

*N.B. The English text is an unofficial translation.
In case of any discrepancies the Swedish version of the text shall prevail.*



THE BOARD OF DIRECTORS' PROPOSAL FOR RESOLUTION REGARDING WARRANT PROGRAM, ISSUE OF WARRANTS SERIES 2017:1 (ITEM 19)

The board of Medivir AB (publ) proposes that the general meeting resolves to issue warrants and resolves to approve of transfer of the warrants in accordance with the following.

ISSUE OF WARRANTS

The board proposes that the general meeting resolves to carry out a directed issuance in respect of not more than 102,500 warrants, entailing an increase in the share capital of not more than approximately SEK 795,487.40 if the private placement is fully taken up. The resolution shall otherwise be governed by the following terms and conditions.

The right to subscribe for the share warrants shall, with deviation from the shareholders' preferential right, be vested in the company's wholly owned subsidiary Medivir Personal AB, 556598-2823 (the "**Subsidiary**"), with the right and obligation for the Subsidiary to transfer the share warrants to employees pursuant to the below. Over-subscription is not possible.

The reason for not applying the shareholders' pre-emption rights is to implement an incentive program through which the employees by means of an investment by their own shall take part of and contribute to a positive value increase of the company's share during the period of the proposed program, and that the company shall be able to retain and recruit competent and dedicated staff.

The warrants shall be issued at no consideration to the Subsidiary.

Subscription must be completed no later than three weeks after the resolution on issue of warrants. The board shall be entitled to extend the subscription period.

Each warrant entitles a right to subscribe for one share of class B in the company. The warrants may be exercised to subscribe for new class B shares during the period from 16 December 2020 up to and including 15 January 2021.

The new shares which may be issued due to subscription are not subject to any restrictive provisions.

The subscription price (strike price) shall correspond to 133 per cent of the volume weighted average rate of the class B share according the official share list of NASDAQ Stockholm during the period 4-17 May 2017.

Shares which are newly issued following subscription shall carry an entitlement to participate in dividends for the first time on the next record date for dividends which occurs after subscription is effected.

The board of the company may by means of a board resolution and with the consent from the board of directors in the Subsidiary cancel the Subsidiary's warrants that are not transferred in accordance with the below or that have been re-purchased from participants. Cancellation shall be registered with the Swedish Companies Registration Office.

The board of directors or a person appointed by the board of directors is authorized to make such minor adjustments to the general meeting's resolution which may prove necessary in order to register the warrants with the Swedish Companies Registration Office.

Other terms and conditions according to [Appendix 1A](#).

APPROVAL OF TRANSFER OF WARRANTS

The board proposes that the general meeting approves of the Subsidiary's transfer of warrants on the following conditions.

The right to subscribe for share warrants from the Subsidiary shall vest in the following categories of employees:

Category	Maximum number of warrants per person	Maximum number of warrants per category
A. Managing Director (not more than 1 person)	20 500	20 500
B. Management (not more than 5 persons)	4 100	20 500
C. Other employees (not more than 80 persons)	820	61 500

The right to purchase warrants from the Subsidiary shall only vest in employees who have not terminated their employment or whose employment have not been terminated at the end of the application period.

Warrants may also be offered to future employees. For such acquisitions, the conditions shall be the same or equivalent to what is stated in this resolution. This means that acquisitions shall be made to the market value at the time of the acquisition.

Allotment is conditional upon it being legally possible to purchase the warrants, and that such transfers can be done using reasonable administrative and financial resources according to the assessment of the board.

Application and allotment

Application for acquisition of warrants shall be made during the period from 11 May 2017 up until and including 18 May 2017. The board of the company shall however be entitled to extend the application period for acquisitions and to set a corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period.

Should warrants of a certain category remain with the Subsidiary after all applications within the category have been satisfied, the remaining warrants shall be available for allotment to participants in another category whereby the board shall determine the distribution based on category of the participant(s), the employment category and the number of warrants applied for. However, such distribution must not result in the maximum amount of warrants per person in a certain category being exceeded more than 50 per cent.

The board of the company shall determine the final allotment.

Price and payment etc.

The warrants shall be transferred on market terms at a price established on the basis of a market value of the warrants calculated by an independent valuation institute using the Black & Scholes valuation model. A new market value shall be established in an equivalent way for acquisitions made by new employees after the expiration of the initial application period. The value has preliminary been calculated to be SEK 10.65 per warrant based on a share price of SEK 75.00.

Payment for the allocated warrants shall be made in cash no later than five days following the application for acquisition. The Board shall establish a corresponding date of payment for acquisitions made by new employees.

FURTHER INFORMATION ON THE WARRANT PROGRAM**Dilution**

Upon full exercise of all warrants, 102,500 new shares can be issued, which corresponds to a dilution of approximately 0.5 per cent of the total number of shares in the company and approximately 0.4 per cent of the total number of votes in the company, however, subject to the adjustment of the number of shares that each warrant entitles to subscription of which may occur as a result of certain issues and etc.

Impact of financial ratio and costs for the company etc.

The company's earnings per share are not affected by the issue of the warrants as the present value of the warrants' strike price exceeds the current market value of the share at the date of issue. Since the warrants are transferred to the participants at market value it is not expected that the company will incur any costs for personnel costs. The warrant program may incur certain limited costs in terms of external consulting fees and costs relating to the administration of the warrant program.

Preparation of the matter

The principles of the warrant program have been prepared by the board of the company. The proposal has been prepared with the assistance of external advisors and after consultation with shareholders. The board has thereafter

decided to submit this proposal to the AGM. Except for the officials who prepared the matter pursuant to instructions from the board, no employee that may be included in the program has taken part in the drafting thereof.

Other share related incentive programs etc.

Except from the current proposal to the general meeting as regards the issue of warrants series 2017:1, the company has no outstanding share related incentive program.

Authorization for the board of directors

The board proposes that the general meeting authorizes the company's board of directors to execute the resolution in accordance with the above and to ensure that the Subsidiary's board of directors carries out the transfer of the warrants in accordance with the above.

Decision rules

In order for a resolution in accordance with this item to be valid, the resolution must be supported by shareholders representing at least nine-tenths (9/10) of the votes cast and the shares represented at the general meeting.

Stockholm in April 2017

Medivir AB (publ)
Board of Directors