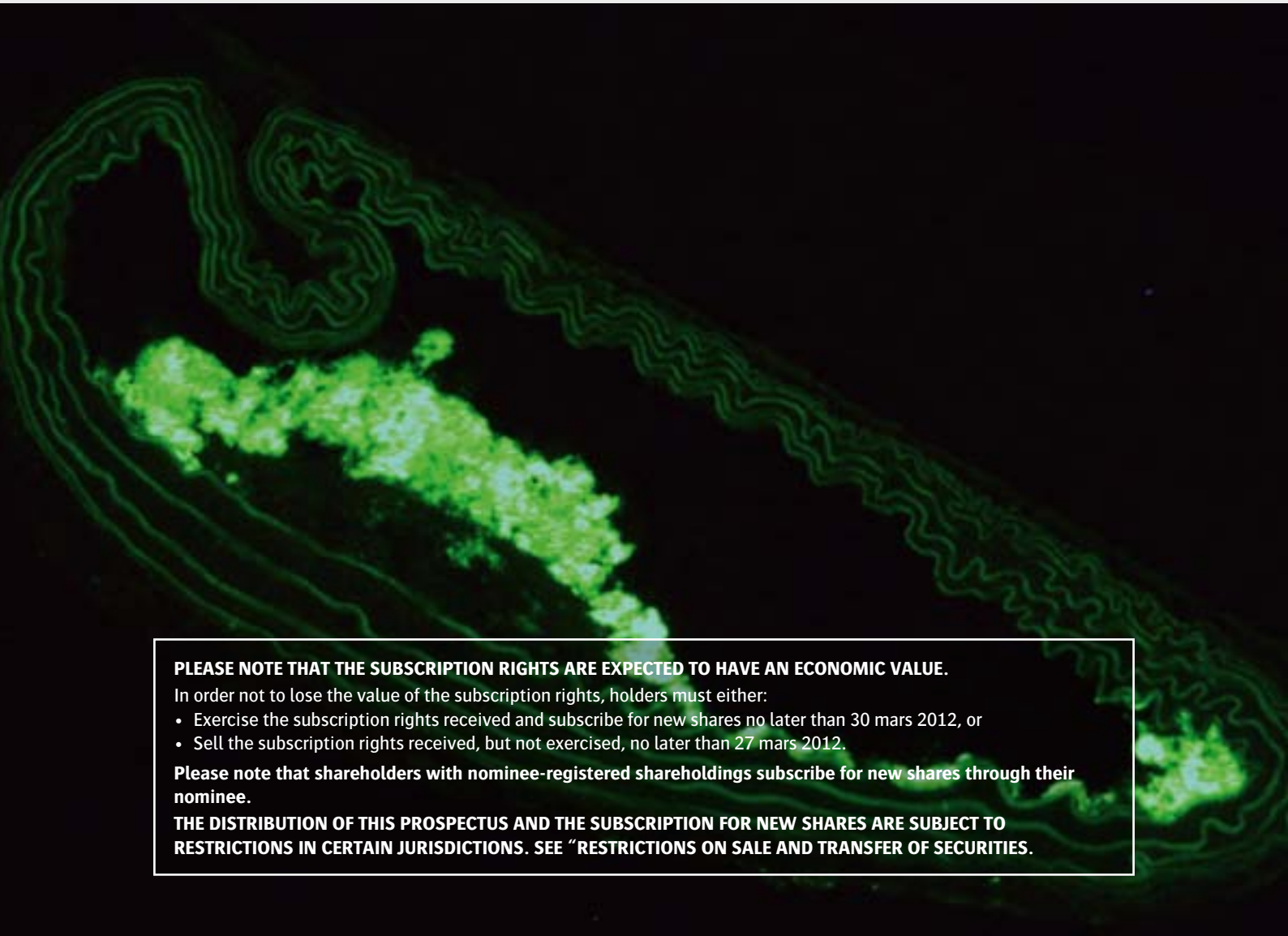
BIOINVENT

Invitation to subscribe for shares in BioInvent International AB (publ)



PLEASE NOTE THAT THE SUBSCRIPTION RIGHTS ARE EXPECTED TO HAVE AN ECONOMIC VALUE.
In order not to lose the value of the subscription rights, holders must either:

- Exercise the subscription rights received and subscribe for new shares no later than 30 mars 2012, or
- Sell the subscription rights received, but not exercised, no later than 27 mars 2012.

Please note that shareholders with nominee-registered shareholdings subscribe for new shares through their nominee.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE SUBSCRIPTION FOR NEW SHARES ARE SUBJECT TO RESTRICTIONS IN CERTAIN JURISDICTIONS. SEE "RESTRICTIONS ON SALE AND TRANSFER OF SECURITIES.

IMPORTANT INFORMATION TO INVESTORS

This prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Finansinspektionen) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (lagen (1991:980) om handel med finansiella instrument) (the "**Trading Act**"). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided is correct and complete.

This prospectus and the offering hereunder are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this prospectus or the offering.

The prospectus has been prepared in Swedish and English language versions. In case of any inconsistencies between the two language versions, the Swedish version shall prevail.

BioInvent has not taken and will not take any action to permit a public offering in any jurisdiction other than Sweden. The subscription rights, paid subscription shares (betalda tecknade aktier, BTA) and new shares (the "**Securities**") may not be offered, subscribed for, sold or transferred, directly or indirectly, in or to the United States except pursuant to an exemption from the registration requirements of the United States Securities Act of 1933 (the "**Securities Act**"). The offering is not directed to investors domiciled in the United States, Australia, Hong Kong, Canada, Japan, New Zealand, South Africa or in any other jurisdiction where participation would require additional prospectuses, registration or measures other than what follows pursuant to Swedish law. Accordingly, the prospectus may not be distributed in or to a jurisdiction where the distribution or the offering according to this prospectus requires such measures or would conflict with regulations in such jurisdiction. Subscription or acquisition of Securities in violation of the restrictions described above may be void. Persons into whose possession this prospectus may come are required to inform themselves about, and comply with, such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. See "Restrictions on sale and transfer of securities".

Investing in Securities involves certain risks (see "Risk factors"). Anyone making an investment decision must rely on its own assessment of BioInvent and the offering under this prospectus, including, but not limited to, facts and risks involved. Before making any investment decision, prospective investors should consult their own professional advisers, and carefully review and consider such an investment decision in the light of this. Investors may only rely on the information contained in this prospectus and any supplements to this prospectus. No person has been authorised to provide any information or make any statements other than those contained in this prospectus. Should such information or statements nevertheless be furnished, it or they must not be relied upon as having been authorised or approved by BioInvent and BioInvent takes no responsibility for such information or statements. Neither the publication of this prospectus nor any transaction as a result of the prospectus will, under any circumstances, imply that the information in this prospectus is correct and current as at any date other than the date of the publication of this prospectus or that there have not been any changes in BioInvent 's business since the date of this prospectus. If the information in this prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

As a condition for subscribing for new shares pursuant to the offering in this prospectus, each subscriber will be deemed to have made, or, in some cases, be required to make, representations and warranties that will be relied upon by BioInvent and its agents (see "Restrictions on sale and transfer of securities.") BioInvent reserves the right, in its sole and absolute discretion, to invalidate a share subscription that BioInvent or its agents believe may involve a breach or disregard of the laws, rules or regulations of any jurisdiction.

Notice to investors in the United States

The Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with the securities laws of the relevant state or other jurisdiction of the United States. The Securities are being offered and sold outside the United States in reliance upon Regulation S under the Securities Act. There will be no public offer of Securities in the United States. Any offering of Securities to be made in the United States will be made only to a limited number of existing shareholders who (i) are reasonably believed to be *qualified institutional buyers* (as defined in Rule 144A under the Securities Act) pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering, and (ii) have executed and returned an investor letter to BioInvent. For a description of these and certain other restrictions regarding the Securities and the distribution of this prospectus, see "Restrictions on sale and transfer of securities".

Until 40 days after the commencement of the new share issue, any offer or sale of Securities within the United States by any securities dealer (whether or not participating in the new share issue) may constitute an infringement of the registration requirements of the Securities Act.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority. Nor have any such authority passed upon or expressed an opinion on the offering according to this prospectus or the accuracy and reliability of this document. A representation to the contrary is a criminal offense in the United States.

Notice to investors in the European Economic Area

Within the European Economic Area ("**EEA**") there will be no public offering of Securities in any other country than Sweden. In other member states of the EEA which have implemented Directive 2003/71/EC of the European Parliament and the Council (the "Prospectus Directive"), an offer of any Securities may only be made under exemption under the Prospectus Directive. See "Restrictions on sale and transfer of securities"

Forward-looking information and market information

The prospectus contains certain forward-looking information that reflect BioInvent's current views or expectations with respect to future events and financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Forward-looking information by nature involves known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee as to future results or development and the outcome may differ materially from what is set out in the forward-looking information.

Factors that could cause BioInvent's future results and development differ from what is set out in the forward-looking information include, but are not limited to, those described in "Risk factors". The forward-looking information included in this prospectus apply only to the day of the publication of the prospectus. BioInvent undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or similar circumstances other than what follows pursuant to applicable law.

The prospectus contains certain market and industry information that is derived from third parties. Even if the information has been reproduced correctly and BioInvent regards the sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as BioInvent is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading.

Presentation of financial information

BioInvent's financial reports for 2009, 2010 and 2011, which have been prepared in accordance with International Financial Reporting Standards as enacted by the EU ("**IFRS**"), are incorporated through reference and constitute part of this prospectus. Certain financial and other information presented in the prospectus has been rounded off for the purpose of making the information more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals.

With the exception of the Company's audited consolidated financial statements for 2009, 2010 and 2011 no other information in this prospectus has been reviewed or audited by the Company's auditor.

