

PRESS RELEASE  
February 25, 2019



## **BioInvent to advance and expand existing and new development programs through a fully underwritten rights issue and a directed issue of in total MSEK 240**

Lund, Sweden – February 25, 2019 – BioInvent International AB (“BioInvent” or the “Company”) (OMXS: BINV) has resolved to implement a capitalization of approximately MSEK 240 by way of a fully underwritten rights issue of MSEK 210 with preferential rights for the Company’s shareholders (the “Rights Issue”) and, in addition, a directed issue of MSEK 30 (the “Directed Issue”) through which the ownership is strengthened with a Swedish pension fund and a Swedish life science fund. Additionally, it is proposed that the board of directors is authorized to resolve on an over-allotment option for up to MSEK 70 (the “Over-allotment Option”), which may be exercised if the Rights Issue is over-subscribed. The Rights Issue and the Over-allotment Option are subject to approval by an extraordinary general meeting to be held on 20 March 2019 (the “EGM”). The completion of the Directed Issue is subject to the EGM approval of the Rights Issue. The financing enables BioInvent to continue the intended advancement and expansion of the candidate portfolio, as the main value driver of the company.

Notice to the EGM is published by way of a separate press release.

Due to the capitalisation, the interim report 1 January – 31 March 2019 will be postponed to 22 May 2019.

### **Summary**

- In October 2018, BioInvent announced its intention to advance and expand the Company’s portfolio. The proceeds from the Rights Issue will foremost be used towards expanding the clinical development of BI-1206 as well as to advance three compounds into clinical programs in solid cancer.
- Further hereto, the board of directors has resolved to implement a capitalization of MSEK 240 by way of a fully underwritten rights issue of MSEK 210 and a directed issue of MSEK 30, to strengthen the shareholder base. The Rights Issue includes subscription commitments from the Company’s current shareholders Van Herk Investments, Mérieux and Rhenman Partners. Guarantors to the Rights Issue include i.a. Nyenburgh Investment Partners and Van Herk Investments. Subscription commitments in the Directed Issue have been made by institutional investors, including a Swedish pension fund and a Swedish life science fund.
- The record date for the Rights Issue will be 25 March 2019 and the subscription period will be from and including 28 March until and including 12 April 2019.
- Each existing share entitles to one (1) subscription right. Eight (8) subscription rights entitle to subscription for three (3) new shares.
- The subscription price in the Rights Issue and the Directed Issue will be SEK 1.60 per share.
- To take advantage of a possible over-subscription and the opportunity to raise additional capital and to broaden the shareholder base, it is proposed that the board of directors is authorized to resolve on an over-allotment option for MSEK 70, which may be exercised if the Rights Issue is over-subscribed.
- The Rights Issue and the Over-allotment Option are subject to approval by the EGM on

20 March 2019, notice to the General Meeting is published in a separate press release. The completion of the Directed Issue is subject to the EGM approval of the Rights Issue.

- Due to the capitalisation, the interim report 1 January – 31 March will be postponed to 22 May 2019.

### **Comments from the CEO**

Martin Welschhof, CEO of BioInvent, says “This is a very exciting and potentially transformative time for BioInvent. This financing will allow us to accelerate the development of our high-quality preclinical portfolio into clinical opportunities, and further advance our first-in-class clinical candidates. In particular, we will use the funds to expand the clinical development of our lead product candidate BI-1206 in hematological cancers, as well as advance three compounds into clinical programs in solid cancers and continue the development of our prioritized preclinical programs, including the collaboration with Transgene.”

### **Background and reasons**

BioInvent is focused on the discovery and development of novel and first-in-class immuno-modulatory antibodies to treat cancer aimed at patients with significant unmet medical needs. The Company's pre-clinical research in immuno-oncology is of high quality as documented by a number of high impact publications during 2018 and before (Cancer Cell, Immunity). In October 2018, BioInvent announced its intention to expand the Company's research portfolio with three clinical programs within solid tumor diseases, subject sufficient financial resources and successful pre-clinical results.

