

Definitions

Equity ratio = adjusted equity as a percentage of total assets

MULTI-YEAR COMPARISON FOR THE PARENT COMPANY

All amounts are in SEK thousands, unless otherwise stated	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Net sales	10,817	2,045	2,077	1,671	3,005
Operating profit (loss)	-110,120	-61,871	-41,907	-30,312	-21,886
Profit (loss) for the period	-109,800	-60,540	-40,004	-30,571	-21,606
Cash and cash equivalents	106,006	86,811	142,920	39,642	15,779
Equity	138,056	122,816	182,061	78,117	52,005
Total assets	158,305	137,255	189,748	86,292	59,972
Equity ratio, %	87	89	96	91	86
Number of employees	22	19	19	16	16
Number of shares at the end of the period	45,741,394	28,488,372	28,418,372	23,573,372	17,573,372

KEY PERFORMANCE INDICATORS FOR THE GROUP

SEK thousands	2022/2023	2021/2022	2020/2021	2019/2020
Net sales	3,383	2,045	2,077	1,671
Operating profit (loss)	-110,457	-60,101	-40,181	-29,816
Profit (loss) for the year	-110,492	-60,003	-39,483	-30,318
Capitalized R&D costs	1,573	2,992	3,560	7,035
Capitalized R&D expenditure as a percentage of operating expenses	-1	-5	-8	-20
Earnings per share, before dilution	-3.17	-2.11	-1.39	-1.29
Earnings per share, after dilution	-3.17	-2.11	-1.39	-1.29
Cash and cash equivalents at the end of the period	114,327	89,792	145,364	40,777
Cash flow from operating activities	-94,640	-52,126	-34,409	-24,782
Cash flow for the period	24,589	-55,659	104,692	23,926
Equity	138,636	124,088	182,661	78,217
Equity per share	3.98	4.3	6.43	3.32
Equity ratio (%)	80	82	95	87
Average number of employees	31	25	20	17

The Group was established in 2009 by setting up the subsidiary company, Biovica Services AB. The U.S. subsidiary, Biovica Inc., is also included in the Group, see Note 19.

ALTERNATIVE KEY PERFORMANCE INDICATORS

Of the KPIs presented above, the only one that is obligatory to report, and which is defined in accordance with IFRS is: Earnings per share, before and after dilution. For the other KPIs, the following are in accordance with IFRS presentation requirements: Profit (loss) for the year, Cash & cash equivalents at the end of the period, Cash flow for the period and Equity.

KPIs	Definition	Reason for using alternative KPIs, which are not defined in accordance with IFRS.
Net sales	Income from goods sold	Shows the demand for the product.
Operating profit (loss)	Profit (loss) before financial items and tax.	Operating profit (loss) is an indication of the company's earnings generated from ordinary operations.
Earnings per share, before and after dilution	Profit (loss) divided by the weighted average number of shares during the period, before and after dilution.	
Cash & cash equivalents and short-term investments	Bank balances and short-term investments.	
Cash flow from operating activities	Cash flow before the cash flow from investing activities and financing activities.	
Cash flow for the period	Change in cash & cash equivalents for the period not including the effect from unrealized exchange gains and losses.	
Equity per share	Equity divided by the number of shares at the end of the period.	Management uses this KPI to monitor the value of equity per share.
Equity ratio	Equity as a percentage of total assets.	Management uses this KPI because it provides an indication of the company's financial stability.
Average number of employees	The average number of employees is calculated as the average of worked hours during the period divided by normal working hours for the period.	

Consolidated income statement and statement of comprehensive income

SEK thousands	Note	May-April 2022/2023	May-April 2021/2022
Net sales	5, 6	3,383	2,045
Other operating income	8	739	1,259
Work performed by the company and capitalized		1,573	2,992
Total revenue		**5,696**	**6,296**
Materials cost		-340	-371
Other external costs	9	-39,230	-17,290
Employee benefit expenses	10	-67,455	-42,058
Depreciation/amortization of property, plant and equipment and intangible assets		-8,214	-6,439
Other expenses		-914	-239
Operating profit (loss)		**-110,457**	**-60,101**
Financial income	11	271	188
Financial expenses	11	-493	-79
Profit (loss) before tax		**-110,680**	**-59,991**
Tax expense	13	187	-12
Profit (loss) for the year		**-110,492**	**-60,003**
Consolidated statement of comprehensive income			
Profit (loss) for the year		-110,492	-60,003
Items that may be subsequently reclassified to profit and loss			
Exchange differences when translating foreign operations		0	135
Comprehensive income for the year (loss)		**-110,492**	**-59,868**
Earnings per share	23		
Earnings per share, before dilution (SEK)		-3.17	-2.11
Average number of shares, before dilution		34,828,207	28,453,372
Earnings per share, after dilution (SEK)		-3.17	-2.11
Average number of shares, after dilution		34,828,207	28,453,372

Consolidated statement of financial position

SEK thousands	Note	2023-04-30	2022-04-30
ASSETS			
Intangible assets			
Capitalized expenditure for R&D	*14*	34,488	36,691
Patents	*15*	2,932	3,661
Total intangible assets		*37,420*	*40,353*
Property, plant and equipment			
Machinery, equipment, tools, fixtures and fittings	*16*	1,336	632
Right-of-use assets	*17*	9,875	13,005
Total property, plant and equipment		*11,210*	*13,637*
Financial assets			
Deferred tax asset	*18*	3,668	2,728
Total financial assets		*3,668*	*2,728*
Total fixed assets		**52,298**	**56,717**
Inventories		1,358	1,532
Current receivables			
Accounts receivable		577	1,129
Other receivables		968	851
Prepaid expenses and accrued income		2,759	1,610
Cash & cash equivalents including short-term investments	*29*	114,327	89,792
Total current assets		**119,990**	**94,914**
TOTAL ASSETS		**172,288**	**151,631**
EQUITY			
Share capital	*22, 23*	3,049	1,899
Other contributed capital	*23*	463,938	340,049
Reserves		116	115
Retained earnings (losses), including loss for the year		-328,468	-217,974
Total equity		**138,636**	**124,088**
LIABILITIES			
Lease liabilities	*17*	7,304	8,783
Deferred tax liability	*18*	2,710	2,666
Total non-current liabilities		**10,014**	**11,449**
Lease liabilities	*17*	3,149	4,464
Advance payments from customers		231	1,307
Accounts payable		3,277	2,888
Current tax liabilities		824	85
Other liabilities		984	621
Accrued expenses and deferred income		15,172	6,729
Total current liabilities		**23,638**	**16,094**
TOTAL EQUITY AND LIABILITIES		**172,288**	**151,631**

Consolidated statement of changes in equity

SEK thousands	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Opening balance, 1 May 2021	**1,895**	**338,758**	**-20**	**-157,971**	**182,661**
New issue of shares via exercise of warrants	5	1,196			1,201
Share-based payments, employees		94			94
Transaction with owners	**1,899**	**340,049**	**-20**	**-157,971**	**183,956**
Profit (loss) for the year				-60,003	-60,003
Other comprehensive income			135		135
Comprehensive income for the year (loss)	**–**	**–**	**135**	**-60,003**	**-59,868**
Closing balance, 30 April 2022	**1,899**	**340,049**	**115**	**-217,974**	**124,088**
Opening balance, 1 May 2022	**1,899**	**340,049**	**115**	**-217,974**	**124,088**
New issue of shares via					
– exercise of warrants	5	1,367			1,373
– subscription of new shares	1,145	147,572			148,717
Issue fees		-25,177			-25,177
Share-based payments, employees		127			127
Transaction with owners	**3,049**	**463,938**	**115**	**-217,974**	**249,128**
Profit (loss) for the year				-110,492	-110,492
Other comprehensive income			0		0
Comprehensive income for the year (loss)	**–**	**–**	**0**	**-110,492**	**-110,492**
Closing balance, 30 April 2023	**3,049**	**463,938**	**116**	**-328,466**	**138,636**

Consolidated statement of cash flows

SEK thousands	Note	May-April 2022/2023	May-April 2021/2022
Operating profit (loss)		-110,457	-60,101
Depreciation/amortization of property, plant and equipment and intangible assets	*14, 15, 16, 17*	8,214	6,439
Other non-cash items	*26*	7	52
Interest received	*11*	271	–
Interest paid	*11*	-453	-79
Income tax paid		90	-156
Change in current receivables		-716	-1,733
Change in current liabilities		8,306	4,457
Change in inventories		99	-1,005
Cash flow from operating activities		**-94,640**	**-52,126**
Investments in intangible assets	*14, 15*	-1,573	-2,992
Investments in PPE	*16, 17*	-1,206	-406
Cash flow from investing activities		***-2,779***	***-3,398***
New share issue	*22, 23*	150,090	1,201
Issue fees	*22, 23*	-25,177	–
Amortization of lease liabilities		-2,904	-1,337
Cash flow from financing activities		***122,009***	***-136***
Cash flow for the year		**24,589**	**-55,659**
Cash and cash equivalents at the beginning of the year		89,792	145,364
Translation difference, cash and cash equivalents		-54	88
Cash and cash equivalents at the end of the year	*29*	114,327	89,793

Parent Company income statement

SEK thousands	Note	May-April 2022/2023	May-April 2021/2022
Net sales	*5, 6*	10,817	2,045
Work performed by the company and capitalized		1,573	2,992
Other operating income	*8*	739	178
Total revenue		**13,129**	**5,215**
Goods for resale		-416	-371
Other external costs	*7, 9, 12, 17*	-86,130	-32,736
Employee benefit expenses	*10*	-30,952	-28,755
Depreciation/amortization of property, plant and equipment and intangible assets		-4,837	-4,986
Other operating expenses		-914	-239
Operating profit (loss)		**-110,120**	**-61,871**
Other interest income and similar items	*11*	480	574
Interest expenses and similar items	*11*	-160	-297
Profit (loss) after financial items		**-109,800**	**-61,594**
Group contribution		–	1,054
Profit (loss) before tax		**-109,800**	**-60,540**
Income tax	*13*	–	–
Profit (loss) for the year		**-109,800**	**-60,540**

The Parent Company's statement of comprehensive income is consistent with profit or loss for the year.

