

CORPORATE GOVERNANCE REPORT IBT AB 2021

Corporate governance at IBT

IBT is a Swedish limited company whose B shares are listed on Nasdaq Stockholm. The company is governed by the AGM, the Board of Directors, the President and the executive management in accordance with the Companies Act, the Articles of Association, rules of procedure for the Board and the CEO's instructions and the Swedish Code of Corporate Governance. The Board is responsible for evaluating established goals and continuously evaluating IBT's financial position and earnings and evaluating the operational management.

The share capital consists of 377,736 Class A shares with 10 voting rights per share and 10,848,448 Class B shares with one voting right per share.

Compliance with the Swedish Code of Corporate Governance (Svensk Kod för Bolagsstyrning), common stock market code and applicable stock market rules

The purpose of the Code is to strengthen confidence in Swedish listed companies by promoting a positive development of the company's corporate governance. The code is based on the principle of "comply or explain" which means that a company can make deviations from the code but these must then be explained.

IBT has not deviated from any of the rules specified in the Code.

Environment and responsibility

IBT's operations do not pose any specific environmental risks and do not require any specific environmental permits or decisions from authorities. The Board of Directors believes that the company conducts its operations in accordance with applicable health and safety rules and offers its employees a safe and healthy working environment.

Diversity and gender equality

IBT should be a workplace where diversity and gender equality are natural parts of the business. A workplace characterized by diversity and gender equality is necessary for IBT to be an attractive workplace and to achieve set goals. Recruitment shall be based on competence requirements, diversity and gender equality.

Sustainability

IBT is to be perceived as an innovative and creative company, which stands for quality and health and plays a role in society. It is important for IBT to work with sustainability. Respect for human rights, the environment and anti-corruption must characterize our everyday lives through business strategies, financing processes, investments and purchases.

According to the Swedish Annual Accounts Act (Årsredovisningslagen), there is no requirement that the Company prepare a Sustainability Report.

Articles of Association

In accordance with IBT's articles of association, the Company will develop, manufacture, market and sell pharmaceuticals directly or through subsidiaries or other forms of part-ownership or partnerships and conduct related operations. The seat of the Board is Stockholm.

The Articles of Association can be found on IBT's website under the heading Investors / Corporate Governance.

Annual General Meeting

In accordance with the Swedish Companies Act, the Annual General Meeting is IBT's highest decision-making body and at the Annual General Meeting the shareholders exercise their voting rights on key issues, for example establishing a report on comprehensive income and financial position, disposition of IBT's results, granting discharge from the Board of Directors and the Board of Directors, election of the Board of Directors and the CEO. and remuneration to the Board of Directors and auditors. In addition to the AGM, an Extraordinary General Meeting can be called. In accordance with the Articles of Association, notice of the Annual General Meeting and Extraordinary General Meeting are published in Post- och Inrikes Tidningar and on IBT's website.

Annwall & Rothschild Investment AB, owns 7.02 percent of the capital and 28.63 percent of the votes in the company.

Annual General Meeting 2021

At IBT's Annual General Meeting on May 4, 2021, shareholders represented 60.1 percent of the total number of votes in the company. Due to the Corona pandemic, the AGM was held by mail voting, with no physical presence by shareholders or others present.

The Annual General Meeting resolved, inter alia, the following:

- adoption of the income statement and balance sheet
- granted discharge for Board members and the CEO
- that no dividend is paid
- that the board shall consist of six members without deputies
- re-election of board members Margareta Hagman, Eva Idén, Anthon Jahreskog, Kristina Sjöblom Nygren, Peter Rothschild and Robert Molander
- re-election of Peter Rothschild as Chairman
- re-election of the registered accounting firm Deloitte AB
- that remuneration to be paid to the Chairman of the Board of SEK 250,000 and an additional remuneration for the work of Chairman of the Board of SEK 400,000 and to other members not employed by the company by SEK 125,000 each
- that audit fees should be paid according to approved invoice
- on the nomination committee in accordance with the nomination committee's proposal
- on approval of the Board's remuneration report
- on authorization for the Board to decide on issue of class B-shares in accordance with the Board's proposal

The Annual General Meeting 2022

The 2022 Annual General Meeting will be held on May 4, 2022. Due to the Corona pandemic, the AGM will be held by mail voting, with no physical presence by shareholders or others present.

Notice of Annual General Meeting

Notice of Annual General Meeting shall be made through advertising in Post- och Inrikes Tidningar and on the company's website. That notice should be announced in Svenska Dagbladet and on the company's website.

