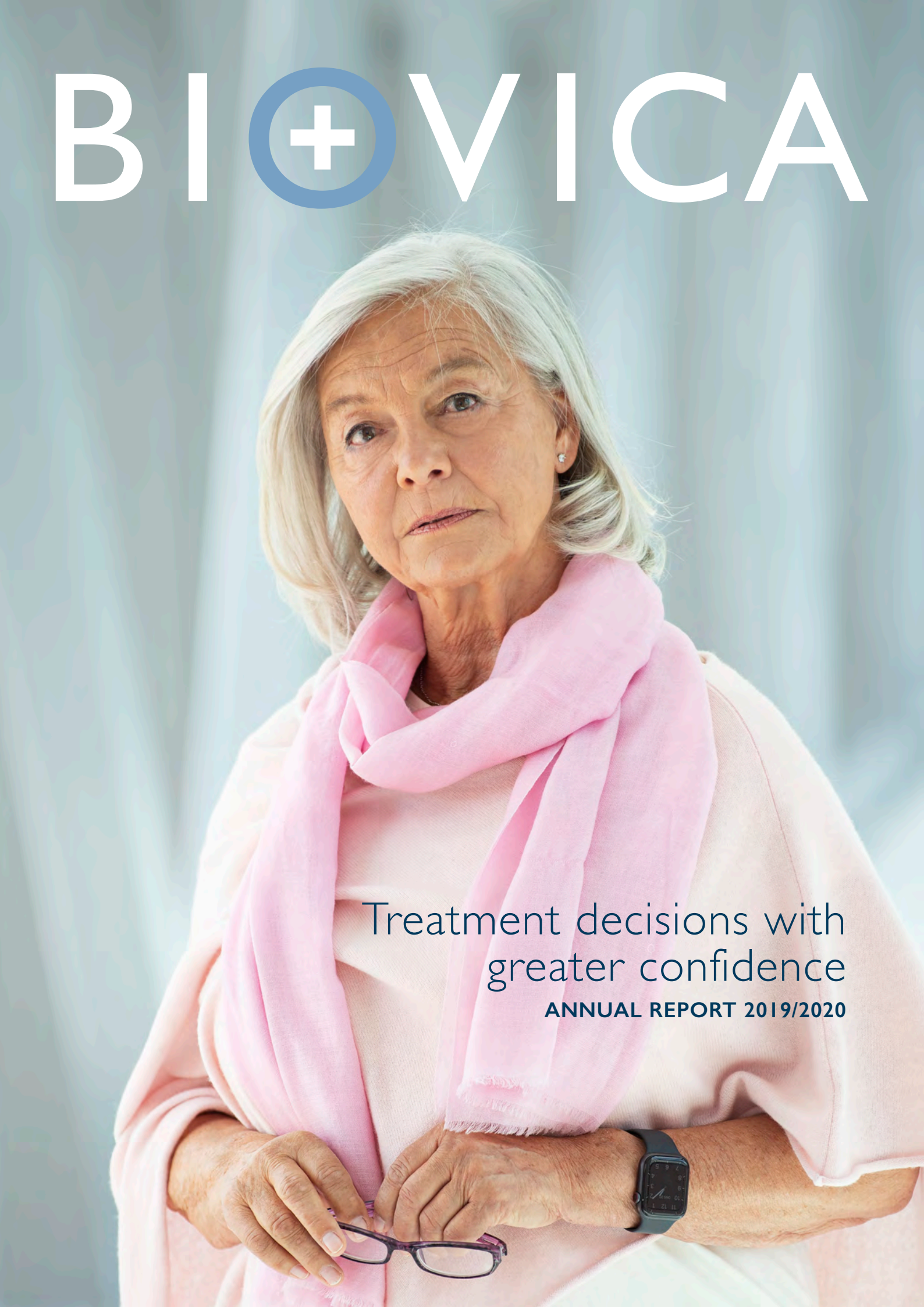
BIOVICA



Treatment decisions with greater confidence

ANNUAL REPORT 2019/2020

Contents

This is Biovica

Biovica develops and commercializes blood-based biomarker assays for evaluating the effect of cancer treatments. DiviTum® measures thymidine kinase activity (TKA), which indicates the cell proliferation rate and clinical studies have shown that it can quickly reveal whether treatment is effective.

Biovica is a biotechnology company with research and development, production facilities and head office in Uppsala, Sweden. It also has an office near Boston, USA. Our current customers are in the research market and they are pharmaceutical companies and CROs (Contract Research Organizations) that conduct clinical studies in conjunction with creating new drugs. Our future companies will be laboratories that perform analyses for doctors who are treating patients.

Biovica has its registered office in Sweden and is listed on Nasdaq First North Premier Growth Market Stockholm. For the 2019/2020 financial year, sales in the research market amounted to SEK 1.7 million and the company had 17 employees.

USD 400-700
MILLION/YEAR
Market potential in the USA, EU5, Nordic countries and Japan

2,867
Patients in published studies

22
Published studies

Large clinical need and market potential

DiviTum® 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 via a simple blood test. With a simple blood sample, it is possible to, easily and frequently, evaluate the success of treatment over time and also learn whether the tumors are becoming resistant to the treatment.

Well thought-out and detailed commercialization strategy

- The first application will be monitoring the disease status of metastatic breast cancer and treatment effect in the US market, where there is a large need for the product.
- Biovica has conducted several studies with oncologists showing the value of DiviTum® and the studies have been published in scientific journals. They will also provide the foundation for the planned launch.
- The US market is the largest and it has the highest reimbursement levels for this type of product as well.
- The launch will be carried out together with partners that complement Biovica by providing a strong sales force and laboratories that can offer analysis services.
- Expansion will occur in several ways:
  - Widening to new geographic areas for use in treatment evaluation of metastatic breast cancer.
  - Expand usage to other types of breast cancer, such as locally advanced breast cancer.
  - Expand usage to other types of cancer, such gastrointestinal and lung, where we already have clinical results supporting that Divitum® can be used for these purposes.
- FDA submission, reimbursement, guidelines and partners for the launch in the USA during 2020/2021.
- Establish commercial partnership and launch in EU5 (UK, Germany, Italy, Spain and France). Launch in the Nordic countries will occur during the latter part of 2021.
- Plans are to launch DiviTum® in Japan as the third market, also in collaboration with commercial partners.
- A successful launch in one or more of the areas specified above is expected to create additional opportunities for setting up commercial partnerships.

Meets a large clinical need: shows how aggressive the cancer is and whether the treatment is working.

- There is a large need to, more quickly and easily, evaluate the effect of treatment, since many patients do not respond, or develop a resistance.
- Cancer treatments are expensive (sometimes in excess of USD 10,000 per patient and month) and the side effects can be severe
- Existing diagnostics are expensive, complicated and require time for follow-up
- It is estimated that approximately 450,000 patients in the EU and the USA are currently living with metastatic breast cancer.
- The market potential for DiviTum® for metastatic, hormone-receptor-positive breast cancer is USD 400-700 million per year in the USA, EU5, the Nordic countries and Japan.

Strong results from studies on effectiveness of DiviTum®

- 11 published articles on breast cancer in scientific journals show that DiviTum® is able to measure the cell proliferation rate and that it also provides a good prognosis, risk assessment and means of monitoring treatment effect for patients with breast cancer. In total, 22 articles have been published over a wide spectrum of cancer forms.
- The results show that DiviTum® can be used as a prognostic tool with locally advanced cancer to assess recurrence and with metastatic breast cancer, for progression free survival and overall survival.
- Several studies are underway, both retrospective and prospective (higher evidential value), with world-leading institutions (e.g. Mayo Clinic, Johns Hopkins) and oncologists to further verify the ability of DiviTum® to evaluate treatment effect and create demand for the product.

CEO's comments

The 2019/2020 financial year was very eventful. We continued our efforts and achieved many successes in our prioritized areas, which are registration preparations, clinical studies and commercial activities. We also surpassed several important milestones in the pursuit of our market launch for DiviTum®.

For quite some time, we have been diligently working to launch the DiviTum® assay in the US and European market as a tool for monitoring the early treatment effect for patients with metastatic breast cancer. DiviTum® has been designed to help clinics make more informed decisions so that patients obtain the best possible treatment from day one. It is very inspiring and exciting to be approaching the launch of DiviTum®.

Intensive efforts to obtain market approval in the USA

DiviTum® is currently being sold primarily to major pharmaceutical companies for use in clinical studies. Market approval from the Food and Drug Administration (FDA) is required in order to launch DiviTum® in the USA. During the summer of 2019, we had a meeting with the FDA and received written feedback, which has given us a clear understanding of their requirements. During this financial year, we have worked intensely with both analytical and clinical validation. For example, we analyzed more than 1,500 samples from the SWOG S0226 study, which between 2004 and 2009, enrolled 707 women with metastatic breast cancer at 73 hospitals, clinics, and cancer centers across the United States and Canada. Members of the SWOG Cancer Research Network include some of the best minds in cancer research. As with other SWOG studies, the aim is to present the results from this study at a major scientific conference and publish them in a medical journal as soon as possible. They will be submitted during summer 2020 and are expected to be published towards the end of 2020 or early in 2021.

The study also provides an excellent foundation for our FDA 510(k) submission and creates positive circumstances for clinical acceptance. Analytical and clinical validation are two important pieces of the puzzle for the submission and in summary, our work has progressed as planned for being able to submit the 510(k) during the third quarter of 2020.

Strong results from clinical studies show the value of DiviTum®

As for our clinical studies, we obtained strong results during the financial year in line with prior results, namely, that DiviTum® could be a valuable tool for ensuring that patients get the best possible results from their treatment. Three new studies published during the year.

Three new studies involving positive results with DiviTum® were published in scientific journals and two studies were presented at conferences during the financial year. Data was presented from a study conducted at Institut Curie in Paris at the San Antonio Breast Cancer Symposium in December showing that DiviTum® can be used as a dynamic, non-invasive biomarker for patients with metastatic breast cancer who are being treated with endocrine therapy and a CDK 4/6 inhibitor.

At the same conference, results were presented by Prato Hospital (Italy) showing that DiviTum® is a strong prognostic marker in operable breast cancer. It confirmed the results of another study showing the same, which was conducted by Dr. Benjamin Nisman at Hadassah Hospital. This evidence will be useful to a future expansion of DiviTum® usage to earlier stages of breast cancer.

Results from the EFECT study were published in the European Journal of Cancer showing that DiviTum® can be used to evaluate if the tumor is resistant to standard hormonal (endocrine) therapy.

Clinical Cancer Research published data from the TREnd study, demonstrating the benefits of using DiviTum® when evaluating palbociclib treatment outcome in women with metastatic breast cancer.

Results from a study by researchers at Lund University were published in Scientific Reports, a prestigious journal from the publishers of Nature. The results support prior evidence that DiviTum® can be used as a prognostic tool to evaluate the treatment results for metastatic breast cancer.

Furthermore, three scientific journals – British Journal of Cancer, Scientific Reports (publishers of Nature) and Biomarkers in Medicine – each published articles on DiviTum® results and using TK activity as a biomarker for evaluating the treatment effect CDK4/6 inhibitor. They all conclude that DiviTum® has the potential to become a standard prognostic biomarker for early detection of treatment resistance in patients with metastatic breast cancer.

Furthermore, the ASCO Educational Book 2020 highlighted DiviTum® as a potential solution for addressing unmet needs as regards monitoring the treatment effect of CDK4/6 inhibitors.

In total, we have now published 11 studies encompassing over 1,800 breast cancer patients. These studies create a unique value for DiviTum® and provide the foundation for commercialization of the test.

Also during the financial year, we announced our collaboration with Mayo Clinic to use DiviTum® for monitoring the treatment effect of CDK4/6 inhibitors for patients with metastatic breast cancer. It complements our prior studies in the area and is very important for our market launch of DiviTum®. Mayo Clinic is a world-leading institute for cancer research and treatment. They also, however, have an extensive laboratory division, which could become an important commercial partner for us. As such, it is a very meaningful collaboration indeed.

It is also very satisfying to see that the results we have presented thus far have created interest and demand among oncologists for conducting more studies with DiviTum®. Several of the publications mentioned above occurred without any active involvement by Biovica, which is also encouraging. I regard it as evidence that there is both interest in, and a demand for, DiviTum®.

New talent to the organization

During the year, we intensified our commercial activities even further. We added

new talent to the organization by hiring, for example, Otti Bengtsson Gref as our new R&D Director, Henrik Winther as SVP Business Development and Robert Dann as SVP Marketing and US Business. Their expertise and experience are valuable assets to Biovica and important pieces in the puzzle for our continued market expansion. I'm very proud of the strong team we've built at Biovica and have tremendous respect for the vast talent that Biovica and our product, DiviTum®, have been able to attract.

Future prospects

We detailed our strategy and plan for the launch of DiviTum® at a virtual Capital Market Day in May 2020. In conjunction with that, we also communicated our goal of achieving a 15 percent market share within three years of the launch. Long term, our goal is to claim 50 percent of the share in the markets where we launch DiviTum®. We also explained our plan for companion diagnostics (CDx) at the event.

The market potential in the initial markets for DiviTum® is substantial, at USD 400-700 million per year for metastatic breast cancer. It is important to keep in mind, however, that initially, we are only addressing about 1 percent of all the 43 million people who are living with cancer and could potentially benefit from DiviTum®. The first step towards realizing the enormous potential is a successful launch in the USA for use of DiviTum® in treating metastatic breast cancer.

We've taken many important steps aimed at achieving a successful launch. In particular, I would like to highlight the dialog we've had with the FDA. It has given us a good understanding of what is needed to obtain approval. One important part of the application is the extensive clinical validation study on American patients, which we are carrying out in collaboration with SWOG.

That, along with our other strong clinical results from 11 published studies comprising more than 1,800 breast cancer patients and carried out in collaboration with world-leading oncologists at some of the most prestigious institutions in the world (e.g. Johns Hopkins, Mayo Clinic and Dana Farber Cancer Institute), gives us a very solid foundation for our commercialization.

Add to that the acknowledgment in ASCO Educational Book 2020, with the coverage that gives us, and it is evident that we have established excellent channels for reaching out to future customers.

We are also pursuing efforts associated with reimbursement. For example, we have been conducting market analyses and interviews with payers, which has given us a clear understanding of the expected price levels and how DiviTum® should be both positioned and used.

All of it creates favorable conditions for a successful launch and the first step towards realizing the full potential of DiviTum®.

Our strong team has had a productive year, where we've taken further steps towards achieving our goal: that patients with metastatic breast cancer will receive the best possible treatment from day one. We have a unique product that fulfills a significant need in a market that is both large and attractive. All the pieces in the puzzle are starting to fall into place for taking Biovica to the next phase in its journey and I look forward to reporting our next successes.

