

The Nomination Committee's proposals and reasoned statement for the annual general meeting 2020

1. Background

In accordance with the guidelines adopted by the annual general meeting Ascelia Pharma AB (the "**Company**") on 14 November 2019, a Nomination Committee has been appointed and announced through a press release on 18 December 2019. The Nomination Committee has consisted of Jørgen Thorball, appointed by Sunstone Life Science Ventures II K/S, Nils Lorentzen, appointed by CMC SPV of 3 April 2017 AB, Håkan Nelson, appointed by Øresund Healthcare Management A/S and Peter Benson, chairman of the board of directors. Jørgen Thorball has been the chairman of the Nomination Committee.

2. The Nomination Committee's proposals for the annual general meeting 2020

The Nomination Committee submits the following proposals for resolutions:

Item 1: Election of chairman of the meeting

The Nomination Committee proposes that attorney Ola Grahn is elected as chairman of the meeting.

Item 9: Determination of the number of board members, auditors and deputy auditors

The Nomination Committee proposes that the board of directors shall be composed of 7 members. Furthermore, it is proposed, in accordance with the recommendation from the Audit Committee, that one registered accounting firm is appointed as auditor.

Item 10: Determination of remuneration for the members of the board of directors and auditors

The Nomination Committee proposes that board remuneration shall be paid with SEK 400,000 to the chairman of the board (unchanged since previous year) and with SEK 200,000 to each of the other board members who are not employed by the Company (unchanged since previous year). It is further proposed that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the Audit Committee (unchanged since previous year), with SEK 25,000 to each of the other members of the Audit Committee (unchanged since previous year), with SEK 100,000 to the chairman of the Commercialization Committee (new

committee) and with SEK 25,000 to each of the other members of the Commercialization Committee (new committee). No separate remuneration shall be paid for work in the Remuneration Committee. It is finally proposed that, in addition to the above, board members residing outside of Europe shall be paid additional board remuneration with SEK 10,000 per physical board meeting attended.

Remuneration for the auditor is, in accordance with the recommendation from the Audit Committee, proposed to be paid in accordance with customary norms and approved invoice.

Item 11: Election of board of directors, chairman of the board of directors and auditors

The Nomination Committee proposes that Peter Benson, Niels Mengel, Bo Jesper Hansen, René Spogárd, Helena Wennerström and Hans Maier are re-elected as ordinary board members, that Lauren Barnes is elected as new ordinary board member, and that Peter Benson is re-elected as chairman of the board.

Lauren Barnes, born 1974, is Senior Vice President, Market Access for Blueprint Medicines, a commercial stage Boston based precision medicine company focusing on genomically defined cancers, rare diseases and cancer immunotherapy. Lauren Barnes has extensive expertise and experience in pricing, market access, pre-commercialization and managed markets in particular for the US market. She has been involved in launch planning of more than 50 drugs, devices and diagnostics during her career. Prior to her current role Lauren was Vice President at Vertex Pharmaceuticals, SVP Avalere Health and led their Reimbursement & Commercialization practice and has also held various roles at Amgen and the agency that runs the United States Medicare Program, the Centers for Medicare and Medicaid Services.

Other current positions: Chair of the National Board of the Cancer Support Community.

Education: MHS in Public Health from the Johns Hopkins School of Public Health and BA in Public Health from the Johns Hopkins University

Shareholding in Ascelia Pharma AB: 0

Furthermore, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that Öhrlings PricewaterhouseCoopers AB is re-elected as accounting firm. Öhrlings PricewaterhouseCoopers AB has informed that authorized public accountant Carl Fogelberg will continue to be the auditor in charge.

3. Description of the Nomination Committee's work and the Nomination Committee's reasoned statement

- 3.1 The composition of the Nomination Committee was announced on 18 December 2019.
- 3.2 The Nomination Committee has held 3 meetings and has also had additional contacts. The Nomination Committee has applied the instruction for the Nomination Committee which was adopted by the annual general meeting on 14 November 2019.
- 3.3 The Company's shareholders have been informed on the Company website that it has been possible to submit proposals to the Nomination Committee. No such proposals have been submitted.
- 3.4 The Nomination Committee has oriented itself with regard to how the work in the board of directors has been conducted and how it works as well as with regard to the Company's strategy and future challenges. The Nomination Committee has furthermore evaluated which competence and experience the members of the board should possess, which has served as guidance for the Nomination Committee's work. The chairman of the board has ensured that the Nomination Committee has received relevant information about the board work during the year, as well as the board evaluation which has been carried out by the members of the board.
- 3.5 The Nomination Committee has made the assessment that the board has been well functioning during the period and that the members of the board of directors possess adequate competence and the qualifications required to lead the Company's continued development. However, since the Company's lead product candidate, Mangoral, is nearing commercialization and the US market is the most important market, the Nomination Committee considers that it is important to strengthen the expertise in this regard. Lauren Barnes has a commercially oriented profile with deep knowledge of the US market and the Nomination Committee hence believes that she will bring valuable complementary skills and experience to the board of directors.
- 3.6 The proposed board of directors is, with regard to the Company's activity, stage of development and other conditions in general, considered as an adequate board composition in relation to the qualifications, experience and background of the proposed board members. The Nomination Committee has specifically considered the demand that the board of directors shall be characterized by diversity and width. The proposed board composition is also adequate in order to meet the needs, which the Company is facing and will be facing in relation to the Company's activities.

- 3.7 The Nomination Committee also considers that the proposed composition of the board of directors fulfills the requirements of the Swedish Code of Corporate Governance regarding the independence of the members of the board of directors. According to the Nomination Committee, all proposed board members except Hans Maier are to be considered independent in relation to the Company and its senior management and Helena Wennerström, Hans Maier, Bo Jesper Hansen and Lauren Barnes are also to be considered as independent in relation to major shareholders. Peter Benson, Niels Mengel, and René Spogård are not considered to be independent in relation to major shareholders. In regards to Hans Maier, it is noted that the reason for considering him as not being independent in relation to the Company and its senior management is that Hans Maier is the Managing Director and a major shareholder of BGM Associates GmbH that is providing consultancy services to the Company. As for Bo Jesper Hansen, the Nomination Committee has noted that Bo Jesper Hansen is a minority shareholder holding approximately 4 per cent of the shares in CMC SPV of 3 April 2017 AB which is a major shareholder in the Company. The Nomination Committee has however reached the conclusion that this minority shareholding does not lead to that Bo Jesper Hansen should be considered as dependent in relation to CMC SPV of 3 April 2017 AB.
- 3.8 According to the Swedish Code of Corporate Governance, an even gender balance of the board of directors shall be strived for. The Nomination Committee has resolved to apply Rule 4.1 of the Swedish Corporate Governance as its diversity policy, which states that the composition of the board shall be characterized by diversity and breadth with respect to qualifications, experience and background of the board members and that an even gender balance shall be strived for. The Nomination Committee has considered the question regarding an even gender balance and the Nomination Committee can conclude that the proposed composition of the board of directors will consist of 2 women and 5 men. The gender diversity is thus 29 % / 71 %, which, in the Nomination Committee's opinion, is not consistent with the requirement of an equal gender balance. The Nomination Committee however notes that the proposed board composition is a step in achieving a better gender balance and the ambition is that the gender balance shall increase further over time, and at least correspond to the levels expressed by the Swedish Corporate Governance Board.

April 2020

The Nomination Committee of Ascelia Pharma AB (publ)