



## Annual General Meeting in BioInvent International AB

**Lund, Sweden – 12 April 2017** – The shareholders of **BioInvent International AB (publ)**, Reg. No 556537-7263, are hereby invited to attend the Annual General Meeting (the “AGM”) to be held at 4 p.m., Wednesday 17 May 2017 at Elite Hotel Ideon on Scheelevägen 27 in Lund, Sweden.

### A. NOTICE OF ATTENDANCE

Shareholders who wish to attend the AGM must:

- (i) be recorded in the printout of the share register maintained by Euroclear Sweden AB (“Euroclear”), as of Thursday 11 May 2017; and
- (ii) notify the company of their intention to attend the meeting at the address Sölvegatan 41, SE-223 70 Lund, Sweden, att: Stefan Ericsson, by telephone +46 46 286 85 54 or by e-mail [stefan.ericsson@bioinvent.com](mailto:stefan.ericsson@bioinvent.com) on Thursday 11 May 2017 at the latest, preferably before 4 p.m.

On giving notice of attendance, the shareholder shall state name, personal identity number/registration number, number of shares held, phone number and, if applicable, the name of any representative. Proxy to act on behalf of a shareholder should be sent together with the notice of attendance. Representative of a legal person shall hand in a copy of a registration certificate or similar documents of authorisation. Proxy form is available at the company's website [www.bioinvent.se](http://www.bioinvent.se) and will be supplied directly to shareholders who so request.

In order to participate in the proceedings at the AGM, shareholders with nominee-registered shares must request their bank or broker to have the shares temporarily owner-registered with Euroclear. Such registration must be made as per Thursday 11 May 2017 and the bank or broker should therefore be notified in due time before said date.

### B. AGENDA FOR THE MEETING

#### Proposal for agenda

- 1. Opening of the meeting.
- 2. Election of Chairman of the meeting.
- 3. Preparation and approval of the voting list.
- 4. Election of persons to approve the minutes.
- 5. Determination of compliance with the rules of convocation.
- 6. Approval of the agenda.
- 7. The Managing Director's report for the financial year 2016.
- 8. Presentation of
  - (a) the Annual Report and the Auditor's Report and the Group Financial Statements and the Group Auditor's Report for the financial year 2016, and
  - (b) the statement by the Auditor on the compliance with applicable guidelines for remuneration.
- 9. Resolutions regarding
  - (a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet,
  - (b) appropriation of the company's result according to the adopted Balance Sheet, and
  - (c) discharge from liability of the Board of Directors and the Managing Director.
- 10. Establishment of the number of members of the Board of Directors.
- 11. Establishment of fees for the Board members and the Auditor.
- 12. Election of members and Chairman of the Board of Directors.
- 13. Resolution on guidelines for remuneration to management.
- 14. Resolution on the Nomination Committee's proposal for (A) Board Share Program 2017 and (B) directed issue of warrants series 2017/2018 and approval of transfer of the warrants

15. Resolution on the Board of Directors' proposal on (A) the implementation of Option Program 2017/2020, and (B) directed issue of warrants series 2017/2020 and approval of transfer of warrants.
16. Resolution regarding authorisation of the Board of Directors to issue new shares.
17. Closing of the meeting.

## **Proposals regarding items on the agenda**

### Election of Chairman of the meeting (item 2)

The Nomination Committee has proposed that the Chairman of the Board of Directors, Björn O. Nilsson, shall be Chairman of the meeting.

### Appropriation of the company's result (item 9 b)

At the disposal of the AGM: share premium reserve of SEK 240,935,852, retained earnings of SEK 58,000 and loss for the year of SEK -62,586,668. The Board of Directors proposes that the unrestricted equity of SEK 178,407,184 is carried forward. Thus, it is proposed that no dividend be given for the financial year 2016.

### Elections and fees (items 10-12)

The Nomination Committee, consisting of Mattias Cramby (Mexor i Skellefteå AB), Erik Esveld (van Herk Investments B.V.), Vincent Ossipow (Omega Fund IV, LP) and Björn O. Nilsson (Chairman of the Board), has informed the company of the following proposals.

The Board of Directors shall consist of six members elected by the general meeting, without deputy members.

The Nomination Committee proposes re-election of board members Lars Ingelmark, An van Es-Johansson, Björn O. Nilsson and Vincent Ossipow and new election of Dharminder Chahal and Niklas Prager. Birgitta Stymne Göransson, Leonard Kruimer and Martin Nicklasson have declined re-election. Björn O. Nilsson is proposed to be re-elected as Chairman of the Board.

