

Corporate Governance Report

Corporate Governance

C-RAD is a Swedish public limited company based in Uppsala. Corporate governance at C-RAD AB is based on Swedish legislation, primarily the Swedish Companies Act, the Swedish Code of Corporate Governance (the "Code"), the Nasdaq OMX Stockholm's listing requirements as specified in the "Rules for Issuers" and the internal instructions and policy documents that the company has established and adopted. The company's shares have been admitted to trading on Nasdaq OMX Stockholm since 16 December 2014. C-RAD applies and complies with the Code. C-RAD's corporate bodies are the General Meeting, the Board of Directors, the Chief Executive Officer and the auditor. At the Annual General Meeting, the shareholders appoint the Board of Directors and the auditor. The Board of Directors appoints the Chief Executive Officer. The auditor reviews the annual accounts and the administration of the Board of Directors and the Chief Executive Officer. The task of the Nomination Committee is to propose the members of the Board of Directors, the Chair of the Board and the auditor for election by the Annual General Meeting.

General Meeting

The General Meeting is the company's highest decision-making body. By law, the Annual General Meeting must be held within six months following the end of the financial year. The Annual General Meeting decides on issues such as adopting the income statement and balance sheet, the allocation of the company's earnings, discharge from liability, election of Board members and appointment of auditors. Notice of the Annual General Meeting, as well as Extraordinary General Meetings where questions regarding amendments to the Articles of Association are addressed, must be issued no earlier than six and no later than four weeks before the Meeting. Notice of other General Meetings must be issued no earlier than six and no later than three weeks before the Meeting. Shareholders recorded in the register maintained by Euroclear on behalf of C-RAD no later than five business days before the Meeting and who have expressed their intention to participate to the company as described in the Notice of the Meeting have the right to attend and vote at the Annual General Meeting. Shareholders may be represented by proxy. Notice of the Annual General Meeting is issued in accordance with the Companies Act no earlier than six and no later than four weeks before the meeting.

Authorisation granted by the 2025 General Meeting

The AGM authorised the Board of Directors to decide, on one or more occasions during the period until the next Annual General Meeting, to acquire the company's own shares. The company's holding of treasury shares may not at any time exceed ten (10) percent of the total number of shares in the company. The AGM also authorised the Board of Directors to decide, during the same period, on the transfer of treasury shares.

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Meeting, to issue new class B shares, convertible bonds and/or warrants entitling the holder to subscribe for class B shares. This authorisation means that the number of new class B shares can be increased by a maximum of 2,500,000.

Articles of Association

C-RAD's Articles of Association contain no restrictions on how many votes each shareholder may cast at a General Meeting. Each class A share entitles the holder to ten votes and each class B share carries one vote at the Annual General Meeting. The total number of shares at year-end was 33,766,935. Moreover, C-RAD's Articles of Association do not include any specific provisions on the appointment and dismissal of Board members or on amending the Articles of Association.

Nomination Committee

The Nomination Committee's task is to submit proposals prior to the Annual General Meeting regarding, among other things, the Chair of the Board, Board members, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. The principles for appointing the Nomination Committee are decided by the Annual General Meeting. C-RAD's Nomination Committee for the 2026 Annual General Meeting comprises Karl Tobieson (appointed by Linc), Gaetan Boyer (appointed by Hamberg Förvaltning), Anna Frick (appointed by Svea Ekonomi) and David Zaudy (appointed by Cervantes). The Nomination Committee appointed Karl Tobieson to be the chair of the Committee.

Board of Directors

The Board conducts its work as described in the Swedish Companies Act, the Code and other rules and regulations applicable to the company. The overarching task of the Board of Directors is to manage the company's affairs and organisation. The Board currently consists of six members and the company has ensured that the composition is adapted to meet the requirements of the Code. For additional information about the current Board of Directors and Group management, see the relevant sections on pages 30 to 33. All Board members are independent of the company and of the company's major shareholders.

Rules of procedure and Board meetings

At the statutory Board meeting following the Annual General Meeting, the Board of Directors of C-RAD adopts the rules of procedure with instructions regarding the rules of procedure between the Board of Directors and the Chief Executive Officer, as well as instructions for financial reporting. The Board holds at least four ordinary meetings in addition to the statutory meeting. Meetings are coordinated as far as possible with the timing of financial reporting and the Annual General Meeting. In addition to ordinary meetings, the Board of Directors is called to further meetings as the situation requires. In 2025, the Board met 13 times, includ-

ing the statutory meeting at which the rules of procedure were adopted. The work of the Board of Directors was also carried out through meetings of the Audit Committee. The Chair of the Board also maintained an ongoing dialogue with the Board members between ordinary Board meetings.