Contents

DEFINITIONS

In this prospectus the following definitions are used:

BioInvent or **Company**	means, depending on the context, BioInvent International AB or the group in which BioInvent International AB is the parent company.
The Group	means BioInvent and its subsidiaries.
Euroclear	refers to Euroclear Sweden AB.
NASDAQ OMX	refers to NASDAQ OMX Stockholm AB.
SEK, EUR and **USD**	refers to Swedish kronor, Euro and U.S. dollars, respectively.

The rights issue in brief

Preferential right

Each share in BioInvent entitle to one (1) subscription right. Ten (10) subscription rights entitle to subscription for one (1) new share. Shares not subscribed for pursuant to preferential right shall be offered for subscription to shareholders and other investors.

Subscription price

15.60 SEK per share

Record date for participation in the rights issue

14 March 2012

Subscription period

16 March–30 March 2012

Trading in subscription rights

16 March–27 March 2012

Subscription and payment pursuant to preferential right

Subscription takes place during the subscription period through simultaneous cash payment .

Subscription and payment without preferential right

Application for subscription without preferential right shall be made to Avanza Bank no later than 30 March 2012 on a special application form that can be obtained from Avanza Bank by calling +46 8 562 251 22. Payment for alloted shares shall be made in cash in accordance with the instructions on the notice of allotment. Custody account holders with nominees shall instead register with and in accordance with instructions from the nominee.

Other information

Ticker:	BINV
ISIN-code share:	SE0000789711
ISIN-code subscription rights:	SE0004517183
ISIN-code BTA 1:	SE0004517191
ISIN-code BTA 2:	SE0004517209

Financial information

Extraordinay General Meeting	9 March 2012
Annual General Meeting	26 March 2012
Interim report January – March 2012	2 May 2012
Interim report January – June 2012	19 July 2012
Interim report January – September 2012	18 October 2012

Summary

This summary shall be regarded as an introduction to the prospectus. Each decision to invest in the BioInvent share shall be based on an assessment of the prospectus in its entirety, including documents that have been incorporated through reference. An investor that files a lawsuit in a court of law on account of information in the prospectus may be liable for costs in connection with translation of the prospectus. A person may be held liable for information included in or missing from the summary or a translation of the summary, only if the summary or the translation is misleading or incorrect in relation to the other parts of the prospectus.

The rights issue in brief

In order to strengthen Bioinvent's financial position and thereby the Company's opportunity to fulfill its commercial strategy in upcoming partner negotiations, the Board of Directors resolved on 13 February 2012, subject to the approval of the General Meeting, to increase the Company's share capital by a new share issue with preferential right for BioInvent's shareholders. The Board of Directors resolution on a new share issue was approved at an Extraordinary General Meeting on 9 March 2012.

The rights issue will increase the share capital of BioInvent by a maximum of SEK 3,360,262.50 through the issuance of not more than 6,720,525 new shares. The subscription price has been established to SEK 15.60, which means that the rights issue will raise BioInvent a total of up to SEK 104,840,190 before transaction costs. The Company's shareholders will have preferential right to subscribe for the new shares in BioInvent in proportion to the number of shares previously held by them. The record date for participation in the rights issue is 14 March 2012. Those who are registered as shareholders in BioInvent on the record date may subscribe for one (1) new share for each ten (10) existing shares in BioInvent. In the event that all new shares are not subscribed for with preferential right, such shares shall be allotted to shareholders and other investors who have subscribed for shares without subscription rights.[1)] Such allotment shall be made primarily to those who have also subscribed for shares with subscription right. Subscription for shares with preferential right shall be made by simultaneous cash payment under the period from and including 16 March 2012 up to and including 30 March 2012. Notice of subscription without preferential right shall be made on 30 March 2012 at the latest.

Shareholders together representing approx. 10.1 percent of the shares and votes in BioInvent have undertaken to subscribe for shares corresponding to the respective pro rata shares of the rights issue. In addition, shareholders and other investors have guaranteed the subscription for shares corresponding to a further 84.7 percent of the rights issue. Thus, the above mentioned shareholders and investors have undertaken to subscribe for and guarantee the subscription of shares corresponding to a total of 94.8 percent of the rights issue. Furthermore, institutional owners have expressed their intention to subscribe for shares corresponding to 5.2 percent of the rights issue.

According to BioInvent's assessment, the Company's existing working capital is not sufficient for the current requirements for the upcoming twelve months. Taking into account the Company's existing liquidity, the existing working capital is expected to be sufficient until the end of February 2013. BioInvent believes that the working capital after the rights issue has been implemented will be sufficient to cover the working capital requirement for at least the twelve month period mentioned above.

1) See section "Terms, conditions and instructions".

Bioinvent in brief

BioInvent is a research-based pharmaceutical company that focuses on producing and developing antibody drugs for the treatment of diseases where there is a significant medical need and current treatment options are inadequate. The objective is to create value by building a sustainable portfolio of clinical development projects and then commercializing innovative pharmaceuticals.

Business- and revenue model

BioInvent focuses on developing antibody drugs and documenting their biological activity and efficacy in clinical trials. To be able to move the product candidates forward through late clinical development to full commercialization, the Company works with major pharmaceutical companies. In the case of certain projects, partnership agreements may be signed early on in the development phase, while other projects may be developed by the Company for a longer period. The timing of entering into partnerships is determined by costs, risk, and the need for expertise and the additional value to be gained from continuing to develop the project in-house. BioInvent has also entered into a number of development partnerships where the development partner gains access to parts of BioInvent's antibody platform n-CoDeR® and competence within the development of antibody drugs.

Today BioInvent's revenues consist of cash payments when cooperation contracts are signed, license fees, milestone payments (payment when projects passes pre-defined milestones)

and research financing. In the longer term the goal is to ensure sustainable profitability through royalties and revenues from the Company's own commercialization in certain markets.

Development projects

BioInvent is currently running four projects in development phases in the areas of coronary artery disease (BI-204), thrombosis (TB-402) and cancer (BI-505 and TB-403).

- **BI-204** is being developed as a drug to prevent the recurrence of acute coronary artery disease, so-called secondary prevention. The antibody targets oxidised forms of apoB100, a lipoprotein that is part of the LDL particle. BioInvent has entered into a strategic partnership with Genentech where the companies are jointly developing and commercialising BI-204.
- **TB-402** is a human monoclonal antibody that has shown a beneficial partial inhibition of factor VIII, an important factor in the coagulation cascade. The product is primarily being developed to prevent the occurrence of venous thromboembolism (VTE) in connection with orthopaedic surgery. TB-402 is being developed in cooperation with ThromboGenics.
- **BI-505** is a fully human antibody against the adhesion protein ICAM-1 (CD54), a naturally occurring cell surface protein. Expression of ICAM-1 is elevated in a number of types of cancer, while it is low in most healthy tissue. In a first step, BI-505 is being developed for the treatment of multiple myeloma which expresses ICAM-1. BioInvent is developing BI-505 in-house.
- **TB-403** is a monoclonal antibody targeting PlGF (*Placental Growth Factor*), a protein that affects the development of new blood vessels (angiogenesis). The product is being developed primarily to treat types of cancer that are dependent on the growth of new blood vessels. TB-403 was originally developed within the framework of BioInvent's strategic partnership with ThromboGenics. In June 2008 the partnership entered into a strategic product alliance with Roche.

Market

The antibody drug segment is one of the fastest growing segments in the pharmaceutical industry. Since the beginning of the year 2000 sales have increased more than tenfold from USD 2 billion to over USD 40 billion in 2011. This strong growth is likely to continue over the next few years, and by 2014, the market is expected to be worth around USD 60 billion. There are several reasons why antibody drugs have become successful and represent significant value for the companies that have developed them. Antibodies are nature's own defence molecules. As such they are highly selective and, in their natural form, are very well tolerated by the body. A precise effect is noted and the antibody integrates naturally with the rest of the immune system which can therefore modulate the antibody's therapeutic effect. Also, antibody drugs to some extent have other application areas than traditional medicines; they are useful when targeted, for example, at extracellular molecules or cell-surface proteins – two significant groups of target proteins that may be difficult for traditional, small molecular drugs to impact.

Risk factors

Before an investor decides to subscribe for shares in BioInvent, it is important to carefully analyse the risk factors deemed to be of importance for the future development of the Company and the share. These risks include among other things industry and business related risks (risks relating to pharmaceuticals development, clinical trials and suppliers, commercialization and partners, legislation and medical agency scrutiny, compensation for pharmaceutical sales, patents and other rights, confidentiality and expert knowledge, competitors, qualified employees and key individuals, additional financing requirements, product responsibility and insurances and international operations and currency fluctuation) as well as risks relating to the share and the rights issue (risks relating to the share development, trading in subscription rights, future sales of large shareholdings and additional rights issues, future dividends and unsecured subscription and guarantee undertakings). There may be risks not currently known to BioInvent. For a more extensive description, see section "Risk factors".

Other information

Board of Directors, senior management and auditor

The Board of Directors of BioInvent consists of Björn O. Nilsson (chairman), Lars Backsell, Carl Borrbaeck, Lars Ingelmark, Elisabeth Lindner, Svein Mathisen, Ulrika T Mattson and Kenth Petersson.

The senior management include Svein Mathisen (President and CEO), Björn Frendéus (Vice President, Preclinical Research), Cristina Glad (Executive Vice President), Steven Glazer (Senior Vice President, Development), Per-Anders Johansson (Vice President, Quality Assurance and Regulatory Affairs), Sten Westerberg (Vice President, Investor Relations) and Martin Wiles (Senior Vice President, Business Development).

Ernst & Young AB is the Company's auditor, with Johan Thuresson as auditor in charge.

For more information regarding the members of the Board of Directors, senior management and auditor, see section "Board of Directors, senior management and auditor".

Major shareholders and related party transactions
BioInvent had as per 28 February 2012 approx. 6,200 shareholders. The largest shareholder was JP Morgan nominee accounts, holding approximately 7.1 percent of the total number of shares and votes in the Company. For more information, see section "Share capital and ownership structure". BioInvent applies IAS 24 Related party disclosures. During the financial years 2010 and 2011 and the current financial year there have been no transactions with related parties, in accordance with IAS 24, to report. See also "Related party transactions" under section "Legal considerations and supplementary information".