Parent Company balance sheet

SEK thousands	Note	2023-04-30	2022-04-30
ASSETS			
Intangible assets			
Capitalized expenditure for R&D	*14*	34,488	36,691
Patents	*15*	2,932	3,661
Total intangible assets		*37,420*	*40,353*
Property, plant and equipment			
Machinery, equipment, tools, fixtures and fittings	*16*	502	632
Total property, plant and equipment		*502*	*632*
Financial assets			
Participations in Group companies	*19*	108	108
Receivables from Group companies	*20*	9,911	4,886
Prepaid expenses and accrued income	*21*	–	41
Total financial assets		*10,019*	*5,035*
Total fixed assets		**47,940**	**46,020**
Inventories		1,358	1,532
Current receivables			
Accounts receivable		577	1,129
Other receivables		871	767
Prepaid expenses and accrued income		1,552	996
Cash & cash equivalents and short-term investments	*29*	106,006	86,811
Total current assets		**110,364**	**91,235**
TOTAL ASSETS		**158,305**	**137,255**
EQUITY			
Restricted equity			
Share capital	*22, 23*	3,049	1,899
Fund for development expenditure		27,722	28,174
Total restricted equity		*30,771*	*30,073*
Non-restricted equity			
Share premium reserve		463,938	339,471
Capitalized gain or loss		-246,854	-186,188
Profit (loss) for the year		-109,800	-60,540
Total non-restricted equity		*107,285*	*92,743*
Total equity		**138,056**	**122,816**
LIABILITIES			
Prepayments from customers and prepaid grants		231	1,307
Accounts payable		1,953	2,437
Liability to Group companies		9,424	3,164
Current tax liabilities		215	85
Other liabilities		800	717
Accrued expenses and deferred income		7,626	6,729
Total current liabilities		**20,248**	**14,439**
TOTAL EQUITY AND LIABILITIES		**158,305**	**137,255**

Parent Company statement of changes in equity

SEK thousands	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings	Profit (loss) for the year	Total equity
Opening balance, 1 May 2021	**1,895**	**27,211**	**338,758**	**-145,798**	**-40,004**	**182,061**
Appropriation in accordance AGM decision				-40,004	40,004	–
Capitalized development expenditure for the year	–	964		-964		–
New share issue	5		1,196			1,201
Share-based payments, employees			94			94
Profit (loss) for the year					-60,540	-60,540
Closing balance, 30 April 2022	**1,899**	**28,174**	**340,048**	**-186,765**	**-60,540**	**122,816**
Opening balance, 1 May 2022	**1,899**	**28,174**	**340,048**	**-186,765**	**-60,540**	**122,816**
Appropriation in accordance AGM decision				-60,540	60,540	–
Capitalized development expenditure for the year	–	-452		452		–
New issue of shares via						
– exercise of warrants	5		1,367			1,373
– subscription of new shares	1,145		147,572			148,717
Issue fees			-25,177			-25,177
Share-based payments, employees			127			127
Profit (loss) for the year					-109,800	-109,800
Closing balance, 31 April 2023	**3,049**	**27,722**	**463,938**	**-246,854**	**-109,800**	**138,056**

Parent Company statement of cash flows

SEK thousands		May-April 2022/2023	May-April 2021/2022
Operating profit (loss)		-110,120	-61,871
Depreciation/amortization of property, plant and equipment and intangible assets	*14, 15, 16*	4,837	4,986
Interest received	*11*	480	90
Interest paid	*11*	-172	-116
Other non-cash items	*26*	68	304
Income tax paid		130	-5
Change in current receivables		-10	-1,479
Change in current liabilities		5,678	6,757
Change in inventories		174	-1,005
Cash flow from operating activities		**-98,934**	**-52,340**
Investing activities			
Investments in intangible assets	*14, 15*	-1,573	-2,992
Investments in PPE	*16*	-201	-406
Investments in financial assets	*20, 21*	-5,082	-1,572
Cash flow from investing activities		***-6,856***	***-4,970***
Financing activities			
New share issue	*22, 23*	150,090	1,201
Issue fees	*22, 23*	-25,177	-
Cash flow from financing activities		***124,912***	***1,201***
Cash flow for the year		**19,122**	**-56,109**
Cash and cash equivalents at the beginning of the year		86,811	142,920
Translation difference, cash and cash equivalents		72	–
Cash and cash equivalents at the end of the year	*29*	106,006	86,811

Supplementary disclosures

NOTE 1 GENERAL INFORMATION

Biovica International AB (Biovica) is the Parent Company for the Group and it is a public limited liability company with registered office in Uppsala, Sweden. The head office and its primarily place of establishment is: Dag Hammarskjölds väg 54B, 752 37 Uppsala, Sweden. Biovica's shares are traded on Nasdaq First North Premier Growth Market, Stockholm.

NOTE 2 SIGNIFICANT ACCOUNTING AND VALUATION PRINCIPLES

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) that have been adopted by the EU. The financial statements have been prepared under the assumption that the Group runs its operations in accordance with the going concern principle.

The consolidated financial statements for the reporting period that ended on 30 April 2023 (including comparison figures) were approved by the Board on 30 June 2023.

The Parent Company applies the same accounting policies as the Group, except for the items presented in the section called "Parent Company accounting policies".

Valuation and classification

Assets and liabilities are reported at historical cost, except for financial assets and financial liabilities, which are measured at amortized cost. Short-term investments (funds) are measured at fair value via profit of loss.

Functional currency and reporting currency

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. Accordingly, the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest thousand.

In preparing the financial statements, the executive management team must make assessments and estimates that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and assessments.

Estimates and assessments are regularly reviewed. A change in estimates and assumptions is reported in the period when the change is made if it only impacts that period. Otherwise, it is reported in the period when the change is made and in future periods if it impacts both the current period and future periods.

Assessments and estimates that have a significant impact on the financial statements and which could lead to material adjustments in future financial statements are described in more detail in Note 4.

Significant accounting policies

This note details the significant accounting policies that have been applied during preparation of the consolidated financial statements. Unless otherwise stated, these policies have been applied consistently for all years presented in the report. The consolidated financial statements cover Biovica International AB and its subsidiaries.

(i) Changes in accounting policies resulting from new or revised IFRS

No new standards have entered into force during the period that impact the annual report for the financial year ending 30 April 2023.

(ii) New IFRS that have not yet been applied

None of the other IFRS or IFRIC interpretations that have yet to enter into force are expected to have a significant impact on the Group.

Consolidated financial statements

Subsidiaries are all companies in which the Group has a controlling interest. The Group has a controlling interest over a company when it is exposed to, or entitled to a variable return from, its holding in the company and it is able to affect such return via its controlling interest over the company. Subsidiaries are included in the consolidated financial statements as of the date when the controlling interest has been transferred to the Group. Subsidiaries are removed from the consolidated financial statements as of the date when the Group no longer has a controlling interest.

The acquisition method is used for reporting the Group's business combinations. The purchase price (cost of the transaction) for acquisition of a subsidiary consists of the fair values, at the acquisition date, of assets, liabilities (incurred or assumed), and equity instruments issued by the Group. It also includes the fair value of all assets and liabilities resulting from an agreement on contingent consideration. Identifiable acquired assets, assumed liabilities and assumed liabilities from a business combination are initially measured at fair value on the acquisition date. The costs associated with acquisitions are expensed as incurred.

Intra-Group transactions, balance sheet items and unrealized gains/losses on transactions between Group companies are eliminated. The accounting policies for subsidiaries have, in some instances, been revised to ensure that they are consistent with the Group's policies.

Segment reporting

The Group's operations consist of development, manufacturing and sales of blood analysis products. The Group's organizational structure is by function as follows: production, sales & marketing, administration and R&D. The Group is considered to be a single unit, where all of its sub-components are integrated and dependent upon each other. Biovica's highest decision-making body monitors the consolidated income statement and statement of comprehensive income. More information is provided in Note 6, Segment reporting.

Consolidation principles and business combinations

(i) Subsidiaries

Subsidiaries are companies where the Parent Company has a controlling interest. Controlling interest involves a direct or indirect right to design a company's financial or operating strategies in order to obtain financial benefits. The financial statements of subsidiaries are included in the consolidated financial statements as of the acquisition date and up until the date when a controlling interest no longer exists.

(ii) Transactions eliminated upon consolidation

All intra-Group receivables and payables, income or expenses and unrealized gains or losses that arise from transactions between Group companies are eliminated in full when preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that no write-down requirement exists.

Foreign currency

(i) Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. The functional currency is the currency used in the main financial environments where

the company runs its operations. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate prevailing on the closing date. Exchange rate differences that arise upon translation are reported in profit or loss. Non-monetary assets and liabilities that are reported at historical cost are translated at the exchange rate prevailing at the time of the transaction.

Non-monetary assets and liabilities that are reported at fair value are translated to the functional currency at the rate prevailing on the date when measurement at fair value occurred. Exchange rate fluctuations associated with receivables and liabilities from operations are reported in operating profit or loss, and those stemming from financing activities are reported in net financial items.