Information about the candidates proposed for re-election can be found in the company's Annual Report 2016, and information about the candidates proposed for new election can be found in the Nomination Committee's reasoned statement.

The company's Nomination Committee proposes that the annual basic fee to the members of the Board of Directors shall equal to an amount of SEK 235,000. The basic fee to the Chairman of the Board shall correspond to an amount of SEK 525,000, including fees for any committee work. The fee for work as a Chairman of the Audit Committee shall amount to SEK 50,000 and the fee to other members of the Audit Committee shall amount to SEK 40,000. No fee for work in the Remuneration Committee is paid. Provided that the general meeting approves the Nomination Committee's proposal for (A) Board Share Program 2017 and (B) directed issue of warrants series 2017/2018 and approval of transfer of the warrants, Board members shall have the option to receive 45 per cent of the basic board fee in the form of shares in BioInvent instead of a cash amount. If a Board member do not wish to receive part of the basic fee in shares, the annual basic fee to a Board member shall instead amount to SEK 160,000, excluding fees for any committee work, and to the Chairman of the Board to SEK 400,000, including fees for committee work.

### Resolution on guidelines for remuneration to management (item 13)

The Board of Directors' complete proposal for guidelines for remuneration to management is set forth in the Directors' Report and is unchanged compared to the guidelines that were resolved last year. The proposal principally entails that remuneration and employment terms for the management shall be in accordance with market conditions. In addition to the fixed yearly salary, the management may obtain variable remuneration, which shall be limited and mainly related to technical and commercial milestones within the own pharmaceutical projects. In addition to fixed and variable salary, the company may also pay a stay-on bonus, which for a three year period may amount to a maximum of 100 per cent of the fixed salary for one year. Remuneration may also emanate from warrants or other share related incentive programs resolved by the general meeting.

Resolution on the Nomination Committee's proposal for (A) Board Share Program 2017 and (B) directed issue of warrants series 2017/2018 and approval of transfer of the warrants (item 14)

**(A) Implementation of Board Share Program 2017**

The company's Nomination Committee proposes, after consultation with the major shareholders, that the Annual General Meeting resolves to adopt a Board share program for the members of the Board (the "**Board Share Program 2017**").

The Board program entails that the members of the Board who wish to participate in the program are allocated 45 per cent of the basic fee for the Board assignment (i.e. excluding fee for committee work) in shares in BioInvent to a number that at the time of allocation in terms of value is equivalent to 45 per cent of the fee. The value shall be determined based on the volume weighted average price paid for the company's share on Nasdaq Stockholm (the "**Stock Exchange**") during a period of ten trading days prior to the Annual General Meeting 2018. The Board members shall have notified the company no later than 30 June 2017 if they wish to receive a part of the basic fee in shares, otherwise they will receive the lower cash fee. Vesting of the Board shares is conditional upon the Board member remaining as a Board member during the entire mandate period until the Annual General Meeting 2018. If no shares have vested (due to the premature ending of the assignment), the lower cash fee is paid.

The shares, which will be delivered in the form of warrants in accordance with item (B) below for immediate subscription of shares, will be received in connection with the Annual General Meeting 2018 against payment of a strike price per share amounting to the share's quota value (presently SEK 0.08).

The Board member shall on customary terms and conditions undertake to not sell shares received in the program as long as the Board members remain as a member of the board of the company and during six (6) months thereafter.

**(B) Directed issue of warrants series 2017/2018 and approval of transfer of the warrants**

In order to secure the fulfilment of the company's obligations towards Board members who chooses to receive a part of their fee in shares in accordance with the Board Share Program 2017, the Annual General Meeting is proposed to resolve on issue of warrants and approval of transfer of the warrants to the Board members on following terms and conditions:

1. A maximum of 900,000 warrants shall be issued.
2. Right to subscribe shall, with deviation from the shareholder's preferential right, be granted to BioInvent's wholly-owned subsidiary BioInvent Finans AB (the "**Subsidiary**").
3. Subscription of the warrants shall be made on a separate subscription list no later than 31 July 2017.
4. The warrants shall be issued free of charge.
5. Each warrant shall entitle to subscribe for one (1) new shares in the company.
6. The subscription price per share shall amount to the share's quota value (presently SEK 0.08).
7. Subscription of shares in the company by virtue of the warrants shall be made no later than 30 July 2018.
8. Shares issued following exercise of a warrant during a certain financial year shall entail to dividend for the first time on the record day for dividend which occurs following registration of the shares with the Swedish Companies Registration Office.
9. Other terms and conditions for the warrants are set forth in "*Terms and conditions for BioInvent International AB's warrants 2017/2018*".

