



## Notice to Annual General Meeting in BioInvent International AB

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., Thursday 25 April 2019 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 Wednesday 17 April 2019; 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 Wednesday 17 April 2019 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 and the proxy must be presented in original at the latest at the AGM. Representative of a legal person shall provide 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 provided 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 Wednesday 17 April 2019 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 2018
- 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 2018, 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 members of the Board of Directors
- 12. Election of members of the Board of Directors and chairman of the Board of Directors
- 13. Resolution on guidelines for remuneration to management
- 14. Resolutions regarding
  - (a) Implementation of option program 2019/2025, and
  - (b) Directed issue of warrants and approval of transfer of warrants to fulfil the company's commitments under the option program and to secure social security charges
- 15. Resolution to amend the Articles of Association

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 Board secretary and attorney Madeleine Rydberger 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 154,838,988, retained earnings of SEK 227,000 and loss for the year of SEK -123,163,171. The Board of Directors proposes that the unrestricted equity of SEK 31 902 817 is carried forward. Thus, it is proposed that no dividend be given for the financial year 2018.

### 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 Leonard Kruimer (Chairman of the Board), has informed the company of the following proposals.

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

The Nomination Committee proposes re-election of the current members Dharminder Chahal, An van Es Johansson, Leonard Kruimer, Vincent Ossipow and Bernd Seizinger. Kristoffer Bissessar has declined re-election. Leonard Kruimer 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 2018.

The company's Nomination Committee proposes that the fee to the members of the Board of Directors shall amount to SEK 682,500 to the chairman of the Board, including fees for any committee work, and SEK 305,500 to each of the other board members. It is further proposed that remuneration for committee work shall amount to SEK 57,500 to the chairman of the Audit Committee, SEK 46,000 to other members of the Audit Committee and SEK 57,500 to the chairman of the Scientific Committee, which is a board committee that the company intends to establish. No fee shall be paid to other members of the Scientific Committee or for work in the Remuneration Committee.

### 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, aside from raising the maximum variable remuneration from 30 per cent to 40 per cent of the fixed salary. 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 to 40 per cent of the fixed salary 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.

### Resolutions regarding option program 2019/2025 (item 14)

The Board of Directors proposes that the AGM resolves to implement a long-term incentive program in the form of an option program, for the CEO and the management group ("**Option Program 2019/2025**").

To secure BioInvent's commitments under Option Program 2019/2025 and the social security contributions connected therewith, the Board also proposes that the AGM resolves on a directed issue of warrants and to approve the transfer of warrants in accordance with the below.

#### **A PROPOSAL TO IMPLEMENT OPTION PROGRAM 2019/2025**

The Option Program shall comprise the grant of maximum 3,971,000 stock options (*Sw. personaloptioner*).

Each option will entitle the holder to subscribe for one (1) new share in BioInvent at, the highest of, (i) a subscription price equivalent to 140 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 23 May 2019 (i.e. the first trading day after the publication of the company's interim report for January – March 2019), or (ii) SEK 3.16, corresponding to 140 per cent the volume-weighted average price paid for the company's share on the Stock Exchange during ten trading days before 25 February 2019 (the "**Subscription Price**").

The Option Program 2019/2025 will comprise the management group of BioInvent. Options will be granted to the CEO with 1,182,000 options and to other members of management with maximum 773,000 options each. The CEO will vest 1/4 of the options during each of the financial years 2019, 2020, 2021 and 2022, based on performance and continued employment. Other members of the management group will vest 1/3 of the options during each of the financial years 2020, 2021 and 2022, based on performance and continued employment. The performance criteria for the participants will 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 option holders may exercise vested options as from the day of release of the company's year-end report for the financial year 2022 up to and including 15 December 2025. Upon exercise, each option will entitle the option holder to receive one share in BioInvent, or one warrant immediately exercisable for one share, against payment of the Subscription Price. However, the gross benefit under the Option Program 2019/2025 shall be capped to MSEK 15 for the CEO and MSEK 10 for other participants. 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 for other reasons, 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.