(ii) Financial statements of foreign operations

Assets and liabilities from foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign operation's functional currency to the Group's reporting currency, SEK, at the closing day rate. Income and expenses from foreign operations are translated to SEK using an average exchange rate that is an approximation of the currency exchange rate at the time of each transaction. Translation differences arising from currency translation of foreign operations are reported in other comprehensive income and accumulated in a separate component of equity, referred to as translation reserve. When selling a foreign operation, the cumulative translation differences attributable to the business are realized, reclassifying them from the translation reserve in equity, to profit or loss for the year.
In instances where there has been a divestiture, but a controlling interest remains, the proportionate share of accumulated translation differences is transferred from other comprehensive income to holdings without a controlling interest.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when the performance obligation has been fulfilled and control over the goods or services has been transferred to the customer. This assessment shall occur from the customer's perspective, taking into consideration such things as transfer of ownership and risks, the customer's acceptance, physical access and the right to invoice. An assessment must also be made of whether control has been transferred at a specific point in time, or over time. Most of Biovica's agreements with customers pertain to product sales. The products are regarded as separate and distinct performance obligations. Revenue is recognized at a specific point in time (when control of the goods or services has been transferred to the customer). The contract terms and conditions may vary but typically, transfer of control and thus revenue recognition occurs at the time of delivery.

Agreements with customers where the performance obligation has not yet been fulfilled

Biovica does not have any agreements with customers that extend beyond one year, which is why the simplification rule has been applied. It means that disclosures do not need to be made on the scope of agreements with customers where the performance obligation has not yet been fulfilled.

Reporting of government grants

Government grants are reported at fair value when there is reasonable certainty that the terms associated with the grant can be met and accordingly, that the grant will be paid. Grants that have been received to cover expenses are reported under the heading "other income" in the same period that the expenses arise. Grants attributable to an asset reduce the asset's value in the balance sheet. Grants that have been received, but for which the terms have not yet been met are reported in *Prepayments from customers and research grants.*

Financial income and expenses

Financial income consists of interest earned on cash & cash equivalents. Interest income on financial instruments is reported using the effective interest method. The effective interest rate is the interest rate that discounts the estimated future cash flows of a financial instrument, during the expected duration, to the financial asset's or liability's reported net value.

When making the calculation, all payments made and received between the parties to the contract are considered that are a part of the effective interest, transaction costs and all other premiums and discounts.

Financial expenses consist of interest on loans. Borrowing costs are recognized in profit or loss using the effective interest method except to the extent that they are directly attributable to the purchase, design or production of an asset that takes a considerable amount of time to complete for its intended use or sale (such costs are instead included in the cost of acquisition for the asset).

Foreign exchange gains and losses attributable to assets and liabilities associated with financing activities are reported net.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are reported in profit or loss for the year, except when the underlying transaction is recognized in other comprehensive income or in equity, whereby the associated tax effect is also reported in other comprehensive income or in equity.

Current tax is the tax to be paid or refunded for the current year. It also includes adjustments to current tax that are attributable to prior periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the tax base and carrying amounts of assets and liabilities. Temporary differences are not taken into consideration for consolidated goodwill, nor for differences arising upon initial recognition of assets and liabilities that are not business combinations, which, at the time of transaction, impact neither reported profit nor taxable profit. Consideration is neither given to temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed in the near future. The measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled.

Deferred tax is calculated using the tax rates and legislation in effect or decided as of the closing date.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are only reported to the extent that it is probable that they will be utilized.

Financial instruments

Financial instruments reported in the balance sheet include, on the asset side, cash & cash equivalents, short-term investments and accounts receivable. On the liability side, they include accounts payable.

Recognition and derecognition in the balance sheet

Financial assets and liabilities are reported in Biovica's balance sheet when the company becomes party to the instrument's contractual terms. An asset (receivable) is recognized in Biovica's balance sheet when there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are recognized in the balance sheet when the invoice has been sent. A liability is recognized in Biovica's balance sheet when there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Accounts payable are recognized when the invoice has been received. A financial asset is removed from the balance sheet when the rights in the contract are realized, mature, or when Biovica loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance sheet when the obligations have been settled, canceled or in some other manner extinguished. The same applies to a portion of a financial liability. Financial assets and liabilities are offset and reported at a net sum in the balance sheet, only when there is a legally enforceable right to offset the amounts and an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Measurement at initial recognition

All financial instruments are initially measured at fair value plus or minus transaction costs. However, for financial instruments that are, on an ongoing basis, measured at fair value through profit or loss, the transaction costs are instead expensed as incurred. Accounts receivable (without a significant financing component) are initially measured at the transaction amount that is established in accordance with IFRS 15.

Classification and subsequent measurement of financial assets

At initial recognition, a financial asset is classified as having been measured at amortized cost, fair value through other comprehensive income (debt instrument investment), fair value through other comprehensive income (own capital investment), or fair value through profit or loss. Below is a description of how the Group has classified its various holdings of financial assets:

Financial assets

All financial assets are measured at amortized cost except short-term investments, which are measured at fair value through profit or loss. This is because they are held in accordance with a business model for which the goal is to obtain the contractual cash flows. Furthermore, the cash flows from these assets consist solely of payments of principal amounts and interest.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. All other financial liabilities are measured at amortized cost using the effective interest method.

Property, plant and equipment

(i) Owned assets

Property, plant and equipment is reported by the Group at cost less accumulated depreciation and any impairment losses. Cost includes all costs necessary to bring the asset to working condition for its intended use. The accounting policies for impairment are explained below.

Property, plant and equipment consists of various items, with specific useful lives, that are treated as separate components of PPE.

The carrying amount of an item of PPE is removed from the statement of financial position upon disposal/retirement or when no future economic benefits are expected to be derived from its use or disposal/retirement of the asset.

Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's carrying amount less direct selling costs. Gains and losses are reported as other operating income/expenses.

(ii) Additional expenses

Additional expenses are added to the cost of acquisition only if it is probable that the future economic benefits associated with the asset will flow to the company and the cost of acquisition can be calculated reliably. All other additional expenses are expensed as incurred.

An additional expense is added to the cost of acquisition if the expense is associated with the replacement of identified components or parts of such. Even in cases where a new component is created, the expenses are added to the cost of acquisition. Any non-depreciated carrying amount on replaced components or parts of components are disposed of, and expensed, in conjunction with the replacement. Repairs are expensed as incurred.

(iii) Depreciation principles

Depreciation is on a straight-line basis over the asset's estimated useful life. Land, however, is not depreciated.

The Group applies component depreciation, which means that the estimated useful life of the component is the basis for depreciation.

The following estimated useful lives are applied:

- plant and machinery: 5 years
- equipment, tools, fixtures and fittings: 5 years

At each year-end closing, the depreciation methods, residual values and estimated useful lives are reviewed and if necessary, revised.

Leased assets

The Group primarily leases premises and cars. The term of lease agreements for premises currently varies between 60-90 months, including likely extension periods. Cars are typically leased for 36 months. Leased assets may not be used as collateral for loans. In some instances, an extension is possible, see below for more information.

A right-of-use agreement is reported as an asset and corresponding liability as of the date when the leased asset is available to the Group. Lease payments are divided into amortization of the liability and interest expense. The interest expense for each period is calculated using the annuity method. Right-of-use assets are depreciated on a straight-line basis over the useful life. Assets and liabilities attributable to leasing are initially measured at fair value.

Lease liabilities include the present value of the following payments:

– regular fixed payments,
– variable fees that are based on an index or a price,
– residual value guarantees that the lessee expects will need to be paid to the lessor and,
– purchase options that are likely to be exercised at the end of the lease term

Payments are discounted to present value using the interest rate implicit in the lease, or, if that cannot be established, using the marginal lending rate.

Right-of-use assets are initially measured at cost, which includes the following:

– present value of future payments at the initial valuation of the lease liability,
– payments made on or before the lease commencement date, such as higher initial payment,
– direct costs and restoration costs

Payments attributable to short-term agreements or leases for which the underlying asset is of low value are expensed in the income statement. Short-term agreements are those with a term that does not exceed 12 months. Management has assessed that agreements where the underlying asset is of low value pertain to simple machinery and office equipment.

The lease term consists of the non-cancellable portion of the lease plus possible extension options if, at inception of the lease, it is reasonably certain that they will be exercised.

Leased assets are also depreciated over the estimated useful life or, if shorter, over the agreed term of the lease.

Intangible assets

Research and development

Expenditure for research that is for the purpose of gaining new scientific or technical knowledge is expensed as incurred. Expenditure for development (where the research results or other knowledge is used to achieve new or improved products or processes) is recognized as an intangible fixed asset in the statement of financial position if the product or process is technically or commercially usable and the company has adequate resources for monitoring the development and thereafter using or selling the intangible asset. Decisions on whether or not to capitalize expenditure on development projects are made by the company's Board of Directors based on documentation and support provided by the Audit Committee. The decision is based on whether it is possible to implement the project using existing or future resources and on whether conclusion of the project and launch is expected to occur in the foreseeable future.

Development expenditure that is directly attributable to development and testing of identifiable and unique products that the Group controls, are recognized as intangible assets when the following criteria have been met:

i. it is technically feasible to complete the product so that it can be used,
ii. the company's intention is to complete the product and either use it or sell it,
iii. the prerequisites exist for being able to use or sell the product,
iv. it is probable that the future economic benefits that are attributable to the asset will flow to the company,
v. there are adequate technical, economic and other resources for completing development and being able to use or sell the asset, and
vi. expenditure attributable to the product and its development can be calculated in a reliable way.

Decisions on whether or not to capitalize expenditure on development projects are made by the company's Board of Directors based on documentation and support provided by the Audit Committee. The decision is based on whether it is possible to implement the project using existing or future resources and on whether conclusion of the project and launch is expected to occur in the foreseeable future.

Directly attributable expenditure that is capitalized as part of the cost of the asset includes expenditure for employees and materials. With capitalization, consideration is given to the portion of expenditure recognized as revenue against received/expected grants. Capitalized development expenditure is reported as intangible assets and amortized as of the date when the asset is ready for use.

Other expenditure for development is expensed as incurred and recognized in profit or loss for the year. In the statement of financial position, development expenditure is recognized at cost less accumulated amortization and any impairment losses.

Additional expenses

Additional expenses for capitalized intangible assets are recognized as an asset in the statement of financial position only if they increase the future economic benefits associated with the specific asset that they relate to. All other expenditure is expensed as incurred.