The reason for the deviation from the shareholder's preferential right is that the issue forms part of the implementation of the Board Share Program 2017.

The Nomination Committee further proposes that the Annual General Meeting resolves to approve that the Subsidiary free of charge may transfer warrants to Board members participating in the Board Share Program 2017 (directly or indirectly by company) with a right and obligation for the Board members to immediately

subscribe for new shares in BioInvent, or otherwise disposes of the warrants in order to secure BioInvent's commitments in connection with the Board Share Program 2017.

**Dilution of existing shares and votes etc.**

Based on the assumption of a share price of SEK 2.50 when the shares are paid and the participation of all members, the Board Share Program 2017 would comprise 306,000 shares, which corresponds to approximately 0.1 per cent of the shares and votes in the company.

In order to hedge BioInvent's ability to fulfil its obligations pursuant to Board Share Program 2017 even at a price fall of the company's share, the proposed hedging activities pursuant to item (B) comprise the issue of a maximum of 900,000 warrants, which corresponds to approximately 0.3 per cent of the shares and votes in the company. Assuming that all warrants are exercised for subscription of new shares in BioInvent, the company's share capital will increase with SEK 72,000.

Costs associated with the Board Share Program 2017 relates to ordinary social security contributions payable on the fee. The Board Share Program 2017 is not expected to affect any important key figures.

Resolution on the Board of Directors' proposal on (A) the implementation of Option Program 2017/2020, and (B) directed issue of warrants series 2017/2020 and approval of transfer of warrants (item 15)

The Board of Directors of BioInvent International AB proposes that the Extraordinary General Meeting resolves to implement a long-term incentive program in the form of an option program, comprising the management and other key persons ("**Option Program 2017/2020**") on the following principal terms and conditions.

**(A) Implementation of Option Program 2017/2020**

1. The Option Program shall comprise maximum 5,650,000 options.
2. Each option shall entitle the holder to subscribe for one (1) new share in BioInvent at a subscription price equivalent to 130 per cent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm (the "**Stock Exchange**") during ten trading days as from and including 18 May 2017 (i.e. the first trading day after the publication of the company's interim report for January – March 2017) (the "**Subscription Price**"). The calculated Subscription Price shall be rounded off to the nearest cent (Sw. öre), whereby 0.5 öre shall be rounded up. The Subscription Price and the number of shares that each option entitles the holder to subscribe for may be subject to conversion pursuant to a bonus issue, share split, rights issue and similar actions, whereby customary conversion terms shall be applied.
3. The Option Program shall comprise the management and other key persons employed by the company or otherwise retained to execute tasks of material importance to BioInvent.
4. The options will be received by each participant according to the following:

CEO:	max. 848,000 options
Members of management and other key persons (approximately ten persons):	max. 565,000 options
5. Employees will vest 50% of the options based on performance during each of the financial years 2017, 2018 and 2019, and 50% based on the company's long-term value growth during the term of the program. The performance criteria for the participants shall be based on the same criteria as for the annual bonus, which principally are based on fixed technical milestone-criteria in projects, criteria for development of the project portfolio and other pre-determined criteria attributable to the business. The outcome criteria for the company's long-term value growth are that the company's market cap shall be at least three times as large during the period 1 July – 31 December 2019, calculated as an average in the same manner as the Subscription Price, in comparison with the market cap during the measure period for determination of the Subscription Price, calculated correspondingly. Allotment shall be proportional in relation to the period of employment during the year in question.

Vesting for other key persons shall amount to one third for each of the financial years 2017-2019 and be based on the assessment by the Board as to whether and to what extent the relevant person has contributed positively to the fulfilment of goals to be achieved by the relevant person and to the general development of the company during the respective financial year.

The Board shall decide on allotment of vested options based on the criteria above in connection with the

adoption of the year-end report for the financial year 2017, 2018 and 2019, respectively.

6. The options shall be allotted free of charge.
7. The option holders may exercise allotted options as from the day of release of the company's year-end report for the financial year 2019 up to and including 15 December 2020.
8. Allotted warrants are non-transferable.
9. If the option holder's employment with or assignment for BioInvent is terminated by the participant or due to the participant's breach of contract, all options shall immediately expire and cannot be exercised thereafter. If the employment or the assignment is terminated or for any other reason ceases to be valid, vested and allotted (vested) options may be exercised whereas the right to options not yet allotted (vested) will expire. The Board shall be entitled to resolve upon another application in individual cases.
10. Participation in Option Program 2017/2020 requires that such participation is legal, and that such participation, according to the assessment of BioInvent, can be made with reasonable administrative costs and economic efforts.
11. In other respects the Board shall establish the general terms for participation in the program.