The Company's antibody, BI-1206, which was granted orphan designation by the U.S. Food and Drug Administration (“FDA”) in January 2019, is currently in phase I/IIa for Non-Hodgkin's lymphoma (“NHL”) and Chronic Lymphatic Leukemia (“CLL”) while the Company's pre-clinical portfolio is focused on targeting key immune suppressive cells and pathways of the tumor microenvironment, including regulatory T cells, tumor-associated myeloid cells and mechanisms of antibody drug-resistance.

To continue the development and expansion of its portfolio, the board of directors and management of BioInvent have decided that additional working capital is required. To accommodate the increased need for working capital, required to fulfill the expansion of the clinical programs, the board of directors today resolved on a rights issue of approximately MSEK 210, a directed issue of MSEK 30 and an over-allotment option of up to MSEK 70.

The expected net proceeds from the Rights Issue and Directed Issue amounts to approximately MSEK 219 and is mainly intended to be used towards the following activities:

- expand the clinical development of BI-1206 for treatment of hematological cancers (Phase I/IIa study - topline results expected in H1 2020),
- advance three compounds into clinical programs in solid cancer indications: anti FcγRIIB antibody in combination with an anti-PD1 antibody, BI-1607 in combination with a check point inhibitor, BI-1808 as single agent and in combination with an anti-PD1 antibody, as well as for
- continued development of the Company's prioritized preclinical projects, including the collaboration with Transgene.

The proceeds from the Rights Issue and Directed Issue is estimated to be distributed by approximately 15%, 60% and 25% between the three areas. Moreover, a strengthened financial position enables increased strategic flexibility and improved ability to negotiate with potential partners.

If the Over-allotment Option is utilized in full, the net proceeds hereof is intended to be used towards the activities described above and is estimated to take the anti-FcγRIIB antibody in combination with an anti-PD1 antibody to topline results by H2 2020.

### **Subscription and guarantee undertakings in the Rights Issue**

Subscription undertakings representing in aggregate 20.6 per cent of the Rights Issue has or will be obtained, including *pro rata* undertakings by the largest shareholders Van Herk Investments, Mérieux and Rhenman Partners and also by the directors of the board Kristoffer Bissessar and Dharminder

Chahal. Guarantee undertakings have been made i.a. by Nyenburgh Investment Partners for MSEK 24, by Van Herk Investments for MSEK 8 and will be made by Dharminder Chahal for MSEK 5 and are obtained by additional guarantors for the remaining amounts. Hence, the Rights Issue will be fully underwritten. The undertakings are subject to customary terms and conditions.

The Rights Issue as well as the Over-allotment Option are subject to the approval of the EGM to take place on 20 March 2019. Shareholders who currently own in aggregate approximately 28 per cent of the outstanding shares have committed to vote in favour of the Rights Issue at the EGM.

Shareholding board members and shareholding senior executives have, subject to customary exceptions, agreed to a lock-up undertaking for a period of 90 days from the completion of the Rights Issue. The Company has, subject to customary exceptions, agreed to a lock-up undertaking on any share capital increase for a period of 180 days from the completion of the Rights Issue.

### **Terms for the Rights Issue and expected time table**

The Rights Issue will involve a share capital increase of SEK 10,523,999.04 and a maximum number of 131,549,988 new shares will be issued. The capitalisation will raise SEK 210,479,980.80 prior to issue costs.

The Company's shareholders will have preferential rights to subscribe for the new shares in proportion to the shares previously owned. Each existing share entitles to one (1) subscription right. Eight (8) subscription rights entitle to subscription for three (3) new shares. The subscription price will be SEK 1.60 per share.

The record date for entitlement to participate in the Rights Issue with preferential rights will be 25 March 2019. The subscription period will be from and including 28 March 2019 up to and including 12 April 2019, with a right for the Company to extend the subscription period. Subscription for new shares without subscription rights will be permitted during the same period.

In the case not all shares are subscribed for with the use of subscription rights, the board of directors shall, within the maximum amount of the Rights Issue, decide on allotment of shares subscribed for without the use of subscription rights. Those shares are intended to be offered as follows: (i) firstly to those who have subscribed for new shares with subscription rights, regardless if the subscriber was a shareholder on the record date or not, pro rata to the number of shares subscribed for with subscription rights, (ii) secondly to those who have subscribed for new shares without subscription rights, pro rata to the number of shares subscribed for in the application, and (iii) thirdly to those who have entered into guarantee agreements with the Company, pro rata to the respective guarantee amount.