Anders Rylander
CEO

MILESTONES ACHIEVED IN 2019/2020

First quarter

- Capital raised for SEK 60 million
- DiviTum® results from the EFECT study published in the European Journal of Cancer
- Meeting with FDA on Supplement II

Second quarter

- DiviTum® summary published in Frontiers in Oncology
- Collaboration with SWOG started

Third quarter

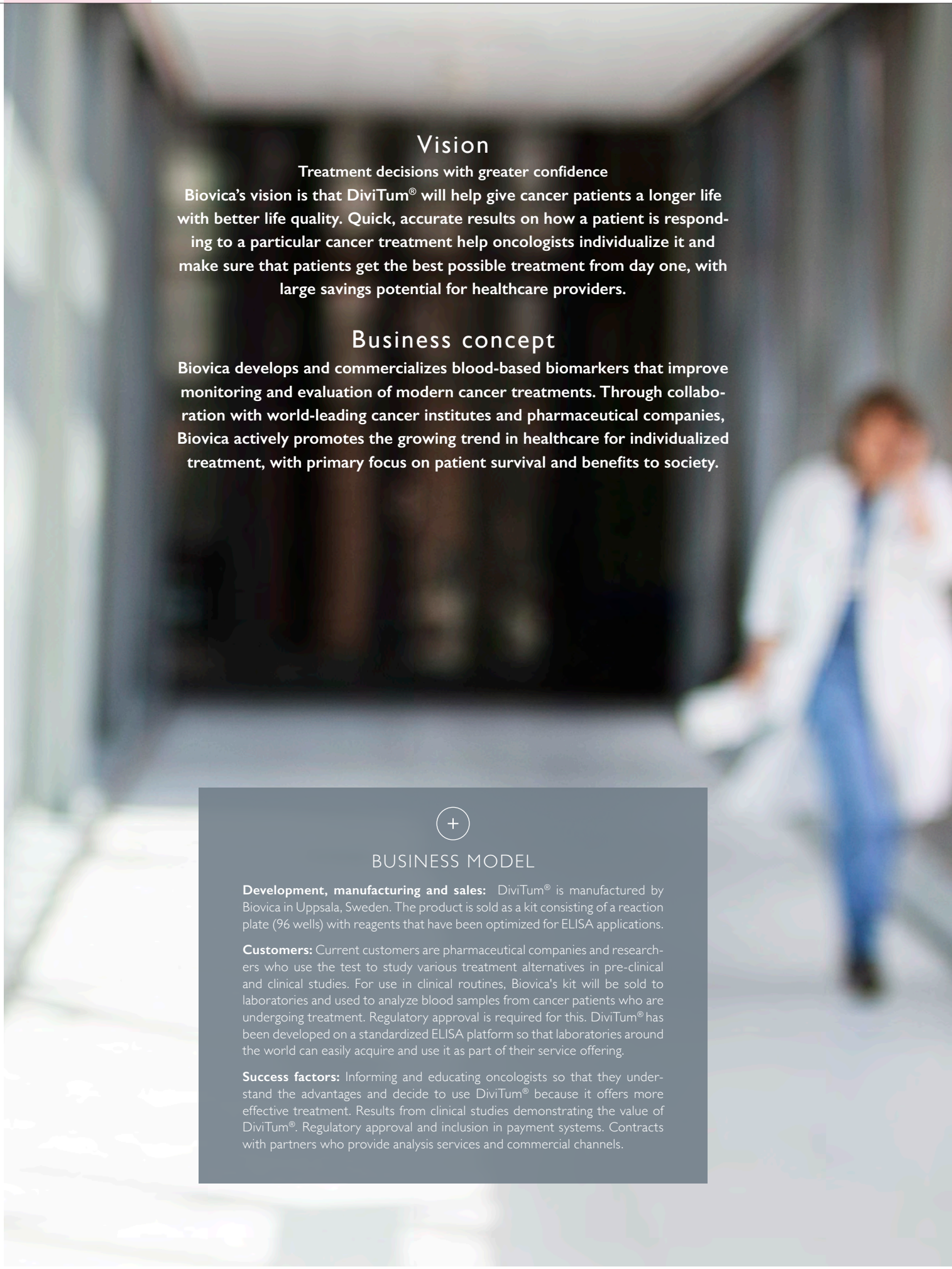
- New R&D Director hired
- Prato Hospital presents results from a study on operable breast cancer at San Antonio Breast Cancer Symposium
- Institut Curie presents results from a study on metastatic breast cancer at San Antonio Breast Cancer Symposium
- Executive management team expanded with new talent in business development
- TREnd study published in Clinical Cancer Research

Fourth quarter

- Study with Lund University published
- Executive management team expanded with new talent with commercial expertise
- Start of study collaboration with Mayo Clinic

Subsequent to year-end

- DiviTum® summary published in British Journal of Cancer, Scientific Reports (publishers of Nature)
- DiviTum® summary published in Biomarkers in Medicine
- DiviTum® acknowledged in ASCO Educational Book 2020
- Launch plan with market share targets presented during capital market day



Vision

Treatment decisions with greater confidence

Biovica's vision is that DiviTum® will help give cancer patients a longer life with better life quality. Quick, accurate results on how a patient is responding to a particular cancer treatment help oncologists individualize it and make sure that patients get the best possible treatment from day one, with large savings potential for healthcare providers.

Business concept

Biovica develops and commercializes blood-based biomarkers that improve monitoring and evaluation of modern cancer treatments. Through collaboration with world-leading cancer institutes and pharmaceutical companies, Biovica actively promotes the growing trend in healthcare for individualized treatment, with primary focus on patient survival and benefits to society.

BUSINESS MODEL

Development, manufacturing and sales: DiviTum® is manufactured by Biovica in Uppsala, Sweden. The product is sold as a kit consisting of a reaction plate (96 wells) with reagents that have been optimized for ELISA applications.

Customers: Current customers are pharmaceutical companies and researchers who use the test to study various treatment alternatives in pre-clinical and clinical studies. For use in clinical routines, Biovica's kit will be sold to laboratories and used to analyze blood samples from cancer patients who are undergoing treatment. Regulatory approval is required for this. DiviTum® has been developed on a standardized ELISA platform so that laboratories around the world can easily acquire and use it as part of their service offering.

Success factors: Informing and educating oncologists so that they understand the advantages and decide to use DiviTum® because it offers more effective treatment. Results from clinical studies demonstrating the value of DiviTum®. Regulatory approval and inclusion in payment systems. Contracts with partners who provide analysis services and commercial channels.

Strategy

Initial focus on metastatic cancer and US market

DiviTum® has potential in many areas but Biovica has chosen to initially focus its use as a tool for monitoring treatment of metastatic breast cancer. Initial launch will be in the USA. This choice is based on the opportunity for achieving a cost-effective launch of the test in an area where there is a great need. Furthermore, the US market is the largest, with the highest price levels.

Results from studies with world-leading partners provide foundation for launch

Favorable results from clinical studies are a prerequisite for successful launch of the product in this area. Collaborations are underway with world-leading cancer institutions and oncologists. Examples are Karolinska Institutet in Sweden, Breast International Group (BIG) in Europe, and Dana Farber, Mayo Clinic, Johns Hopkins and SWOG in the USA. In its collaborations with these partners, Biovica is able to reach a large audience, creating knowledge of, and demand for, the product. Furthermore, results from these studies provide the foundation for regulatory approval, reimbursement, commercial collaboration and ultimately, demand for the product and sales.

Commercial partnership for a quick, successful launch

Biovica plans on entering into partnerships for the sale of Divitum® tests. Doing so means that the company will not have to develop its own sales force and laboratory operations. Instead, it can benefit from those that are already well-established. In the USA, Biovica will be gathering documentation for reimbursement in the form of studies on the clinical and societal benefits via cost savings. It will also be formulating the marketing message to oncologists and patients. A small, efficient organization will be devoted to those tasks and engaging with our partners, working from our office in Boston.

In other markets, Biovica expects that it will be able to reuse much of the data and resources generated for the US launch. In this way, reimbursement can, for example, be delegated to partners in Europe (where each country has its own system).

Biovica can use partnership and licensing to quickly make the product available to patients in other markets than the initial three it will focus on.

Expansion to other markets and applications

Following launch in the US market, Biovica will pursue launch in EU5 and the Nordic countries, then Japan. These markets were selected on the basis of market analyses concluding that the prerequisites exist for establishing the product there. This is because the treatment protocol, payment systems and price levels are very similar to those in the US market.

Biovica also intends to expand the use of DiviTum® into areas other than metastatic breast cancer. The first step will be the closely associated area of locally advanced breast cancer. It is a natural choice, since it is expected that treatments for metastatic breast cancer will also be able to be used in this area and the need is similar for locally advanced breast cancer. Biovica has already obtained results and has some studies on this underway.

CDx – attractive opportunity for developing new products

Companion Diagnostic (CDx) is a concept that has been firmly established in oncology for about 20 years. A companion diagnostic is a diagnostic test used as a companion to a therapeutic drug to determine its applicability to a specific person. It creates benefits to everyone involved. That means, besides patients, also payers, pharmaceutical companies and diagnostic companies.

As regards monitoring, there are few examples of successful CDx collaborations even though the FDA is demanding it so that treatment outcomes will improve. It thus creates a unique opportunity for Biovica to develop such, 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.

GOALS 2020/2021

Biovica's goal is to establish DiviTum® as a standard tool for monitoring treatment of metastatic breast cancer in Europe and the USA. Important milestones during the coming years are:

- Third quarter 2020: Submit the 510(k) application to FDA for regulatory approval in the US market
- First quarter 2021: Obtain 510(k) approval and launch the product in the US market
- 2021: First reimbursements in the USA
- 2021: Launch in EU5 and Nordic countries

More long term, Biovica intends to establish Divitum® in additional markets and for the treatment of other types of cancer and new targeted therapies.

Disease situation:

Breast cancer causes over 40,000 deaths each year in the USA. These deaths come from the disease metastasizing throughout the body and affecting vital organs. If the disease has spread it is generally incurable; however, with new treatments, the amount of time a patient lives with metastatic breast cancer is steadily increasing. Further, the number of treatments a patient with metastatic breast cancer receives is also increasing as new and different options become available. This is particularly so for patients diagnosed with hormone receptor positive disease, where the combination of endocrine therapies and CDK 4/6 inhibitors has improved short term outcomes. With these improvements in care, good answers become increasingly important to questions of when to switch from one endocrine-based therapy to the next, and when to move from endocrine-based therapies to cytotoxics. Additionally, as the number of therapies and time on therapies increases, accurate and efficient disease monitoring becomes even more important. Disease monitoring in breast cancer today is an area with potential for improvement. Typically, no single test alone will give a definitive answer to changes in the disease status, which is why doctors end up running many different tests, repeatedly. It is costly and sub-optimal for both patients and healthcare systems.

Market potential:

The initial target market for DiviTum® is women with hormone receptor positive breast cancer who are being treated with therapies. There are about 31,000 new patients each year where DiviTum® could be part of their treatment monitoring following regulatory and reimbursement approvals. Patients generally remain in this population for up to three lines of treatment, often for three years or longer. External advisors suggest that a blood-based test such as DiviTum® could be used as frequently as monthly early on during a treatment, and every three months thereafter. With a population as described and testing frequency as suggested, this is a market opportunity of 700,000 tests/year. The opportunity is likely to grow as new therapies extend patients' lives.

To support usage, pricing and reimbursement for DiviTum®, we are undertaking studies to prove both its clinical accuracy and utility. We aim to demonstrate avoidance of unnecessary therapy and/or continuation of a therapy that is no longer effective. We also aim to prove the utility stemming from the potential that, with DiviTum®, doctors will likely run fewer tests in that they may become redundant or provide less useful information. Research with key opinion leaders and with payers has led to a better understand of pricing expectations and what is required for value demonstration. With launch in Europe to follow the US launch, the volumes and the price expectations following demonstration of value support previous estimates of market potential at SEK 6 billion per year in breast cancer.

Beyond metastatic breast cancer:

Cell proliferation is a common feature of cancers, and many cancers are treated with therapies that specifically target cell replication. Promising data has been presented on DiviTum® in locally advanced breast cancer. An early understanding of neo-adjuvant treatment in that setting would be very useful to improvement of care. DiviTum® has also been studied for use in treating lung, colorectal and other forms of cancer. The initial clinical results have been promising, indicating that it may be possible to use DiviTum® for these purposes.

DEVELOPING MARKET ACCESS TO SUPPORT THE LAUNCH IN MONITORING METASTATIC BREAST CANCER

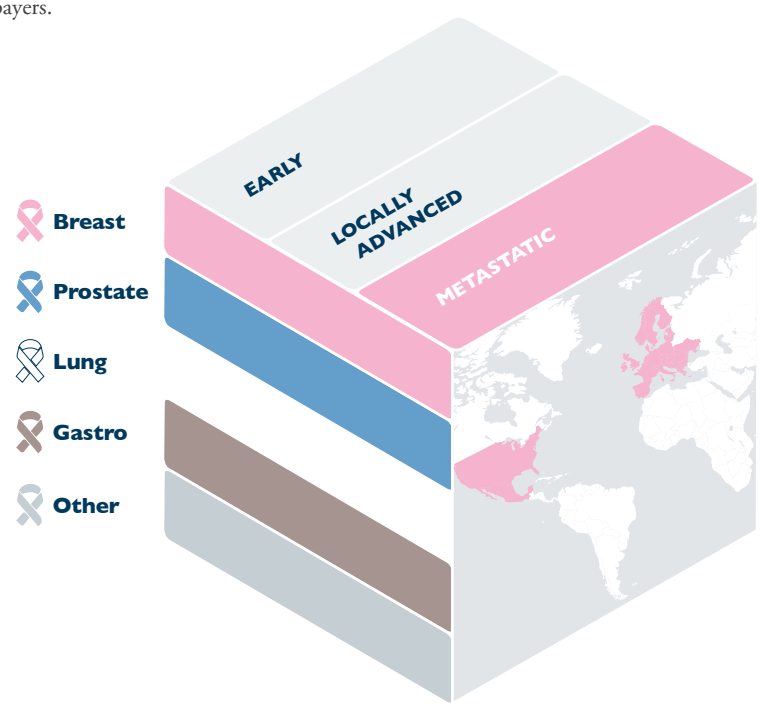
Beyond regulatory approval, there are several elements important for commercial success: that the DiviTum® assay as a service is widely available to clinicians; its inclusion in treatment guidelines developed by the breast cancer experts; and successfully meeting the requirements of reimbursement coding, coverage and payment.

Availability of the test:
Both the labs of the 71 NCI comprehensive cancer centers and the 20-30 key independent oncology reference laboratories are the key focus. Over the next 12 months, we are working to secure arrangements such that the test becomes widely available through the labs of these institutions. This could be either as a direct service or when samples are sent to a partner laboratory. Service agreements with independent reference laboratories will also open test availability to many community hospitals. Securing these agreements will accelerate following the regulatory filing.

Inclusion in treatment guidelines:
Treatment guidelines, reimbursement and physician usage are closely intertwined. The National Comprehensive Cancer Network (NCCN) issues one of the key guidelines and it has a panel that regularly reviews publications of clinical evidence. Our aim is to develop strong evidence of the accuracy and utility of DiviTum®, along with collaborating with researchers to ensure that results are promptly published in major scientific journals. The study collaboration with SWOG Cancer Research Network that Biovica announced in 2019 is an important element of this strategy, since NCCN has stressed the importance of backing from well-run studies. This collaboration is underway and we look forward to seeing publication of results.

Reimbursement: Coding, Coverage and Payment:
Inclusion in guidelines is clearly an important element toward the test being widely available. We have completed market research to understand requirements of the path to reimbursement in the US, including not only pricing but also coding and coverage requirements. Demonstration of a positive impact on delivery of healthcare, and ideally on total costs of care, will be desirable and we are working toward achieving those aims. Additionally, clinical studies to demonstrate utility are under development, and we look forward to executing these studies and sharing the results with payers.

DiviTum® and partnerships:
A single test needs to find its proper place in a healthcare ecosystem. We are already doing this extensively for DiviTum® in collaboration with breast cancer key opinion leaders and their hospitals. We are expanding these collaborations to include clinical laboratories and intend to expand this further to collaborate with payers and with integrated delivery networks that have full responsibility for both patient care and treatment costs.



DiviTum®

DiviTum® is an innovative biomarker assay developed with the aim to monitor and predict outcome in cancer treatment of solid tumors. DiviTum® measures the activity of thymidine kinase (TK) in serum or cell cultures. In normal cells, TK activity is very low. It rises, however, with increased cell proliferation.

Because the level of TK activity is closely correlated to cell growth, monitoring it as a biomarker is suitable both when evaluating tumor aggressiveness and also the effect of drugs that inhibit cell cycling. Measuring TK activity with DiviTum® provides clinically useful information, allowing treatment to be tailored and optimized. DiviTum® has the potential to prolong survival time and raise quality of life. It can also possibly lower healthcare costs by replacing expensive, ineffective diagnostics and treatments.

Monitoring cancer with DiviTum® is straightforward. All that is required from the patient is a blood sample. The test has been developed on a standardized ELISA platform for use in clinical laboratories. Results thus far have been promising, as highlighted in several recent scientific articles.

