



Notice of Annual General Meeting of Medivir AB (publ)

The shareholders in Medivir AB are hereby summoned to the Annual General Meeting on Wednesday 3 May 2017 at 2 p.m. at the IVA's conference center, Grev Turegatan 16, Stockholm.

Participation

Shareholders who wish to participate in the meeting must (a) be recorded in the share register maintained by Euroclear Sweden AB on Wednesday 26 April 2017, and (b), notify the company of their intention participate in the meeting not later than on Wednesday 26 April 2017 in writing to Medivir AB, PO Box 1086, SE-141 22 Huddinge, Sweden. Such notification can also be made by telephone +46 (0)8-5468 31 00, by e-mail to enter@medivir.se or via the company's web site at www.medivir.se. The notification shall set forth the name, address, telephone number (daytime), personal/corporate identity number, the number of shares held and, when applicable, information about representatives and assistants.

There are 20,318,977 shares outstanding in the company, whereof 474,769 series A shares and 19,844,208 series B shares corresponding to an aggregate of 24,591,898 votes. The company holds 11,413 treasury shares.

Shareholders represented by proxy shall issue a written and dated power of attorney for the proxy or, should the right to vote for the shares be divided among different representatives, the representatives, together with information on the number of shares each representative is entitled to vote for. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate for the legal entity (or corresponding document), evidencing the authority to issue the proxy, shall be appended. The original of the power of attorney and, when applicable, the registration certificate should be sent to the company at the address indicated above, well before the meeting. A proxy form is available at the company's website, www.medivir.se, and is sent to shareholders who so request.

Shareholders whose shares are registered in the name of a nominee through a bank or a securities institution must re-register their shares in their own names to be entitled to participate in the meeting. Such registration, which may be temporary, must be duly effected in the share register maintained by Euroclear Sweden AB on Wednesday 26 April 2017, and the shareholders must therefore advise their nominees well in advance of this date.

The shareholders are reminded of their right to request information in accordance with Chapter 7, Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*).

Proposed agenda

1. Election of chairman of the meeting (see below).
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of two persons to approve the minutes of the meeting.
5. Determination of whether the meeting has been duly convened.
6. Reports from the managing director and the chairman of the board.
7. Presentation of the annual report and the auditor's report as well as consolidated annual accounts and the auditor's report for the group.
8. Resolution on approval of the profit and loss account and balance sheet as well as the consolidated profit and loss account and consolidated balance sheet.

9. Resolution on approval of allocations of the company's profits or losses according to the adopted balance sheet (see below).
10. Resolution on discharge from liability of the members of the board of directors and the managing director.
11. Determination of the number of directors, deputy directors, auditors and deputy auditors (see below).
12. Determination of fees to be paid to the directors and the auditor (see below).
13. Election of the directors, chairman of the board and auditor (see below).
14. The nomination committee's proposal concerning nomination committee (see below).
15. The board's proposal on guidelines for remuneration to the management (see below).
16. The board's proposal regarding resolution on authorisation for the board to resolve on new issue of shares (see below).
17. Resolution regarding authorisation for the board of directors to resolve to repurchase own shares (see below).
18. The board's proposal regarding resolution on authorisation for the board of directors to resolve to transfer of own shares (see below).
19. The board's proposal for resolution regarding warrant program, issue of warrants series 2017:1 (see below).

Allocation of the company's balance (item 9)

The board of directors proposes that the company's results shall be carried forward.

Board of directors etc (items 1 and 11–13)

The nomination committee, comprising Anders M Hallberg (HealthInvest Partners AB and chairman of the nomination committee), Maria Rengefors (Nordea Fonder), Bo Öberg (shareholder of series A-shares and founder) and the chairman of the board of directors of Medivir Anna Malm Bernsten, proposes the following:

- Attorney at law Erik Sjöman to be appointed chairman of the meeting (item 1).
- The board of directors shall consist of six members with no deputies. The company shall have one auditor without deputy auditors (item 11).
- The remuneration to the board of directors shall be paid in a total amount of not more than SEK 2,810,000 allocated as follows. The chairman shall receive SEK 575,000 and other members which are not employed by the company shall receive SEK 240,000 each. Remuneration for work performed in relation to committees is proposed to be paid in a total amount of not more than SEK 735,000, whereof SEK 210,000 shall be allocated to the audit committee (whereof SEK 80,000 to the summoner of the committee and SEK 65,000 to each of the other two members), SEK 115,000 to the remuneration committee (whereof SEK 65,000 to the summoner of the committee and SEK 50,000 to the other member) and SEK 410,000 to the R&D committee (whereof SEK 90,000 to the summoner of the committee and SEK 80,000 to each of the other four members). The nomination committee, which considers that it during the coming year may be necessary with extraordinary efforts for the development of the company, proposes that the general meeting approves that board members that for such purpose performs work for the company in addition to the ordinary board work, following resolution by the board, will be able to obtain reasonable compensation for such work, however not exceeding in total SEK 300,000 (item 12).
- Remuneration to the auditor shall be paid in accordance with approved invoices within the auditor's quotation (item 12).