Summary of financial information

Below is a summary of the financial development of BioInvent for the 2009–2011 financial years.

SEK million	2011	2010	2009
Summary of income statement			
Net revenues	124.6	82.9	80.7
Operating profit/loss	–71.7	–127.8	–179.5
Profit/loss of the year	–67.1	–128.4	–176.7
Summary of balance sheet			
Fixed assets	12.9	14.2	19.0
Inventories	0.3	0.7	2.0
Current receivables	18.7	17.0	21.2
Current investments and cash and bank	174.0	106.1	84.0
Shareholder's equity	138.0	74.2	55.6
Non interest-bearing liabilities	67.8	63.8	70.6
Interest-bearing liabilities	–	–	–
Total shareholder's equity and liabilities	205.8	138.0	126.2
Summary of statement of cash flows			
Cash flow from current operations	–55.5	–117.7	–127.1
Cash flow from investment activities	–4.9	–4.6	–1.3
Cash flow from financing activities	128.3	144.4	–
Increase/decrease in current investments and cash and bank	67.9	22.1	–128.4
Key financials and per share data			
Shareholder's equity per share, SEK	2.05	1.21	1.00
Number of shares at end of period (thousand)	67,205	61,096	55,661
Equity/assets ratio, %	67.0	53.7	44.1
Number of employees, average	89	96	105

Significant changes since 31 december 2011

In January 2012 BioInvent and Les Laboratoires Servier entered into a partnership for the development of an antibody against a target structure in the metabolism of tumour cells. Under this partnership, BioInvent will receive licensing fees, research financing and possible milestone payments of more than EUR 11 million. There will also be royalties on future sales of the product. Servier will engage BioInvent to screen for antibodies from BioInvent's n-CoDeR antibody library. Servier, which will provide target structures, will also have access to BioInvent's preclinical expertise in optimising an antibody candidate for future clinical development.

No other significant changes have taken place since 31 December 2011 with respect to the Company's financial position or status in the market.

Risk factors

Before an investor decides to subscribe for or buy shares in BioInvent, it is important to carefully analyse the risk factors deemed to be of importance for the future development of the Company and the share. Below is a description of some of the risk factors considered to be of material importance for BioInvent. They are not presented in any particular order of importance. Risks exist that pertain to the circumstances of BioInvent or the industry and other risks exist that are of a more general nature. There are also risks associated with the new share issue. Certain risks are outside the Company's control. This account does not claim to be complete and, naturally, it is not possible to predict or describe all factors in detail. A full assessment must therefore include other information in the prospectus as well as an assessment of the general business environment. The risks and uncertainties described below could materially adversely affect BioInvent's operations, financial position, operating profit or future prospects. They could also result in a decline in the value of BioInvent shares, which could result in BioInvent shareholders losing all or part of their investment. Additional risks not currently known to BioInvent, or which are currently deemed immaterial, could arise and have a negative effect.

Industry and business related risk

Pharmaceutical development

The cost of developing and launching a new biotech drug on the market has been estimated at around USD 1.3 billion[1]. At the same time, historically only 17 percent of antibody candidates in clinical phase I actually reach the market[2]. The probability that a drug candidate will reach the market increases as the project advances through the development chain. The same applies to the costs which increase sharply in the later clinical phases. In summary: pharmaceutical development is generally associated with very high risk and this applies to BioInvent's pharmaceutical development as well.

BioInvent's operations are subject to the usual risks associated with pharmaceutical development, including the risk that BioInvent will not succeed in developing new product candidates, that some or all of the Company's product candidates will prove ineffective, unsafe or in another way not meet the applicable requirements or receive the necessary market approval, or prove to be difficult to license successfully or develop into commercially viable products.

As BioInvent and the Company's project portfolio are developed, the Company's knowledge and experience in important areas will grow. A larger project portfolio could over time make the Company less dependent on the success of an individual project. At this point, however, the project portfolio is relatively limited and contains early phase projects. Consequently, a setback in an individual project could materially adversely affect BioInvent.

There is also a risk that development work will be delayed in relation to the established schedule, which could also negatively impact BioInvent.

Clinical trials and suppliers

All of BioInvent's potential and existing product candidates require additional research and development, clinical trials and the relevant market approval before they can result in commercialisation when steady annual revenues from products on the market can be expected. To receive market approval for commercial sales of the Company's product candidates, it is necessary for BioInvent and its partners to complete clinical trials to prove the product candidate's safety and efficacy. If such clinical trials do not receive the necessary permits or substances tested do not prove to have the required safety and efficacy, it will not be possible to successfully develop, license or commercialise the product candidate. Furthermore, clinical trials may be halted at any time if it can be assumed that the trail participants are being exposed to unacceptable health risks. Earlier positive results may also prove to be non-representative of the results obtained in later trials. Negative or incomplete results from clinical trials may make it necessary for additional clinical trials to be carried out, which could result in increased costs, significant delays in receiving market approval, a more limited application area, or could result in a decision by BioInvent and/or its partners not to commercialise the product candidate.

BioInvent and its partners are dependent on individuals being willing to participate in clinical trials. There can be no guarantee that this will take place on terms that are satisfactory to BioInvent, and failure to recruit trial participants could delay and/or prevent the continued development of the product candidate.

The preclinical and clinical trials that are conducted require the production of active substances in sufficient quantities and of sufficiently high quality. There is a risk that BioInvent will not be

1) Tufts CSDD Outlook 2011.
2) Tufts CSDD Impact Report November/December 2011.

able to meet this need at every point in time, and this could delay development of the Company's projects.

BioInvent and its partners use and enter into agreements with certain external parties for parts of their research and production activity, mainly with respect to clinical trials and laboratory services. There is no guarantee that such external parties will perform these services in a manner that BioInvent finds satisfactory, which could increase the cost, cause a delay and/or prevent the continued development of BioInvent's projects.

Commercialisation and partners

None of BioInvent's product candidates have yet been commercialised and may never be commercialised. Nor is there any guarantee that the products that are launched on the market will be well received or become commercial successes.

BioInvent has entered into agreements with partners for the development and commercialisation of potential products. BioInvent is, and will continue to be, dependent on agreements with other companies regarding late clinical trials as well as manufacturing and selling possible products that are launched. There can be no guarantee that BioInvent will succeed in entering into such agreements on satisfactory terms. In the absence of partnership agreements, BioInvent may not be able to realise the full value of a product candidate. This may also lead to decisions by BioInvent or the Company's partners to discontinue future development or commercialisation of a product candidate.

There is no guarantee that the companies with which BioInvent enters into partnerships or licensing agreements will fulfil their obligations or that the agreements will not be cancelled. BioInvent has no control over the amount of resources that BioInvent's current and future partners will invest, nor over the schedule for such investments. Nor can there be any guarantee that partners will meet their obligations in the manner anticipated or that partnership agreements will generate revenues. BioInvent's partners may develop alternative technologies or products, either themselves or through collaboration with others, which could compete with the products covered by the agreement with BioInvent, or which could affect BioInvent's partners' commitment to the partnership, ability (financial or otherwise) to complete development and commercialisation of a product candidate and willingness to pay the agreed compensation to which BioInvent is entitled.

BioInvent does not currently have the organisational requirements to complete development of a product and/or commercialise a product on its own, and considerable financial resources would be needed to build up such an organisation.

Legislation and medical agency scrutiny

BioInvent and its partners will not be able to market any of BioInvent's products without first obtaining approval from the relevant supervisory authorities. The approval process for marketing a new drug can take many years and normally requires considerable financial and other resources. If necessary permits or approvals are not received, the Company's operations, financial position and results could be materially adversely affected. Even if the necessary permits are received, there is no guarantee that this will result in competitive products.

Even after a product candidate has been approved, the Company and its partners will be required to meet future requirements from the authorities, including a safety reporting requirement and marketing approval including supervision of how products are marketed. The Company and its external manufacturers will also be required to comply with manufacturing regulations. These regulations cover all parts of the manufacturing, testing, quality assurance and documentation processes for the Company's product candidates. Production facilities must also be approved following inspections by the authorities before marketing approval can be granted. Production facilities will also be subject to repeated inspections by the supervisory authorities. Such inspections may result in questions regarding compliance, and lack of compliance may prevent or delay marketing approval, and corrective measures may require financial or other resources. If the Company, the Company's partners or their external manufacturers fail to comply with the applicable requirements from authorities, the Company may be subject to fines, revocation of permits from supervisory authorities, withdrawal or seizure of products, other restrictions on operations and sanctions, which could materially adversely effect the Company's operations, financial position and results.

Due to the chemical components in pharmaceuticals and the manufacturing processes, the pharmaceuticals industry is subject to environmental regulations. Even if BioInvent currently believes the Company has the required permits and complies with all environmental laws and regulations, there can be no guarantee that BioInvent will be granted the permits that may be required for the Company's future operations. If the Company should fail to comply with environmental regulations, permits for its operations could be revoked and the Company could be subject to legal sanctions and significant claims for damages, or be forced to adapt or suspend its operations.

Compensation for pharmaceutical sales

BioInvent's potential future success is partially dependent on to what extent the Company's products will qualify for subsidies from private or publically financed healthcare programmes. A significant portion of the Company's potential future revenues are likely to depend on subsidies from a third party, such as a public authority, public healthcare provider or private medical insurance provider. Certain countries require products to first go through a lengthy process of scrutiny before state subsidies can be considered. Steps are also being taken to slow down the rise in healthcare costs in many of the countries where the Company's future products may be commercialised. These steps are expected to continue and may result in more stringent regulations regarding both compensation levels and which drugs are covered. Changes in these compensation and payment systems may affect the Company's ability to run its operations at a profit, obtain additional partners and market the Company's products. If the subsidies for BioInvent's products are insufficient or are withdrawn or restricted in any market, the possibility for the Company to sell its drugs at a sufficient profit may be impeded.