> *Patients with hormone receptor–positive breast cancer with low baseline levels of serum TK1 activity or an early drop in TK1 activity had improved outcomes in response to endocrine therapy.*
>
> Knudsen ES, Shapiro GI and Keyomarsi K, ASCO Educational Book 2020

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> *DiviTum® is the pioneering technology to document TK1a as a breast cancer biomarker to estimate prognosis and early recognition of treatment resistance that can be clinically very useful.*
>
> Dr. Luca Malorni, Prato Hospital, Italy

Interview with Associate Professor Samuel Rotstein

Associate Professor Samuel Rotstein is Chief Surgeon and breast cancer specialist at Karolinska University Hospital. In Sweden, he is also a legend in the area of breast cancer. He has been treating women with breast cancer for around 40 years. Patients have shown how much they appreciate his efforts by honoring him with the 2016 award from the Swedish National Organization of Breast Cancer Societies (BRO). He has also served as Biovica's medical consultant for several years.

When Samuel Rotstein began working as an oncologist in 1980, it was not uncommon for him to see as many as 25 patients during a single morning. These days, an oncologist sees between 5 and 10 patients, at most, during that same amount of time. Reasons for that have to do with development that have occurred in the world of cancer, where patients are treated with a constantly evolving array of targeted therapies specific to their needs. Patients are also now offered more comprehensive psychological support. Besides that, they tend to be more informed about, and engaged in, their treatment. At present, an individual patient is typically given a series of treatments over the course of their illness. But, doctors still require a better basis for choosing the best cancer treatment and determining whether or not it is effective as quickly as possible. Samuel Rotstein's opinion is that DiviTum® has the potential to become an important tool for evaluating treatment.

Could the DiviTum® assay help ensure treatment that lengthens the patient's survival time?

The goal of DiviTum® is for patients to live longer by facilitating quicker and simpler evaluation of treatment. We want to avoid treating patients with a therapy that does not give the intended results. The DiviTum® assay provides an easy way of determining whether or not the treatment is effective. Furthermore, evaluation using the DiviTum® assay is possible much sooner after treatment has begun, compared to, for example, X-ray images. DiviTum® would enable me to check the effect of treatment sooner than I would be able to using other methods. So, the biggest advantage of DiviTum® is this: It would enable us to more quickly switch a patient over from an ineffective treatment to an effective one.

Several clinical studies have confirmed the advantages associated with using DiviTum®. At present, a major study is underway to provide further evidence and additional confirmation of prior results from studies with DiviTum®. A study is being carried out with SWOG Cancer Research Network (SWOG study) on metastatic breast cancer. It involves a US network of prominent oncologists, where samples have been taken from 400 patients in USA with metastatic breast cancer both prior to, and several times during, treatment.

How is DiviTum® able to provide answers sooner than X-ray images?

DiviTum® measures the activity of an enzyme found in the blood when the cells of a tumor divide. The enzyme measures the rate of cell proliferation for tumors, which occurs when the cancer has spread (metastatic breast cancer).

With current methods, like X-ray, we typically require three to four months of treatment before we can evaluate the effect by viewing images of the tumor. With the DiviTum® assay, however, it is possible to evaluate the effect already two to four weeks after having started treatment. Doctors who are treating patients thus obtain information about changes in the cell proliferation rate of tumors more quickly that what is possible using X-rays. It simplifies the task of monitoring treatment effect.

Which patients would benefit the most from DiviTum®?

The DiviTum® assay is intended for patients with a cancerous tumor. As such, it can be used on patients who have a tumor that has not yet been surgically removed or for patients with metastatic breast cancer. DiviTum® provides the greatest benefits to patients with metastatic breast cancer by facilitating quicker evaluation of treatment and a way of avoiding ineffective treatments. It is necessary to terminate a treatment that is not giving the intended results, and causing side effects, as quickly as possible. If a treatment is working, however, there are ways of alleviating the side effects.

About breast cancer

Of those diagnosed for the first time with breast cancer, the cancer has already started to spread for 3-5 percent of them. Metastatic breast cancer means that cells have broken away from the original (primary) tumor and have traveled through the blood or lymph system to form a new tumor in other organs or tissues of the body, typical in the skeleton, liver, brain or lungs. It is possible to live with metastatic breast cancer, but only around 22 percent live more then 5 years with the disease.

Can DiviTum® be used to help individualize treatments?

One very typical path for a patient with metastatic, hormone-sensitive breast cancer is to, initially, treat her with medications that block hormones in combination with a CDK4/6 inhibitor (palbociclib, ribociclib or abemaciclib) for cell cycle regulation. One problem, however, is that some patients experience very unpleasant side effects, like diarrhea or rapid/irregular heart rate when treated with such inhibitors.

Clinical studies that have been conducted indicate that DiviTum® might be better able to predict the possible effect of a drug.

DiviTum® should be able to help predict whether the patient needs to be treated with both drugs simultaneously. High DiviTum® values might indicate the need for a more powerful treatment with both drugs. Low values, on the other hand, might indicate that only hormone therapy is necessary. For some of these patients, it might then be possible to only use a hormone therapy that will slow down the tumor growth and have fewer side effects.

Are there other ways of using DiviTum® to individualize treatment, such as delaying or avoiding cytotoxics/chemotherapy?

One problem is that patients are frequently over-treated. We give them drugs that have been documented to benefit an entire group, but might not be right for this specific patient. DiviTum® can quickly evaluate which treatment is working for an individual patient.

I would like to maximize the time during which patients are treated without cytotoxics. Cytotoxic treatments can increase the risk of infection and common side effects are hair loss, nausea, appetite changes and neurological side effects. DiviTum® could enable us to increase the certainty of our assessment of which patients would be suitable for delaying or avoiding the use of cytotoxics.

Would DiviTum® make it possible to avoid repeat X-ray examinations and exposing patients to large doses of radiation?

Typically, a patient with metastatic breast cancer is given a CT scan every three months. Each scan exposes them to radiation. There are many reasons for wanting to limit the use of radiation, both for patients and society. Hopefully, with DiviTum®, patients will require fewer X-rays.

Are there any other socio-economic benefits associated with DiviTum®?

Patients frequently also receive MRI scans. An MRI does not expose a patient to radiation. However, there are socio-economic reasons for avoiding them, because a single scan can cost as much as SEK 13,000.

Could you give a concrete example of additional benefits with DiviTum®?

One example is a 70-year old female patient from Roslagen. She has trouble walking and requires home care for the treatment of breast cancer metastases. Every three months she is examined and must travel to the hospital for an X-ray exam. Right now, the only way for her to know if the treatment is having the desired effect is via the results from X-ray images. For

> *"The goal of DiviTum® is for patients to live longer by facilitating quicker and simpler evaluation of treatment.*
>
> Associate Professor Samuel Rotstein

her, life would be easier if her care provider could take a blood test at her home that would reveal whether the treatment is having the desired effect.

Most breast cancer patients require several biopsies. What could the DiviTum® assay offer compared to a biopsy?

DiviTum® can provide a more objective test result prior to making a treatment decision. The DiviTum® assay would also likely facilitate a better and simpler evaluation of the treatment effect. In certain situations, it might even be possible to avoid taking a biopsy.

Ki67 staining is frequently used in oncology to estimate a tumor's proliferation index. To use this method, it is necessary to take a tissue sample from the tumor. The cancer cells are then studied under a microscope by staining and counting them. There are many reasons, however, why the threshold for number of cancer cells can vary. One factor of uncertainty is that the method requires counting the total number of positive-staining tumor cells manually, using a microscope. Accordingly, different lab technicians may arrive at different answers. It is a gray area that we might be able to avoid if the DiviTum® assay were available to us.

Finally: Do we know why a person gets breast cancer?

No, we don't. However, several risk factors have been identified, such as dense breast tissue and family history. We run a higher risk of breast cancer because of our Western lifestyle. Women are having fewer children and menstruating both longer and more irregularly. Frequently, they are also given hormone treatment during menopause. All of that puts strain on the mammary gland cells. Diet also plays a role, along with consumption of alcohol.

Published studies FY2019/20

During the fiscal year, Biovica continued its strong collaborations worldwide with leading cancer researchers, medical institutes and pharmaceutical companies to further strengthen the clinical evidence and utility of the DiviTum® assay to monitor and predict treatment response in cancer therapies.

During the 2019/2020 fiscal year, positive results with DiviTum®, including clinical utility, were published in prestigious scientific journals. British Journal of Cancer, Scientific Reports (publishers of Nature) and Biomarkers in Medicine – each published articles on DiviTum® results and using TK activity as a biomarker for evaluating the treatment effect CDK4/6 inhibitor. Then, in May 2020, DiviTum® was acknowledged in the ASCO Educational Book 2020 as a solution to address unmet needs in treatment monitoring of CDK 4/6 inhibitors.

Like previous years, Biovica undertakes or participates in clinical studies that are either needed to support a specific product development through the clinical verification/validation or to explore new product territories. During this fiscal year, however, the main focus has been on studies supporting the upcoming launch of DiviTum® for monitoring the disease status of metastatic breast cancer and treatment effect.

In total, there have been 11 publications encompassing over 1,800 breast cancer patients. Through these studies, it has been documented that TK activity can be measured and used as a prognostic tool for patient survival and for monitoring the effect of ongoing treatment. Three new studies were published during the year showing that DiviTum® can be used as a dynamic, non-invasive biomarker for patients with metastatic breast cancer who are being treated with endocrine therapy and a CDK 4/6 inhibitor. One study was conducted at Institut Curie in Paris, another was the EFECT study published in the European Journal of Cancer and the third was data from the TREnd study published by Clinical Cancer Research. These treatment schedules constitute the routine practice in US – our initial market for introduction of DiviTum®.

Also during the fiscal year, several reviews, editorials, and educational writings were published on use of the DiviTum® assay within the breast cancer field. In a review paper by researchers at the Prato hospital in Italy and published in Frontiers Oncology during July 2019, DiviTum® was included as a technology with great potential, strong rationale and already documented pre-clinical and clinical data to evaluate CDK4/6 inhibitor efficacy in patients with metastatic breast cancer. The scientific journals British Journal of Cancer, and Biomarkers in Medicine published articles on DiviTum® results and TK activity as a biomarker for evaluating efficacy of CDK4/6 inhibitors. The editorials concluded that DiviTum® data has the potential to become a standard prognostic biomarker and tool for early recognition of treatment resistance for patients with metastatic breast cancer. As a very strong end to the FY publications, DiviTum® was included in ASCO Educational Book 2020. The authors from Dana Farber Cancer Institute and MD Anderson conclude that: "These preliminary results highlight the potential for serum TK1 activity to act as a noninvasive biomarker for CDK4/6 inhibitor target engagement".

Outside breast cancer, there was one publication demonstrating DiviTum® as a strong prognostic (for disease-free-survival) marker in operable breast cancer. The study is part of our explorative program for potential future expansion of DiviTum® usage. The strong data obtained warrants further investigation.

Ongoing studies FY2019/20

Biovica's DiviTum® assay is included in several ongoing clinical trials. Each of the studies has been carefully selected to further establish clinical data to support the use of our TK-activity-biomarker as an efficient tool in monitoring the progression of cancer.

During the fiscal year, focus of our ongoing clinical studies has been on monitoring the disease status of metastatic breast cancer and treatment effect in the US market, which is where the initial launch will occur.

Most important is the SWOG S0226 clinical study, which will serve as the foundation for the clinical validation section of our 501(k) application to the FDA. SWOG Cancer Research Network is a NCI (National Cancer Institute) supported organization that conducts clinical trials in adult cancers, and it is one of the largest of the NCI's clinical trial cooperative groups with more than 12,000 members in more than 1,000 hospitals. The SWOG studies have led to 14 approved drugs. As such, it is an important stamp of quality for our FDA 510k submission. The SWOG S0226 study group includes several major US KOL's within oncology, including Daniel F. Hayes who is M.D, Professor at University of Michigan and former ASCO President. The S0226 study is a randomized phase III trial for women with metastatic breast cancer who are treated with first line endocrine therapies. Accordingly, this patient segment will be covered by the initial DiviTum® product in the US.

Apart from the SWOG clinical study, the DiviTum® assay is being used in several other ongoing national and international studies with the aim of exploring additional indications and expanding the intended use of the product. Primary focus is metastatic breast cancer, but then expanding into other types of breast cancer, such as early stage and locally advanced. During FY 2019/20 we expanded our collaboration with Mayo Clinic (announced in a press release in April 2020) and hence we currently have 5 announced (excl. SWOG) ongoing studies within breast cancer:

- **PYTHIA** is a study that is being conducted by BIG and IBCSG involving 120 mBC patients to measure the treatment effect of targeted therapy.
- **PREDIX** is a study that is being conducted by Karolinska Institutet involving 200 locally advanced patients to measure the effect of targeted therapy and the survival rate.
- Together with **JOHNS HOPKINS**, Biovica is conducting a study involving 100 patients to measure drug resistance development to CDK 4/6 inhibitors.
- **PROMISE** is a study that is being conducted by Mayo Clinic involving 250 stage IV patients to measure the effect of CDK4/6 inhibitor targeted therapy.
- Together with Mayo Clinic, Biovica is conducting a study involving 41 patients with metastatic breast cancer receiving treatment with **ENDOXIFEN**.

Study	Stage	Number of patients	Endpoints	Comments
PYTHIA	IV (mBC)	120	TK activity to measure the effect of targeted drugs.	Partners: BIG & IBCSG Expansion of on-treatment monitoring
PREDIX	III (BC)	200	TK for targeted drug responses and survival. Neoadjuvant setting.	Partner: Karolinska Institute Expansion of the intended use into neoadjuvant BC
Johns Hopkins	IV (mBC)	100	Biomarkers for resistance to targeted drugs.	Expansion of on-treatment monitoring
Endoxifen	IV (mBC)	41	Endpoint is TK for endocrine (SERM) therapy.	Partner: Mayo Clinic Expansion of device application to also include endoxifen treatment.
PROMISE	IV (mBC)	250	TK for endocrine therapy and targeted drug responses	Partner: Mayo Clinic Expansion of on-treatment monitoring
5 studies	**III-IV**	**670**		

Beyond breast cancer, Biovica has started to become more involved in studies within lung cancer and gastrointestinal cancer. Most recent is the collaboration with WntResearch to identify patients with colon cancer who could benefit from Foxy-5 treatment. A Phase II study will be conducted with these patients to investigate the potential of using DiviTum® as a predictive test for selection of patients eligible for treatment.

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. Together, we are striving to achieve our vision that: Every cancer gets the best possible treatment from day one.

Biovica has 17 employees in three countries with different assigned tasks and areas of responsibility. Each of them is striving to achieve the same goal, which is to ensure that every cancer patient receives the best possible treatment from day one. 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. Our future growth and success require that we continually work with our brand and strengthen our reputation as an attractive employer. Biovica has operations in three countries, but most are employed in Sweden. At present, we have two employees working in the USA and one in Denmark. Of the total number of employees, 47 percent are women and 53 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, healthy levels at Biovica. The results from our employee satisfaction surveys also indicate that our employees enjoy their work.

Focus areas in 2019/2020

During the 2019/2020 financial year, Biovica has focused on several important areas aimed at preserving our attractive reputation as employer and ensuring the company's continued growth and success. We have continued to work with our focus areas, which are the work environment, skill development and self-leadership. Sustainability has also been added as another focus area.

An attractive workplace

We expect a lot from our employees and they expect a lot from us! Accordingly, over the last few years, we've invested in benefits and incentives that provide them with more security and higher quality of life. They have salary options for making higher pension provisions, subsidized fitness memberships, wellness programs and fun team-building activities.

KEY VALUES

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

Respect – We treat our colleagues and customers with respect. We listen and appreciate each other's perspectives.

Solution-oriented – We identify problems and propose solutions

Purpose-driven – We are delivering on our goals that have been formulated based on the purpose that drives us.