- Re-election of members of the board Anders Ekblom, Anders R Hallberg, Helena Levander and Anna Malm Bernsten and election of Bengt Julander and Bengt Westermark. Thomas Axelsson and Johan Harmenberg have declined re-election (item 13).
- Re-election of Anna Malm Bernsten as chairman of the board (item 13).
- Re-election of the auditing company Öhrlings PricewaterhouseCoopers AB for the period up to the end of the annual general meeting to be held 2018. The proposition is in accordance with the audit committee's recommendation (item 13).

Further information on the proposed members of the board is available at www.medivir.se.

Nomination committee (item 14)

The nomination committee proposes that the annual general meeting shall resolve to appoint a nomination committee for the annual general meeting 2018 mainly in accordance with the same procedure as the preceding year.

The chairman of the board shall contact the three largest shareholders in respect of voting power by the end of the third quarter. These three shareholders are offered to appoint one representative each for the nomination committee. In addition, the chairman of the board shall be a member of the nomination committee. If a shareholder chooses not to exercise the right to appoint a representative, the right shall pass on to the largest shareholder in respect of voting power who has not appointed a representative. The nomination committee is to elect a chairman among its members to lead the work of the committee.

If any of the shareholders who has appointed a member of the nomination committee sells a not insignificant part of its shareholding during the nomination committees' term or for any other reason ceases to be a larger shareholder with rights to appoint a member of the nomination committee, the member appointed by such shareholder should resign from the nomination committee. This member shall then be replaced by a member appointed by the shareholder who, based on voting power following the sale, instead is one of the three largest shareholders in the company. If such shareholder does not utilise its right to appoint a member of the nomination committee, the above described procedure shall be applied.

In the event a member no longer represents the shareholder who appointed him or her, or otherwise resigns from the nomination committee prior to the completion of the nomination committee's work, the shareholder shall be given the opportunity to appoint a new member of the nomination committee.

The nomination committee shall pursue the tasks that, according to the Swedish Code of Corporate Governance, are the responsibility of the nomination committee.

Guidelines for remuneration to the management (item 15)

The board proposes remuneration guidelines for senior executives that generally correspond to the guidelines that have been applied up to now. Under the guidelines, the company shall offer a total remuneration on market norms and enable skilled senior executives to be hired and retained. The remuneration to senior executives may consist of fixed salary, variable salary, incentive programmes resolved by the general meeting, pension and other benefits. The fixed salary shall relate to individual responsibilities and experience. In order to facilitate the company's long-term value creation, variable remunerations shall be based on pre-determined and measurable criteria. The variable cash remuneration may not exceed 50% of the annual fixed salary.

Authorisation to issue new shares (item 16)

The board of directors proposes that the annual general meeting resolves to authorise the board, for the period up to the next annual general meeting to adopt decisions, whether on one or several occasions and whether with or without pre-emption rights for the shareholders, to issue new shares of series B to an amount not exceeding in total 10 per cent of the total number of outstanding series B shares in the company following utilisation of the authorisation. New issue may be made with or without provisions concerning non-cash consideration, set-off or other provision specified in Chapter 13, Section 5, first paragraph, 6, of the Swedish Companies Act. The purpose of the authorisation is to provide the board with flexibility in its work to secure that the company, in a suitable way, can be provided with capital for the financing of the business, acquisitions of companies and products, and to enable a broadening of the ownership of the company.

Resolution regarding authorisation for the board of directors to resolve to repurchase own shares (item 17)

The board of directors proposes that the annual general meeting authorises the board of directors to resolve to repurchase, on one or several occasions until the next annual general meeting, as many own shares as may be purchased without the company's holding at any time exceeding 10 per cent of the total number of shares in the company. The shares shall be purchased on Nasdaq Stockholm and only at a price per share within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price.

The purpose of the authorisation to repurchase own shares is to promote an efficient capital usage and ownership structure in the company.

Resolution regarding authorisation for the board of directors to resolve to transfer of own shares (item 18)

The board of directors proposes that the annual general meeting authorises the board of directors to resolve, on one or several occasions until the next annual general meeting, to transfer (sell) own shares. Transfers may be carried out on Nasdaq Stockholm at a price within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price. Transfers may also be made in other ways, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. Upon such transfers, the price shall be established so that it is not below market terms. However, a discount to the stock market price may apply, in line with market practice. Transfers of own shares may be made of up to such number of shares as is held by the company at the time of the board of director's resolution regarding the transfer.

The purpose of the authorisation to transfer own shares is to enable the board of directors to make acquisitions of companies and products, a broadening of the ownership of the company or for use in the context of the company's incentive programmes.

The board's 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.

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
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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.

Documentation

The annual report and other supporting documentation for resolutions will be available at the company's offices, Medivir AB, PO Box 1086, SE-141 22 Huddinge, Sweden, and on www.medivir.se, at the latest three weeks prior to the general meeting and will be sent to shareholders who so request and provide their postal address. This notice is a translation of a Swedish notice and in case of any deviations between the both language versions, the Swedish version shall prevail.

Stockholm in April 2017

Medivir AB (publ)

The Board of Directors