Patents and other rights

The Company's potential future success depends in part also on the Company's ability to obtain and retain patent protection for potential products and to keep its own and its partners' research confidential so that BioInvent can prevent others from using BioInvent's discoveries and protected information.

BioInvent's product candidates are developed, partly by using licensed target proteins and technologies through agreements with external parties, and partly by using the Company's own, patented technologies.

The patent rights status of pharmaceutical and biotech companies is in general uncertain and involves complex medicines and legal assessments. There can be no guarantee that BioInvent will develop products that can be patented, that granted patents will be able to be retained, that future discoveries will lead to patents, or that granted patents will provide sufficient protection for BioInvent's rights. Nor can there be any guarantee that patents will make BioInvent's products competitive or that competitors will not be able to circumvent patents. If BioInvent is forced to defend its rights against a competitor, this could involve significant costs, which in turn could affect BioInvent's financial position and results negatively.

If in its research, BioInvent uses substances or methods that are patented or that will be granted patents or are protected by other rights, the owner of these patents or other rights could claim that BioInvent is infringing on those rights. A third party's rights could prevent BioInvent or any of BioInvent's licensees from being free to use a licensed substance, method or technology, which could result in significant costs being incurred or liability for damages for BioInvent, or in the Company being forced to suspend or limit its investment in product development and commercialisation for one or more of the Company's products. The costs of such disputes could have a significantly negative effect on BioInvent's financial position, even if the outcome of the process is in BioInvent's favour. BioInvent or its partners could also be forced to obtain a license to continue to manufacture or market the products and processes that are covered. It is not certain that such licenses will be available on reasonable terms or at all.

There is no guarantee that granted patents will provide long-term protection as objections or other invalidity claims against issued patents could be filed after the patent is granted. The outcome of such processes could be that the granted patent is restricted in varying degrees, e.g. by a restriction on the application areas or by the patent being rejected. The outcome could also be that the patent is upheld as it was granted. The fact that a patent is rejected means that no party is granted sole rights, which means that no party can be prevented by the rejected patent from using the discovery defined therein. The result of an objection process can be appealed, which means that the final outcome of an objection is difficult to predict.

Confidentiality and expert knowledge

BioInvent is dependent on confidentiality and expert knowledge in its research. BioInvent cannot provide any guarantee that BioInvent's employees, consultants, advisers or other individuals will not act in contravention of confidentiality undertakings with respect to confidential information or that confidential information will not be disclosed in another way and used by competitors, which could have a negative impact on BioInvent.

Competitors

The market for all of the Company's future products is distinguished by significant competition and fast technological development. BioInvent's competitors consist, among others, of large international pharmaceutical companies and biotech companies. Many of the competitors have significantly larger resources than BioInvent in, for example, research and development, in terms of application procedures with the relevant permit granting authorities, marketing and financial position in general.

Competitors may develop products that are more efficacious, affordable or practical or may enjoy patent protection or commercialise their products earlier than BioInvent. There is therefore always a risk that the Company's products will be driven out by competition from similar products or that entirely new product concepts will prove superior. Furthermore, technology that is controlled by external parties, and that could be of use in BioInvent's operations, could be acquired or licensed by the Company's competitors, which could prevent the Company from obtaining or using the technology.

Qualified employees and key individuals

BioInvent is highly dependent on the Company's senior executives and other key individuals. If the Company should lose any of its key employees, this could delay or cause interruptions in research programs or development, licensing or commercialisation of the Company's product candidates. The Company's ability to attract and retain qualified employees is crucial for its future success. Even if BioInvent believes the Company will be able to both attract and retain qualified employees, there can be no guarantee that this will take place on satisfactory terms compared to the competition from other pharmaceutical and biotech companies, universities and other institutions.

Additional financing requirements

BioInvent has reported significant operating losses since the Company launched its operations. For the 2011 financial year, BioInvent will report a loss of around SEK –67.1 million. Based on the fact that continued efforts to produce drug candidates are expected to involve significant costs, BioInvent is expected to continue to show an accumulated negative cash flow until the Company generates steady annual revenues from products on the market. The capital requirement is financed by (i) the sale of rights in individual projects, (ii) partnerships that secure project financing, and (iii) shareholders' equity. BioInvent's financial position will be further strengthened by the new share issue at hand. Expected revenues from licensing existing or new product candidates may fluctuate significantly. Payments from partners will typically depend on projects reaching agreed milestones with respect to development and approval from the authorities. An inability to reach such milestones on schedule could seriously harm the Company's future financial position. There is no guarantee that BioInvent will have sufficient revenues or positive cash flows to be able to finance its operations.

BioInvent may in future need to apply for additional external financing to be able to continue to run its operations. This could be through agreements with partners or through public or private financing. There can be no guarantee that new capital can be obtained when the need arises or that it can be obtained on terms that are satisfactory to the Company, or that such capital if obtained would be sufficient to finance the operations according to plan, which could result in the Company being forced to significantly restrict one or more of its research or development programmes or ultimately cease operations.

The terms and conditions for available financing may have a negative impact on the Company's operations or the rights of the shareholders. If the Company obtains additional financing by issuing shares or share-related instruments, the Company's shareholders may be affected by dilution, while debt financing, if available to the Company, could have restrictive conditions attached which could curtail the Company's flexibility. Where the Company finances the development of product candidates through agreements with the Company's partners, the Company may be forced to give up certain rights to technologies or give up licenses on terms that are not favourable for the Company.

Even if the Company manages to obtain additional financing when needed, the Company's future capital requirement may differ from the estimates of executive management and be contingent upon a number of factors such as the cost of development and commercialisation of product candidates, the schedule for receiving milestone payments and royalty payments and their size, and the resources that are required for a product candidate to go through clinical trials.

Product responsibility and insurances

The possibility cannot be excluded that the use of the Company's products may lead to claims for damages aimed at the Company in the event such products cause illness, bodily harm, death or damage to property. BioInvent's business is exposed to potential liability risks that are a normal aspect in research, development and manufacturing of human drug products.

The Company has a corporate insurance policy that covers all of the geographic markets where BioInvent is currently operating. Even if the Company believes that the insurance is sufficient, the scope of the insurance policy and the insured amounts have limits and there is no guarantee that they will provide sufficient coverage in the event of legal claims. BioInvent may in future fail to obtain or retain insurance on acceptable terms or at all.

International operations and currency fluctuation

BioInvent is domiciled in Sweden and reports its financial position and results in SEK. The Company's currency exposure has increased as the development projects have advanced in the value chain. The cost of services, such as toxicology studies and clinical trials has increased. These services are often conducted in other countries and paid for in foreign currencies. At the same time, the portion of revenues in foreign currencies has increased. The currency flows in connection with purchasing and selling goods and services in currencies other than SEK give rise to so-called transaction exposure. If BioInvent's measures for handling the effects of currency fluctuation do not prove to be sufficiently effective, BioInvent's financial position and results could be negatively affected.

Risks relating to the share and the new share issue

Share development

Investing in shares is always associated with risk and risk-taking. Since an investment in shares can both rise and fall in value, there is no certainty that an investor will be able to recover the capital invested. Both the development on the stock market in general and the share price of specific companies depend on a number of factors. In BioInvent's case, these factors include changes in the Company's results and financial position, changes in the stock market's expectations for future gains, share supply and demand, and the development of the Company's project portfolio. The price of BioInvent's share may also be affected by factors that are completely or partially outside the Company's control, such as competitors' activities and positions in the market. BioInvent cannot predict how investor interest in BioInvent will develop and no guarantee can be provided of an active and liquid market for trading in BioInvent's shares.

Trading in subscription rights

Subscription rights will be traded on NASDAQ OMX during the period from and including 16 March 2012 up to and including 27 March 2012. There is no guarantee that active trading in the subscription rights will develop or that there will be sufficient liquidity. If such a market develops, the price of the subscription rights will depend, among other things, on the price development of the shares in the Company, and they may be exposed to greater volatility than the shares.

Future sales of large shareholdings and additional new share issues

The sale of large shareholdings by large shareholders, and a general expectation in the market of additional issues being implemented, may also have a negative effect on the price of the Company's share. Furthermore, additional rights issues of shares – as well as the new share issue now at hand – may lead to a dilution of ownership for shareholders who for some reason are not able to participate in such an issue or choose not to exercise their right to subscribe for shares. The same applies to issues directed at parties other than shareholders.

Future dividends

BioInvent has never distributed dividends and BioInvent's Board of Directors at this time intends to retain any future profits to finance development and growth of the Company's operations. As long as no dividends are distributed, the return for an investor will depend solely on the future development of the share price.

Unsecured subscription and guarantee undertakings

BioInvent has received subscription commitments and issue guarantees for the new share issue from a number of shareholders and other investors. These commitments to BioInvent are not secured through collateral, blocked funds or any similar arrangements and there can therefore be no guarantee that the parties providing these commitments and guarantees will be able to meet their obligations. For more information on the above-mentioned subscription and guarantee commitments, see "Subscription and guarantee undertakings" in the section under the heading "Legal issues and supplementary information."

Invitation to subscribe for shares in BioInvent

On 13 February 2012, the Board of Directors of BioInvent resolved, subject to the subsequent approval of the General Meeting, to increase the Company's share capital through a rights issue with preferential right for BioInvent's shareholders. On 9 March 2012, the Extraordinary General Meeting approved the resolution by the Board of Directors.

The rights issue will increase the share capital of BioInvent by a maximum of SEK 3,360,262.50 through the issuance of not more than 6,720,525 new shares. The Company's shareholders will have preferential right to subscribe for the new shares in BioInvent in proportion to the number of shares previously held by them. The record date for participation in the rights issue is 14 March 2012. Those who are registered as shareholders in BioInvent on the record date may subscribe for one (1) new share for each ten (10) existing shares in BioInvent. In the event that all new shares are not subscribed for with preferential right, such shares shall be allotted to shareholders and other investors who have subscribed for shares without subscription rights according to what is set out in the section "Terms, conditions and instructions". Such allotment shall be made primarily to those who have also subscribed for shares with subscription right. The subscription period runs from 16 March 2012 up to and including 30 March 2012 or such later date as the Board of Directors may decide. In other respects, subscription shall be made pursuant to what is set out in the section "Terms, conditions and instructions".