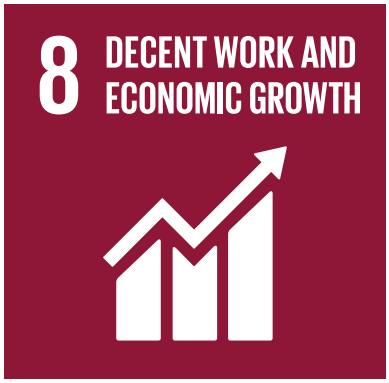
Team player – We work as a team, supporting each other to become successful.

Sustainability

Biovica has initiated sustainability efforts based on the 17 UN Sustainable Development Goals. In total, the company has identified 5 prioritized ares where Biovica can contribute the most and make a difference.

By offering DiviTum®, Biovica helps improve the health of women suffering from metastatic breast cancer. Our vision is to improve the quality of life for cancer patients, with a longer survival.

Biovica believes that all people have equal worth, regardless of, for example, their gender or ethnicity. These values govern both how we recruit and interact with our employees and stakeholders alike.



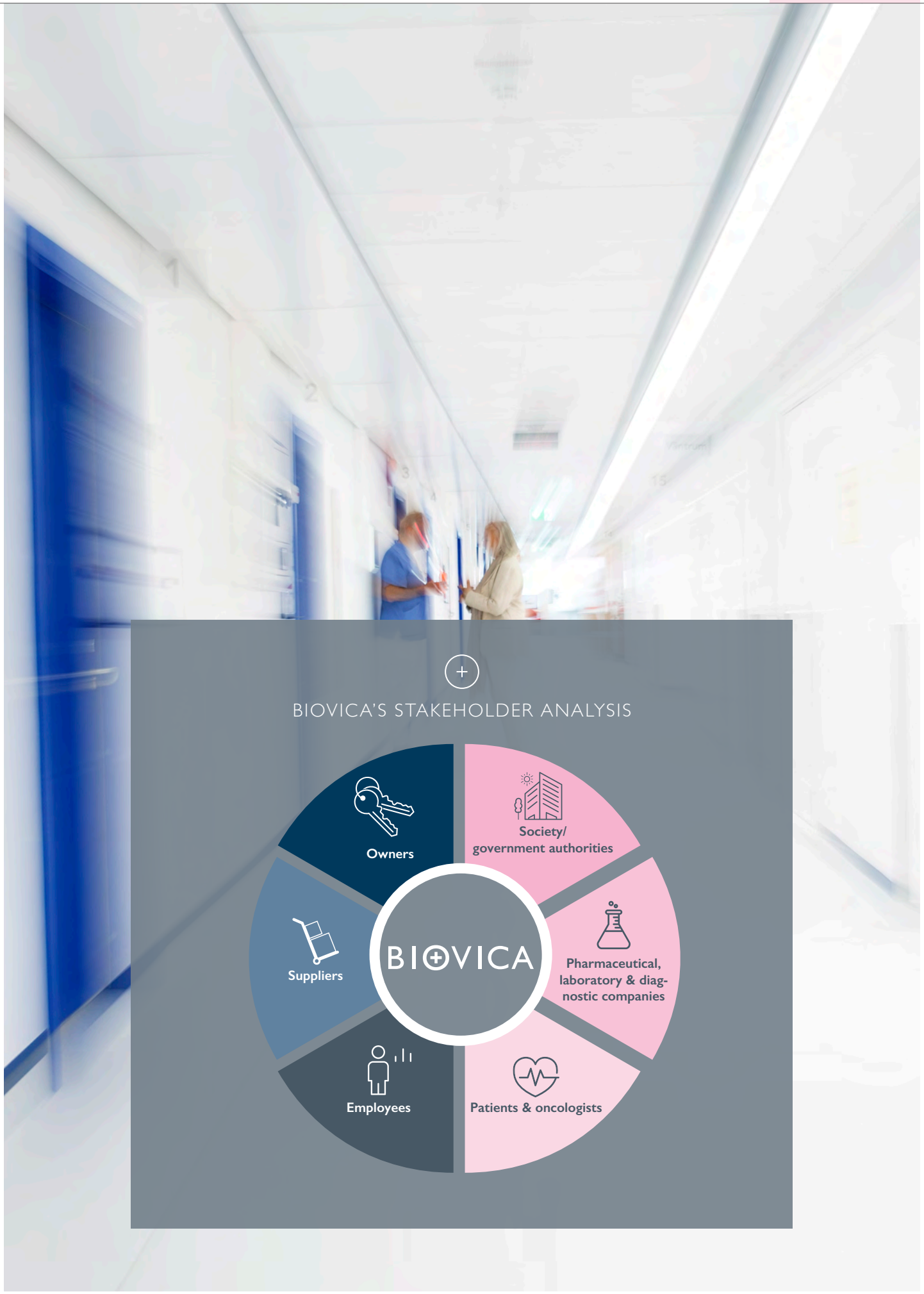
As an employer, Biovica strives to provide a good work environment, with opportunities for development and with attractive terms.

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. We do 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. We also give consideration to the environment as regards our business travel. We avoid unnecessary travel and choose green alternatives, whenever possible.

"Biovica strives to ensure better treatment outcomes for patients while generating benefits to society in the form of lower treatment and diagnostic costs. Through it all, we pursue our operations with the aim of having the lowest possible environmental impact.

Anders Rylander, CEO



BIOVICA'S STAKEHOLDER ANALYSIS

Intellectual Property strategy and protection

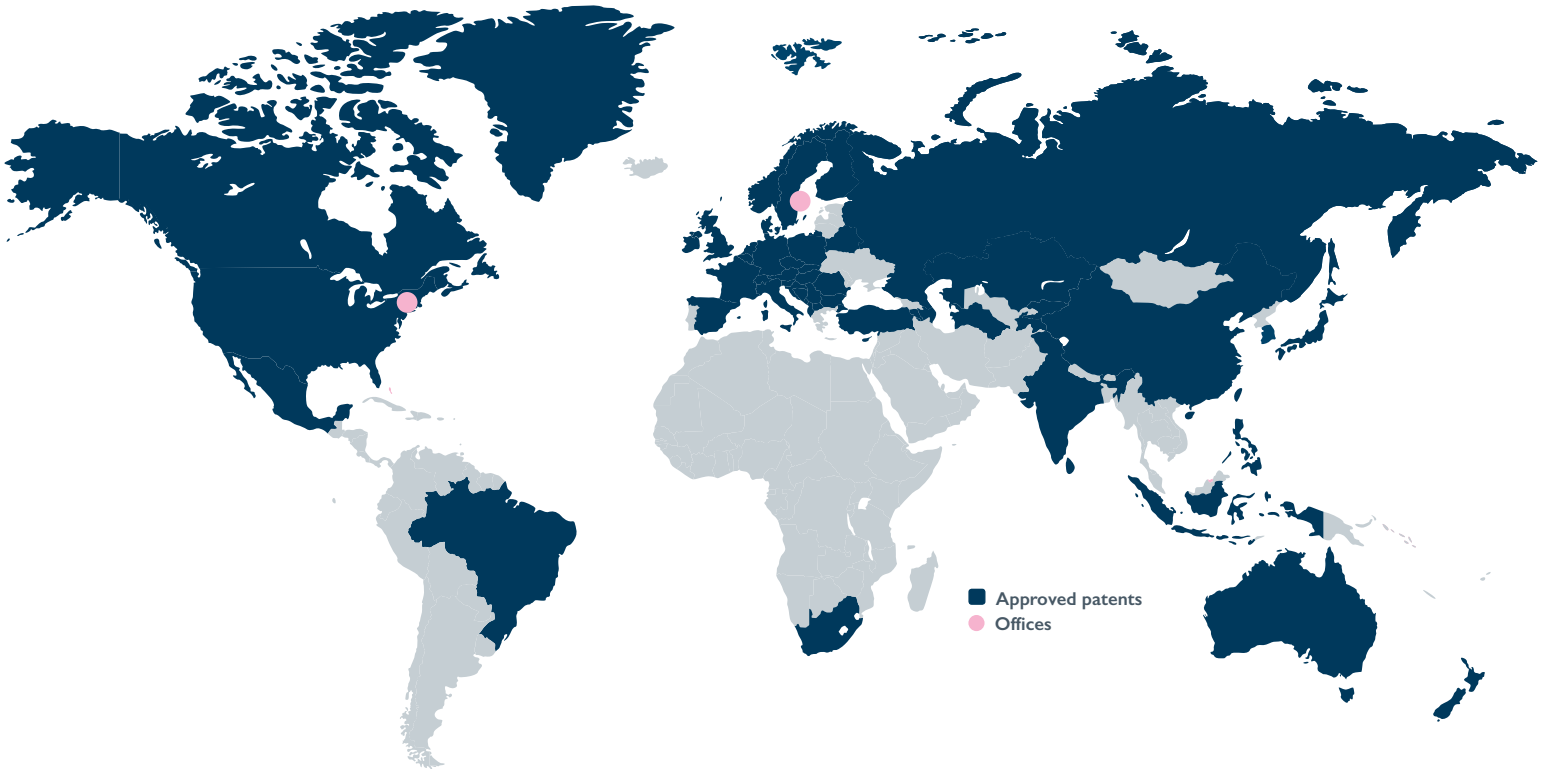
For Biovica, having strong, broad intellectual property protection is an important factor for commercialization and value creation. Biovica has strong patent protection, having gained approval in all markets where we have filed. Currently, we have patents in 49 countries.

The patents for DiviTum® expire in 2026 and 2031 for the two different patent families, covering two different technology platforms. Both platforms measure TK and have high correlation between them.

Even after the patents expire, Biovica expects to retain its strong protection based on the fact that neither the manufacturing process nor compilation of the test is revealed in the patent description.

In developing DiviTum®, Biovica has accumulated a vast amount of proprietary information and know-how which will make it difficult for others to copy DiviTum®. Clinical documentation of the product serves as another asset in that replicating it would be an arduous and costly task.

We will not fully share this knowledge with potential production partners so that we can avoid the risk of having our technology copied.



Biovica shares

THE TEN LARGEST OWNERS AS OF 30 APRIL 2020

Name	Class A shares	Class B shares	Number of shares	Number of votes
Anders Rylander via company	3,575,640	379,756	16.78	29.55
Gunnar Rylander	931,185	572,112	6.38	8.95
Coeli		1,169,782	4.96	3.11
Nordnet Pensionsförsäkring		806,262	3.42	2.14
Avanza Pension		784,014	3.33	2.09
LYM Consulting AB		493,810	2.09	1.31
Henrik Osvald, directly and via company		424,106	1.80	1.13
Kristina Gronowitz	411,660		1.75	3.29
Lars Holmqvist, directly and via company		410,630	1.74	1.09
Eccenovo AB		300,000	1.27	0.80
Total, 10 largest owners	4,918,485	5,340,472	43.52	53.46
Other owners	2,089,039	11,225,376	56.48	46.54
Total number of shares	**7,007,524**	**16,565,848**	**100.00**	**100.00**

BIOVICA STOCK HISTORY

Directors' report 2019-05-01 - 2020-04-30

The Board of Directors and CEO of Biovica International AB (publ), Biovica, hereby present the annual report and consolidated financial statements for the financial year 1 May 2019 through 30 April 2020. The company's registered office is in Uppsala, Sweden and its corporate identity number is 556774-6150.

General information about the business

Biovica develops and commercializes blood-based biomarker assays for evaluating the effect of cancer treatments. Biovica's DiviTum® technology measures cell proliferation rate and clinical studies have shown that it can quickly reveal whether treatment is effective. Biovica's vision is a future where every patient receives the best possible therapy from the very first day of treatment. Biovica plans to launch DiviTum® in the year ahead for monitoring breast cancer treatment.

Significant events and circumstances

Biovica's class B shares are traded on Nasdaq First North Premier Growth Market, Stockholm.

Significant events during the financial year

During the financial year, three new studies involving positive results with DiviTum® were published in scientific journals and two studies were presented at San Antonio Breast Cancer Symposium (SABCS) in December. One was a study at Institut Curie, France, showing that DiviTum® can be used as a dynamic, non-invasive biomarker for patients with metastatic breast cancer who are being treated with endocrine therapy and palbociclib. Prato Hospital (Italy) also presented a study showing that DiviTum® is a strong prognostic marker in operable breast cancer.

Results from the EFECT study were published in the European Journal of Cancer showing that DiviTum® can be used to evaluate if the tumor is resistant to standard hormonal (endocrine) therapy.

Clinical Cancer Research published data from the TREnd study, demonstrating the benefits of using DiviTum® when evaluating palbociclib treatment outcome in women with metastatic breast cancer.

Results from a study with researchers at Lund University were published in Scientific Reports, a prestigious journal from the publishers of Nature. The results support prior evidence that DiviTum® can be used as a prognostic tool to evaluate the treatment results for metastatic breast cancer.

Furthermore, three scientific journals – British Journal of Cancer, Scientific Reports (publishers of Nature) and Biomarkers in Medicine – each published articles on DiviTum® results and using TK activity as a biomarker for evaluating the treatment effect CDK4/6 inhibitor. They all conclude that DiviTum® has the potential to become a standard prognostic biomarker for early detection of treatment resistance in patients with metastatic breast cancer.

Biovica and Mayo Clinic have begun collaboration to study the clinical benefits of using DiviTum® for monitoring the tumor response to therapy in patients with metastatic breast cancer. The main objective of the studies is to evaluate standard treatments, including CDK 4/6 inhibitors. The focus will be on the use of DiviTum® as a tool for easy and early evaluation of tumor progression and overall patient survival.

Our plan is to submit the 510(k) application for market approval to the U.S. Food and Drug Administration (FDA) during the third quarter of 2020, using SWOG as the clinical validation study.

To help ensure a successful launch of DiviTum®, we added more talent to our executive management team during the year with a new R&D Director, SVP Business Development and SVP Marketing. They have experience from successfully developing and launching similar diagnostic products.

Biovica is approaching the market launch of DiviTum® for monitoring treatment of metastatic breast cancer. Within three years of the launch, Biovica's goal is to have achieved a market share of 15 percent. DiviTum® will first be launched in the US market, followed by the five largest markets in Europe and the Nordic countries. After that, further geographic expansion will occur, with an initial focus on the Japanese market. Long term, Biovica's goal is to claim 50 percent of the share in the markets where we launch DiviTum®.

Thus far, the COVID-19 pandemic has only had a marginal impact on Biovica's operations. The most significant risk areas associated with COVID-19 are a delay of commercial activities, potential disruptions in supply chains, the health of our employees and financial stability of our customers and suppliers. The Board and executive management team are carefully monitoring all developments and taking action to limit the effect.

Comments on consolidated income statement

Operating income

Net sales for 2019/2020 amounted to SEK 1,671 (3,005) thousand. This was generated from sales of the DiviTum® kit to the research market.

Operating costs and profit (loss) for the year

The company reported a loss for the year of SEK -30,318 (-21,556) 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, setting up operations in the USA and a high level of activity in development projects. Other external costs and employee benefit expenses increased by SEK 7,053 (4,209) thousand compared to last year and for the 2019/2020 financial year amounted to SEK 35,260 (28,207) thousand. The results for the year are in accordance with expectations and the budget that was presented for the 2019/2020 financial year.

R&D work

R&D work has progressed according to plan. The capitalized costs for R&D work during the year amounted to SEK 7,035 (6,464) thousand, which corresponds to 18 (20) percent of the Group's total operating expenses, see Note 13.

Comments on the Group's financial position

Investments

The acquisition of intangible assets for the year amounted to SEK 7,035 (6,464) thousand, of which 100 percent was capitalized both this year and last year. The capitalized development expenditure is primarily attributable to employee benefit expenses associated with development of the ELISA and RTA projects (two different platforms for measuring TK). The carrying amount is reduced by the amount equivalent to the portion of development expenditure funded via decided and paid grants. Of the year's investment in capitalized expenditure for development costs, SEK 0 (0) was covered by grants.

Property, plant and equipment was acquired during the year (in the form of equipment) for SEK 0 (864) thousand.