#### B. DIRECTED ISSUE OF WARRANTS AND APPROVAL OF TRANSFER OF WARRANTS

To enable BioInvent's delivery of shares pursuant to Option Program 2019/2025 and to secure costs connected therewith, primarily social security charges, the Board proposes that the AGM resolves on a directed issue of warrants and to approve the transfer of warrants on the following main terms:

A maximum of 5,040,000 warrants shall be issued free of charge. BioInvent's wholly owned subsidiary BioInvent Finans AB shall have a right to subscribe for the warrants. Each warrant shall entitle the holder to subscribe for one (1) new share. The Subscription Price per share shall be equivalent to the highest of (i) 140 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 23 May 2019 (i.e. the first trading day after the publication of the company's interim report for January – March 2019), or (ii) SEK 3.16, corresponding to 140 per cent of the volume-weighted average price paid for the company's share on the Stock Exchange during ten trading days before 25 February 2019. Subscription of shares in the company by virtue of the warrants shall be made no later than 15 December 2025. The Board further proposes that the general meeting resolves to approve that BioInvent Finans AB transfers warrants to participants in Option Program 2019/2025 and otherwise disposes of the warrants in order to secure the company's commitments and costs in connection with Option Program 2019/2025.

The reason for the deviation from the shareholders' preferential right is that the issue forms part of the implementation of Option Program 2019/2025. 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 2019/2025.

#### 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 2.6 million in total during the period 2019-2022 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). The calculations have been based on an assumed share price of SEK 2.26 and an assumed volatility of 45 per cent. The value of the options of Option Program 2019/2025 pursuant to this valuation is approximately SEK 0.65 per option with the application of the Black & Scholes formula. 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 three additional valuation points, in the beginning of 2020, 2021 and of 2022, respectively.

At fulfilment of the vesting conditions and exercise of the options, Option Program 2019/2025 will lead to costs in the form of social security charges. The total costs for social security charges during the vesting

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. Based on the assumption that 100 per cent of the options in the program will be earned, an assumed Subscription Price of SEK 3.16 and an assumed share price of SEK 11.28 at the exercise of the options, the costs for social security charges will amount to approximately SEK 8.7 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 2019/2025 comprises the issuance of maximum 5,040,000 warrants, of which 3,971,000 warrants to secure BioInvent's commitments towards the participants in the program and 1,069,000 warrants to secure costs for social security charges. At full exercise of all issued warrants under Option Program 2019/2025 for subscription of new shares, BioInvent's share capital will increase by SEK 403,200. This corresponds to approximately 1.4 per cent of the shares and votes in the company after full exercise, but prior to completion of ongoing financing. The warrants of Option Program 2019/2025 would have affected the key figure earnings after tax per share (2018) by SEK 0.01.

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. If all warrants were to be 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 2019/2025 is also a participant in employee incentive program 2016/2019.

Previous and still outstanding employee incentive program 2017/2020 (stock options) comprises maximum 7,117,000 new shares in BioInvent, including a hedge for social security charges, at a subscription price of SEK 3.00 per share. The options are subject to vesting. 591,759 options vested in January 2018 and 462,766 options vested in January 2019. Maximum vesting of remaining part of the program is 1,908,750 options. The options can be exercised as from the publication of the financial statements 2019 (in 2020) to 15 December 2020. If all vested and unvested options were to be exercised for subscription of new shares, the company's share capital will increase by SEK 298,614, which is equivalent to approximately 1.1 per cent of the shares and votes in the company after full exercise. Four managers proposed for participation in Option Program 2019/2025 are also participants in employee incentive program 2017/2020.

## MAJORITY REQUIREMENTS

The Board's proposal under items A and B above form one combined proposal. The proposal is subject to support by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the meeting.

### Resolution to amend the Articles of Association (item 15)

The Board proposes to amend § 5 of the Articles of Association in such a way that the number of shares shall be at least 187,500,000 (previously 150,000,000) and maximum 750,000,000 (previously 600,000,000). Through the amendment the number of shares corresponds to the limits of the share capital, according to the current articles of association.

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.

### 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 20 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 Thursday 4 April 2019, 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 350,799,972.

## E. PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Lund in March 2019  
*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-modulatory antibodies to treat cancer. The Company's lead program BI-1206, is currently in Phase I/II for non-Hodgkin lymphoma and chronic lymphatic leukemia. BioInvent's exciting 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).

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

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