

The Nomination Committee's explanatory statement regarding a proposal for a Board of Directors of BioArctic AB, to be submitted to the 2019 annual general meeting

Description of the Nomination Committee's work during the year

The Nomination Committee of BioArctic AB (BioArctic) for the 2019 AGM comprises:

- Gunnar Blix, appointed by Tredje AP-fonden (the Third Swedish National Pension Fund) (chairman of the Nomination Committee)
- Margareta Öhrvall, appointed by Demban AB
- Claes Andersson, appointed by Ackelsta AB

The members of the Nomination Committee are appointed by shareholders who jointly represent approximately 64.2% of the share capital and approximately 85.5% of the voting capital in the company.

Within the scope of its work pending the 2019 AGM, the Nomination Committee has held two meetings at which minutes were taken, to which the Board Chairman was co-opted. The Nomination Committee has also held direct contacts with directors and also met senior executives and personnel of the Company. The Nomination Committee has also received the Board's own assessment of its work. The Nomination Committee has not received any proposals from other shareholders, apart from a general exhortation from the four National Pension Funds to endeavour to achieve a more even gender balance in the Board.

The Nomination Committee's explanatory statement regarding its proposal for a Board of Directors

The aforementioned has constituted a basis for consideration regarding the composition of the Board and the main requirements which should be imposed on the directors. The Nomination Committee has also taken into account independence issues and the issue of an even gender balance.

The Nomination Committee proposed to the 2018 AGM that the Board be expanded with the inclusion of the lawyer Mikael Smedeby, and the AGM so decided. The gender balance became more uneven but it was believed that Mikael's legal expertise would be valuable in the event the Company's clinical research programme was successful, with everything this might entail for existing and future contracts. Happily, several advances were achieved in 2018, the research demonstrated promising results and the programmes were continued.

The assessment of the Board's work in 2018 demonstrates great commitment on the part of all directors, and that the Board functions well as a group and possesses requisite skills for its tasks. As stated above, the gender balance is uneven, and the average age of the directors is also relatively high. It would be desirable for the Board to be able to benefit from the continued involvement and experience of its members for several more years. We wish, therefore, to propose that the Board be expanded through the election of Ewa Björling as a new director. Ewa's background is as a dentist, researcher and politician. She holds a PhD in virology and has researched and taught at Karolinska Institutet and been an active politician on a municipal level and in the Swedish Parliament, serving as Trade Minister during 2007–2014. She is currently the Board Chairman of Swedish Petroleum & Biofuel Institute and a

director of, among other companies, Essity AB and BioGaia AB. Ewa Björling is independent in relation to the Company, company management and the major shareholder.

The Nomination Committee proposes the re-election of directors Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund, Eugen Steiner, Mikael Smedeby and the new election of Ewa Björling. In addition, the Nomination Committee proposes the re-election of Wenche Rolfsen as Chairman of the Board and Ivar Verner as Vice Chairman.

The Nomination Committee's proposals for a Board of Directors satisfy the requirements in rule 4.1 of the Swedish Corporate Governance Code.

The Nomination Committee believes that the proposed Board has a sound composition which is well-suited to BioArctic's business, needs and development stage. It makes the assessment that the Board brings with it valuable skills, diversity and breadth, in terms of both experience and background.

Information regarding all proposed directors is available on BioArctic's website www.bioarctic.se

Stockholm, April 2019

The Nomination Committee of BioArctic AB

Gunnar Blix
(Chairman)

Margareta Öhrvall

Claes Andersson