Comments on consolidated cash flow

Cash flow from operating activities was SEK -24,003 (-17,966) thousand and total cash flow for the year was SEK 23,946 (-25,295) thousand. The positive cash flow for the year results from having raised capital for SEK 60 million at the beginning of the year.

Cash & cash equivalents and financial position for the Group

The closing amount for cash & cash equivalents on 30 April 2020 was SEK 40,777 (16,831) 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, for at least the next 12 months.

Equity at the end of the period was SEK 78,235 (52,097) thousand and the equity ratio was 87 (86) percent.

Comments on the Parent Company's income statement, balance sheet, statement of cash flows and cash & cash equivalents

The figures reported for the Parent Company are essentially the same as those reported for the Group. The aforementioned comments thus also apply to the Parent Company. Operations have been run on a small scale in the US sudsidary, Biovica Inc., during the financial year.

Major owners and significant changes in the ownership structure

Anders Rylander, CEO and member of Biovica's Board of Directors owns 17 % (via company) of Biovica's shares, which corresponds to 29 % of the votes in the Biovica.

Shares

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 1,571,558.13 allocated between 7,007,524 Class A shares and 16,565,848 Class B shares. The quotient value is SEK 0.07 per share. During the year, (289,914) 953,969 Class A shares were converted to Class B shares in accordance with what has been stipulated in the Articles of Incorporation, see Note 21. This may occur at the end of each quarter until there are no longer any Class A shares registered.

Significant events after the end of the financial year

COVID-19

The most significant risk areas associated with COVID-19 are a delay of commercial activities, potential disruptions in supply chains, the health of our employees and financial stability of our customers and suppliers. The Board of Directors has assessed that the COVID-19 pandemic could potentially have a negative impact on the company's earning during the year ahead, but it is currently unable to assess how large. There is a risk that commercialization will be delayed if COVID-19 restrictions remain in place during the fall and winter in the USA. The Board is carefully monitoring all developments and taking action to limit the effect.

Expected future progress, material risks and uncertainties

The focus of Biovica's business plan is to launch DiviTum® in the clinical market as a supplementary diagnostic test for evaluating how a patient is responding to cancer treatment drugs. DiviTum® is in the early stage of commercialization. It is expected to be introduced for the intended application, metastatic breast cancer, in the US and European markets in 2021.

The risks associated with the company's operations fell during the year because new, positive results from studies on breast cancer were released, supporting and confirming early studies. More results will be presented during the year ahead on both ongoing and planned studies. There are many potential areas of application besides breast cancer for use of DiviTum®, which further adds to the potential. A risk in the process for obtaining FDA approval is an incorrect understanding by the Company of the FDA's requirements, which could result in the approval becoming delayed. Biovica has been proactive in its efforts to obtain FDA approval and reduce the risks of a delay. We have, for example, engaged in a pre-submission process and submitted a supplement containing our questions to the FDA. The feedback on that has given us a clear understanding of what the application must contain (and what must be substantiated) so that we will gain approval. A supplement with our questions concerning clinical validation has also been submitted to the FDA. Delay in our commercialization schedule would require us to test our intangible assets for impairment, which could possibly result in a write-down of their value. There is a good margin on the year's impairment testing.

There is also a risk that Biovica will not succeed in attracting the capital it requires for implementing its business plan. If that were to happen, Biovica would adjust its business plan to prioritize other applications or delay the launch, which would then lower the potential gains and benefits for owners.

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.

R&D activities

Biovica develops and commercializes blood-based biomarker assays for evaluating the effect of cancer treatments. Biovica's DiviTum® assay measures cell proliferation rate and clinical studies have shown that it can quickly reveal whether treatment is effective. Biovica's vision is a future where every patient receives the best possible therapy from the very first day of treatment. Biovica collaborates with world-leading cancer institutes and pharmaceutical companies to develop next-generation cancer therapies. Nearly half of Biovica's employees work in the R&D department.

Employees

The average number of employees is 17 (16) of which 8 (7) women.

Incentive programs

Detailed information on the company's outstanding warrant schemes is provided in Note 22, below.

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 2019/2020 financial year.

MULTI-YEAR COMPARISON FOR THE GROUP

All amounts are in SEK thousands, unless otherwise stated	2019/2020	2018/2019	2017/2018	2016/2017
Net sales	1,671	3,005	2,723	632
Operating profit (loss)	-29,816	-21,718	-17,956	-14,690
Profit (loss) for the period	-30,318	-21,556	-18,010	-14,715
Cash and cash equivalents	40,777	16,831	42,127	65,469
Equity	78,217	52,097	73,713	91,664
Total assets	90,256	60,859	80,771	97,202
Equity ratio, %	87	86	91	94
Number of employees	17	16	14	8
Number of shares at the end of the period	23,573,372	17,573,372	17,573,372	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	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Net sales	1,671	3,005	2,723	632	2,432
Operating profit (loss)	-30,312	-21,886	-17,894	-14,839	-5,533
Profit (loss) for the period	-30,571	-21,606	-17,935	-14,848	-5,965
Cash and cash equivalents	39,642	15,779	42,069	65,410	867
Equity	78,117	52,005	73,611	91,546	24,545
Total assets	86,292	59,972	80,376	97,184	28,733
Equity ratio, %	91	86	93	94	88
Number of employees	16	16	14	8	5
Number of shares at the end of the period	23,573,372	17,573,372	17,573,372	17,573,372	559,050

PROPOSAL FOR APPROPRIATION OF FUNDS

The Board proposes that the available funds of SEK 51,375,378 are appropriated as follows:

Accumulated losses	-113,186,709
Share premium reserve	195,133,440
Loss for the year	-30,571,354
Retained funds at year-end	**51,375,378**
Amount to be carried forward	51,375,378

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

Corporate governance report

The aim of Biovica's corporate governance activities is to create value for shareholders via active risk management and a healthy company culture. Corporate governance 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 2019/2020 financial year, Biovica did not have any departures from the Code.

Shares

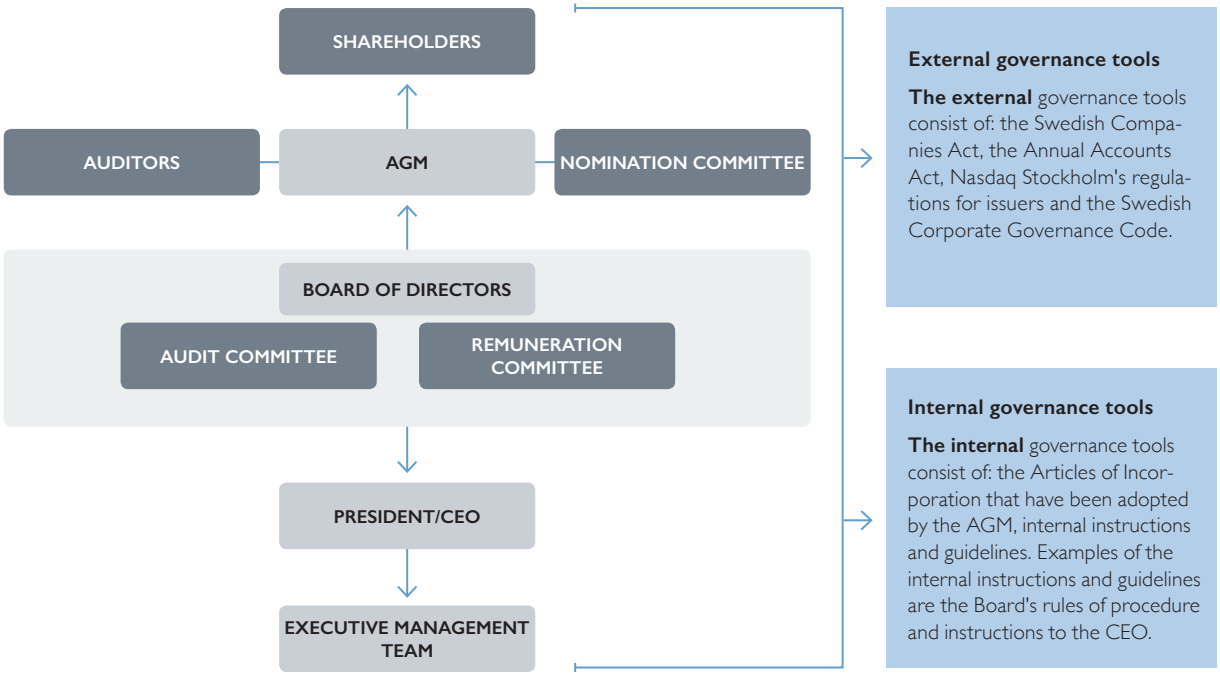
As of 30 April 2019, Biovica's total number of shares amounted to 17,573,372 and its share capital amounted to 1,171,558.13 allocated among 7,007,524 Class A shares (each worth 3 votes) and 16,565,848 Class B shares (each worth 1 vote). The quotient value of Biovica's shares is SEK 0.07 per share. The total number of votes amounted to 37,588,420. According to ownership information maintained by Euroclear Sweden AB, the ten largest owners of Biovica owned 57 percent of the votes and 47 percent of the shares in the company. Swedish owners had a 66 percent ownership share. Biovica's largest shareholder, Anders Rylander, CEO and member of Biovica's Board of Directors owns 17 % (via company) of Biovica's shares, which corresponds to 29 % of the votes in the Company. All other significant relationships between Biovica and the Company's largest shareholder, to the extent the Company is aware, are described in Notes 10 and 11. The Board of Directors does not have any knowledge of any other shareholder agreements on voting rights or other rights. Biovica's Articles of Incorporation do not contain any special provisions on appointing or dismissing Baord members or making changes to the Articles of Incorporation. Authority has been issued by the AGM to the Board to decide on issuance of new shares for a maximum of 20 % of the current number of shares during the period up until the next AGM.

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. At the AGM, the balance sheet and income statement as well as the consolidated balance sheet and consolidated income statement are presented and decisions are made on, among other things, appropriation of the company's earnings, election of and remuneration to Board members and auditors, and other matters that are dealt with at the AGM in accordance with law. 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.

Resolutions at the 2019 AGM included:

- The AGM resolved that the funds available for appropriation of SEK 32,698,918 shall be carried forward
- The AGM resolved that each Director shall be paid a fee of SEK 150,000 and that the Chairman of the Board shall be paid a fee of SEK 400,000 The fee to the company's auditors is in accordance with the approved invoiced amounts.



External governance tools

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.

Internal governance tools

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.

- The following individuals were re-elected to serve on the Board of Directors until the next AGM: Lars Holmqvist, Maria Holmlund, Ulf Jungnelius, Anders Rylander and Jesper Söderqvist. Henrik Osvald was newly elected to the Board of Directors. Lars Holmqvist was elected Chairman of the Board.
- Grant Thornton Sweden AB was reelected as the company's auditor for the period through to the end of the next AGM, with Stéphanie Ljungberg as the head auditor.
- The AGM resolved in accordance with the submitted proposals on the following:
  - To revise the Articles of Incorporation as regards share capital, number of shares and notice of the AGM.
  - Guidelines for remuneration to the company's senior executives.
  - Process for appointing a nomination committee along with the work instructions that it should follow.
  - Decision 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.
  - A warrant scheme for staff of 270,000 warrants.

2020 AGM

The AGM for the 2018/2020 financial year will be held on 27 August 2020 at 4 p.m. The location is Hubben, Dag Hammarskjölds väg 38 in Uppsala, Sweden. Registration will begin at 3:30 p.m. Shareholders who are registered in the shareholders' register maintained by Euroclear Sweden AB by Friday 21 August 2020 and who have notified the company of their intent to participate by 4:00 p.m. on that same date, are entitled to participate in the AGM.

Nomination Committee

The Nomination Committee is responsible for ensuring that each member of Biovica's Board of Directors has knowledge and experience that is relevant for being able to make a contribution that enhances Biovica's performance over time in the best possible way. The Nomination Committee monitors the Board's efforts based on the Board evaluation that is carried out once per year, what is stipulated in the Code and having considered Biovica's needs and views from other owners. The Nomination Committee then presents a proposal to the AGM on the number of Board members, the composition of the Board and fees to be paid to the Board of Directors. The Nomination Committee is also responsible for presenting a proposal on the person to serve as Chairman of the Board of Directors and Chairman of the AGM, along with the selection of auditors and their remuneration. The Nomination Committee's proposals are published in the notice of the AGM. Motivation for its proposals are published on Biovica's website in conjunction with issuing the notice of the AGM.

In accordance with the Code, Biovica adopted an instruction for the Nomination Committee at the 2018 AGM. It stipulates that the Nomination Committee shall consist of three members. These members shall be appointed by the Company's two largest shareholders (in terms of number of votes) based on information in the shareholders' register maintained by Euroclear as of 31 December the year before the AGM. They shall be summoned by the Chairman of the Board and each given the opportunity to appoint one member to the Nomination Committee. The Chairman of the Nomination Committee shall be appointed by the member who is the largest shareholder (in terms of the number of votes). The Chairman of the Board shall not serve as Chairman of the Nomination Committee. Members of the Nomination Committee that will be proposed at the 2020 AGM were presented on Biovica's website in February 2020. Members of the Nomination Committee may not receive any remuneration for their work on the committee.

Members of the Nomination Committee that will be proposed at 2020 AGM are:

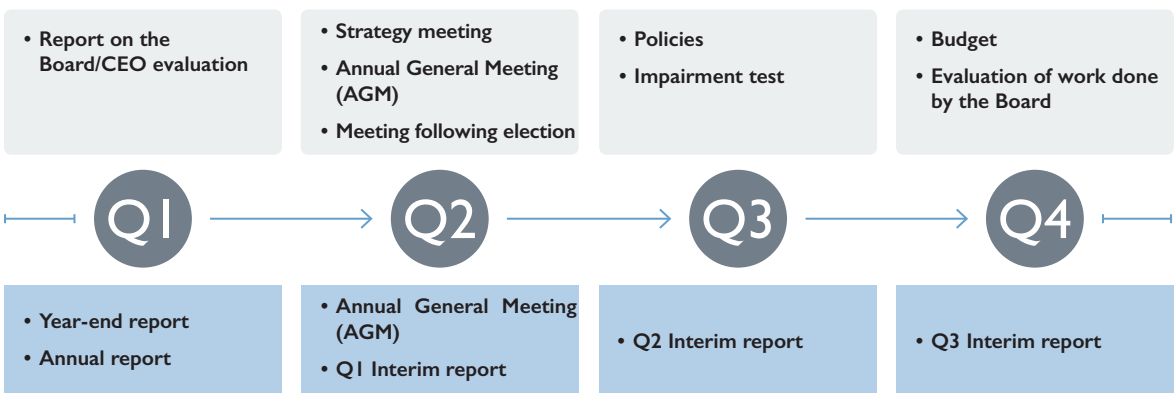
- Ann Rylander Eklund, Chairman of the Nomination Committee (appointed by Anders Rylander)
- Mikael Petersson (representing Coeli)
- Lars Holmqvist, Chairman of the Board

Composition of the Board of Directors

Biovica's Articles of Association stipulate that the company must have at least three board members and at most ten board members. Board members must contribute expertise and experience that is beneficial to Biovica's development. Biovica's Board of Directors currently consist of six ordinary members (one woman and five men). Henrik Osvald was newly elected to the Board of Directors at the 2019 AGM and all of the other members of the Board were re-elected to serve until the 2020 AGM. Both Anders Rylander (President and CEO) and Cecilia Driving (EVP CFO/HR/IR) attend every Board meeting. Cecilia Driving serves as secretary at each Board meeting. Other senior executives participate as needed to present on specific issues.

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.

BOARD TASKS AND EVENTS



Please see pages 9-11 of the annual report for a presentation of each of the Board members.

The work done by the Board and Board evaluation

The Board's responsibilities and its tasks are regulated in the Swedish Companies Act, Biovica's Articles of Incorporation and in the Board's Rules of Procedure, which are revised each year and adopted at each Board meeting following election. The Rules of Procedure regulate such things as the Board's functions and allocation of work between Board members and the CEO. The Board is responsible for continually monitoring the company's strategic direction, financial performance, its methods, processes and controls to ensure that operations function optimally.

