

**BIOINVENT INTERNATIONAL AB (PUBL)  
PROPOSAL BY THE BOARD OF DIRECTORS ON RESOLUTIONS  
REGARDING**

**A. Implementation of Option Program 2019/2025**

**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**

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**Background and motive**

The Board of Directors of BioInvent International AB ("**BioInvent**") proposes that the Annual General Meeting 2019 (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**").

The purpose of the proposed program is to secure a long-term commitment from management through a remuneration system that is linked to the company's value growth. Through the implementation of a new share based incentive program, the long-term value growth of BioInvent is rewarded, which entails joint interests and goals for the company's shareholders and its employees. Such incentive program may also be expected to improve BioInvent's capabilities to recruit and keep competent co-workers.

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 item B below.

In view of the proposed terms set forth below, the size of the allotment and other circumstances, the Board assesses that Option Program 2019/2025 is well-balanced and that it will be of benefit to BioInvent and its shareholders.

**A PROPOSAL BY THE BOARD OF DIRECTORS ON RESOLUTION  
REGARDING IMPLEMENTATION OF OPTION PROGRAM 2019/2025**

The Board proposes that the AGM resolves to implement Option Program 2019/2025, according to the following main principles:

1. The Option Program shall comprise the grant of maximum 3,971,000 stock options (*Sw. personaloptioner*).
2. 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 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 2019/2025 will comprise the management group of BioInvent.
4. Options will be granted to each participant as follows:

CEO:	1,182,000 options
Other members of management:	max. 773,000 options
- Inclusions in the program can be made until the end of 2020.
5. 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.
6. 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.
7. 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. Allotment shall be proportional in relation to the period of employment during the year in question.
8. Annual vesting will take place in connection with the adoption of the year-end report for the financial years, 2019, 2020, 2021 and 2022, respectively.
9. 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.

10. 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. As a consequence hereof, when the option holder has exercised options corresponding to a gross benefit of MSEK 15 or MSEK 10, respectively, calculated based on the volume-weighted average price paid for the company's share on the Stock Exchange on the trading day prior to exercise, no further options may be exercised by the option holder.
11. 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.
12. Participation in Option Program 2019/2025 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.
13. In other respects the Board shall establish the general terms for participation in the program.

**B. DIRECTED ISSUE OF WARRANTS AND APPROVAL OF TRANSFER OF WARRANTS TO SECURE THE COMPANY'S COMMITMENTS UNDER OPTION PROGRAM 2019/2025 AND SOCIAL SECURITY CHARGES**

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 terms:

1. A maximum of 5,040,000 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.
3. Subscription of the warrants shall be made on a separate subscription list no later than 30 June 2019.
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 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. 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 2025.
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 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.

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.

Finally, the Board proposes that the Board, or anyone appointed by the Board, should be authorised to make such minor adjustments to the above proposal that may be necessary in connection with the registration procedures with the Swedish Companies Registration Office, and possible registration of the warrants with Euroclear.

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### **Costs for Option Program 2019/2025**

The Board expects that Option Program 2019/2025 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 2.6 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%. 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 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. 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.

### **Preparation**

The proposal for Option Program 2019/2025 has been prepared by the Board and its Remuneration Committee in consultation with certain large shareholders and external advisors.

### **Majority requirements**

The Board's proposal for a resolution regarding Option Program 2019/2025 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 AGM 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 9/10<sup>th</sup> of both the votes cast and the shares represented at the general meeting must vote for the proposal.

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Lund in March 2019  
BIOINVENT INTERNATIONAL AB (publ)  
*The Board of Directors*