Patents

Patents are recognized at the cost of acquisition and they are amortized on a straight-line basis over their estimated useful lives. Amortization is over a 10-year period. The estimated useful life is assessed based on the legal life of the patent.

Amortization

Amortization is on a straight-line basis over the estimated useful life of the intangible asset, provided that the estimated useful life is not indefinite. Estimated lives are reviewed, and if necessary revised, at least once per year. Intangible assets with an indefinite useful life or which are not yet ready for use (such as development projects) are tested for impairment annually, or sooner, if indications arise that indicate that the asset in question has decreased in value. Intangible assets with a finite useful life are amortized as of the date when they are available for use. The estimated useful life for capitalized development expenditure is 10 years.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of acquisition for inventories is measured using the FIFO method and it includes expenses associated with the acquisition of inventory assets, along with transportation costs for bringing them to their current location and condition. For manufactured goods and work-in-progress, the cost of acquisition includes a reasonable share of the indirect costs based on normal capacity.

Net realizable value is comprised of the estimated selling price in the day-to-day operations, after deduction of estimated costs for completion and for achieving a sale.

Inventories consist of the following categories: Raw materials and supplies, WIP goods, finished goods and merchandise.

Manufacturing is primarily based on orders and forecasts that are updated each month. Accordingly, the level of obsolescence is insignificant for the company's inventory of finished goods. Whenever there is a replacement of components, the remaining inventory is written down when the replacement occurs. Obsolescence of spare parts is assessed each quarter by analyzing the inventory turnover rate.

Impairment

The Group's reported assets are assessed at each closing date to determine whether there is any indication of impairment, which is a requirement for proprietary assets that have not yet been completed.

Impairment testing is done at least once per year at the year-end closing by calculating the net present value (NPV). NPV is calculated on forecasted cash flows using a discounted cash flow model.

IAS 36 is applied for impairment of assets other than: financial assets that are reported in accordance with IAS 9, available-for-sale assets and disposal groups that are reported in accordance with IFRS 5, inventories and deferred tax assets. For the exempted assets listed above, the carrying amount is assessed in accordance with the applicable reporting standard.

(I) Impairment of property, plant and equipment and intangible assets

The recoverable amount of an asset is calculated whenever there is any indication of impairment. For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet ready for use, the recoverable amount is calculated annually, regardless of whether there is any indication of a decrease in value or not. If it is not possible to associate essentially independent cash flows with a specific asset, and its fair value less selling costs cannot be used, the assets will then be grouped for testing of impairment at the lowest level where it is possible to identify essentially independent cash flows. That level is referred to as the cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit (or group of units) exceeds the recoverable amount. Impairment losses are recognized in profit or loss for the year. When a write-down requirement has been identified for a cash-generating unit (or group of units), the amount of the impairment loss is first allocated to goodwill. After that, a proportional write-down is made to the other assets belonging to the cash-generating unit (or, if applicable, the group of units).

The recoverable amount equals fair value less selling costs or the value-in-use, whichever is higher. When calculating value-in-use, future cash flows are discounted using a rate that considers the market's assessment of risk-free interest along with the risk associated with the specific asset.

(ii) Impairment of financial assets

The Group's financial assets meet the requirements for use of the expected credit loss model. Impairment of cash and cash equivalents is assessed as immaterial.

The Group applies the simplified approach for calculating expected credit losses. With this approach, expected credit losses during the asset's entire life are used as the point of departure for accounts receivable. To calculate expected credit losses, accounts receivable are grouped based on the number of days that payment is overdue. The expected credit loss levels are based on customer payment history and loss history in recent years.

(iii) Reversal of impairment

Impairment on assets that fall within the scope of IAS 36 is reversed if there is both an indication that the need for impairment no longer exists and there has been a change in the assumptions that formed the basis for the calculation of the recoverable amount. However, impairment losses on goodwill are never reversed. A reversal is only made to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been reported (less depreciation, where applicable) if no write-down had been made.

Impairment losses on loan receivables and accounts receivable that are reported at amortized cost are reversed if the previous reasons for the write-downs no longer exist and full payment from the customer is expected to be received.

Cash and cash equivalents

Cash and cash equivalents consists of cash and available balances with banks and corresponding institutions, along with other short-term, liquid investments that mature within 90 days from the date of acquisition and which can easily be converted to known amounts of cash, with only an insignificant risk of any value changes occurring.

Equity

Share capital

Ordinary shares are classified as share capital. The company has both Class A and Class B shares. See Note 22 for more information.

Other contributed capital

Refers to capital that has been contributed by the owners.

Issue fees

Transaction costs directly attributable to a new issue of ordinary shares or options are recognized, net after tax, in equity as a deduction from the emission proceeds.

Reserves

Reserves are reported for translation of the income statement and balance sheet of subsidiaries with operations in a foreign currency.

Retained earnings

Retained earnings are the sum of the company's profit and losses during the previous year.

Earnings per share

The calculation of earnings per share is based on the Group's profit (loss) for the year attributable to the Parent Company's owners and using the weighted average number of shares outstanding during the year.

When calculating earnings per share after dilution, earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares such as stock options Dilution from options affects the number of shares and arises only when the exercise price is lower than the market price.

Employee benefits

(i) Defined-contribution pension plans

Defined-contribution pension plans are those where the company's obligation is limited to the fees it has committed to paying. For these types of plans, the size of the employee's pension depends on the fees paid by the company to the plan (or to an insurance company) and the return on capital generated by those funds. Consequently, it is the employee who carries the risk that the compensation will be lower than expected, as well as the investment risk, i.e. that the invested assets will be insufficient for providing the expected benefits. The company's obligations regarding fees for defined contribution plans are reported as an expense in profit or loss for the year at the rate they are earned by the employees performing services for the company during the period.

(ii) Defined benefit pension plans

The Group has no defined benefit pension plans, except for plans involving several employers, which, however, are reported as defined contribution pension plans in accordance with IAS 19 due to the absence of required data for calculating the defined benefit obligation.

(iii) Share-based remuneration to employees

The Group has warrant schemes for employees in Sweden and warrants for the Board of Directors, see Note 24. They are reported in accordance with IFRS 2 and acquired by employees and Board members at a market-based price.

In 2021, Biovica issued stock options that were distributed free-of-charge to employees in the USA and reported in accordance with IFRS 2. The 2022 AGM resolved to set up stock option plans, issued free of charge, to staff in the USA. These programs from 2022 (11-14) were never implemented however, because the share price trend was negative. The fair value of stock options is determined at the time of granting the right. The value is reported as a payroll expense in the income statement, allocated over the earnings period, with a corresponding increase in equity. The recognized cost corresponds to the fair value of the number of options or shares expected to be earned. In subsequent periods, this cost is adjusted to reflect the actual number of earned stock options.

The associated social security contributions are expensed, along with a liability that is regularly revalued based on changes in the fair value of the options.

(iv) Termination benefits

Costs for remuneration in connection with termination of employment are only reported if the company has committed to following a detailed plan for early termination of the employment and the company has no realistic way of canceling that obligation.

When compensation is given as an offer to encourage voluntary resignation, a cost is reported if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

(v) Short-term benefits

Short-term benefits to employees are calculated without discounting and reported as an expense when the related services have been provided. A provision is reported for the expected cost of bonus payments when the Group has a current legal or informal obligation to make such payments as a result of services provided by employees and the obligation can be calculated reliably.

Provisions

A provision differs from other liabilities in that there is uncertainty about when payment may be required, as well as the amount required to settle the obligation. A provision is recognized in the statement of financial position when there is an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made for an amount that is the best estimate of what is required to settle the existing obligation as of the closing date. In instances where the timing of the payment is significant, provisions are calculated by discounting the expected future cash flow at an interest rate (before tax) that reflects current market assessments of the time value of money and, if applicable, the risks associated with the claim.

(i) Guarantees/warranties

A provision for guarantees/warranties is reported when underlying products are sold. The provision is based on historical data on guarantees and a weighting of possible outcomes in relation to the probabilities with which the outcomes are associated.

Contingent liabilities

A contingent liability is recognized when there is a possible commitment that arises from events occurring and whose occurrence is only confirmed by one or more uncertain future events or when there is an obligation that is not reported as a liability or provision due to the fact that it is unlikely that an outflow of resources will be required.

Parent Company accounting policies

The Parent Company's annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The interpretations pertaining to listed companies that have been issued by the Swedish Financial Reporting Board have also been applied. The application of RFR 2 means that in the annual report for the legal entity, the Parent Company applies all of the IFRS adopted by the EU and the

interpretations, to the extent possible without deviating from what is stipulated in the Annual Accounts Act, the Pension Obligations Vesting Act and with consideration given to the relationship between accounting and taxation. The recommendation states which exceptions from, and additions to, IFRS should be made.

(i) Differences between the Group's and the Parent Company's accounting policies

Differences between the Group's and the Parent Company's accounting policies are presented below. The accounting policies presented below for the Parent Company have been applied consistently in all periods presented in the Parent Company's financial statements.

(ii) Classification and presentation

For the Parent Company, both an income statement and statement of other comprehensive income are provided. For the Group, these two reports are what comprises the consolidated statement of comprehensive income.

Furthermore, for the Parent Company, the names of its reports are "balance sheet" and "statement of cash flows". The corresponding reports for the Group are called "consolidated statement of financial position" and "consolidated statement of cash flows". For the Parent Company, the income statement and balance sheet have been presented in accordance with the Annual Accounts Act. However, the statement of other comprehensive income and statement of changes in equity have been prepared in accordance with IAS 1 Presentation of Financial Statements and the statement of cash flows has been prepared in accordance with IAS 7 Statement of Cash Flows.

Differences between the consolidated financial statements and the Parent Company's income statement and balance sheet primarily pertain to reporting of financial income and expenses, fixed assets, equity and the fund for development expenditure. Also, provisions are reported as a separate heading in the Parent Company's balance sheet.