The Board shall also participate in, and help ensure that, the company's financial reporting and internal controls are of high quality. It is also responsible for evaluating the company based on the established financial targets and guidelines for senior executives. Other responsibilities of the Board are to continually evaluate performance of the CEO and participate in the annual audit carried out by Grant Thornton AB, with Stéphanie Ljungberg as the auditor-in-charge. The Chairman of the Board, who is elected at the AGM, has special responsibility for managing the work done by the Board and for ensuring that such work is well-organized and conducted in an efficient manner. Board meetings are planned by the Chairman and CEO, jointly. The Board convenes in accordance with a set schedule of meetings for the year.

Beyond that, the Board may hold additional meetings to deal with specific matters. Besides their interaction in conjunction with Board meetings, the Chairman of the Board and CEO maintain an ongoing dialog on management of the company. During the 2019/2020 financial year, the Board held 15 meetings (along with a strategy day with management). Seven of those were physical meetings, five were per capsulam and three were phone conferences. At regular Board meetings, the Board deals with ordinary reports from the CEO. The Board reviews the interim reports at its meetings in August, December, March and June.

The Chairman of the Board is responsible for ensuring that Board members evaluate the work that they have done throughout the year. Evaluation covers the Board's work process, compilation of the Board and its expertise. Evaluation is partly in the form of a survey and partly by interviewing the Board members. The work done by the Board is presented to the Nomination Committee.

Remuneration to the Board

The fees paid and other remuneration to Board members is decided at the AGM. At the AGM on 29 August 2019, it was decided that each Director (who is not employed by the company) shall be paid a fee of SEK 150,000 and that the Chairman of the Board shall be paid a fee of SEK 400,000. Total remuneration for the Board and Committee work for the 2019/2020 financial year amounted to SEK 1,000,000.

Audit Committee

The entire Board of Directors serves as the company's Audit Committee. The primary responsibility of the Audit Committee is to ensure the quality of the company's financial reporting, which covers internal controls, a review of the important accounting and valuation policies and also a review of the Company's external reports. The Audit Committee evaluates the audit effort and assists the Nomination Committee in making proposals for selection of auditors and remuneration for the audit work. The Audit Committee also decides on which other services, beyond the audit, to procure from the Company's auditors.

Remuneration Committee

The entire Board of Directors serves as the company's Remuneration Committee. The Remuneration Committee's main responsibility is to propose the salary, other benefits and employment terms for the CEO. It is also responsible for proposing principles for remuneration and employment terms for other members of the executive management team. Furthermore, it makes proposals for incentive programs. The Remuneration Committee shall ensure that there is compliance with the established guidelines for remuneration to senior executives.

Auditors

The auditor is responsible for auditing Biovica's annual report and financial statements, along with the administration of the company. Subsequent to the end of each financial year, the auditor submits an audit report and Group audit report to the AGM. The external audit of Biovica's financial statements and all of its subsidiaries that are subject to audit are carried out in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. Biovica's auditor is elected at the AGM based on a proposal by the Nomination Committee. At the 2019 AGM, Grant Thornton was elected as the company's auditor, with Stéphanie Ljungberg as the auditor-in-charge. On behalf of the Board, the company's auditor also conducts a review of at least one interim report per year. The auditors meet with the entire Board each year, both with, and without, senior executives being present.

BOARD MEMBERS AND THEIR INDEPENDENCE

Name	Role in the company	Year elected to Board	Attendance	Fee	Independence to the Board's management	Independence to major shareholders
Lars Holmqvist	Chairman of the Board	2019	15/15	400,000	Yes	Yes
Maria Holmlund	Board member	2016	15/15	150,000	Yes	Yes
Ulf Jungnelius	Board member	2014	15/15	150,000	Yes	Yes
Jesper Söderqvist	Board member	2013	15/15	150,000	Yes	Yes
Henrik Osvald	Board member	2019	7/15	150,000	Yes	Yes
Anders Rylander	Board member and CEO	2010	15/15	-	No	No

BOARD OF DIRECTORS

LARS HOLMQVIST (1959)
Chairman of the Board since 2019

Education/background: Executive MBA from INSEAD France. Previously Senior Advisor for healthcare at Bain Capital. Senior management roles in pharmaceutical and medtech companies including: Agilent, Dako, Applied Biosystems Inc. and Medtronic Europe Sarl.

Current assignments: Board member at: Lundbeck Fonden A/S, H Lundbeck A/S, ALK-Abelló A/S, Tecan AG, Naga Uk TopCo and Vitrolife AB.

Holding in the company: 410,630 Class B shares, 50,000 warrants (TO4)

MARIA HOLMLUND (1956)
Board member since 2016

Education/background: B.A. in chemistry and biology from Uppsala University and Gothenburg University. M.Sc. from University of North Carolina. Maria has 30 years of experience working in the field of life license and diagnostics. She has held senior positions in marketing at several major international diagnostic companies.

Current assignments: Board member and CEO at Prolight Diagnostics AB (publ).

Holding in the company: 9,750 Class B shares, 25,000 warrants (TO4)

ULF JUNGNELIUS, MD (1951)
Board member since 2014

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.

Current assignments: Chairman of the Board at Isofol Medical AB. Board member at: Oncopeptides AB, Ryvu Therapeutics and Monocl AB.

Holding in the company: 25,000 warrants (TO4)

HENRIK OSVALD (1959)
Board member since 2019

Education/background: 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.

Current assignments: Henrik is CEO and a member of the Board of Directors at Primas Invest AB.

Holding in the company: 474,106 Class B shares and 25,000 warrants (TO4)

ANDERS RYLANDER (1970)
Board member since 2010 and CEO since 2011

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).

Current assignments: Chairman of the Board for Springcap Invest AB, Board member at Arinvest AB and Anders Rylander Investment AB.

Holding in the company: Indirectly 3,575,640 Class A shares, 379,756 Class B shares and 20,000 warrants (TO5)

JESPER SÖDERQVIST, PH.D (1966)
Board member since 2013

Education/background: M.Sc.Eng. from KTH Royal Institute of Technology. Ph.D. in Physics from KTH Royal Institute of Technology and CERN. Previously CEO at Arcoma, Vice President for Elekta AB's neuroscience division, General Manager for mammography at Philips Healthcare and CEO at Sectra Mamea.

Current assignments: Jesper Söderqvist is CEO of Boule Diagnostics AB. He is also a Board member of Arcoma AB, as well as Board member and CEO of Dekatria AB.

Holding in the company: Directly and indirectly: 41,085 Class A shares and 38,200 Class B shares and 25,000 warrants (TO4)

EXECUTIVE MANAGEMENT TEAM

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 (1970), CEO *See the section "Board of Directors".*

OTTI BENGTSSON GREF, (1968)
R&D Director since 2020

Education/background: Otti holds a Licentiate of Medical Science degree in immunology from Uppsala University. She also has an Executive MBA from MGruppen. She has more than 20 years of experience working with research, product development and production in both academia and industry. She has held several management positions in both development and production at Thermo Fischer and she has extensive experience in product development of in vitro diagnostics. Most recently, Otti worked as R&D Director at Cavidi AB developing, manufacturing and marketing HIV molecular diagnostics.

Current assignments: -
Holdings: 20,000 warrants (TO5)
Holding in the company: 20,000 warrants 2019/2022 (TO5)

WING CHENG, PH.D. (1974)
Market Access and Quality Assurance Director since 2018

Education/background: Ph. D. in clinical immunology. M.Sc. in molecular biotechnology from Uppsala University. Wing has held leading positions in regulatory and reimbursement at government authorities, including TLV, Swedish Medical Products Agency, EMA and the European Commission. He most recently held the position of Manager Clinical Utility at Thermo Fisher Scientific.

Current assignments: -
Holdings: 3,700 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)
Holding in the company: 3,700 Class B shares, 20,000 warrants (TO3) and 20,000 warrants 2019/2022 (TO5)

ROBERT DANN, (1962)
SVP Marketing and US Business since 2020

Education/background: Robert Dann has and MA in Russian Civilization from University of Chicago and an MBA from Columbia University. He has more than 20 years of experience working in the healthcare industry in a variety of roles, including country manager, head of global launches and strategy formulation. He has worked with cancer care, pharmaceuticals, diagnostics and artificial intelligence at AstraZeneca, GE Healthcare and IBM Watson Health. Robert has been influential in the market launch of several revolutionary products in the healthcare industry.

Current assignments: -
Holding in the company: 20,000 B shares

CECILIA DRIVING (1971)
EVP CFO/HR/IR since 2016

Education/background: Master of Laws and B.Sc. in business administration from Stockholm University. Cecilia has experience working in the fields of life science, IT, telecommunications and research as CFO and Corporate Counsel. She also has experience working with listed companies, in private equity and with both privately owned and state-owned companies.

Current assignments: Board member at Ovzon AB.
Holding in the company: 10,000 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)

ADAM GERMUNDER (1984)
Operations Director since 2017

Education/background: Adam has a B.Sc. in mechanical engineering from Uppsala University. He has extensive experience working with product management and process development. For example, he was involved in developing and implementing the new production methods in ISO 13485 Medical devices--Quality management systems. He previously worked as Head of Production at Fiomi Diagnostics, where he was responsible for ongoing production. He also worked as Team Leader at Fresenius Kabi.

Current assignments: -
Holding in the company: 4,600 Class B shares, 20,000 warrants (TO3), 20,000 warrants (TO5)

HENRIK WINTHER, (1966)
SVP Business Development since 2020

Education/background: 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 his employment at Biovica, Henrik worked at SVP Business Development at the Swedish diagnostics company, Immunovia.

Current assignments: Board member at SAGA Diagnostics AB.
Holding in the company: 20,000 warrants (TO5)

Remuneration to senior executives
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. The Company has not granted any loans to its senior executives.

The Board of Directors' proposal for guidelines for remuneration to senior executives
The Board of Directors proposes that remuneration to senior executives shall consist of fixed salary, variable remuneration (possibly), other ordinary benefits and pension. The total annual remuneration shall be market-based and competitive having considered the labor market and specific position that the individual holds. It should also take into account the individual's qualifications, experience, and any outstanding achievements. Fixed salary shall be reviewed annually. Senior executives include the President/CEO and other members of the executive management team.

Fixed salary and variable remuneration shall be related to the senior executive's responsibilities and authority. Variable salary shall not exceed 40% of fixed salary. Conditions for variable remuneration should be designed so that the Board is able to limit or exclude it if the variable remuneration is deemed to be unreasonable or incompatible with the company's responsibilities towards its shareholders. For annual bonus, it should be possible to limit or exclude variable remuneration if the Board feels that it is motivated for other reasons.

Pension benefits shall be defined contributions. Notice of termination for the CEO and other senior executives shall be 12 months, at most. Fixed salary during the notice period and severance pay shall not, in aggregate, exceed an amount corresponding to the fixed salary for one year and shall also be deductible.

These principles shall be applied by all subsidiaries in the Group. The Board of Directors shall have the right to deviate from the above guidelines if it considers that, in a particular case, there are special reasons for doing so. Matters having to do with salary and other remuneration to the CEO and other senior executives are prepared by the CEO and resolved in consultation with the Chairman of the Board.

The Board's report on internal control over the financial statements
The Board's responsibility for internal control and governance is regulated in the Swedish Companies Act and the Annual Accounts Act. The Swedish Corporate Governance Code is also applied. Biovica strives to run the business as efficiently as possible. Financial reporting must be reliable, reflect the Company's operations in a correct manner and be prepared in accordance with applicable laws and regulations. The Board determines which reports must be prepared in order for it to monitor the Company's progress. The quality of financial reporting to the Board is evaluated primarily by the audit committee.

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 follow-up on plans and monitoring, supplement the controls and provide an overall confirmation of the quality of reporting.

Internal audit
The Group has a simple legal and operational structure, along with a detailed governance and internal control system. Based on that, the Board has decided not to set up a special internal 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.

KEY PERFORMANCE INDICATORS FOR THE GROUP

SEK thousands	2019/2020	2018/2019	2017/2018	2016/2017
Net sales	1,671	3,005	2,723	632
Operating profit (loss)	-29,816	-21,718	-17,956	-14,690
Profit (loss) for the year	-30,318	-21,556	-18,010	-14,715
Capitalized R&D costs	7,035	6,464	6,596	5,075
Capitalized R&D cots as a percentage of total costs	-20	-22	-26	-27
Earnings per share, basic	-1.29	-1.23	-1.02	-0.84
Earnings per share, after dilution	-1.25	-1.18	-1.00	-0.80
Cash and cash equivalents at the end of the period	40,777	16,831	42,127	65,469
Cash flow from operating activities	-24,004	-17,966	-14,882	-10,746
Cash flow for the period	23,946	-25,295	-23,342	64,541
Equity	78,217	52,097	73,713	91,664
Equity per share	3.32	2.96	4.19	5.22
Equity ratio (%)	87	86	91	94
Average number of employees	17	16	14	8

The Group was established in 2009 by setting up the subsidiary company, Biovica Services AB. There is now also a subsidiary, Biovica Inc., in the USA, see Note 18.

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 2019/2020	May-April 2018/2019
Income	5, 6	1,671	3,005
Other income	8	1,215	932
Work performed by the company and capitalized		7,035	6,464
Change in WIP inventory		0	43
		9,921	**10,444**
Goods for resale		-220	-875
Other external costs	9	-15,386	-11,962
Employee benefit expenses	10	-19,874	-16,245
Depreciation/amortization		-4,170	-3,020
Other expenses		-86	-60
Operating profit (loss)		**-29,816**	**-21,718**
Other interest income and similar profit or loss items		0	229
Interest expenses and similar items		-443	-35
Profit (loss) after financial items		**-30,259**	**-21,524**
Tax expense	12	-59	-32
Profit (loss) for the year		**-30,318**	**-21,556**
Earnings per share			
Earnings per share, before dilution (SEK)		-1.29	-1.23
Average number of shares, before dilution		23,573,372	17,573,372
Earnings per share, after dilution (SEK)		-1.29	-1.23
Average number of shares, after dilution		24,218,372	18,343,372
Consolidated statement of comprehensive income			
Profit (loss) for the year		-30,318	-21,556
Items that may be subsequently reclassified to profit and loss			
Exchange rate differences, foreign net investments		0	0
Other comprehensive income for the year		0	0
Comprehensive income for the year (loss)		**-30,318**	**-21,556**

Consolidated statement of financial position

SEK thousands	Note	2020-04-30	2019-04-30
ASSETS			
Intangible assets			
Capitalized expenditure for R&D	13	37,296	31,560
Patents	14	5,370	6,347
		42,666	**37,907**
Property, plant and equipment			
Machinery, equipment, tools, fixtures and fittings	15	1,234	2,917
Right-of-use assets	16	3,313	
		4,546	2,917
Financial assets			
Deferred tax asset	17	743	0
		743	**0**
Total fixed assets		**47,955**	**40,825**
Inventories		397	446
Current receivables			
Accounts receivable		0	1,732
Current tax assets		0	0
Other receivables		547	582
Prepaid expenses and accrued income		582	443
Cash & cash equivalents including short-term investments	26	40,777	16,831
Total current assets		**42,303**	**20,035**
TOTAL ASSETS		**90,259**	**60,859**
EQUITY			
Share capital	21	1,572	1,172
Other contributed capital		195,133	133,776
Retained earnings (losses), including loss for the year		-118,487	-82,850
Total equity		**78,217**	**52,097**
LIABILITIES			
Liabilities pertaining to right-of-use assets	16	2,272	0
Deferred tax liability		709	0
Other liabilities		0	940
Total non-current liabilities		**2,981**	**940**
Liabilities pertaining to right-of-use assets	16	1,182	0
Advance payments from customers		3,521	3,571
Accounts payable		1,007	860
Current tax liabilities		500	557
Other liabilities		624	545
Accrued expenses and deferred income		2,228	2,289
Total current liabilities		**9,061**	**7,822**
TOTAL EQUITY AND LIABILITIES		**90,259**	**60,859**