The subscription price is SEK 15.60 per share, which means that the rights issue will raise BioInvent a total of up to SEK 104,840,190 before transaction costs.[1)]

Shareholders who choose not to participate in the rights issue will have their ownership diluted by up to 9,1 percent,[2)] but can be compensated for this dilution through the sale of their subscription rights.[3)]

Subscription commitments and underwriting guarantees[4)]

Shareholders together representing approx. 10.1 percent of the shares and votes in BioInvent have undertaken to subscribe for shares corresponding to the respective pro rata shares of the rights issue. In addition, shareholders and other investors have guaranteed the subscription for shares corresponding to a further 84.7 percent of the rights issue. Thus, the above mentioned shareholders and investors have undertaken to subscribe for and guarantee the subscription of shares corresponding to a total of 94.8 percent of the rights issue.[5)] In addition, institutional owners have expressed their intention to subscribe for shares corresponding to at least 5.2 percent of the rights issue.

Pursuant to the terms and conditions of this prospectus, the shareholders of BioInvent are hereby invited to subscribe, with preferential right, for new shares in BioInvent.

Lund, Sweden 12 March 2012

BioInvent International AB (publ)
The Board of Directors

1) From the proceeds of the rights issue of approximately SEK 104.8 million, deductions for transaction costs are estimated to amount to approximately SEK 7.5 million (including compensation to the underwriters of approximately MSEK 4.4). Subsequent to these deductions, the rights offering is estimated to raise approximately SEK 97.3 million.
2) Calculated as the number of new shares divided by the total number of shares after the completion of the new share issue (if fully subscribed for).
3) See "Trading in subscription rights" in the section "Risk Factors".
4) See also "Subscription and guarantee undertakings" in the section "Legal considerations and supplementary information".
5) Nor the subscription commitments or the underwriting undertakings are secured. See "Unsecured subscription and guarantee undertakings" in the section "Risk Factors".

Background and reasons

BioInvent has through a strong technology platform for antibody drugs in a short period of time developed an innovative portfolio of drug candidates in clinical phase. Currently, there are four drug candidates in clinical studies for the treatment of cancer, thrombosis and coronary disease. The Company looks forward to reporting clinical data in three of these development projects during the second and third quarter of the present year, as Phase II data are expected from both BI-204 (acute coronary disease) and from TB-402 (thrombosis after hip joint surgery) and Phase I data from BI-505 (multiple myelom).

The Company gives priority to having strong development partnerships, partly to establish optimal conditions for the individual project and partly to ensure that BioInvent can develop its own expertise and move itself forward in the value chain. In this way the Company can over time create conditions to maintain a greater equity interest in the projects and thereby retain a larger portion of the value creation as the projects progress.

BI-204 is being developed in a partnership with the leading U.S. biotech company Genentech, now a part of Roche. BioInvent has kept all the commercial rights outside of the North American market, while Genentech has licensed the rights for North America. BioInvent's strategy is to look for a partner for the rights that the Company has kept at the appropriate time.

TB-402 is being developed in cooperation with the Belgian biotech company ThromboGenics, that specializes in vascular diseases. Next commercial target in this project is to tie a development partner to the program with the necessary capacity to take the drug candidate through a clinical phase III to full commercialization.

For the time being, the Company pursues the development of BI-505 in-house. A decision regarding a partnership strategy will be made when data from the ongoing study is available. TB-403 is licensed to Roche, that is solely responsible for the clinical development and commercialization of the product candidate.

Three important clinical data milestones are expected to be reported within the next six months. Each of these will be associated with strategic decisions where the choice of development partners and timing for the conclusion of agreements will be in focus.

The Board of Directors believes that a strengthened financial position, ensuring the long-term planning necessary for the Company in order to efficiently move the projects forward as results are achieved, is a precondition in order for BioInvent to be able to make strategic decisions that are assessed to create the greatest possible shareholder value.

Use of the rights issue proceeds

The rights issue will raise the Company up to approx. MSEK 104.8 million before transactions costs. The rights issue will strengthen BioInvent's financial position and thereby enable the fulfillment of the Company's commercial strategy in future partnership discussions. Aside from strengthening the Company's strategic position and flexibility in connection with future business deals the proceeds is intended to be used to finance investments within the Company's pharmaceutical projects in order to enable a continued favorable development of existing projects.

The Board of Directors of BioInvent is responsible for the contents of this prospectus. The Board of Directors of BioInvent hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Lund, Sweden 12 mars 2012

BioInvent International AB (publ)
The Board of Directors

Comments by the CEO

Dear shareholders,

This year looks to be the year in which we are finally up for test with the reporting of clinical data from three of our development programmes. The Company's main goal for 2012 is to complete these studies in an efficient way and, with the results in our hands, secure the commercial solutions we believe will generate the greatest shareholder value.

The BI-204 product candidate, which is being developed to protect patients with acute coronary artery disease from repeated cardiovascular events, has a unique mechanism of action. Our hope is that BI-204 will make it possible to treat inflammation in the blood vessel walls, which is a fundamental cause of the development of atherosclerosis and coronary artery disease. The phase II study which we expect to be able to report in the third quarter is designed to document an effect on vascular inflammation and, given positive study results, that BI-204 has the potential to be developed into a product that meets a significant medical need in a large market.

Working with our partner Genentech, we are well under way in preparing for the future design of the clinical development program for BI-204. The next step in the program as far as I can say will be a phase IIb study to establish the optimal dose before a phase III programme is started. Our agreement with Genentech gives us the commercial rights outside the North American market. The Company's strategy is to look for a partner for these rights at the appropriate time. Our partnership with Genentech provides the project with competence and resources. It also allows BioInvent to manouver the strategic ground between retaining the rights for the next development stage and entering into a partnership agreement for the rights at this earlier stage.

The BI-505 product candidate is initially being developed to treat multiple myeloma. The need for new treatment alternatives for this type of cancer is significant and represents a big commercial opportunity for the Company. We currently control all commercial rights in this project. A partnership strategy will be established when data from the ongoing phase I study is available later this year.

We expect to be able to present phase II results from the hip replacement study with thrombosis inhibitor TB-402 in the second quarter this year. The product candidate represents a potential paradigm shift in preventing deep vein thrombosis in connection with orthopaedic surgery and also in patients with other risk factors for blood clots, e.g. patients who are bedridden for long periods. The project profile allows a single dose to be administered in connection with surgery, compared to daily doses for two to five weeks as is the case with the treatments available today. Similarly, for bedridden medical patients it may be sufficient to administer single doses instead of daily dosing as with today's treatment regimens. Once we have obtained the results we intend to work with ThromboGenics to prioritise the process of finding a commercial partner who can take the product candidate to the market.

The new share issue we are now launching will give the Company the necessary resources to take advantage of the business opportunities afforded us would the current studies bring us positive results. I am looking forward to an exciting six months ahead; six months in which the focus will be on the commercial leverage that positive results can give us!

Lund, 12 March 2012

Svein Mathisen
President and CEO

Terms, conditions and instructions

Preferential right to subscribe for shares

Those who are registered as shareholders in BioInvent on the record date of 14 March 2012 have a preferential right to subscribe for one (1) new share for each ten (10) existing shares in BioInvent.

Subscription price

The new shares will be issued at a price of SEK 15.60 per share. No commission will be charged.

Record date

The record date at Euroclear to determinate which shareholders who will be entitled to subscription rights is 14 March 2012. The shares in the Company were traded including the right to receive subscription rights up to and including 9 March 2012 and were traded exclusive of such right from and including 12 March 2012.

Subscription rights

Shareholders in BioInvent receive one (1) subscription right for every share held on the record date. A subscription for one (1) new share in the Company, requires ten (10) subscription rights.

Trading in subscription rights

Subscription rights will be traded at NASDAQ OMX during the period from and including 16 March up to and including 27 March 2012. Securities institutions in possession of the required licenses will provide brokerage services in connection with the purchase and sale of subscription rights. No compensation will be paid for subscription rights which are not sold or exercised. Subscription rights which are not exercised must accordingly be sold no later than 27 March 2012 in order not to forfeit and lose their value.

Subscription period

Subscription for the new shares will take place during the period from and including 16 March up to and including 30 March 2012. At the end of the subscription period, non exercised subscription rights will be invalid and lose their value. Subscription rights which are not exercised will thereafter, without prior notification from Euroclear, be deleted from the shareholder's securities account. In order not to lose the value of subscription rights received, the shareholder must either exercise the subscription rights received by subscribing for new shares no later than 30 March 2012, or sell the subscription rights which are not intended to be exercised no later than 27 March 2012. Shareholders who do not exercise their subscription rights to subscribe for shares will experience a dilution of their shares of up to 9.1 percent. BioInvent's Board of Directors reserves the right to extend the period during which subscription may occur. A decision regarding a possible extension shall be announced through a press release no later than 30 March 2012.

Directly registered shareholders

A prospectus, a pre-printed issue statement with an attached payment slip and a special application form will be sent to all directly registered shareholders or representatives of shareholders in the Company, who, on the record date of 14 March 2012, were registered in the share register maintained by Euroclear on behalf of the Company. The pre-printed issue statement includes *inter alia* the number of subscription rights received and the number of shares that may be subscribed for. Those who are included in the special list of pledge holders and others that is maintained in connection with the share register will not receive any issue statement, however, they will be informed separately. No securities notification (Sw: *VP-avi*) will be sent out regarding the registration of subscription rights on the shareholders' securities accounts.

Nominee-registered shareholders

Shareholders whose holdings in BioInvent are nominee-registered at a bank or other nominee will not receive a prospectus or an issue statement from Euroclear. Subscription and payment should instead be made in accordance with instructions from the respective nominee.