If the Over-allotment Option is exercised, this will involve an additional share capital increase of up to SEK 3,500,000 and the issuance of a maximum number of 43,750,000 new shares at a subscription price of SEK 1.60 for each new share.

Full terms and conditions for the Rights Issue and the Over-allotment Option as well as other information about the Company will be disclosed in the prospectus published no later than the day before the subscription period starts.

The time table below is preliminary.

20 March	Extraordinary General Meeting
21 March	Last day of trading inclusive subscription rights
22 March	First day of trading exclusive subscription rights
25 March	Record date for participation in the Rights Issue, i.e. shareholders who are registered in the Company's share register as of this day will receive subscription rights for participation in the Rights Issue
28 March – 10 April	Trading in subscription rights

28 March – 12 April    Subscription period

17 April                      Announcement of the preliminary outcome of the Rights Issue and possible exercise of Over-allotment Option

### **The Directed Issue**

The Directed Issue, based on the authorization from the 2018 Annual General Meeting, involves a share capital increase of SEK 1,500,000 and 18,750,000 new shares at a price of SEK 1.60 per share. The capitalisation will raise SEK 30,000,000 prior to issue costs. Subscription commitments for the full amount have been made by a Swedish pension fund and a Swedish life science fund. For technical reasons, the Directed Issue will be made to Pareto Securities at quota value, for immediate resale to said institutional investors on behalf of the Company at SEK 1.60. The completion of the Directed Issue is subject to the EGM approval of the Rights Issue.

The reason for deviating from the shareholders' pre-emption rights is that the Board finds it beneficial for BioInvent's future development to strengthen the ownership base with a number of strategic and long-term shareholders, as well as taking advantage of the opportunity to provide the Company with additional capital.

The newly issued shares in the Directed Issue will not qualify for participation in the Rights Issue. The shares of the Directed Issue are expected to be admitted to trade on or about 26 March 2019.

### **Extraordinary General Meeting**

The shareholders of BioInvent are invited to attend an EGM on Wednesday 20 March 2019 at 10.00 a.m. in Lund. Full notice will be published by way of a separate press release.

### **Postponement of Q1 Report**

To ensure that the offering will be completed before the publication of the interim report 1 January – 31 March, the board of directors has decided to postpone the interim report for the first calendar quarter from 25 April 2019 to 22 May 2019.

### **Financial and legal advisers**

Pareto Securities AB is acting as financial advisor and Mannheimer Swartling Advokatbyrå AB is acting as legal advisor to BioInvent.

### **About BioInvent**

BioInvent International AB (OMXS: BINV) is focused on the discovery and development of novel and first-in-class immuno-modulatory antibodies to treat cancer. The Company's lead program is BI-1206, currently in Phase I/II for non-Hodgkin lymphoma and chronic lymphatic leukemia. BioInvent's pre-clinical portfolio is focused on targeting key immune suppressive cells and pathways of the tumor microenvironment, including regulatory T cells, tumor-associated myeloid cells and mechanisms of antibody drug-resistance. The Company has a strategic research collaboration with Pfizer Inc., and partnerships with Transgene, Bayer Pharma, Daiichi Sankyo, and Mitsubishi Tanabe Pharma. BioInvent generates near term revenues from its fully integrated manufacturing unit producing antibodies for third parties for research through to late-stage clinical trials. More information is available at [www.bioinvent.com](http://www.bioinvent.com).

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*This information is information that BioInvent International AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 a.m. CET, on 25 February, 2019.*

**Important information**

*The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in BioInvent International AB. Any invitation to the persons concerned to subscribe for shares in BioInvent will only be made through the prospectus that BioInvent estimates to publish on or around 21 March 2019.*

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*The press release contains statements about the future, consisting of subjective assumptions and forecasts for future scenarios. Predictions for the future only apply as the date they are made and are, by their very nature, in the same way as research and development work in the biotech segment, associated with risk and uncertainty. With this in mind, the actual outcome may deviate significantly from the scenarios described in this press release.*