**(B) Directed issue of warrants series 2017/2020 and approval of transfer of warrants to secure the company's commitments under Option Program 2017/2020 and social security charges**

To enable BioInvent's delivery of shares pursuant to Option Program 2017/2020 and to secure costs connected therewith, primarily social security charges, the Board proposes that the EGM resolves on a directed issue of warrants and to approve the transfer of warrants on the following terms:

1. A maximum of 7,117,000 warrants shall be issued.
2. Right to subscribe shall, with deviation from the preferential right for existing shareholders, reside in BioInvent's wholly owned subsidiary BioInvent Finans AB (the "**Subsidiary**").
3. Subscription of the warrants shall be made on a separate subscription list no later than 24 July 2017.
4. The warrants shall be issued free of charge.
5. Each warrant shall entitle the holder to subscribe for one (1) new share.
6. The Subscription Price per share shall be equivalent to 130 per cent of the volume-weighted average price paid for the company's share on the Stock Exchange during ten trading days as from and including 18 May 2017 (i.e. the first trading day after the publication of the company's interim report for January – March 2017). The calculated Subscription Price shall be rounded off to the nearest cent (Sw. öre), whereby 0.5 cent shall be rounded up. The Subscription Price and the number of shares that each warrant entitles the holder to subscribe for may be subject to conversion pursuant to a capitalization issue, share split, rights issue and similar actions, whereby customary conversion terms shall be applied.
7. Subscription of shares in the company by virtue of the warrants shall be made no later than 15 December 2020.
8. Shares issued following exercise of warrants during a certain financial year shall entitle to dividend for the first time on the record day for dividend which occurs following registration of the shares with the Swedish Companies Registration Office.
9. The complete terms and conditions for the warrants are set out in "Terms of the BioInvent International AB warrants 2017/2020".

The reason for the deviation from the shareholders' preferential right is that the issue forms part of the implementation of Option Program 2017/2020. In view of what is set forth under background and motive above, the Board is of the opinion that it is of benefit to BioInvent and its shareholders that management and other key persons are offered to participate in Option Program 2017/2020.

The Board further proposes that the general meeting resolves to approve that the Subsidiary transfers warrants to participants in Option Program 2017/2020 and otherwise disposes of the warrants in order to secure the company's commitments and costs in connection with Option Program 2017/2020.

### **Costs for Option Program 2017/2020**

The Board expects that Option Program 2017/2020 will lead to costs. Based on the assumption that 100 per cent of the options in the program will be earned, the salary cost in the accounts pursuant to IFRS 2 is expected to amount to approximately SEK 2.7 million in total during the period 2017-2020 based on the options actual value at the start of the program. The options have no market value as they are non-transferable. However, the Board has assessed a theoretical value of the options through application of the Black & Scholes valuation model (in relation to the performance criteria) and the Monte Carlo model (in relation to the value growth criteria). The calculations have been based on an assumed share price of SEK 2.50 and an assumed volatility of 50%. The value of the options of Option Program 2017/2020 pursuant to this valuation is approximately SEK 0.64 per option with the application of the Black & Scholes formula and approximately SEK 0.28 per option with the application of the Monte Carlo model. The transfer restrictions have not been taken into account in the valuation. The actual IFRS 2 cost during the earning period depends on how many options that are earned and of the options' value at two additional valuation points, in the beginning of 2018 and of 2019, respectively.

At fulfilment of the vesting conditions and exercise of the options, Option Program 2017/2020 will lead to costs in the form of social security charges. The total costs for social security charges during the earning period depends on how many options that are earned and the benefit that the participant receive in the end, i.e. the value of the options at exercise during 2020. Based on the assumption that 100 per cent of the options in the program will be earned, an assumed Subscription Price of SEK 3.25 and an assumed share price of SEK 7.50 at the exercise of the options, the costs for social security charges will amount to approximately SEK 6.2 million. The company's total cost for social security charges is proposed to be secured through a directed issue of warrants pursuant to item B above.