Shareholders resident in certain unauthorised jurisdictions

The allotment of subscription rights and the issuance of new shares at exercise of subscription rights to persons who are resident in countries other than Sweden may be affected by securities legislation in such countries. See section "Restrictions on sale and transfer of securities". Consequently, subject to certain exceptions, shareholders whose shares in BioInvent are registered directly in a securities account and whose registered address is in the United States, Australia, Hong Kong, Canada, Japan, New Zeeland or South Africa will not receive this prospectus. Nor will they receive any subscription rights on their respective securities accounts. The subscription rights that would have been delivered to such shareholders will be sold and the proceeds will thereafter be paid to relevant shareholders, after deduction for costs.

Subscription on the basis of subscription rights

Subscription on the basis of subscription rights will be effected by means of simultaneous payment and shall be made on 30 March 2012, at the latest. Subscription by means of payment shall be effected either by using the pre-printed payment slip sent out with the issue statement or by using the payment slip attached to the special application form in accordance with the following alternatives:

1) Issue statement

If all subscription rights received per the record date, designated as evenly subscribable in the issue statement from Euroclear, are exercised for subscription for shares, only the pre-printed payment slip shall be used as the basis for subscription by means of payment.The special application form shall in such case not be used. Please note that the subscription for shares is binding.

2) Special application form

If subscription rights have been purchased or sold or, for any other reason, a different number of subscription rights than indicated on the pre-printed issue statement are exercised for subscription, the special application form shall be used as the basis for subscription by means of payment. The shareholder shall indicate the number of shares that the shareholder subscribe for in the section "Application 1" on the application form and the amount to be paid on the payment slip. Accordingly, payment is effected by use of the payment slip.

Incomplete or incorrectly completed application forms may be rejected.

The special application form can be obtained from Avanza Bank using the phone number below. In connection with the payment, a completed application form shall be sent or handed in to the address below and must be received by Avanza Bank no later than 3 pm on 30 March 2012. Please note that it is not permitted to submit more than one special application form. If more than one application form is submitted, only the most recently received will be considered. Any other application form will accordingly be rejected. Please note that the subscription for shares is binding.

Avanza Bank AB
Att: Emissionsavdelningen/BioInvent
P.O. Box 1399
SE-111 93 Stockholm
Sweden
Visiting address: Regeringsgatan 103
Telephone: +46 8-562 251 22
Fax: +46 8-562 250 41

Shareholders resident abroad

Shareholders resident outside Sweden (however not including shareholders resident in United States, Australia, Japan, Hong Kong, Canada, New Zeeland, South Africa or any other jurisdiction in which the participation in the rights issue is wholly or partially subject to legal restrictions) may contact Avanza Bank on the telephone number above to obtain information regarding subscription for shares and payment of shares in the rights issue.

Subscription without subscription rights

If not all shares are subscribed for with preferential right, the Board of Directors, within the scope of the rights issue's maximum amount, shall decide on allotment of shares to those who have subscribed for shares without preferential right. Subscription for shares without preferential right shall be made during the same period of time as subscription for shares with preferential right, i.e. from and including 16 March up to and including 30 March 2012.

An application for subscription without subscription rights is made by completing, signing and sending section "Application 2" of the special application form to Avanza Bank in accordance with the above. Payment shall not be effected in connection with the subscription but is instead effected in accordance with a settlement note to be sent out. The special application form must be received by Avanza Bank no later than 3 pm on 30 March 2012. If more than one application form is submitted, only the most recently received will be considered. Any other application form will accordingly be rejected. Incomplete or incorrectly completed application forms may be rejected. Please note that the subscription for shares is binding.

If the subscription concerns an amount exceeding EUR 15 000 and the subscriber is not resident at the address registered at the national registrar's office, a certified copy of a valid identification document must be enclosed in order for the application form to be valid. A legal entity which subscribes for an amount exceeding EUR 15 000 must always enclose a certified copy of a valid identification document of an authorised signatory and an up to date certificate of registration establishing the authority to sign for the legal entity in order for the application form to be valid. A legal entity must also fill in the information in the section "OWNER" on the application form in order for the form to be valid.

Allotment at subscription without preferential right

If not all of the shares are subscribed for by exercise of subscription rights, the Board shall resolve on the allotment of shares without the exercise of subscription rights up to the maximum amount of the share issue. In such case, priority will be given *firstly* to those who have subscribed for shares by the exercise of subscription rights and who wish to subscribe for additional shares, pro rata in relation to the number of shares subscribed for using subscription rights; *secondly* to guarantors who have also notified the Company of their interest in subscribing for shares without the exercise of subscription rights, pro rata in relation to such declared interest, and *thirdly* other parties who have notified the Company of their interest in subscribing for shares without the exercise of subscription rights, pro rata in relation to such declared interest, and *fourthly* to parties who have provided guarantees for the subscription of shares, pro rata in relation to the guarantee provided. For practical purposes, the Board may resolve that allotment as beforesaid will only take place for a certain minimum number of shares.

Notification of possible allotment of shares without subscription rights is made by delivery of a settlement note, which is expected to be made on or around 10 April 2012. No message will be sent to those who have not received allotment. The new shares shall be paid in accordance with instructions on the settlement note no later than three (3) business days following the issuing date of the settlement note. If payment is not effected in time, the shares may be assigned to others. Should the selling price for such assignment fall short of the price according to this offer, the person who originally received the allotment of these shares may be liable to pay the entire, or part of, the differential amount. Allotment is not dependant on the point in time, during the subscription period, when the application is received.

Paid subscribed shares

Subscription by means of payment is registered with Euroclear as soon as possible, and will normally occur within a couple of business days after the payment is made. Thereafter, the subscriber will receive a securities notification confirming that the paid subscribed shares (Sw: *betalda tecknade aktier*, "**BTAs**") have been registered on the subscriber's securities account. The newly subscribed shares are entered as BTAs on the securities account until such time as the rights issue has been registered with the Swedish Companies Registration Office. In accordance with the Swedish Companies Act, the rights issue may under certain circumstances be partially registered with the Swedish Companies Registration Office. If this possibility to partially register a rights issue is used in the rights issue at hand, several series of BTAs will be issued, the first of which series will be called "BTA 1" in the Euroclear-system. Directly following a first possible partial registration, the BTA 1 will be converted into shares. A second series of BTAs ("BTA 2") will be issued for subscriptions having been made too late to include the shares subscribed for in the first partial registration. Such BTAs will be converted into shares as soon as the rights issue has been finally registered with the Swedish Companies Registration Office, which is expected to occur during week 16, 2012.

Trading in paid subscribed shares

Trading in BTAs is intended to take place on NASDAQ OMX during the period from and including 16 March 2012 up until the point in time when the rights issue has been registered with the Swedish Companies Registration Office. If partial registration is made and several series of BTAs are issued, such series may be traded simultaneously at NASDAQ OMX. Final registration of the rights issue is expected to occur during week 16, 2012.

Delivery and listing of shares

As soon as the rights issue has been registered with the Swedish Companies Registration Office, BTAs will be converted into shares without any specific notification from Euroclear. However, partial registration may be made with the Swedish Companies Registration Office. For shareholders whose holdings are nominee-registered, information will be provided by the respective nominees. In connection with the accomplishment of the rights issue, BioInvent will apply for listing at NASDAQ OMX of the newly issued shares, which are issued pursuant to Swedish law and regulated by the Swedish Companies Act.

Right to dividends

The newly issued shares will carry right to dividends commencing from the first record date for dividends occurring after the rights issue has been registered with the Swedish Companies Registration Office and the shares have been registered in the share register maintained by Euroclear. Payment of dividends is arranged by Euroclear.

Announcement of the outcome

The preliminary outcome of the rights issue is expected to be announced through a press release on or around 3 April 2012. The final outcome of the rights issue is expected to be announced through a press release on or around 5 April 2012.

Other information

The Company is not entitled to discontinue the rights issue and is not either entitled to reduce the number of new shares which a subscription for shares by exercise of subscription rights concerns. If an excess amount is paid by a subscriber, Avanza Bank will arrange for the refunding of the surplus amount. Amounts not exceeding SEK 25 will not automatically be refunded. Interest will not be paid on the surplus amount. Incomplete or incorrectly completed application forms may be rejected. Furthermore, if the subscription payment is made late, is insufficient or is made incorrectly, the application for subscription for shares may be rejected or subscription may be made for a smaller number of new shares. Incorrect payments will be refunded. Amounts not exceeding SEK 25 will not automatically be refunded. Subscription for new shares, whether made on the basis of subscription rights or not, is irrevocable and the subscriber may not cancel or modify a subscription for new shares.

Avanza Bank is the issuing agent and, accordingly, performs certain services in connection with the rights issue. This does not *per se* entail that the subscriber is considered to be a customer of Avanza Bank. The fact that the subscriber is not considered to be a customer implies that the rules regarding protection of investors in the Swedish Securities Market Act (2007:528) is not applicable to the investment. This means *inter alia* that neither a so-called customer categorization, nor a so-called assessment of suitability, will be made with respect of the investment. The subscriber is accordingly itself responsible to assure that it has sufficient experience and knowledge to understand the risks connected with the investment.

Prospectus and application forms

Prospectus and application forms may be obtained free of charge from Avanza Bank (telephone: +46 8 562 251 22). The prospectus can also be downloaded from BioInvent's and Avanza Bank's web sites, www.bioinvent.com and www.avanza.se, respectively.