(iii) Subsidiaries

Shares in subsidiaries are reported in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries. In the consolidated financial statements, transaction costs are reported directly in profit or loss as incurred.

(iv) Group contributions and shareholder contributions

The Parent Company thus reports both Group contributions paid and received as appropriations. Shareholder contributions made are reported as an increase in the value of shares and participations. An assessment is then made as to whether there is a need to record an impairment loss on the value of shares and participations in question.

(v) Leased assets

In the Parent Company all leased assets are expensed on a straight-line basis over the lease term.

(vi) Borrowing costs

In the Parent Company, borrowing costs are reported in profit or loss in the period they arise. No borrowing costs are capitalized on assets.

(vii) Taxes

In the Parent Company's balance sheet, untaxed reserves are reported without allocation between equity and deferred tax liability (which is done for the Group). Likewise, in the Parent Company's income statement, there is no allocation of a portion of the appropriations to deferred tax expense.

(viii) Fund for development expenditure

Capitalized costs for development work are recognized in the Parent Company financial statements as part of equity in the fund for development expenditure, which reduces non-restricted equity.

NOTE 3 FINANCIAL RISK MANAGEMENT AND CAPITAL RISK

Financial risk management

The Group's business activities are associated with a variety of financial risks: market risk (including currency risk and interest rate risk on cash flows), credit risk and liquidity risk. The Group's overall risk management policy, which has been established by the Board, is to strive for minimal adverse effects on financial results and financial position.

Market risk

Currency risks

The Group has operations both domestically (in Sweden) and internationally, which means that there is exposure to fluctuations in different currencies, particularly USD and EUR. Currency risk arises through future business transactions and reported assets and liabilities. Biovica does not currently have a policy for hedging its currency exposure. If the SEK had weakened/strengthened by 1% during the financial year, all other variables held constant, the recalculated earnings after tax as of 30 April 2023 would have been SEK 23 (2) thousand lower/higher. The corresponding effect on the Parent Company would be SEK 23 (2) thousand.

Interest rate risk on cash flows

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group currently only has interest-bearing financial assets, primarily in the form of bank balances. Only a small portion of liquid assets are invested in securities.

Calculated on the basis of financial interest-bearing assets and liabilities with variable interest as of April 30, 2023, a change in the market interest rate of one percentage point would affect the Group's and the Parent Company's earnings by SEK 122 (124) thousand.

Credit risk

Credit risk is the risk that a party to a transaction involving a financial instrument is unable to fulfill its obligation. The maximum exposure to credit risks associated with financial assets amounted to SEK 577 (919) thousand on April 30, 2023. The corresponding figure for the Parent Company was SEK 782 (888) thousand.

Liquidity risk

Conservatism in managing liquidity risk involves holding sufficient liquid funds or agreed credit facilities in order to be able to run the business. Based on the current business plan, liquidity is sufficient for running the business until March 2024. The necessary funding for continued operations over the next 12 months has thus not been secured. The management team is currently evaluating various funding opportunities for the company and has concluded that there are good options for solutions during fall 2023 that guarantee the company's ability to continue as a going concern.

The maturity structure for the Group's financial liabilities is presented below.

	Within 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Accounts payable	3,277	–	–	–	–
Accrued liabilities	15,172	–	–	–	–
	18,449	**0**	**0**	**0**	**0**

Managing capital risks

The Group's goals pertaining to capital structure (defined as equity), are to ensure that the company is able to run its operations in order to generate returns for its shareholders and value to other stakeholders, along with ensuring that the capital structure is optimal with regard to the cost of the capital. Dividends to shareholders, redemption of shares, issuance of new shares or sale of assets are examples of measures that the company can use to adjust the capital structure.

The Group's debt/equity ratio

SEK thousands	2022/2023	2021/2022
Total interest-bearing liabilities	7,304	8,497
Less: interest-bearing assets	114,327	89,790
Net debt	**107,023**	**81,293**
Net debt-equity ratio	**77**	**66**

Net debt-equity ratio

Net debt divided by equity.

NOTE 4 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Described below are the most important assumptions about the future, and other significant sources of uncertainty in estimates as of the closing date that entail a significant risk of needing to make material adjustments to the carrying amounts of assets and liabilities during the next financial year. The most significant uncertainty is associated with intangible assets.

Intangible assets

Capitalization of intangible assets only occurs when all of the criteria listed in Note 2, Intangible assets, have been met.
Impairment testing is based on a review of the recoverable amount, which is assessed based on the value-in-use of the asset concerned. The company's senior executives calculate future cash flows based on internal business plans and forecasts. The budget/business plan is for the next financial year and the forecast period is the budget +9 years.

This also involves making estimates on such things as discount rates and future rates of growth that extend beyond adopted budgets and forecasts. The carrying amount of the Group's intangible assets amounts SEK thousands 37,420 (40,353) thousand, of which SEK 34,488 (36,691) thousand is capitalized development expenditure and SEK 2,932 (3,661) is patents. Changes in the assumptions made by the company's senior executives when testing for impairment could have a significant impact on the company's reported earnings and financial position.

Internal development expenditure for research and development

Assessment is required for making the allocation between the research and development phases in new development projects of diagnostic tests. Assessments must also be made when deciding whether the requirements for capitalizing development expenditure have been met. After capitalization occurs, management monitors that the accounting requirements for development costs are still being met, along with whether there is any indication of impairment to the capitalized expenditure. Management continuously evaluates that the financing is secured.

Growth and gross margin

The recoverable amount is based on a calculation of the value-in-use by using cash flow forecasts based on budgets that have been approved by the Board of Directors, along with forecasts that stretch over the life of the company's patents. The forecasts are based on the business plan for 2023/2024. Gross margin is calculated based on the product calculation.

WACC (weighted average cost of capital)

WACC represents a weighted average of the risk that both owners and the financial market are prepared to take in order to finance operations. When calculating the WACC, consideration is given to the fact that operations have been financed via both debt and equity. The cost of equity is based on expectations of a certain return on invested capital in the financial market. The cost of debt capital is based on borrowing costs in the financial market. The WACC rate corresponds to the Group's assessed average cost of capital and it is primarily set using the Group's yield requirement. Added to that is an estimation of the market's assessment of risk. Changes between the years in the WACC rate are attributable to such things as changes in the level of debt. For impairment testing at year-end, a WACC rate of 28.9% after tax is used.

Impairment of non-financial assets

Assets with an indefinite useful life are not amortized, but rather tested for impairment each year.

Property, plant and equipment, along with intangible assets that are depreciated/amortized, are tested for impairment whenever events or changes in the conditions indicate that the carrying amount is perhaps not recoverable. Impairment is recognized for the amount that the asset's carrying amount exceeds its recoverable amount. The recoverable amount is equal to the asset's fair value less selling costs or its value-in-use (whichever is higher). When testing for impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is both an indication that the need for impairment no longer exists and there has been a change in the assumptions that formed the basis for the calculation of the recoverable amount. A reversal is only made to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been reported (less depreciation, where applicable) if no write-down had been made.

Useful life of depreciable assets

At each closing date, management reviews its assessments of the useful life that has been established for each category of depreciable assets, taking into consideration how long the Group expects to use those assets. There is uncertainty in these assessments because of the demand and market acceptance.

NOTE 5 NET SALES

All net sales are sales at a particular point in time. No sales are reported as sales over time. Net sales are distributed across the following lines of business for the Group and Parent Company:

	2022/2023	2021/2022
Goods	2,200	1,735
Services	1,184	310
	3,383	**2,045**

Net sales are distributed across the following geographic markets for the Group and Parent Company:

	2022/2023	2020/2021
Sweden	–	–
EU, excl. Sweden	125	102
USA	3,258	1,943
Asia	–	–
	3,383	**2,045**

NOTE 6 SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the operating segments' performance. In the Group, this function has been identified as the senior management team, which consists of six people including the CEO. Senior management has determined that the Group, as a whole, is a single segment based on the information that the Board and senior management together use as the basis for allocating resources and evaluating performance. All of the fixed assets are located in Sweden. The Group's net sales consist of the sale of goods and services, all of which is invoiced from Sweden. Customers are primarily in the USA. The Group has three customers that account for ten percent or more of the company's revenue.

NOTE 7 INTRA-GROUP PURCHASES AND SALES

Biovica International AB purchases sales support and other services from its subsidiary, Biovica Inc. During the year, such services were purchased for an amount of SEK 61,844 (14,027) thousand. Biovica International AB sells diagnostic kits to Biovica Inc. During the year, sales of such kits amounted to SEK 7,434 (0) thousand.

NOTE 8 OTHER OPERATING INCOME

	The Group		Parent Company	
	2022/2023	2021/2022	2022/2023	2021/2022
Grants	254	61	254	61
Gain on disposal of fixed assets	83	51	83	51
Foreign exchange gains/losses	383	66	383	66
Warrants	–	1,081	–	–
Other remuneration and income	18	–	18	–
	739	**1,259**	**739**	**178**

Grants have been received for sick leave expenses. The income from grants to projects is recognized at the rate that the associated project is completed.

NOTE 9 AUDIT EXPENSES

	The Group		Parent Company	
	2022/2023	2021/2022	2022/2023	2021/2022
Grant Thornton Sweden AB				
Audit assignment	-662	-584	-643	-584
Audit activities besides the audit assignment	-809	-	-809	-
Tax advice	-	-	-	-
	-1,471	**-584**	**-1,452**	**-584**

Audit refers to the statutory audit of the annual report and accounts, along with the Board's and CEO management. It also includes other work that the company's auditor deems necessary, advice and other assistance resulting from observations made during the audit or execution of other such tasks. Everything else is other services.

