

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



## **The board's proposal for resolution regarding the issue of warrants of series 2018:1**

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The board of Medivir AB (publ) proposes that the 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 issue in respect of not more than 102,610 warrants, entailing an increase in the share capital of not more than SEK 796,341.098313 at full subscription. 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' pre-emptive rights, 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 reasons for the deviation from the shareholders' pre-emptive rights are to stimulate shareholding in the company by virtue of an incentive program through which employees can 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. 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 series B in the company. The warrants may be exercised to subscribe for new series B shares during the period from and including 16 December 2021 up to and including 15 January 2022. 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 series B share according the official share list of Nasdaq Stockholm during the period from and including 4 May 2018 up to and including 17 May 2018.

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 resolution which may prove necessary in order to register the resolution with the Swedish Companies Registration Office.

Other terms and conditions for the warrants are included in 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)	20,400	20,400
B. Management (not more than 6 persons)	3,400	20,400
C. Employees at "Director" level (not more than 13 persons)	1,570	20,410
D. Other employees (not more than 60 persons)	690	41,400

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 and including 14 May 2018 up until and including 21 May 2018. 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 5.04 per warrant based on a share price of SEK 36.70.

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, 102.610 new shares can be issued, which corresponds to a dilution of approximately 0.42 per cent of the total number of shares and votes in the company, however, subject to any potential adjustment of the number of shares that each warrant entitles to subscription of which may occur under the terms and conditions for the warrants.

*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 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 and are based on the warrant program adopted by the annual general meeting 2017. The board has thereafter decided to submit this proposal to the annual general meeting. 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 and the warrant program resolved upon at the annual general meeting 2017, the company has no outstanding share related incentive programs.

*Authorization for the board of directors*

The board proposes that the 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.

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Huddinge, April 2018

**Medivir AB (publ)**

*The Board of Directors*