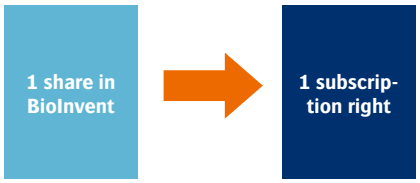
How to proceed

Terms and conditions	For every share you hold in BioInvent you will receive one (1) subscription right. Ten (10) subscription rights entitle you to subscribe for one (1) new share in BioInvent.
Subscription price	SEK 15.60 per share
Record date for participation in the rights issue	14 March 2012
Subscription period	16 March – 30 March 2012
Trading in subscription rights	16 March – 27 March 2012

SUBSCRIBING FOR SHARES PURSUANT TO PREFERENTIAL RIGHT

1. You are allotted subscription rights

For every share you hold in BioInvent on 14 March 2012 you will receive one subscription right



2. How to exercise your subscription right

Ten subscription rights + SEK 15.60 gives one new share in BioInvent

3. Are you a direcly registered shareholder or are your shares held through a nominee?

You have a securities account (i.e. you are a direcly registered shareholder) and are resident in Sweden	If you exercise all subscription rights, use the pre-printed bank giro slip from Euroclear.
	If you have purchased, sold or transferred subscription rights to/from your securities account, fill in the special application form (under "Application 1") sent to you with the issue statement. The special application form may also be obtained from Avanza Bank by calling +46 8 562 251 22. Follow the payment instructions on the application form.
You have a securities account (i.e. you are a direcly registered shareholder) and are resident outside Sweden[1)]	Information regarding subscription and payment is available from Avanza Bank, as well as the restrictions that apply in certain countries.
You have a custody account (i.e. you have a nominee)	If your shares in BioInvent are in one or more custody accounts with banks or securities institutions, you will receive information from your nominee/s on the number of sub-scription rights ⟶ **follow the instructions you receive from your nominee/s.**

SUBSCRIPTION FOR SHARES WITHOUT PREFERENTIAL RIGHT (BY SHAREHOLDERS AND OTHERS)[2)]

You have a securities account (i.e. you are a direcly registered shareholder)	Use the special application form (under Application 2), which may be obtained from Avanza Bank by calling +46 8 562 251 22.
You have a custody account (i.e. you have a nominee)	Subscription and payment should be made to the respective nominee/s ⟶ **follow the instructions you receive from the respective nominee/s.**

Note that some nominees may have shorter application deadlines. Check the instructions from your nominee/s.

1) Note that special rules apply to shareholders resident in the US and certain other jurisdictions. See "Shareholders resident in certain unauthorised jurisdictions" in the section"Terms, conditions and instructions".
2) Allotment will be made in accordance with what is stated in "Allotment at subscription without preferential right" in the section"Terms, conditions and instructions."

Market overview

Antibodies – an attractive drug category

The antibody drug segment is one of the fastest growing segments in the pharmaceutical industry. Since the beginning of the year 2000 sales have increased more than tenfold from USD 2 billion to over USD 40 billion in 2011. This strong growth is likely to continue over the next few years, and by 2014, the market is expected to be worth around USD 60 billion.[1] There are several reasons why antibody drugs have become successful and represent significant value for the companies that have developed them. Antibodies are nature's own defence molecules. As such they are highly selective and, in their natural form, are very well tolerated by the body. A precise effect is noted and the antibody integrates naturally with the rest of the immune system which can therefore modulate the antibody's therapeutic effect. Also, antibody drugs to some extent have other application areas than traditional medicines; they are useful when targeted, for example, at extracellular molecules or cell-surface proteins – two significant groups of target proteins that may be difficult for traditional, small molecular drugs to impact. This is the task of naturally occurring antibodies in the body – to recognise foreign substances and cells so that they can be rendered harmless. The time needed to develop antibody drugs is shorter than for traditional pharmaceuticals[2], and development costs are therefore lower. In addition, the risk of setbacks in clinical development appears to be lower for antibodies than for traditional drugs.

End markets for bioinvent's product candidates

BioInvent currently has four product candidates in clinical development in the areas of thrombosis, coronary artery disease and cancer; diseases where there is a significant medical need. Below are brief descriptions of the markets for BioInvent's product candidates.

Thrombosis

TB-402 is being developed as a treatment to prevent thrombosis. In clinical trials reported in February 2011, the product candidate showed a significantly better effect than the comparison drug enoxaparin (Lovenox, Sanofi) in patients undergoing knee replacement surgery. The study also confirmed that TB-402 has a favourable pharmacokinetic profile and a comparable safety profile. BioInvent will conduct a phase IIb study for the prevention of venous thromboembolism (VTE), a collective term for deep vein thrombosis (DVT) and pulmonary embolism (PE), following hip replacement surgery. An equally promising but significantly larger market segment consists of patients who need thrombosis prophylaxis because they are immobilised, which is common in hospitalised patients, but also in many patients receiving care in other environments. These patients run a big risk of VTE unless they are treated with an antithrombotic drug. Currently this treatment is usually in the form of low molecular heparin, which needs to be injected daily. For these patient groups, who may typically need treatment for up to 30 days, long-acting TB-402 is expected to be an attractive alternative since its antithrombotic effect is believed to last for the entire period after the patient is given the antibody on a single occasion. A third important patient category that may be able to be treated with TB-402 consists of patients with atrial fibrillation. These individuals run the risk of serious complications, such as stroke, unless they receive adequate treatment.

The mortality rate among patients with VTE is high if left untreated, and the cost for society as a result of the healthcare needs of these patients and their subsequent long-term follow-up care is high. In the US alone, the estimated number of individuals treated every year for DVT or pulmonary embolism is more than 600,000.[3] DVT and the even more deadly complication PE together may also cause more than 100,000 deaths in the US every year.[4]

The market for antithrombotics includes drugs that affect the action of platelets and that are mainly used to prevent arterial thrombosis, e.g. the best-seller Plavix (clopidogrel, Sanofi/Bristol-Myers Squibb). Drugs that affect the coagulation factors of the blood, and thereby prevent the blood from clotting, are mainly used in venous thrombosis. The annual global sales of this latter group of anticoagulants amounted to just under USD 8 billion in 2010 in the largest markets.[5] Anticoagulants currently available (mainly heparin substances) are inconvenient to administer and associated with an elevated risk of bleeding. Better coagulants are therefore needed. In particular, drugs that are easier to administer (without the need for daily doses and frequent dose adjustment) would address a significant medical need. The side-effect profile, in particular the risk of bleeding, is also an important factor for new anticoagulant drugs. Various new anticoagulants that can be administered in tablet form instead of by injection are now in

1) Datamonitor 2009.
2) Tufts CSDD Impact Report November/December 2011
3) Barclays Capital Equity Research, 2008.
4) The Surgeon General's Call to Action to Prevent Deep Vein Thrombosis and Pulmonary Embolism, 2008.
5) Datamonitor 2011.

development. Some of these (dabigatran, rivaroxaban and apixaban) have recently been approved for the prevention of thrombosis in patients undergoing major orthopaedic surgery. Several of these drugs are expected to become blockbusters, particularly those used for patients with atrial fibrillation.

The medical need for antithrombotics for patients who are immobilised is considerable. Patients may be immobilised in a bed for many reasons, e.g. cancer, stroke, coma, MS, infection, and where patients are old and weak. The treatments vary today, but often low molecular heparin is given and this must be injected daily during the treatment period. Estimates show that antithrombotic treatment of immobilised patients probably makes up half of the sales of the leading low molecular heparin Lovenox (enoxaparin, Sanofi), which in 2009 had total sales of USD 4.2 billion USD.[1)]

The number of hip and knee surgeries in the major drug markets was estimated at around 2.4 million in 2009 and is expected to grow to around 3.1 million by 2015.[2)] The market is still dominated by low molecular heparin. Today heparin is injected daily for up to 15 and 30 days following knee or hip surgery. A prolonged treatment period can reduce the number of cases of deep vein thrombosis.

BioInvent expects TB-402 to be highly suitable for these patient populations because the antibody has a half-life that is believed to enable a single injection to be administered in connection with hospitalisation or surgery. Available clinical results have shown the product to be more effective in the prevention of thrombosis than the current standard of care, enoxaparin. Clinical results also show that the product's effect can be reversed with an antidote, Factor VIII, which is desirable in case another surgery is needed. Another important benefit is that the function and metabolism of TB-402 are not affected by a patient's impaired liver or kidney function. The risk that TB-402 will have undesired interactions with other drugs is also believedto be small. These product properties can be expected to be particularly important in the case of older patients who are immobilised or who undergo hip or knee surgery, and who may be being treated with a number of other drugs or who often have organs with impaired function.

The market for antithrombotics for patients with atrial fibrillation is large and is currently dominated by warfarin (waran). Recently developed oral anticoagulants are expected to take a significant portion of this market in terms of value when they start to be sold over the next few years. TB-402, on the other hand, is expected to be administered by injection with long, i.e. monthly, intervals. An important benefit is that patients will probably not need to be monitored as is the case with current treatments. These product properties are expected to be particularly valuable for patients with atrial fibrillation who are hospitalised, old or suffer from dementia.

Cardiovascular diseases

Cardiovascular diseases are the most common cause of death among both men and women. Drugs for the treatment of cardiovascular diseases (including coronary artery disease, high blood pressure, abnormal blood lipids and diabetes) currently constitute the largest group of drugs and accounted for total sales of USD 170 billion in 2010.[3)] After blood pressure medicines, drugs to treat coronary artery disease and abnormal blood lipids are the single largest drug classes in this market. This includes statins which account for the largest portion. The leading statin, Lipitor (atorvastatin, Pfizer), has been the global best seller for a long time, reaching top sales of USD 12.9 billion in 2006.

Another large group of drugs to treat patients with an elevated risk of coronary artery diseases consists of various types of drugs that inhibit the aggregation of blood platelets to form blood clots. The leading drug in this class is Plavix (clopidogrel, Sanofi/Bristol-Myers Squibb).

Coronary artery disease, or ischemic heart disease, is normally divided into two sub-categories: stable and unstable (acute) coronary artery disease. The stable form mainly consists of stable angina pectoris. The unstable coronary artery disease, which is also called acute coronary syndrome (ACS), is divided into ST elevation myocardial infarction (STEMI), non-ST elevation myocardial infarction (NSTEMI), unstable angina and sudden death.