Nomination Committee

The Annual General Meeting 2021 resolved that a Nomination Committee should be appointed as follows: "The Chairman of the Board shall convene the three largest shareholders in the company, who each nominate a representative to be a member of the Nomination Committee together with the Chairman of the Board. At the composition of the nomination committee, the ownership conditions as of June 30, 2021 will determine which are the largest shareholders in terms of the number of votes. The representative of the largest shareholder in the nomination committee at this time shall be the chairman of the nomination committee. If one of the three largest shareholders waives their right to appoint a member to the nomination committee, the next shareholder in size shall be given the opportunity to appoint a member to the nomination committee. The names of the three members shall be published when appointed, however, latest six months prior to the 2022 AGM. The period of mandate of the nomination committee lasts until such time a new nomination committee has been appointed."

The Nomination Committee has been formed in accordance with the decision of the Annual General Meeting and consists of, in addition to the Chairman of the Board of Directors, Peter Rothschild, Per-Erik Andersson, representative of the company's largest shareholder Annwall & Rothschild Investments AB, Sebastian Jahreskog, who via Six Sis AG's ownership is the company's second largest shareholder, and Jannis Kitsakis, representative of the company's third largest shareholder, Fjärde AP-Fonden. All members of the nomination committee, except Peter Rothschild, are independent in relation to the company and company management. Per-Erik Andersson is chairman of the nomination committee.

The Nomination Committee shall prepare proposals on the following issues to be submitted to the Annual General Meeting 2022 for resolution:

- a) proposal for election of the Chairman of the Meeting
- b) proposals of Board members
- c) proposal for election of the Chairman of the Board
- f) proposal for Board fees
- e) proposals for election of the auditor
- g) proposal for audit fees
- h) proposals regarding nomination committee for the 2023 Annual General Meeting.

All shareholders have had the opportunity to contact the Nomination Committee with proposals for members to the Board for further evaluation within the framework of its work. No comments or suggestions have been received by the Nomination Committee to date.

The Nomination Committee submits a written motivation to the Board to the Annual General Meeting. In its justification, the Nomination Committee takes into account the diversity and breadth of the Board and strives for an even gender distribution.

Mandate

The 2021 AGM decided on a mandate for the Board to, at one or more instances during the period until the next AGM, decide to issue class B-shares. The Board may decide to issue shares deviating from shareholders pre-emptive rights. Shares may be issued with or without stipulation of contribution in kind, offset, or other conditions in accordance with 13 chapter 5 § first section 6 of aktiebolagslagen.

Regarding share issue deviating from shareholders pre-emptive rights (directed share issues), the Board may not make any decisions increasing the share capital in excess of twenty percent of the share capital at the point in time the mandate first is exercised for a directed share issue. Share issue in accordance with the mandate shall be at market price. The Board may decide on other terms for share issues based on the mandate including who

shall have the right to subscribe for the shares. The objective of the mandate is to provide flexibility for the Board in order to ensure adequate financing of the company to finance the company's continued clinical operations as well as to broaden the company's ownership base.

The Board

According to IBT's Articles of Association, the Board shall consist of a minimum of three and a maximum of ten members and no deputies. The Board is elected annually at the AGM for the period until the end of the next AGM. The Board of Directors has since the Annual General Meeting 2021 consisted of six members elected by the AGM without deputies. Peter Rothschild is indirect shareholder in IBT through Annwall & Rothschild Investment AB. Other members are independent in relation to the company and company management.

The CEO is not a member of the Board but is adjunct to all Board meetings. Other officers in the company participate in Board meetings as rapporteur. The Board of Directors has adopted a rules of procedure, including the division of work between the Board and the CEO and the structure of the Board's work during the year. In addition to the responsibilities of the Swedish Companies Act and the Articles of Association is regulated following the Board's rules:

- Hold at least 4 board meetings, in addition to the statutory meeting
- Determine the overall objectives of the company's operations and decide on the company's strategy and evaluate the operational management and risk assessment in the company.
- Approve budget and corresponding long-term plans including investment budget
- Process matters relating to investments and the like in the amount of five hundred thousand (500,000 SEK) or other commitments for the company, which entails a cost to the company exceeding five hundred thousand (500,000 SEK)
- Decide on the purchase and sale of real estate, shares or acquisitions of another company's operations in excess of five hundred thousand (500,000 SEK)
- Determine the annual report, the directors' report and the interim reports
- Borrowing
- Enter into an agreement with a term of more than three years
- Initial processes of large scope and settlement of disputes of significant importance
- Other issues of significant economic or other importance

The Board of Directors is responsible for monitoring the Company's financial position, for monitoring the efficiency of the Company's internal control, internal audit and risk management, being informed of the audit of the 2021 financial statements and for reviewing and monitoring the auditor's impartiality and independence.