### **Dilution and effects on key figures**

Option Program 2017/2020 comprises the issuance of maximum 7,117,000 warrants, of which 5,650,000 warrants to secure BioInvent's commitments towards the participants in the program and 1,467,000 warrants to secure costs for social security charges. At full exercise of all issued warrants under Option Program 2017/2020 for subscription of new shares, BioInvent's share capital will increase by SEK 569,360 into SEK 24,944,977. This corresponds to approximately 2.3 per cent of the shares and votes in the company after full exercise. The warrants of Option Program 2017/2020 would have affected the key figure earnings after tax per share (2016) by SEK -0.01.

Previous and still outstanding employee incentive program 2013/2017 (personnel options) comprises maximum 357,718 new shares in BioInvent (including a hedge for social security charges) at a subscription price of SEK 2.92 per share. At the assumption that all warrants are exercised for subscription of new shares, the company's share capital will increase by SEK 28,617, which is equivalent to approximately 0.1 per cent of the shares and votes in the company after full exercise. Some of the persons proposed for participation in Option Program 2017/2020 are also participants in employee incentive program 2013/2017.

Previous and still outstanding employee incentive program 2016/2019 (warrants) comprises maximum 957,571 new shares in BioInvent at a subscription price of SEK 2.81 per share. At the assumption that all warrants are exercised for subscription of new shares, the company's share capital will increase by SEK 76,606, which is equivalent to approximately 0.3 per cent of the shares and votes in the company after full exercise. One of the members of the management who is proposed for participation in Option Program 2017/2020 is also a participant in employee incentive program 2016/2019.

### **Majority requirements**

The Board's proposal for a resolution regarding Option Program 2017/2020 and the necessary security measures connected thereto pursuant to items A and B above form one combined proposal. Therefore, it is proposed that the resolutions of the EGM under item A and B are passed as one single resolution, pursuant to the majority provisions of chapter 16 of the Swedish Companies Act, meaning that shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the general meeting must vote for the proposal.

### **Resolution regarding authorisation of the Board of Directors to issue new shares (item 16)**

The Board of Directors proposes the AGM to authorise the Board to resolve on the issue of new shares on one or several occasions during the period up to the next annual general meeting. The number of shares to be issued by virtue of the authorisation shall not exceed 15 per cent of the registered share capital (as per the date of the resolution on the issue of new shares). The issue may take place with or without a deviation from the shareholders' preferential right and with or without provisions on contribution in kind or set-off or any other terms. The purpose of the authorisation is to increase the company's financial flexibility and enable acquisitions by payment of shares. If the Board resolves on an issue with deviation from the shareholders'

preferential right the reason may be to add new capital and/or new company owners of strategic importance to the company and/or the acquisition of other companies or businesses. At a deviation from the shareholders' preferential right, the issue rate shall be determined in accordance with market conditions. Other terms may be resolved by the Board.

The proposal is subject to support by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

#### **C. SHAREHOLDERS' RIGHT TO ASK QUESTIONS**

At the AGM shareholders have the right to ask questions concerning the company, the company's financial position and matters and proposals to be dealt with at the meeting.

#### **D. AVAILABLE DOCUMENTS ETC**

The proposal and motivated statement of the Nomination Committee and proxy forms are available at the company's website [www.bioinvent.se](http://www.bioinvent.se). Accounting documents, the Auditor's Report and other documents to be held available according to the Swedish Companies Act, will be available on the company's website from Wednesday 26 April 2017, at the latest, and be distributed to shareholders who so request and state their postal address.

At the time of this notice, the total number of shares and votes in the company amounts to 304,695,213.

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Lund in April 2017  
*The Board of Directors*  
BIOINVENT INTERNATIONAL AB (publ)

#### **Notes to editors:**

##### **About BioInvent**

BioInvent International AB (OMXS: BINV) is focused on the discovery and development of novel and first-in-class immuno-regulatory antibodies to treat cancer. The Company's clinical programmes are BI-1206, currently in a Phase I/II for non-Hodgkin's lymphoma and chronic lymphatic leukaemia and TB-403, in cooperation with Oncurios, currently in Phase I/II for medulloblastoma. BioInvent has an exciting pre-clinical portfolio based on novel immuno-modulatory antibodies that target regulatory T cells (T-regs) and tumour-associated myeloid cells. In December 2016, the Company signed a strategic research collaboration with Pfizer Inc. BioInvent also works with leading academic institutions including the University of Southampton, Cancer Research UK, and Penn Medicine. BioInvent generates revenues from global partnerships, including Bayer Pharma, Daiichi Sankyo, and Mitsubishi Tanabe Pharma and from its manufacturing facility for the production of antibodies for research through to late-stage clinical trials.

#### **For further information, please contact:**

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