Consolidated statement of changes in equity

SEK thousands	Share capital	Other contributed capital	Reserves	Retained earnings	Profit (loss) for the year	Total equity
Opening balance, 1 May 2018	**1,172**	**133,776**		**-43,225**	**-18,010**	**73,713**
Appropriation in accordance AGM decision				-18,010	18,010	–
Adjustment due to change in accounting policy				-59		-59
Translation differences						
Profit (loss) for the year					-21,556	-21,556
Closing balance, 30 April 2019	**1,172**	**133,776**		**-61,294**	**-21,556**	**52,097**
Appropriation in accordance AGM decision				-21,556	21,556	–
Reclassification		5,074		-5,074		
Adjustment due to change in accounting policy				-246		-246
New share issue	400	56,282				56,682
Translation difference			2			2
Profit (loss) for the year					-30,318	-30,318
Closing balance, 30 April 2020	**1,572**	**195,133**	**2**	**-88,172**	**-30,318**	**78,217**

Consolidated statement of cash flows

SEK thousands	Note	May-April 2019/2020	May-April 2018/2019
Profit (loss) after financial items		-30,259	-21,524
Depreciation/amortization		4,170	3,020
Other non-cash items	23	-349	373
Income tax paid		-150	343
Change in current receivables		1,646	-984
Change in current liabilities		111	848
Change in inventories		49	-43
Cash flow from operating activities		***-24,780***	***-17,967***
Investments in intangible assets		-7,035	-6,464
Investments in PPE		0	-865
Investments in financial assets		0	0
Cash flow from investing activities		***-7,035***	***-7,329***
New share issue		56,682	0
Amortization of loans		-940	0
Cash flow from financing activities		***55,742***	***0***
Cash flow for the year		**23,927**	**-25,296**
Cash and cash equivalents at the beginning of the year		16,831	42,127
Translation difference		19	0
Cash and cash equivalents at the end of the year		40,777	16,831

Parent Company income statement

SEK thousands	Note	May-April 2019/2020	May-April 2018/2019
Net sales	5, 6	1,671	3,005
Change in WIP inventory		0	43
Work performed by the company and capitalized		7,035	6,464
Other operating income	8	972	751
		9,677	**10,263**
Goods for resale		-220	-875
Other external costs	7, 9, 11, 16	-18,991	-12,638
Employee benefit expenses	10	-17,849	-15,736
Depreciation/amortization		-2,843	-2,840
Other operating expenses		-86	-60
Operating profit (loss)		**-30,312**	**-21,886**
Other interest income and similar profit or loss items		97	307
Interest expenses and similar items		-356	-26
Profit (loss) after financial items		**-30,571**	**-21,606**
Income tax	12	-	-
Profit (loss) for the year		**-30,571**	**-21,606**

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

Parent Company balance sheet

SEK thousands	Note	2020-04-30	2019-04-30
ASSETS			
Intangible assets			
Capitalized expenditure for R&D	13	37,296	31,560
Patents	14	5,370	6,347
Property, plant and equipment			
Machinery, equipment, tools, fixtures and fittings	15	1,234	1,801
Financial assets			
Participations in Group companies	18	108	108
Changes in Group companies	19	985	
Prepaid lease payments	20	155	176
Total fixed assets		**45,148**	**39,993**
Inventories		397	446
Current receivables			
Accounts receivable		0	1,732
Changes in Group companies		0	1,045
Other receivables		547	559
Prepaid expenses and accrued income		558	418
Cash & cash equivalents and short-term investments	26	39,642	15,779
Total current assets		**41,144**	**19,979**
TOTAL ASSETS		**86,292**	**59,972**
EQUITY			
Restricted equity			
Share capital	21	1,572	1,172
Fund for development expenditure		25,170	18,135
Total restricted equity		***26,741***	***19,307***
Non-restricted equity			
Share premium reserve		195,133	133,440
Capitalized gain or loss		-113,187	-79,135
Profit (loss) for the year		-30,571	-21,606
Total non-restricted equity		***51,375***	***32,699***
Total equity		**78,117**	**52,005**
LIABILITIES			
Liabilities to Group companies		0	0
Total non-current liabilities		**0**	**0**
Prepayments from customers and prepaid grants		3,521	3,571
Accounts payable		1,004	845
Intra-Group accounts payable		476	242
Current tax liabilities		420	525
Other liabilities		624	545
Accrued expenses and deferred income		2,131	2,239
Total current liabilities		**8,176**	**7,966**
TOTAL EQUITY AND LIABILITIES		**86,292**	**59,972**

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 2018	**1,172**	**11,671**	**133,440**	**-54,736**	**-17,935**	**73,611**
Appropriation in accordance AGM decision				-17,935	17,935	–
Capitalized development expenditure for the year		6,464		-6,464		–
Profit (loss) for the year					-21,606	-21,606
Closing balance, 30 April 2019	**1,172**	**18,135**	**133,440**	**-79,135**	**-21,606**	**52,005**
Appropriation in accordance AGM decision				-21,606	21,606	–
Capitalized development expenditure for the year		7,035		-7,035		–
Reclassification			5,411	-5,411		–
New share issue	400		56,282			56,682
Profit (loss) for the year					-30,571	-30,571
Closing balance, 30 April 2020	**1,572**	**25,170**	**195,133**	**-113,187**	**-30,571**	**78,117**

Parent Company statement of cash flows

SEK thousands	May-April 2019/2020	May-April 2019/2020
Profit (loss) after financial items	-30,571	-21,606
Depreciation/amortization	2,843	2,840
Other non-cash items	–	–
Income tax paid	-259	398
Change in current receivables	2,649	-935
Change in current liabilities	468	-129
Change in inventories	49	-43
Cash flow from operating activities	***-24,822***	***-19,476***
Investments in intangible assets	-7,035	-6,464
Investments in PPE	0	-174
Investments in financial assets	-964	-176
Cash flow from investing activities	***-7,998***	***-6,814***
New share issue	56,682	0
Amortization of loans	0	0
Cash flow from financing activities	***56,682***	***0***
Cash flow for the period	**23,863**	**-26,290**
Cash and cash equivalents at the beginning of the period	15,779	42,069
Cash and cash equivalents at the end of the period	39,642	15,779

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 - Accounting policies

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 2020 (including comparison figures) were approved by the Board on 30 June 2020.

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.

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

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 impact 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

All standards that entered into force in 2019 have been applied in the consolidated financial statements. Except for IFRS 16, none have had a significant impact on the consolidated financial statements. IFRS 16 is described under the heading, Leased assets, below.

(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. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilized.

FINANCIAL INSTRUMENTS

Financial instruments reported in the balance sheet include, on the asset side, cash & cash equivalents, short-term investments, accounts receivable, securities holdings and loan receivables. 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:

OTHER FINANCIAL ASSETS

All other financial assets are reported at amortized cost. 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. Financial assets at fair value through profit or loss consist of contingent consideration for business combinations along with Biovica's negative fair value derivatives that do not meet the criteria for hedge accounting. 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. Leased assets are also depreciated over the estimated useful life or, if shorter, over the agreed term of the lease.

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

According to what is stated in the accounting policies, the Group has applied the modified retroactive method for its transition to IFRS 16 which is why the comparison figures have not been restated. This means that the 2018/2019 comparison figures for leased assets are in accordance with IAS 17 and IFRIC 16.

Accounting policy as of 1 May 2019.

(i) The Group as lessee

For all agreements entered into on 1 May 2019 or later, the Group assesses if they are a lease or contain a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply that definition, the Group assesses the extent to which the agreement meets the following three criteria:

- The agreement contains an identified asset that has either been explicitly specified in the agreement or implicitly specified by being identified at the time it was made available for use by the Group.
- The Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the entire duration of the agreement, taking into consideration the Group's rights within the agreement's defined area of application.
- The Group has the right to control the use of the identified asset throughout the entire duration of the agreement. The Group assesses whether the agreement includes the right to control "how and for what purpose" the asset can be used during the duration of the agreement.

The Group's right-of-use assets consist primarily of cars and premises.

(ii) Measurement and recognition of leases as lessee

At the commencement date, the Group reports a right-of-use asset and lease liability in the balance sheet. The right-of-use asset is measured at cost, which includes initial valuation of the lease liability plus any initial indirect costs incurred by the Group, along with lease payments made before the commencement of the lease (less any lease incentives received).

The Group depreciates the right-of-use asset on a straight-line basis upon commencement of the lease up until the end of the asset's useful life or termination of the least, whichever is earlier. The Group also tests for impairment whenever there is an indication that the right-of-use asset has become impaired.

Upon commencement of the lease, the Group measures the lease liability as the present value of any lease payments that have not yet been paid at that date. Lease payments are discounted using the rate implicit in the lease if this can be readily determined. Otherwise, the Group's incremental borrowing rate of 2.14% is used instead.

Items included in measurement of the lease liability are: fixed payments (plus in-substance lease payments), variable payments based on the current value of an index, residual value guarantees and the exercise price of any purchase options that the Group is reasonably certain to exercise.

After the commencement date, lease payments decrease the liability and interest increases it. The liability is revalued to reflect any new assessment/change or if there are revisions to the in-substance lease payments.

When the lease liability is revalued, a corresponding adjustment must be made to the right-of-use asset, or to profit or loss if the right-of-use asset already has a zero value.

The Group has decided to report short-term leases and leases in which the underlying asset is of low value in accordance with the exemptions allowed in IFRS 16. It means that the lease expense is recognized on a straight-line basis over the lease term (rather than reporting a right-of-use asset and lease liability).

Right-of-use assets are reported as a separate line item in the balance sheet under Property, plant and equipment. The lease liability is reported as a separate line item among liabilities.

For the 2018/2019 comparison year, finance leases only pertain to cars.

Accounting policies in effect prior to 1 May 2019.

Leases are classified as either operating leases or finance leases A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Otherwise, a lease is classified as an operating lease.

Leasing costs where the Group is lessee

(i) Operating leases

Expenses relating to operating leases are recognized in profit or loss for the year on a straight-line basis over the lease term. Benefits received in connection with the signing of an agreement are recognized in profit or loss via a reduction to the lease payments on a straight-line basis over the lease term. Variable fees are expensed in the periods that they arise.

(ii) Finance leases

The minimum lease payments are divided between interest expense and amortization of the outstanding debt, which is reported in profit or loss for the year. The amount of the expense in each reporting period corresponds to a constant periodic rate of interest on the remaining balance of the liability. Variable fees are expensed in the periods that they arise.

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 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.

The carrying amount includes all directly attributable expenses; e.g. for materials and services, compensation for employees, registration of a legal right, amortization of patents & licenses and borrowing costs.

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.

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. 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.

Additional expenses

Additional expenses for capitalized intangible assets are recognized as an asset in the statement of financial position only if they in-

crease 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 life of the patent.

Borrowing costs
Borrowing costs attributable to qualifying assets are capitalized as part of the qualifying asset's cost of acquisition. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Development projects, where expenditure for development is capitalized, fall into this category. First and foremost, the borrowing costs associated with loans specific to the qualifying asset are capitalized. Otherwise, the borrowing costs associated with general loans that are not specific to any qualifying asset are capitalized.

Amortization
Amortization, which is reported as part of cost of goods sold in the income statement, 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.

IAS 36 is applied for impairment of assets other than: financial assets that are reported in accordance with IAS 39, 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
At the end of each reporting period, the company evaluates whether there is objective evidence that a financial asset or group of financial assets has become impaired. Objective evidence consists of observable conditions that have occurred and which have a negative impact on the possibility of recovering the cost amount.

The company classifies accounts receivable as doubtful if the customer has become insolvent or is having payment difficulties.

Impairment of receivables is determined on the basis of historical experience of customer losses on similar claims.

Impaired accounts receivable are reported at the present value of expected future cash flows. However, receivables with a short duration are not discounted.

(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.

EQUITY
Share capital
Ordinary shares are classified as share capital.

Issue costs
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.

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 does not have any defined benefit pension plans.

(iii) Share-based remuneration

The Group has a warrants scheme for employees and the Board of Directors. See Note 22 for more information.

(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 and equity. Furthermore, 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) Financial instruments and hedge accounting
Given the relationship between accounting and taxation, the rules on financial instruments and hedge accounting stipulated in IFRS 9 Financial Instruments are not applied to the Parent Company as legal entity.

In the Parent Company, non-current financial assets are measured at cost less any impairment losses. Current financial assets, however, are measured in accordance with the "lowest value" principle. Short-term investments are reported at fair value.

The cost amount of interest-bearing instruments is adjusted for the accrued difference between what was originally paid, after deduction of transaction costs, and the amount paid on the due date (premium or discount).

(ii) Leased assets
In the Parent Company, all leases are reported in accordance with the rules for operating leases.

(vii) 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.

(viii) 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.

(ix) 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 risks

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. Given the current scope of the company's operations, its net exposure to foreign currencies is limited. Accordingly, it has not adopted a policy for hedging the exposure. If the SEK had weakened/strengthened by 10 percent, holding all other variables constant, the recalculated profit (loss) after tax as of 30 April 2020 would have been SEK 5 (8) thousand lower/higher, primarily due to gains and losses arising from recalculation of current receivables and liabilities. The corresponding effect on the Parent Company would be SEK 5 (8) thousand. Recalculation effects from operations in the US subsidiary, Biovica Inc. are still at such a low level that they have no impact on Biovica's reporting in SEK thousands.

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 in the form of bank balances.

Calculated on the basis of financial interest-bearing assets and liabilities with variable interest as of April 30, 2020, a change in the market interest rate of one percentage point would affect the Group's and the Parent Company's earnings by SEK 116 (119) 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 0 (0) thousand on April 30, 2020. The corresponding figure for the Parent Company was SEK 0 (0) thousand.

LIQUIDITY RISK

Caution 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 business plan, the company has liquid funds sufficient for running the business beyond the next twelve months. 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	1,007				
Accrued liabilities	2,228				
	3,234	**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	2019/2020	2018/2019
Total interest-bearing liabilities	2,272	0
Less: interest-bearing assets	40,777	16,831
	38,505	**16,831**
Net debt-equity ratio, %	49	32

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. 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.

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 to SEK 42,666 (37,907) thousand, of which SEK 37,296 (31,560) thousand is capitalized development expenditure and SEK 5,370 (6,347) 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.

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 2020/2021. 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.

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:

SEK thousands	2019/2020	2018/2019
Goods	1,671	2,942
Services	-	-
Other	-	63
	1,671	**3,005**

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

SEK thousands	2019/2020	2018/2019
Sweden	-	63
EU, excl. Sweden	397	1,016
USA	1,249	1,909
Asia	25	17
	1,671	**3,005**

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 has two customers that individually 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 3,085 thousand.

NOTE 8 - Other operating income

	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Grants	972	666	972	666
Sales of securities	0	181	0	
Gain on disposal of fixed assets	0	44	0	44
Foreign exchange gains/losses	0	41	0	41
Other remuneration and income	243	0	0	
	1,215	**932**	**972**	**751**

The grants have been received from BIOVALID, which is a Horizon 2020 project (Phase II) and from SUBLYME, which is a Eurostar project. The income from grants is recognized at the rate that the associated projects are completed.