Attendance at Board and committee meetings in 2025

Board member	Board meetings	Audit Committee	Remuneration Committee
Kristina Willgård	13/13		1/1
Susanne Ekblom	13/13	6/6	
Jenny Rosberg	13/13	6/6	
David Sjöström	13/13		
Peter Simonsbacka	13/13		1/1
Mats Thorén	13/13		

The Board's work is evaluated once per year. The Chair of the Board organises the evaluation through questionnaires, compiles the results and presents them at the following Board meeting where discussions are held and any improvement areas identified.

Board committees and committee work

For the whole of 2025, the Audit Committee consisted of Jenny Rosberg as Chair of the Committee and Susanne Ekblom as a member. The Committee held six meetings in 2025. The Board's Remuneration Committee consists of Kristina Willgård and Peter Simonsbacka and held one meeting in 2025.

Internal control

According to Swedish corporate governance rules, the Board of Directors shall ensure that C-RAD has adequate internal controls and remains informed of and evaluates the company's internal control systems. The company's Audit Committee monitors the current affairs of the company through regular meetings with the company's finance department. An important part of the control environment is that the organisation and decision-making procedure, as well as responsibilities and authorities, are clearly defined and communicated in policy documents. In 2025, the Board of Directors and the Audit Committee adopted a number of policies: the corporate governance policy, code of conduct, data protection policy, IT and risk management policy, information security policy, environmental policy, authorisation and payment instructions, travel policy, whistleblowing policy, information policy, insider policy, finance policy, instructions for the Audit Committee and instructions for the CEO. C-RAD has adopted policies and procedures relating to financial reporting that include accounting policies, financial policy and reporting procedures. Control activities are designed to prevent, detect and correct errors and deviations and include, for example, comparison of profit and loss items, account reconciliation, monitoring and reconciliation of Board decisions and policies adopted by the Board. The Board reviews the interim and annual reports before publication. Levels and rules for approval of transactions within the company and with external partners are set through an authorisation procedure. The company also has rules for approval of transactions.

Internal audit

The Board has determined that existing internal control processes and functions at C-RAD are adequate and there is no need to introduce an internal audit function. The monitoring provided by the Board, management and the company's external auditors is currently considered to fulfil this need. However, the Board conducts an annual assessment to determine whether such a function is necessary to maintain good control of the company and the Group.

Financial reporting and follow-up

Under applicable laws and stock exchange rules as well as other regulations applicable from time to time, the company strives to regularly provide accurate, reliable and timely financial information. Financial information is published regularly as quarterly reports, annual reports and press releases containing news and significant events that may affect the share price, in accordance with the company's information policy. The company's CEO and CFO prepare a monthly report for the Board.

Audit

C-RAD's auditors review the annual accounts and financial statements and the company's day-to-day operations and procedures and then express an opinion on the financial reporting and the administration of the Board of Directors and the CEO. The auditors must submit an audit report to the Annual General Meeting after each financial year. Each year, the company's auditors report in person to the Board of Directors their observations from the audit and their assessments of the company's internal controls.

Ownership

At the end of the year, C-RAD had 3,924 shareholders according to Euroclear. At year-end, the company's share capital amounted to SEK 5,065,284, with a quota value of SEK 0.15 per share, divided into 33,766,935 shares, of which 862,887 were class A shares and 32,904,048 were class B shares. Each class A share entitles the holder to ten votes and each class B share carries one vote at the Annual General Meeting. The total number of votes in the company is 41,532,918. No known shareholder agreements exist.

Remuneration to the Board of Directors

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting of 8 May 2025 resolved that the Chair of the Board shall be paid SEK 515,000 in remuneration annually and that the other Board members shall be paid SEK 210,000 each. The Chair of the Audit Committee shall be paid SEK 105,000 in remuneration and the other members of the Committee shall be paid SEK 55,000 each. It was decided that the remuneration of the Chair of the Remuneration Committee would be SEK 50,000 and that the other members of the Committee would receive SEK 20,000 each.