NOTE 10 NUMBER OF EMPLOYEES, GENDER DISTRIBUTION, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO SENIOR EXECUTIVES

	The Group		Parent Company	
	2022/2023	2021/2022	2022/2023	2021/2022
Average number of employees				
Women	14	12	11	11
Men	17	13	11	12
	31	**25**	**22**	**23**
Gender distribution, senior executives				
Women	2	3	2	3
Men	5	5	5	5
	7	**8**	**7**	**8**
Gender distribution, Board of Directors				
Women	3	3	3	3
Men	5	5	5	5
	8	**8**	**8**	**8**
Employee benefit expenses				
Salaries and other benefits to the Board of Directors	1,810	1,600	1,810	1,600
Salaries and other benefits to the CEO	2,399	1,961	2,399	1,961
Salaries and other benefits to other senior executives (7 people)	8,377	7,998	8,377	7,998
Salaries and other benefits to other employees	33,254	20,722	9,038	11,582
Social security contributions	6,955	4,693	5,808	4,391
Pension expenses for the Board and CEO	482	358	482	358
Pension expenses for other senior executives	1,127	1,014	1,127	1,014
Pension expenses for other employees	920	811	883	781
Total salaries, other benefits, social security contributions and pension contributions	**55,324**	**39,157**	**29,925**	**29,686**

Remuneration to the Board of the Parent Company

	2022/2023	2021/2022
Lars Holmqvist, Chairman of the Board	480	442
Maria Holmlund	250	200
Ulf Jungnelius	200	175
Jesper Söderqvist	230	193
Henrik Osvald	250	200
Marie-Louise Fjällskog	200	175
Annika Berg	200	215
Anders Rylander*	-	-
	1,810	1,600

* Anders Rylander is employed as the CEO of Biovica and therefore does not receive any Board fees.

Employee benefit expenses for Biovica's US subsidiary amount to SEK 36,574 (9,953) thousand, which is comprised of salary, social security contributions and pension expensions. There are no agreements in place on severance pay. For the CEO, the notice period is six months.

NOTE 11 FINANCIAL INCOME AND FINANCIAL EXPENSES

The Group	2022/2023	2021/2022
Financial income		
Exchange rate differences	–	188
Interest income	271	–
Total financial income	**271**	**188**
Financial expenses		
Exchange rate differences	-212	–
Interest expenses	0	-1
- financial leasing, dissolution of discounting effect	-281	-77
Total financial expenses	**-493**	**-79**
Profit (loss) from financial items, net	**-222**	**110**

Parent company	2022/2023	2021/2022
Other interest income and similar profit or loss items		
Exchange rate differences	–	485
Interest income, Group companies	210	90
Interest income	271	–
Total interest income and similar profit or loss items	**480**	**574**
Interest expenses and similar profit or loss items		
Exchange rate differences	-160	-297
Interest expenses	0	-1
Total interest expenses and similar profit or loss items	**-160**	**-297**
Profit (loss) from financial items, net	**321**	**277**

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

During the year, the company, represented by parties related to the main owner and board member, Anders Rylander, leased office facilities to the Parent Company. The total fee for rent paid was SEK 230 (223) thousand. The transactions were on market-based terms and conditions.

NOTE 13 TAX EXPENSE

The Group	2022/2023	2021/2022
Profit (loss) before tax	-110,680	-59,993
Tax according to the applicable tax rate 20.6% (20.6%)	22,800	12,359
Tax effect of non-capitalized loss carryforwards	-27,615	-12,342
Tax effect of non-deductible expenses	-187	-219
Tax effect of non-taxable income	0	100
Tax effect of unrecognized non-deductible expenses	5,188	–
Effect of foreign tax rates	1	91
Reported tax	**187**	**-12**
The tax expenses is comprised of the following:		
Current tax expense	-709	-36
Deferred tax revenue		
– Change in temporary differences	896	24
Tax expense	**187**	**-12**
Deferred tax revenue reported in other comprehensive income	896	24

Parent Company	2022/2023	2021/2022
Profit (loss) before tax	-109,800	-60,540
Tax according to the applicable tax rate	22,619	12,471
Tax effect of non-capitalized loss carryforwards	-27,605	-12,342
Tax effect of non-deductible expenses	-201	-229
Tax effect of non-taxable income	0	100
Tax effect of unrecognized non-deductible expenses	5,187	–
Reported tax	**0**	**0**

Note 18 contains information on deferred tax assets.

NOTE 14 CAPITALIZED EXPENDITURE FOR DEVELOPMENT AND SIMILAR WORK

Group and Parent Company	2023-04-30	2022-04-30
Opening cost	52,284	49,293
Capitalized expenditure	1,573	2,992
Closing accumulated cost	**53,857**	**52,284**
Opening depreciation	-15,593	-11,817
Amortization for the year	-3,777	-3,777
Closing accumulated amortization	**-19,370**	**-15,593**
Closing carrying amount	**34,488**	**36,691**

In addition, SEK 1,573 (9,225) thousand was expensed for research during the year.

The intangible assets are comprised in part of capitalized expenditure for the development effort behind DiviTumTKa, which was launched in the clinical market in the USA subsequent to receiving FDA approval. It is also comprised of capitalized expenditure for the development of a new version of DiviTum®TKa to measure thymidine kinase activity (TKa). Amortization of the capitalized expenditure started as soon as sales of DiviTum TKa to the research market began. That occurred in August 2020. The remaining amortization period for DiviTum TKa is approximately 7 years.

NOTE 15 PATENTS

Group and Parent Company	2023-04-30	2022-04-30
Opening cost	9,896	9,896
Closing accumulated cost	**9,896**	**9,896**
Opening depreciation	-6,234	-5,503
Amortization for the year	-729	-732
Closing accumulated amortization	**-6,964**	**-6,234**
Closing carrying amount	**2,932**	**3,661**

Patents consist of the costs incurred to protect the rights to innovation of measuring thymidine kinase activity (TKa) via various versions of DiviTum TKa. The remaining amortization period is between 4-7 years.

NOTE 16 MACHINERY, EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	The Group		Parent Company	
	23-04-30	22-04-30	23-04-30	22-04-30
Opening cost	3,550	3,162	3,550	3,162
Purchases	1,206	406	201	406
Sales/disposals	–	-19	–	-19
Translation differences	-19	–	–	–
Closing accumulated cost	**4,737**	**3,550**	**3,751**	**3,550**
Opening depreciation	-2,917	-2,458	-2,917	-2,458
Sales/disposals	–	19	–	19
Amortization for the year	-487	-478	-331	-478
Translation differences	3	–	–	–
Closing accumulated depreciation	**-3,402**	**-2,917**	**-3,249**	**-2,917**
Closing carrying amount	**1,336**	**632**	**502**	**632**

NOTE 17 LEASING

The Group has lease agreements that are primarily for premises and cars. Leases where the underlying asset is of low value pertain to office equipment and amount to SEK 18 (12) thousand for the year. The Group does not have any short-term leases. Total cash flow for leasing amounts to SEK 1,206 (406) thousand. Interest expense on lease liability for the year amounts to SEK 281 (77) thousand.

The Group	2023-04-30	2022-04-30
Opening cost	15,991	4,835
Purchases	–	11,926
Translation differences	329	373
Sales/disposals	-597	-1,143
Closing accumulated cost	**15,723**	**15,991**
Opening depreciation	-2,986	-2,523
Translation differences	-26	-19
Sales/disposals for the year	385	1,009
Amortization for the year	-3,221	-1,453
Closing accumulated amortization	**-5,848**	**-2,986**
Closing carrying amount	**9,875**	**13,005**

Right-of-use assets

	2023-04-30	2022-04-30
Premises	9,310	12,084
Cars	565	921
	9,875	**13,005**

Depreciation of right-of-use assets

	2023-04-30	2022-04-30
Premises	-3,077	-1,263
Cars	-144	-190
	-3,221	**-1,453**

The present value of liabilities associated with right-of-use assets is:

	2023-04-30	2022-04-30
Within 1 year	3,149	4,458
Between 1- 5 years	7,304	8,753
More than 5 years	-	-
	10,453	**13,211**

The Parent Company's leasing costs
Leases where the company is lessee

Expensed lease payments for the year:

Parent Company	2022/2023	2021/2022
Total leasing costs	2,622	1,912
	2,622	**1,912**

Leased office space and rental of office equipment are classified as operating leases. Most of the leasing costs are attributable to rental of office space via operating leases. The leasing agreements run without special restrictions with an option for extension.

NOTE 18 DEFERRED TAX ASSET

The Group has tax loss carryforwards that may be utilized against taxable profits in the future. The company reports a deferred tax asset when it is probable that taxable profits will be generated, Capitalization of deferred tax would result in a deferred tax asset of SEK 73 million as of 2023-04-30. However, the company's executive management team has concluded that the prerequisites do not yet exist for reporting a deferred tax asset. As of 30 April 2023, the Group's tax loss carry-forwards amounted to SEK 354,316 (182,141) thousand.

The deferred tax asset is attributable to right-of-use agreements.

Deferred tax asset

	2023-04-30	2022-04-30
Opening cost	2,728	499
Change for the year	940	2,229
Closing carrying amount	**3,668**	**2,728**

Deferred tax liability

	2023-04-30	2022-04-30
Opening cost	2,666	460
Change for the year	44	2,206
Closing carrying amount	**2,710**	**2,666**

NOTE 19 GROUP COMPANIES

	2023-04-30	2022-04-30
Opening cost	108	108
Closing accumulated cost	108	108
Closing carrying amount	**108**	**108**

Name/Registered office	Registered office	CIN	Number of shares	Share %	Carrying amount (SEK)
Biovica Services AB	Uppsala	556781-8454	1,000	100%	100,000
Biovica Inc.	Delaware, USA	30-1045327	100	100%	8,236

	Equity (SEK)	Profit/loss (SEK)
Biovica Services AB	395,674	-52,403
Biovica Inc	3,888,670	2,735,341

NOTE 20 RECEIVABLES FROM GROUP COMPANIES

	2023-04-30	2022-04-30
Opening cost	4,788	1,999
Additional receivables	17,113	3,995
Payments for the year	-11,990	-1,207
Closing accumulated cost	**9,911**	**4,788**
Closing carrying amount	**9,911**	**4,788**

NOTE 21 PREPAID LEASE PAYMENTS, PARENT COMPANY

Prepaid lease payments

	2023-04-30	2022-04-30
Opening cost	117	164
Sales/disposals	-22	-47
Closing accumulated cost	**95**	**117**
Opening depreciation	-76	-54
Amortization for the year	-19	-22
Closing accumulated amortization	**-95**	**-76**
Closing carrying amount	**0**	**41**

NOTE 22 SHARES

Biovica has issued both Class A shares (each worth 3 votes) and Class B shares (each worth 1 vote). As of 30 April 2023 there was a total of 45,741,394 shares; of which 6,271,293 Class A shares and 39,470,101 Class B shares. The Class A shares are unlisted and the Class B shares are listed on First North Premier. Share capital amounted to SEK 3,049,426 and the quotient value per share is SEK 0.07. The total number of votes amounted to 58,283,980.