NOTE 9 - Audit expenses

	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Audit assignment	-415	-397	-400	-382
Audit activities besides the audit assignment	-2	-7	-2	-5
Tax advice	0	-4	0	-4
	-417	**-408**	**-402**	**-391**

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

Group and Parent Company

Average number of employees	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Women	8	7	8	7
Men	9	9	8	9
	17	**16**	**16**	**16**

Gender distribution, senior executives	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Women	2	2	2	2
Men	5	5	5	5
	7	**7**	**7**	**7**

Gender distribution, Board of Directors	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Women	2	3	1	1
Men	5	7	5	4
	7	**10**	**6**	**5**

Employee benefit expenses	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Salaries and other benefits to the Board of Directors	950	629	950	629
Salaries and other benefits to the CEO	1,318	1,093	1,318	1,093
Salaries and other benefits to other senior executives (6 people)	4,589	5,089	4,589	4,581
Salaries and other benefits to other employees	7,219	4,282	5,399	4,282
Social security contributions	3,537	3,272	3,537	3,272
Pension expenses for the Board and CEO	340	227	340	227
Pension expenses for other senior executives	903	722	903	722
Pension expenses for other employees	371	437	371	437
Total salaries, other benefits, social security contributions and pension contributions	**19,228**	**15,751**	**17,407**	**15,242**

Remuneration to the Board of the Parent Company	2019/2020	2018/2019
Lars Holmqvist, Chairman of the Board*	400	40
Göran Brorsson, Chairman of the Board*	-	117
Maria Holmlund	150	117
Ulf Jungnelius	150	117
Jesper Söderqvist	150	117
Henrik Osvald	150	-
Anders Rylander**	-	-
	1,000	**508**

* At the extraordinary general meeting on 20 March 2019, Lars Holmqvist took over the position of Chairman of the Board from Göran Brorsson.

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

As of 1 January 2019, the Group has had one employee from the Parent Company working in Boston, Massachusetts. Employee benefit expenses for Biovica's US subsidiary amount to SEK 1,821 (509) thousand, which is comprised of salary and social security contributions, but not pension expenses (which are paid by the Parent Company). There are no agreements on severance pay. For the CEO, the notice period is six months.

NOTE 11 - 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 198 thousand. The transaction was on market terms. Additional information is provided in Note 7 and Note 10.

NOTE 12 - Tax expense

The Group	2019/2020	2018/2019
Profit (loss) before tax	-30,259	-21,524
Tax according to the applicable tax rate	6,475	4,735
Tax effect of non-capitalized loss carryforwards	-6,295	-4,542
Tax effect of non-deductible expenses	-239	-177
Tax effect of non-taxable income	-	-
Effect of loss carryforwards not previously assessed		16
Reported tax	**-59**	**32**

Parent Company	2019/2020	2018/2019
Profit (loss) before tax	-30,571	-21,606
Tax according to the applicable tax rate	6,542	4,753
Tax effect of non-capitalized loss carryforwards	-6,295	-4,576
Tax effect of non-deductible expenses	-247	-177
Tax effect of non-taxable income	-	-
Effect of loss carryforwards not previously assessed	-	-
Reported tax	**-**	**-**

New tax rules entered into force on 1 January 2019. The tax rate will be lowered in a two-step process and it amounts to 21.4 percent for fiscal years starting on 1 January 2019 or later. After that, it is lowered to 20.6 percent for fiscal years starting on 1 January 2021 or later.

NOTE 13 - Capitalized expenditure for development and similar work

Group and Parent Company	2020-04-30	2019-04-30
Opening cost	38,698	32,234
Capitalized expenditure	7,035	6,464
Closing accumulated cost	**45,733**	**38,698**
Opening amortization	-7,138	-5,839
Amortization for the year	-1,299	-1,299
Closing accumulated amortization	**-8,436**	**-7,138**
Closing carrying amount	**37,296**	**31,560**

In addition, SEK 1,320 (153) thousand was expensed for R&D during the year.

NOTE 14 - Patents

Group and Parent Company	2020-04-30	2019-04-30
Opening cost	9,896	9,896
Closing accumulated cost	**9,896**	**9,896**
Opening amortization	-3,549	-2,513
Amortization for the year	-977	-1,036
Closing accumulated amortization	**-4,526**	**-3,549**
Closing carrying amount	**5,370**	**6,347**

NOTE 15 - Machinery, equipment, tools, fixtures and fittings

	The Group		Parent Company	
	2020-04-30	2019-04-30	2020-04-30	2019-04-30
Opening cost	4,279	3,414	3,162	2,989
Purchases/local contracts		865	-	174
Reclassification	-1,116			
Closing accumulated cost	**3,162**	**4,279**	**3,162**	**3,162**
Opening depreciation	-1,361	-798	-1,361	-798
Depreciation for the year	-567	-564	-567	-564
Closing accumulated depreciation	**-1,929**	**-1,361**	**-1,929**	**-1,361**
Closing carrying amount	**1,234**	**2,917**	**1,234**	**1,801**

Last year,SEK 1,220 thousand was reported as leased assets (cars) and depreciation on those assets amounted to SEK 180 thousand.

NOTE 16 - Right-of-use assets

The Group has lease agreements that are primarily for premises and cars.

The Group	2020-04-30
Opening cost	3,618
Reclassification	1,022
Closing accumulated cost	**4,640**
Opening depreciation	0
Depreciation for the year	-1,328
Closing accumulated depreciation	**-1,328**
Closing carrying amount	**3,313**

Right-of-use assets

	2020-04-30
Premises	2,547
Cars	766
Closing carrying amount	**3,313**

Depreciation of right-of-use assets

	2020-04-30
Premises	-1,071
Cars	-257
Closing carrying amount	**-1,328**

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

	2020-04-30
Within 1 year	1,182
Between 1-5 years	2,272
More than 5 years	0
	3,453

The Parent Company's leasing costs

Leases where the company is lessee

Expensed lease payments for the year:

Parent Company, SEK thousand	2019/2020	2018/2019
Total leasing costs	1,696	1,148
	1,696	**1,148**

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.

The effects of the transition to IFRS 16 are detailed below:

kSEK	Reported balance sheet 2019-04-30	Adjustment to IFRS 16 2019-05-01	Adjusted balance sheet 2019-05-01
Machinery, equipment, tools, fixtures and fittings	2,917	3,618	6,535
Total adjusted assets		**3,618**	
Total equity	52,098	-0,246	52,098
Total non-current liabilities	0,940	2,789	3,716
Total current liabilities	7,822	1,075	8,897
Total adjusted equity and liabilities		**3,618**	

NOTE 17 - 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 17.5 million as of 30 April 2020. 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 2020, the Group's tax loss carryforwards amounted to SEK 82,096 (52,349) thousand.

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

The Group	2020-04-30
Opening cost	0
Capitalized during the year	743
Closing carrying amount	**743**

NOTE 18 - Group Companies

	2020-04-30	2019-04-30
Opening cost	108	108
Purchases	0	0
Closing accumulated cost	**108**	**108**
Closing carrying amount	**108**	**108**

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

Name/Registered office	Equity	Profit (loss)
Biovica Services AB	448,143	174,788
Biovica Inc	26,631	50,214

NOTE 19 - Changes in Group companies

The Group	2019-04-30	2018-04-30
Opening cost	0	0
Reclassification	985	0
Closing accumulated cost	**985**	**0**
Closing carrying amount	**985**	**0**

NOTE 20 - Prepaid lease payments, Parent Company

Prepaid lease payments	2020-04-30	2019-04-30
Opening cost	176	0
Additional receivables, first increased leasing	22	176
Closing accumulated cost	**198**	**176**
Opening amortization	0	0
Amortization for the year	-43	0
Closing accumulated amortization	**-43**	**0**
Closing carrying amount	**155**	**176**

NOTE 21 - Shares

Biovica has issued both Class A shares (each worth 3 votes) and Class B shares (each worth 1 vote). As of 30 April 2020, there were 7,007,524 Class A shares (these are unlisted) and 16,565,848 Class B shares that are traded on Nasdaq First North Premier. The total number of shares was thus 23,573,372. Share capital amounted to SEK 1,571,558.13 and the quotient value per share is SEK 0.07. The total number of votes amounted to 37,588,420.

Reclassification of shares

At the end of each quarter, class A shareholders are offered the opportunity of reclassifying their shares to B shares. In total, 289,918 class A shares were reclassified during the year. Prior to reclassification, the total number of was 38,168,248 and after reclassification it was 37,588,420.

2020-04-30	Class A shares	Class B shares	Total
Before reclassification	7,297,438	16,275,934	23,573,372
Reclassification	-289,914	289,914	0
After reclassification	**7,007,524**	**16,565,848**	**23,573,372**

NOTE 22 - Warrants

Biovica has three outstanding warrant schemes. The warrants were transferred following market valuation in accordance with the Black & Scholes pricing model. On 30 March 2020, the T02 warrants scheme expired. At that time, 200,000 warrants with a subscription price of SEK 25 expired without any of the options being exercised. The share price on the expiration date was SEK 12.05.

Program	To	Class B shares	Subscription price	Option price	Subscription period	Share capital increase	Number of class B shares
TO3	employees	200,000	21.90	0.44	30 March 2020 - 25 August 2021	13,333.33	200,000
TO4	Board of Directors	175,000	19.50	0.94	25 March 2022 - 25 August 2023	11,666.67	175,000
TO5	employees	270,000	17.16	1.23	25 March 2021 – 25 August 2022	18,000.00	270,000
						43,000.00	**645,000**

NOTE 23 - Non-cash items

	The Group		Parent Company	
	2019/2020	2018/2019	2019/2020	2018/2019
Leasing	-349	583		
Depreciation/ amortization	4,170	3,020	2,843	2,840
	3,821	**3,603**	**2,843**	**2,840**

NOTE 24 - Pledged assets

	2020-04-30	2019-04-30
Pledged assets	None	None

NOTE 25 - Contingent liabilities

	2020-04-30	2019-04-30
Contingent liabilities	None	None

NOTE 26 Categories of financial instruments

	The Group		Parent Company	
Amortized cost, SEK thousand	2019/2020	2018/2019	2019/2020	2018/2019
Financial assets				
Accounts receivable		1,732		1,732
Other current receivables	547	582	547	559
Other current receivables, Group companies				1,045
Prepaid expenses and accrued income	582	443	558	418
Cash and cash equivalents	31,231	4,898	30,096	3,846
Short-term investments	9,546	11,933	9,546	11,933
Total financial assets	**41,906**	**19,588**	**40,747**	**19,533**
Other financial liabilities				
Other non-current liabilities	2,272	940		
Accounts payable	1,007	860	1,004	845
Intra-Group accounts payable			476	242
Accrued expenses and deferred income	2,228	2,289	2,131	2,239
Other current liabilities	624	545	624	525
Total financial assets	**6,130**	**4,634**	**4,389**	**3,851**

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 27 Financial instruments at fair value

Information on financial instruments at fair value:

	2019/2020		2018/2019	
Group and Parent Company	Carrying amount	Value change reported	Carrying amount	Value change reported
Available-for-sale financial assets	9,546	-331	11,933	-26

The financial assets stated above consist of investments in funds.

NOTE 28 Significant events after the financial year-end

Thus far, the COVID-19 pandemic has only had a marginal impact on Biovica's operations. The most significant risk areas associated with COVID-19 are a delay of commercial activities, potential disruptions in supply chains, the health of our employees and financial stability of our customers and suppliers. The Board of Directors has assessed that the COVID-19 pandemic could potentially have a significant negative impact on the company's earning during the year ahead, but it is currently unable to assess how large. The Board is carefully monitoring all developments and taking action to limit the effect.

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 27 August 2020 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 principles 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 2020

Lars Holmqvist
Chairman of the Board

Maria Holmlund
Board member

Jarl Ulf Jungnelius
Board member

Henrik Osvald
Board member

Anders Rylander
CEO, Board member

Jesper Söderqvist
Board member

Our audit report was issued on 30 June 2020

Grant Thornton Sweden AB

Stéphanie Ljungberg
Authorized Public Accountant

Audit report

To the AGM of Biovica International AB (publ), CIN 556774-6150

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

We have conducted an audit of the annual accounts and consolidated accounts for Biovica International AB (publ) for the financial year 2019-05-01 -- 2020-04-30, with the exception of the corporate governance report on pages 27-32. The company's annual accounts and consolidated accounts are provided on pages 24-58 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and in all material respects, give a true and fair view of the Parent Company's financial position as at 30 December 2020 and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and in all material respects, give a true and fair view of the Group's financial position as at 30 December 2020 and of its financial performance and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS) that have been adopted by the EU. Our opinions do not cover the corporate governance report on pages 27-32. The Directors' 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 the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibility as per these standards is described in the section, Auditor's responsibility. We are independent of the Parent Company and the Group in accordance with the auditor's oath in Sweden and have otherwise fulfilled our ethical responsibilities under these requirements.

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

Key audit matters

As stated in the Directors' report and Note 28 Significant events after the financial year-end, the Board of Directors has assessed that the COVID-19 pandemic could potentially have a significant negative impact on the company's earning during the year ahead, but it is currently unable to assess how large.

Other information besides what is shown in the financial statements and consolidated financial statements

The Board of Directors and CEO are responsible for this other information. The other information comprises pages 2-23 and page 59 of this document (but does not include the annual report, consolidated financial statements and our audit report on those).

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 that regard.

The Board of Directors' and CEO's responsibilities

The Board of Directors and CEO 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 CEO 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 CEO 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 CEO intends 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 CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO'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 report and consolidated financial statements, we have performed an audit of the Board's and CEO's administration of Biovica International AB (publ) for the financial year 2019-05-01 -- 2020-04-30 and the proposed appropriation of the profit or loss.

We recommend that the Annual General Meeting appropriate the profit in accordance with the proposal in the Directors' Report and discharge to the members of the Board of Directors and the CEO 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 the auditor's oath in Sweden and have otherwise fulfilled our ethical responsibilities under these requirements.

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

The Board of Directors' and CEO's responsibilities

The Board of Directors 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 CEO 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 CEO in any material respect:

- has undertaken any action or been guilty of any omission, which could give rise to liability to the Company, or
- in any other way acted in contravention of the Swedish Companies Act or the Articles of Association.

Our goal regarding the audit of the proposed appropriation of the profit or loss, and thus our statement on this, is to, with a reasonable degree of certainty, assess whether the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that could give rise to a liability to the Company or that a proposal for the appropriation of the profit or loss is not consistent with the Swedish Companies Act.

As part of an audit in accordance with generally accepted accounting standards in Sweden, we use professional judgment apply professional skepticism throughout the entire audit. The audit of the administration and the proposed appropriation of the profit or loss is primarily based on the audit of the financial statements. We decide what additional procedures to perform based on our professional judgment, and having considered both risks and materiality. It means that we focus the audit on such measures, areas and conditions that are essential for operations and where deviations or transgressions would significantly impact the company's situation. We review and test decisions, supporting documentation for decisions, measures taken and other factors that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board's proposed appropriation of the profit or loss, we examined whether the proposal is consistent with the Companies Act.

Auditor's review of the corporate governance report

The Board of Directors is responsible for the Corporate Governance Report on pages 27-32 and for ensuring that it has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement was conducted in accordance with FAR´s auditing standard RevU 16. 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.

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, items 2-6 of the Annual Accounts Act, along with Chapter 7, Section 31, second paragraph of the Annual Accounts Act are consistent with the other parts of the annual report and consolidated financial statements, as well as in accordance with the Annual Accounts Act.

Uppsala, 30 June 2020
Grant Thornton

Stéphanie Ljungberg
AUTHORIZED PUBLIC ACCOUNTANT

Shareholder information

ANNUAL GENERAL MEETING (AGM)

The Annual General Meeting for the 2019/2020 financial year will be held on 27 August 2020 at 4 p.m. The location is Hubben, Dag Hammarskjölds väg 38 in Uppsala, Sweden. 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 shall 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 by Friday 21 August 2020. That is also the deadline for registering intent to participate in the AGM. Notification is by letter to: Biovica International AB, att. Cecilia Driving, Dag Hammarskjölds väg 54B, 752 37 Uppsala, by telephone: +46 (0)18 444 48 30 or by email: info@biovica.com.

NOMINATION COMMITTEE

The Nomination Committee has been appointed in accordance with the AGM guidelines and its members are: Anna Rylander Eklund, Mikael Petersson 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:

Annual report	Week of 27, 2020
Annual General Meeting (AGM)	27 August 2020
Interim Report for Q1: May - July 2020	27 August 2020
Interim Report for Q2: August - October 2020	3 December 2020
Interim Report for Q3: November - January 2021	18 March 2021
Interim Report for Q4: February - April 2021	17 June 2020

FOR MORE INFORMATION, PLEASE CONTACT:

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