In addition, the Board of Directors has adopted the CEO's instruction, certificate instruction including instructions regarding liquidity management and currency management policy. The work order, CEO instruction and attestation instruction are tested at least once a year.

The Board of Directors presence in 2021

Name	Position	Member since	Independent in relation to		Attendance 2020
			Company and senior management	Major shareholders	
Peter Rothschild	Chairman of the Board ³	2011	No ¹	No ²	7/7

Margareta Hagman	Board member	2015	Yes	Yes	7/7
Eva Idén	Board member	2017	Yes	Yes	7/7
Anthon Jahreskog	Board member ³	2017	Yes	Yes	7/7
Robert Molander	Board member	2020	Yes	Yes	7/7
Kristina Sjöblom Nygren	Board member	2018	Yes	Yes	7/7

¹In his role as working chairman, Peter Rothschild is not considered independent in relation to company.

²Peter Rothschild is a partner in Annwall & Rothschild Investments AB, the Company's largest shareholder.

³Member in Remuneration Committee. The Remuneration Committee has, besides ongoing contact, had two meetings during 2020 with full attendance.

If a member has not been able to attend a board meeting, this member has had the opportunity to present his / her views to the chairman before the meeting.

Board meeting agenda is as follows where appropriate:

- Business Plans
- Business follow-up
- Investments
- Strategy
- Performance reports
- Significant agreement
- Budget
- Financial statements

The Board continuously evaluates its work through open discussions and annually performs a written evaluation of its work. The Nomination Committee is informed of the results of the evaluation.

Remuneration of the Board

The 2021 Annual General Meeting resolved on Board fees of SEK 250,000 to the Chairman and SEK 125,000 to other members. In addition, a decision was made on an additional fee of SEK 400,000 to the chairman in his assignment to be working chairman of the board.

Chairman of the Board

The Chairman of the Board is responsible for leading the work of the Board and for the Board to fulfill its obligations in accordance with the Companies Act and the Board's rules of procedure. Through continuous contacts with the CEO, the Chairman of the Board shall monitor the company's development and ensure that the Board receives the information required for the Board to fulfill its commitment. In addition, the Chairman, as a working Chairman of the Board, actively participates in financing issues, licensing issues and presentations to the market and assists company management in business development. Peter Rothschild has been Chairman of the Board since 2011.

The CEO

The CEO is responsible for the company's business development and manages and coordinates day-to-day operations. The CEO has an instruction decided by the Board of Directors, which regulates, among other things, his work with management and development of the company as well as continuous reporting and decision-making to the Board. The Managing Director prepares the necessary information and decision-making documentation such as reports regarding, among other things, the company's finances, order situation, significant business and strategic issues before Board meetings, and is a rapporteur and submits motivated proposals for decisions. In addition, the President keeps the Chairman of the Board regularly informed about the company's operations.

The Managing Director is solely responsible for external communication.

The Board annually evaluates the CEO's work. In this evaluation, no one from the company management is present.

Management

The management of IBT consists of four people.

The management team is led by the CEO and is responsible for planning, directing and monitoring the day-to-day operations. Minuted meetings are held every week. The powers and responsibilities of the CEO, in addition to being regulated by the Companies Act, are defined in the CEO instructions adopted by the Board. The powers and responsibilities of company management are defined in job descriptions and attestation instructions.

Remuneration Committee

The Board has appointed a Remuneration Committee consisting of Chairman of the Board Peter Rothschild and Board member Anthon Jahreskog. Anthon Jahreskog is Chairman of the Remuneration Committee.

The Remuneration Committee shall prepare questions regarding remuneration and other terms of employment for the CEO and other senior executives who together form the company management. The Remuneration Committee has held four meetings. Peter Rothschild and Anthon Jahreskog were present at all four meetings.

Principles for remuneration to senior executives are set at the Annual General Meeting. The remuneration committee's task is to prepare proposals for senior executives in accordance with these principles.