Reclassification of shares

At the end of each quarter, class A shareholders are offered the opportunity of reclassifying their shares to B shares. During the year, a total of 5,000 Class A shares were reclassified.

2023-04-30	Class A shares	Class B shares	Total
Before reclassification, 2022-05-01	6,276,293	22,212,079	28,418,372
Subscription due to warrants		100,000	28,488,372
Reclassification	-5,000	5,000	5,000
New share issue		17,153,022	17,153,022
After reclassification	**6,271,293**	**39,470,101**	**45,741,394**

NOTE 23 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	Number of shares	Share capital	Other contributed capital	Total
Opening capital on 1 May 2017	**17,573,372**	**1,172**	**133,776**	**134,948**
Closing balance, 30 April 2018	**17,573,372**	**1,172**	**133,776**	**134,948**
Closing balance, 30 April 2019	**17,573,372**	**1,172**	**133,776**	**134,948**
New share issue	6,000,000	400	56,282	56,682
Reclassification	–	–	5,074	5,074
Closing balance, 30 April 2020	**23,573,372**	**1,572**	**195,132**	**196,704**
New share issue	4,700,000	313	147,737	148,050
Issue fees	–	–	-7,151	-7,151
Warrants	145,000	10	3,040	3,050
Closing balance on 30 April 2021	**28,418,372**	**1,895**	**338,758**	**340,653**
Warrants	70,000	4	1,196	1,200
Share-based payments, employees	–	–	94	94
Closing balance, 30 April 2022	**28,488,372**	**1,899**	**340,049**	**341,948**
New share issue	17,153,022	1,145	147,572	148,717
Issue fees	–	–	-25,177	-25,177
Warrants	100,000	5	1,367	1,372
Share-based payments, employees	–	–	127	127
Closing balance, 30 April 2023	**45,741,394**	**3,049**	**463,938**	**466,987**

NOTE 24 SHARE PREMIUM RESERVE

The amount received for issued shares over and above the quotient value (share premium) is included in the item Share premium reserve, after a deduction for registration fees and other similar fees, as well as a deduction for applicable tax benefits. The costs for new share issue that have been reported directly in equity amounted to SEK 25,177 (0) thousand.

Share premium has also been reported for the issue of share capital pertaining to share-related remuneration to employees, see Note 25.

NOTE 25 WARRANTS

Biovica has 14 outstanding incentive programs. The warrants were transferred following market valuation in accordance with the Black & Scholes pricing model. A market-based price is used for receipt and payment of warrants. During the second quarter, 60,000 Class B shares were subscribed for in T05 warrant scheme, which is now fully subscribed. The subscription price was SEK 17.16. During the first quarter, 40,000 Class B shares were subscribed for in the same scheme. It total, it generated SEK 1,716,000 for the company.

Resolutions were passed at the AGM on 31 August 2022 on programs 11-14. These incentive programs have not yet been implemented. The incentive programs have been recalculated after the rights issue that was carried out in December 2022.

Employee stock option program

At the AGM on 31 August 2021, it was resolved that an employee stock option program would be set up, whereby 150,000 stock options would be distributed free-of-charge to participants in the program. The allocated stock options are earned gradually as follows: 1/3 on 1 August 2022, 1/3 on 1 August 2023 and 1/3 on 1 August 2024. These stock options are earned on the condition that the participant is still an employee of the company and has not submitted notice of termination of their employment as of the dates when those options are earned. In the case where a participant is no longer an employee of the company, or has submitted notice of termination of their employment prior to the earnings date, any stock options already earned may be exercised on the scheduled earnings date in accordance with what is stipulated below, but no additional options will be earned. Each earned employee stock option entitles the holder to acquire one share in the company at a price of SEK 70.35. As of the closing date, a total of 44,942 stock options had been earned, a total of 89,883 unearned but still possible to earn and the remainder expired since the person they had been allocated to had left the company.

Dilution

If the existing warrant schemes and employee stock option program are fully utilized, it will result in a total of 1,624,125 shares being issued, which corresponds to dilution of approximately 3.55 of the company's fully diluted equity and votes, calculated on the number of shares that would be added if all warrants and stocks are exercised in each of the programs.

Program	To	Class B shares	Subscription price	Warrant price	Subscription period	Share capital increase	Number of class B shares
TO4	Board of Directors	155,568	18.80	0.94	25 March 2022 - 25 August 2023	10,371	155,568
TO6	employees	179,421	43.52	3.31	25 March 2022 - 25 August 2023	11,962	179,421
TO7	Board of Directors	207,424	43.52	3.31	25 March 2022 - 25 August 2023	13,828	207,424
TO8	employees	241,648	67.83	2.61	25 March 2023 - 25 August 2024	16,110	241,648
PO9	employees	134,825	67.83	-	25 March 2023 - 25 August 2024	8,988	134,825
TO10	Board of Directors	124,454	67.83	3.94	1 August 2025 - 30 September 2025	8,297	124,454
TO11	employees	248,908	54.61	NA	1 September 2025 - 30 September 2025	16,594	248,908
TO12	Board of Directors	165,939	54.61	NA	1 September 2026 - 30 September 2026	11,063	165,939
PO13:1	employees	62,227	54.61	-	1 September 2025 - 30 September 2025	4,148	62,227
PO13:2	employees	62,227	12.40	-	1 February 2026 - 28 February 2026	4,148	62,227
PA14:1	employees	20,742				1,383	20,742
PA14:2	employees	20,742				1,383	20,742
		1,624,125				**108,275**	**1,624,125**

NOTE 26 NON-CASH ITEMS

	The Group		Parent Company	
	2022/2023	2021/2022	2022/2023	2021/2022
Profit or loss from divested right-of-use assets	18	–	–	–
Warrants scheme	127	–	127	–
Currency effects	-139	52	-59	304
	7	**52**	**68**	**304**

NOTE 27 PLEDGED ASSETS

	2023-04-30	2022-04-30
Pledged assets	None	None

NOTE 28 CONTINGENT LIABILITIES

	2023-04-30	2022-04-30
Contingent liabilities	None	None

NOTE 29 CASH AND CASH EQUIVALENTS

	The Group		Parent Company	
	2022/2023	2021/2022	2022/2023	2021/2022
Bank balances	102,122	77,413	93,801	74,434
Short-term investments	12,205	12,377	12,205	12,377
	114,327	**89,790**	**106,006**	**86,811**

NOTE 30 FINANCIAL ASSETS AND LIABILITIES

The accounting policies contain a description of each category of financial assets and liabilities, the accounting policy for each and how they are measured. The carrying amounts for financial assets and liabilities, by category, is as follows:

Amortized cost, SEK thousand

	The Group	Parent Company
Financial assets	**2022/2023**	**2022/2023**
Accounts receivable	577	577
Other current receivables	968	871
Accrued income	327	532
Cash and cash equivalents	102,122	93,801
Short-term investments	12,205	12,205
Total financial assets	**116,200**	**107,987**

Other financial liabilities	**2022/2023**	**2022/2023**
Other non-current liabilities	7,304	--
Accounts payable	3,277	1,953
Accrued expenses and deferred income	15,172	7,626
Other current liabilities	4,133	800
Total financial liabilities	**29,886**	**10,378**

Amortized cost, SEK thousand

	The Group	Parent Company
Financial assets	**2022/2023**	**2022/2023**
Accounts receivable	1,129	1,129
Other current receivables Group companies	851	767
Other current receivables	98	98
Cash and cash equivalents	89,790	86,811
Total financial assets	**91,868**	**88,805**

Other financial liabilities	**2022/2023**	**2022/2023**
Other non-current liabilities	8,753	–
Accounts payable	2,885	2,437
Accrued expenses and deferred income	6,729	717
Other current liabilities	717	9,799
Total financial liabilities	**19,084**	**6,393**

Loan receivables and accounts receivable

The Group's operations generate accounts receivable, which, historically, have not totaled significant amounts. Historically, there have not been any bad debt losses on accounts receivable either. Cash & cash equivalents primarily consists of bank balances and short-term investments in SEK. As of the closing date, there were no receivables that needed to be written down. The fair value of the Group's loan receivables and accounts receivable is in all material respects consistent with the carrying amounts.

Borrowings and accounts payable

The Group does not have any interest-bearing liabilities. The maturity structure for financial liabilities is provided in Note 3. The Group has not provided any security for any of the financial liabilities.
The fair value of the Group's financial liabilities is in all material respects consistent with the carrying amounts.

NOTE 31 FINANCIAL INSTRUMENTS AT FAIR VALUE

Information on financial instruments at fair value:

	2022/2023		2021/2022	
Group and Parent Company	Carrying amount	Value change recognized	Carrying amount	Value change recognized
Available-for-sale financial assets	12,205	-172	12,377	-116

The financial assets stated above consist of investments in funds. For financial instruments that are listed, the quoted prices are used for measurement at fair value (Level 1).

NOTE 32 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR-END

Extraordinary General Meeting in May 2023

Decision to issue new stock options (for a maximum amount of 168,000 stock options) and performance share program (for a maximum amount of 56,000 performance shares) for employees in the USA.