Remuneration to senior executives

The total remuneration in 2025 to the senior executives amounted to MSEK 25, of which MSEK 6.7 related to remuneration for the CEO Cecilia de Leeuw and the acting CEO Linda Frölén. The average number of senior executives was 9 in 2025. All amounts relating to remuneration to senior executives are exclusive of social security contributions. The pension cost for senior executives in 2025 amounted to MSEK 2.2. Management's pension terms are essentially in line with other employees within the Group. Cecilia

Ownership structure – 10 largest shareholders in terms of votes

Name	No of A shares	No of B shares	Total no of shares	Share of capital, %	Votes, %
Linc AB	263,125	2,985,250	3,248,375	9.62%	13.52%
Svea Bank AB	100,000	3,924,969	4,024,969	11.92%	11.86%
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56%	11.12%
Cervantes Capital	120,000	2,984,997	3,104,997	9.20%	9.86%
Lars Nyberg	–	1,632,078	1,632,078	4.83%	3.93%
Måns Flodberg	–	1,500,000	1,500,000	4.44%	3.61%
Nordnet Pensionsförsäkring	–	1,345,609	1,345,609	3.98%	3.24%
Avanza Pension	–	1,274,866	1,274,866	3.78%	3.07%
Margareta Hamberg	–	1,145,722	1,145,722	3.39%	2.76%
Polaris Management A/S	–	846,332	846,332	2.51%	2.04%
Total 10 largest shareholders	862,887	18,462,494	19,325,381	57.23%	65.23%
Others	–	14,441,554	14,441,554	42.77%	34.77%
Total	862,887	32,904,048	33,766,935	100.00%	100.00%

de Leeuw, Linda Frölen, Lina Johansson, Anna Åman and Håkan Axelsson are or were employed at the Parent Company C-RAD AB, while Johan Danielsson, Eeva-Liisa Karjalainen, Melinda Perjons and Vincent Tallier are or were employed at the subsidiary C-RAD Positioning AB. Ivan Astralaga is employed at the subsidiary C-RAD Inc and Kurt Wang is employed at the subsidiary C-RAD Medical Device Co Ltd.

Guidelines for remuneration to senior executives

The Board of Directors will propose the following guidelines for remuneration to senior executives to the 2026 Annual General Meeting. Senior executives refer to the CEO and the members of the Group management team.

Remuneration to the CEO and other members of executive management shall consist of fixed salary, any variable remuneration, other benefits and pension contributions. In addition thereto – and independently of these guidelines – the Annual General Meeting may resolve on, for example, share-based and share price-related remuneration.

Total remuneration shall be market-based and competitive and reflect the responsibilities and authority associated with the position in the labour market in which the executive is employed, taking into account the individual's qualifications and experience.

Variable cash remuneration shall be subject to a maximum limit and be related to the fixed salary, and may amount to no more than 100 per cent of the fixed annual cash salary.

Fulfilment of the criteria for payment of variable cash remuneration shall be measurable over a clearly defined period. Once the measurement period for fulfilment of the targets for payment of variable cash remuneration has ended, the extent to which the targets have been achieved shall be determined. The Board of Directors is responsible for the assessment with regard to variable cash remuneration to the CEO.

The terms for variable remuneration should be designed so that, if particularly difficult economic conditions prevail, the Board of Directors has the possibility to limit or refrain from awarding variable remuneration if such payment is deemed unreasonable and inconsistent with the company's responsibilities towards its shareholders

In the event of termination of employment by the company, notice period salary and severance pay combined shall not exceed eight months' salary.

Pension benefits shall comply with the ITP plan, and any benefits in excess thereof shall be defined contribution, unless there are special reasons justifying otherwise. The retirement age for executive management shall normally be 65.

If a Board member performs work on behalf of the company, in addition to Board duties, consulting fees and other compensation for such work may be payable pursuant to a separate resolution by the Board of Directors.

The Board of Directors may resolve to temporarily deviate from these guidelines, in whole or in part, if there are special reasons to do so in an individual case and such deviation is necessary to safeguard the company's long-term interests or to ensure the company's financial viability.

Remuneration to auditors

At the 2025 Annual General Meeting, Öhrlings Pricewaterhouse Coopers AB was re-elected to serve as auditor for the company, with Johan Engstam as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 7. Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as other duties that the company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of such other duties. Everything else is classified as other assignments.

Proposed allocation of earnings

The following funds in the Parent Company are at the disposal of the Annual General Meeting (SEK):

Share premium reserve	355,580,631
Retained earnings	-115,989,002
Profit/loss for the year	-165,654
Total retained earnings:	239,425,975

The Board of Directors and the CEO propose that the retained earnings be allocated as follows (SEK):

Dividend of SEK 0.10 per share paid to shareholders	3,376,694
Carried forward	236,049,281