

THE BOARD'S PROPOSAL TO RESOLVE TO ISSUE WARRANTS TO ESTABLISH A WARRANT PLAN FOR EMPLOYEES

The board proposes that the Extraordinary General Meeting on 9 October 2018 resolves to issue warrants to establish a warrant plan (the "**Warrant Plan**") for employees in Bioservo Technologies AB (publ) ("**Bioservo**"). The objective of the plan, and the reason for deviating from the shareholders' preferential rights, is to strengthen the link between the work of the employees and created shareholder value. By that means, it is considered that there will be an increased alignment of interests between the employees and the shareholders of Bioservo.

1. Number of warrants, right to subscription of warrants and time for subscription

Bioservo may issue up to 385,710 warrants under the Warrant Plan. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted only to Bioservo for the purpose of transferring the warrants as set out in Section 3 below. Over-subscription may not take place.

The warrants shall be subscribed for by Bioservo no later than 9 November 2018. The warrants shall be issued free of charge to Bioservo.

2. Time and price for subscription of shares

Each warrant shall entitle to subscription of one (1) share in Bioservo. The exercise price will be SEK 30. Subscription for shares in Bioservo by exercise of warrants may be made during the following periods:

- from and including the day after Bioservo publishes its interim report for the fourth quarter 2022 until and including 15 March 2023;
- from and including the day after Bioservo publishes its interim report for the first quarter 2023 until and including 15 June 2023;
- from and including the day after Bioservo publishes its interim report for the second quarter 2023 until and including 15 September 2023; and
- from and including the day after Bioservo publishes its interim report for the third quarter 2023 until and including 15 December 2023.

The number of shares that the warrants entitle to and the subscription price may be recalculated on the basis of, among other things, extraordinary dividends paid, bonus issues, share splits or reverse share splits, rights issues or certain reductions of the share capital or similar actions. Complete terms and conditions for the warrants are set forth in Appendix 1 of the proposal.

3. Transfer of warrants

Bioservo shall transfer the warrants to employees in Bioservo at market price, calculated by an independent external appraiser in accordance with the so-called Black & Scholes formula. In accordance with directions by the board may Bioservo's CEO be offered to acquire up to 192,855 warrants, other senior executives and key employees may be offered to acquire up to 25,000 warrants per individual and other employees may be offered to acquire up to 6,000 warrants per individual.

Employees who are not employed by Bioservo at the time of the Extraordinary General Meeting but who will commence employment with Bioservo shall be entitled to participate in the Warrant Plan if the board considers it compatible with the objective of the Warrant Plan.

The warrants shall be freely transferable but subject to an agreed right of first refusal in favor of Bioservo to repurchase the warrants at market value.

4. Increase of share capital, dilution and costs etc.

If all the proposed warrants are subscribed for and exercised, the increase in Bioservo's share capital will be SEK 77,142. Such increase corresponds to a dilution of the shareholders' holdings of approximately 4.3 per cent based on the number of currently outstanding shares in Bioservo. In addition, full subscription of other current warrant based long-term incentive plans would result in a dilution of the shareholders' holdings of approximately 5.1 per cent based on the number of currently outstanding shares in Bioservo.

The market value of the warrants is SEK 1.58 per warrant, according to a preliminary valuation. The preliminary valuation is based on a market value of the underlying share of SEK 15.83, which corresponds to the weighted closing price of Bioservo's share for the period 13 August 2018-24 August 2018, and a subscription price of SEK 30 per share. The Black & Scholes formula has been used for the valuation under the assumption of a risk-free interest rate of -0.064 per cent and a volatility of 39.3 per cent. Bioservo has no other costs for the Warrant Plan than administrative costs regarding advisors etc. in connection with the preparation of documentation for the resolution and for resolving on the issue of the warrants.

5. The preparation of the proposal

The Warrant Plan has been prepared by the board and has been discussed at a previous board meeting.

6. Other incentive plans in Bioservo

There is currently three other warrant based long-term incentive plans in Bioservo. For more information, please refer to the interim report for the second quarter of 2018, available under the heading "Investor Relations" and "Financial Reports" on Bioservo's website, www.bioservo.com.

7. Special authorization for the CEO

The CEO of Bioservo is authorized to make such minor adjustments to the resolution by the Extraordinary General Meeting that may be required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

8. The Board's proposed resolution

Referring to the description above, the board proposes that the Extraordinary General Meeting resolves to issue warrants to establish the Warrant Plan.

9. Majority requirements

A resolution on the Warrant Plan in accordance with the board's proposal is valid if it is supported by shareholders holding more than nine tenths of the votes cast and the shares represented at the Extra General Meeting.

Stockholm, September 2018
Bioservo Technologies AB (publ)
The Board of Directors