Biovica signs first commercial agreement in the USA

On 17 May 2023, Biovica's laboratory in the USA and its subsidiary, Biovica Inc. signed an agreement with MediNcrease Health, which is a nationwide U.S. supplier network and professional association. It makes the assay available and reimbursable to more than 15 million people with insurance coverage through MediNcrease's clients and payers.

DiviTum TKA results presented at ASCO

The results support the use of DiviTum TKa as a unique biomarker assay that provides important information about patients with hormone receptor (HR)-positive metastatic breast cancer.

Biovica signs its second commercial agreement in the USA

This commercial agreement, which is Biovica's largest to date, will make DiviTum® TKa available to policyholders with coverage through Contigo Health.

The Board of Directors' and CEO's assurance

The consolidated income statement and balance sheet will be brought forth at the Annual General Meeting on 5 September 2023 for adoption.

The Board of Directors and CEO affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and that they provide a true and fair view of the Group's financial position and results. The Parent Company's financial statements been prepared in accordance with generally accepted accounting policies and they provide a true and fair view of the Parent Company's financial position and results. The Board of Directors' report for the Group and parent company provides a true and fair overview of the Group's and Parent Company's operations, financial position and results and also describes material risks and uncertainties faced by the parent company and the companies that comprise the Group.

Uppsala, 30 June 2023

Lars Holmqvist
Chairman of the Board

Annika Carlsson Berg
Board member

Marie-Louise Fjällskog
Board member

Maria Holmlund
Board member

Jarl Ulf Jungnelius
Board member

Henrik Osvald
Board member

Anders Rylander
President/CEO, Board member

Jesper Söderqvist
Board member

Our audit report was issued on 30 June 2023

Grant Thornton Sweden AB

Stéphanie Ljungberg
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Biovica International AB (publ)
Corporate identity number 556774 - 6150

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Biovica International AB (publ) for the financial year 2022-05-01 - 2023-04-30.

The annual accounts and consolidated accounts of the company are included on pages 37 - 65 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 30 April 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 April 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material Uncertainty Related to Going Concern

We would like to draw attention to the comments on the annual report, which under the heading "Financial position", state that the company will need additional capital to finance the company's development and that the board makes the assessment that this financing will be obtainable. This indicates that there is a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 – 36 and 68 – 72. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LEGISLATION AND OTHER REGULATIONS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Biovica International AB (publ) for the financial year 2022-05-01 - 2023-04-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Uppsala, 30 June 2023

Grant Thornton Sweden AB

Stéphanie Ljungberg
Authorized Public Accountant

Glossary

Abstract – A short summary of a longer document, such as a dissertation or research article. It briefly states the purposes and results of the research. Abstracts are submitted to scientific conferences in order to spread knowledge of new research.

American Association for Cancer Research (AACR) – With more than 50,000 members in 129 countries, the AACR is the world's largest cancer research organization.

ASCO American Society of Clinical Oncology – the world's leading professional organization for physicians and oncology professionals caring for people with cancer. Together with the Association for Clinical Oncology, ASCO represents nearly 45,000 oncologists.

Imaging – These are methods that currently serve as the cornerstones for diagnostics and treatment planning for essentially all types of solid tumors. It includes computer tomography (CT) scans and other X-ray methods, magnetic resonance tomography (MRT) scans, positron emission tomography (PET) scans and ultrasound.

BioItaLEE – (NCT03439046) is a Phase IIIb study involving 263 patients with hormone receptor-positive metastatic breast cancer receiving the CDK4/6 inhibitor ribociclib and letrozol as first-line treatment.

CDK4/6 and CDK7 inhibitors – these are a new type of targeted, selective drugs that have been shown to be effective against several forms of cancers, including hormone receptor-positive breast cancer.

CLIA laboratory – (The Clinical Laboratory Improvement Amendments) this is a type of clinical laboratory that has been certified to accept human samples from people in the USA for diagnostic testing. The Center for Medicare and Medicaid Services (CMS) is the regulatory body that grants certification.

ctDNA – Circulating tumor DNA is found in the bloodstream and it is DNA that comes from cancerous cells and tumors. Most DNA is found inside the nucleus of a cell. As a tumor grows, cells die and are replaced by new ones. The dead cells are broken down and their contents, including DNA, are released into the bloodstream. ctDNA is small pieces of DNA, usually comprising less than 200 building blocks (nucleotides) in length.

Endocrine resistance – this is defined as a relapse of the disease within 12 months of completing (neo)adjuvant endocrine treatment without having previously been treated for metastatic cancer or, at most, only having undergone one previous round of such treatment.

ESMO – European Society for Medical Oncology is a non-profit European organization committed to collaborating with all stakeholders of the oncology community in the best interest of patients.

Fulvestrant – sometimes sold under the name Faslodex, is a drug that is used to treat hormone receptor **(HR)-positive** metastatic breast cancer in postmenopausal women with disease progression and HR-positive, HER2-negative advanced breast cancer in combination with palbociclib in women with disease progression after endocrine treatment. Fulvestrant is a Selective Estrogen Receptor Degrader (SERD). It works by binding to the estrogen receptor and destabilizing it, causing the cell's normal protein degradation processes to destroy it.

HER2-positive and HER2-negative breast cancer – HER2-positive breast cancer is when breast cancer cells have a protein receptor called HER2 (around 15 percent). Patients with HER2-positive breast cancer thus respond better to antibody treatment, while patients with HER2-negative breast cancer do not benefit at all from HER2-positive antibodies.

ISPOR – the leading professional society for health economics and outcomes research (HEOR) globally. The Society's mission is to promote HEOR excellence to improve decision making for health globally.

IVD – In vitro diagnostics (IVD) are generally defined as a product which, regardless of whether they are used alone or in combination, are designed for performing in vitro tests on samples that have been taken from the human body. The main purpose is to obtain information for diagnostic, monitoring or compatibility purposes.

Letrozole – is a nonsteroidal aromatase inhibitor medication (hormone drug therapy) given after surgery to prevent recurrence or spread.

MDUFA – The Medical Device User Fee and Modernization Act (MDUFMA or MDUFA) a set of agreements between the Food and Drug Administration (FDA) and the medical device industry to provide funds for the FDA to review medical devices.

Monitoring – involves following cancer progression over time via regular controls.

Multi-center study –This is a type of study carried out by several centers.

Palbociclib – is a new type of targeted, selective drug that has been shown to be effective against several forms of cancers, including hormone receptor-positive (HER2-positive) breast cancer.

Peer-reviewed – This is when something has been reviewed by other professionals in the field. It is typically done as a means of assuring the quality of studies that have been carried out.

Pemetrexed (Alimta) – is a type of chemotherapy for treating pleural mesothelioma (cancer of the outer covering of the lungs) and non-small cell lung cancer (NSCLC).

Poster session – These are sessions held at a congress or conference with an academic or professional focus to present research information in the form of a paper poster that conference participants may view. A poster session is an event at which many such posters are presented.

Posters – These are used to summarize information or research and present it in an attractive way as a means of generating interest in publishing it and sparking discussion at events such as scientific conferences.

Predictive – anticipation about what will happen in the future and used in the contexts like the predictive ability of a particular test.

PREDIX study – a randomized trial of neo-adjuvant chemotherapy to treat HER2-positive breast cancer that was carried out during the period 2014–2019 at nine Swedish clinics under the supervision of Karolinska Institutet (KI).

Prospective studies – These are used to study the relationship between various risk factors and a particular disease. This type of study follows individuals both with risk factors and without (the control group), for a period of time into the future. At the end of the study, a comparison is made of the percentage that fell ill in each group.

PYTHIA study – A clinical study of patients with metastatic breast cancer. The primary aim of the PYTHIA study is to discover potentially innovative biomarkers for the selection of patients to Palbociclib/Fulvestrant treatment.

Reimbursement – Compensation for costs (in this context, it is payment from insurance companies to cover treatment costs).

Ribociclib – a CDK4/6 inhibitor used to treat various types of breast cancer. Ribociclib is sold under the names Kisqali and Kryxana.

RUO Research Use Only – An ROU product is an IVD (In Vitro Diagnostic) product that is in the development stage and may only be used for laboratory research and clinical studies.

SABCS – San Antonio Breast Cancer Symposium is an international scientific symposium on breast cancer held each year in December in San Antonio Texas, USA.

Samuraciclib – a CDK7 inhibitor used to treat certain types of cancer.

Tymidine kinase – an enzyme (kinase), subclass of phosphotransferase.

Estrogen receptor-positive – To determine whether a patient might benefit from hormone treatment, the tumor is studied to assess whether receptors for either estrogen or progesterone. If so, it is hormone– receptor positive, which is the case for around 70 percent of all breast cancer tumors. It is primarily estrogen that has a stimulating effect on tumor growth.

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING (AGM)

Biovica's Annual General Meeting will be held on 5 September 2023 in Uppsala. Notice of the AGM will be published on Biovica's website, in Post- och Inrikes Tidningar (gazette) and in SvD (newspaper). The Board of Directors proposes that no dividends should be distributed to shareholders.

Shareholders who would like to participate in the AGM must be registered in the shareholders' register maintained by Euroclear Sweden AB no later than Monday 28 August 2023 and register for the meeting by casting no later than 30 August.

NOMINATION COMMITTEE

The Nomination Committee has been appointed in accordance with the AGM guidelines and its members are: Anna Rylander Eklund, Johan Wadell and Lars Holmqvist, Chairman of the Board. If you would like to contact the Nomination Committee, please send an email to: ir@biovica.com

FUTURE REPORTING DATES:

AGM	5 September 2023
Interim Report for Q1: May-July 2023/2024	6 September 2023
Interim Report for Q2: August-October 2023/2024	15 December 2023
Interim Report for Q3: November-January 2023/2024	14 March 2024
Interim Report for Q4: February-April 2023/2024	18 June 2024

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