Auditors

IBT's auditors are normally elected for a period of one year at the AGM. At the 2021 Annual General Meeting, re-election of Deloitte AB was resolved for the period up to the end of the Annual General Meeting that will be held in 2022. The Auditing Company has appointed Birgitta Lööf as the designated Auditor. Remuneration to the auditors is paid, in accordance with the decision of the Meeting, on an ongoing basis.

The auditors review the Board of Directors and the CEO's management of the company and the quality of the company's financial reporting. The auditors also carry out, on behalf of the Board, an audit of the financial statements, an audit of the annual report, and a review of a quarterly report.

The auditor's report their audit to the shareholders through the audit report, which is presented at the AGM. In addition, written and oral reports are submitted to the company management and the board. At the board meeting in connection with the review of the third quarter, the auditor participates in the reporting of comments from the ongoing review during the financial year regarding the company's internal control and preparation for the annual accounts.

The auditors also submit an audit opinion on the corporate governance report and a report on the review of remuneration to senior executives.

For information on remuneration to the auditors, see note 5 in the annual report.

The Board of Directors has decided that independent members of the Board possess accounting expertise as well as the Board's ongoing review of the financial reporting and with regard to the company's limited size and scope of transactions, to appoint no Audit Committee. Furthermore, the entire Board meets with the auditor at least once a year without the presence of the company's CEO or another of the company management.

The Board's description of internal control regarding the financial reporting for the financial year 2021

Introduction

According to the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance, the Board is responsible for the internal control. This description has been prepared in accordance with these provisions and thus limited to internal control over the financial reporting. Internal control over financial reporting

The Board of Directors is responsible for ensuring that the company's organization is designed so that the accounting, asset management and the company's financial conditions are otherwise controlled in a satisfactory manner.

The Board of Directors adopts annually rules of procedure for the work of the Board and instructions for the division of work between the Board and the CEO. The rules of procedure specify which matters require the approval or confirmation of the board. At the board meetings, the CEO prefers matters that require the board's treatment.

The Managing Director shall ensure that the Board receives a factual, detailed and relevant information base for the Board to be able to make well-informed decisions and that the Board is kept regularly informed of the development of the company's operations and financial position.

Within IBT, internal control of financial reporting is focused, for example, on ensuring efficient and reliable management and accounting of purchases and sales, other income accounting and accounting of the company's financing. The internal control environment mainly comprises the following five components: control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

In addition to the rules of procedure between the Board and the CEO, IBT's control structure is based on the company's organization and ways of conducting operations where the roles and responsibilities are defined and communicated in the organization. Employee awareness of maintaining good control over financial reporting is satisfactory and analysis and follow-up of financial progress is done monthly. Financial reports and compilations are made by IBT's

finance department and reported to the Board on a quarterly basis and to company management on a monthly basis.

Risk assessment

The company works continuously with risk assessment and risk management to ensure that the risks to which the company is exposed are managed within the framework that is ultimately determined by the Board of Directors. The company management annually analyzes the business processes of the business with regard to efficiency and risks. This work includes identifying significant risks of errors in financial reporting and ensuring that there are appropriate processes and controls within the business to manage these risks. Processes that are considered to be of particular importance to IBT are research and development. A more detailed description of the risk exposure can be found in the annual report.

Control activities

The risks identified in financial reporting are managed through a number of control measures in the business processes. Processes, policies and controls are reviewed and updated annually. The purpose is to detect, prevent and correct errors and deviations. The control structure also includes, among other things, established powers (eg attestation), division of work, IT risks and the management's monthly review of financial information. The company controls the subcontractor's fulfillment of current services in accordance with agreements, including quality aspects.

Information and communication

IBT has information and communication pathways aimed at promoting completeness and accuracy in financial reporting. Certificate arrangements and communication policies are distributed to all employees and kept available on the company's intranet. The entire company's staff meet approx. once a month to increase knowledge of processes and objectives and to exchange information and experience.

Evaluation

The company management annually evaluates internal control. The company's elected auditors, Deloitte AB, also annually review a selection of IBT's routines and internal controls. The Board then evaluates the information and ensures that measures are taken regarding the deficiencies and proposals that have emerged.

The company has no special internal audit function (internal audit). The Board has made the assessment that, given the company's size and scope of transactions, as well as the expertise in the area that the Board possesses and the Board's meeting with the auditor, there is no reason to establish a formal internal audit department.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages xx has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Stockholm March 30, 2022

Deloitte AB

Birgitta Lööf

Authorized public accountant