Inflammation in the vessel walls is described as the underlying cause of plaque formatting in the coronary artery and eventually the presence of unstable coronary artery disease. Inflammatory cells (macrophages) that are present in plaque also help to destabilise the plaque (vulnerable plaque) so that is ruptures more easily. Ruptured plaque causes blood clots to form in the blood vessel, which is the mechanism behind unstable coronary artery diseases (acute coronary syndromes) such as unstable angina, myocardial infarction or sudden death.

1) Datamonitor 2010.
2) Datamonitor 2008.
3) AstraZeneca – Annual Report with information from Form 20-F 2010.

Various approaches to inhibiting inflammation in the vessel walls are therefore seen as possible development paths for future drugs to treat coronary artery disease. BioInvent's BI-204 drug candidate is an example of such an approach. It is initially being developed for this market where there is a significant unmet medical need to prevent relapse, so-called secondary prevention, in patients manifesting unstable coronary artery disease. The patient population for secondary prevention, which generally is initiated shortly after the primary disease event, is estimated at around 3 million patients in North America and Europe.[1)] Patients with unstable coronary artery disease are at a significantly higher risk of complications as 30 percent suffer another infarction within three years.

Current treatments such as statins, fibrates, niacin and cholesterol absorption inhibitors, have a limited effect on the fundamental course of the disease – the inflammatory atherosclerosis in the patient's coronary arteries. A large percentage of the patients who are diagnosed with unstable coronary artery disease undergo a blood vessel widening procedure (angioplasty) using a balloon and stent to widen the atherosclerotic vessel. A smaller percentage of patients have surgery to replace old diseased coronary arteries with new grafts.

Drugs being developed for the treatment of unstable coronary artery disease include phosphilopase A2 inhibitors (e.g. darapladib and varespladib), HDL modifying drugs such as CETP inhibitors (e.g. dalcetrapib, anacetrapib). Phospholipase A2 inhibitors work by blocking different stages in the inflammatory cascade – also called the arachidonic acid synthesis. HDL modifying drugs, e.g. Roche's dalcetrapib, act by raising the good cholesterol, HDL (high-density lipoprotein).

Cancer

BioInvent has two product candidates in clinical development that are being developed to treat oncological diseases: TB-403 and BI-505. TB-403 is a so-called angiogenesis inhibitor and has the potential to be used to fight several types of tumours. Its mechanism of action is general and kills tumours indirectly by blocking the blood supply to the tumour. The formation of new blood vessels is a process called angiogenesis. These newly formed vessels supply growing tissue with nutrients and transport waste away from the tissue. Angiogenesis is essential for a tumour to grow, spread locally and metastasise. Tumours over a certain size are dependent on the formation of new blood vessels to survive. Angiogenesis inhibition as a principle for cancer treatment has several advantages, e.g. the mechanism of action is different from other cancer therapies and it can therefore be useful in combination therapies. Interest in angiogenesis inhibitors in cancer treatment has increased significantly in recent years. One antibody, Avastin (bevacizumab, Roche), is approved for the treatment of breast, kidney, brain, lung and colorectal cancer. Avastin is a commercial success with sales of more than USD 6.2 billion in 2010.

BI-505 is the other product candidate BioInvent is developing for the treatment of oncological diseases. Unlike TB-403, it fights tumours directly by binding specifically to cancer cells and killing them through programmed cell death (apoptosis) and other direct effector mechanisms.

The first form of cancer for which BI-505 is being developed is the bone marrow disease multiple myeloma, a disease where there is a great medical need for improved treatment. The average survival is 3 – 5 years and the progression of the disease is often painful because the tumour attacks bone tissue and the patients therefore often suffer from severe bone pain and bone destruction as well as neurological symptoms. These patients are also prone to infection and severe kidney damage. The number of new patients with multiple myeloma is estimated at 40,000 per year, while the number of new patients with leukaemia is estimated at more than 200,000 per year.

Multiple myeloma is mainly treated today with chemotherapy and bone marrow transplantation. Notable among newer treatments is the proteasome inhibitor Velcade (bortezomib, Takeda/Johnson & Johnson) and immunomodulating drugs such as Revlimid (lenalidomide, Celgene) and thalidomide. Sales of lenalidomide and bortezomib in 2010 were around USD 4.3 billion[2)] and sales of these drugs are expected to continue to rise sharply in the years ahead,[3)] because the medical need is still great. Drugs such as lenalidomide and bortezomib have improved survival somewhat in the hard to treat population of relapse patients, but the mortality rate remains high. At present there is a handful of new drug candidates in late clinical development phases that target myeloma. One or two of these may obtain approval for clinical use over the next few years. Elotuzumab (anti-CS1, Bristol-Myers Squibb/Abbott) is one example of biologics currently being tested in late clinical phases in myeloma patients.

1) Heart Disease and Stroke Statistics, 2007 Update.
2) MedTRACK database 2011.
3) MedTRACK database 2011.

BI-505 may have potential as a new option for relapse patients with multiple myeloma who are not responding to current treatments ("relapsed/refractory patients"). These patients have been clinically proven to have elevated levels of the target protein ICAM-1 in their tumours; a more serious disease with a lower chance of survival.[1] ICAM-1 is believed to be involved in the occurrence and development of multiple myeloma.[2] The mechanism behind BI-505 makes it also conceivable that it may have the potential to be used in combination therapies with other anti-myeloma drugs and could therefore prolong survival in these patients.

Competition

Traditionally, antibody drugs have mainly been developed by biotech companies. The company that sells the most antibody drugs is the US company Genentech, now wholly owned by Roche. Other biotech companies that have successfully launched antibody drugs include Biogen IDEC, Amgen and Alexion. In 2010 Amgen launched denosumab, an anti-RANKL antibody for the treatment of osteoporosis and bone metastasis in cancer patients, and this product is expected by analysts to be able to be sold for several billion US dollars per year. As antibody drugs demonstrate commercial success, interest from big pharma for these products increases. In addition to Roche, companies like Novartis, Johnson & Johnson, BMS, AstraZeneca, Eli Lilly, UCB and Abbott ("Big Pharma") currently have products on the market and in late clinical development.

Several companies that are focusing on developing antibody drugs and antibody technologies have in recent years been acquired by larger companies. Companies that have not been bought and that are developing antibody drugs include MorphoSys, Regeneron, Ablynx, Immunogen and Seattle Genetics. Like BioInvent these companies enter into strategic development partnerships with large pharmaceutical companies where they utilise their expertise and technology within antibody development.

There are also other more product-oriented companies such as Genmab and Human Genome Sciences that are successfully developing antibody drugs in late clinical phases.

1) Migkou et al. ASH poster 2009, SchmidmaierInt J Biol Markers 2006.
2) Hideshima Nat. Rev. Cancer 2007.

Description of operations

Overview

BioInvent is a research-based pharmaceutical company that focuses on producing and developing antibody drugs for the treatment of diseases where there is a significant medical need and current treatment options are inadequate. The objective is to create value by building a sustainable portfolio of clinical development projects and then commercialising innovative pharmaceuticals. BioInvent is currently running four projects in development phases and has product candidates to treat coronary artery disease, thrombosis and cancer.

Bioinvent´s business model

BioInvent focuses on developing antibody drugs and documenting their biological activity and efficacy in clinical trials.

To be able to move the product candidates forward through late clinical development to full commercialisation, the Company works with major pharmaceutical companies.

In the case of certain projects, partnership agreements may be signed early on in the development phase, while other projects may be developed by the Company for a longer period. The timing of entering into partnerships is determined by costs, risk, the need for expertise and the additional value to be gained from continuing to develop the project in-house. The strategic purpose of the agreements is to ensure that the projects have the necessary expertise and resources to take the project to full commercialisation. To maximise the Company's potential to benefit from the overall value creation and provide the greatest possible flexibility, the Company will, in certain cases, also retain the market rights in individual geographical markets where the Company considers it feasible to establish a competitive commercial organisation. This makes it possible to take maximum advantage of the growth in value of successful projects. The Company's ability to realise this strategy is supported by its ability to attract strong partners.

BioInvent has also entered into a number of development partnerships where the development partner gains access to parts of BioInvent's antibody platform and antibody drug development expertise. This normally means that BioInvent or the partner, with the help of the n-CoDeR® antibody library, identifies antibodies that bind to the target proteins that the partner has selected. The selected antibodies are then developed, either by the partner alone or within the framework of continuing cooperation with BioInvent. In this type of cooperation, the partner is responsible for all development costs and assumes all of the risk.

Bioinvent´s revenue model

According to BioInvent's business model, the Company receives revenue in the following ways:

- From a development partner when it buys into the Company's projects.
- From customers for which BioInvent carries out development assignments.
- From customers that themselves use BioInvent's technology (technology licenses).

Revenue flows come from:

- Cash payments when an agreement is signed
- R&D milestone payments, i.e. payments when a project passes pre-defined milestones.
- Where applicable, research financing for research work carried out.
- Royalties, i.e. payments based on a percentage of the end product sales.
- Where applicable, revenues from the sale of projects on the markets where the Company has retained the market rights or shares the market rights with a partner.

Today revenues consist of cash payments when contracts are signed, license fees, milestone payments and research financing. In the longer term the goal is to ensure sustainable profitability through royalties and revenues from the Company's own commercialisation in certain markets. Profits may be reported in individual years before this has taken place when significant breakthroughs are made in one of BioInvent's projects.

Phases of pharmaceutical development

A pharmaceutical needs to go through a number of phases before it can be registered and commercialised. Each phase has a significant leadtime, and taking a drug from preclinical research to commercialisation therefore often takes more than ten years. The descriptions of the various phases of drug development below are specifically related to the development of antibody-based drugs.

Preclinical research

Antibody drugs bind specifically to a target protein. It is this binding process, and the effects the antibody produces, that determine the efficacy of the treatment. Accordingly, the choice of target protein is crucial when developing antibody drugs.

Preclinical development

The purpose of this stage is to document that it is possible to administer a drug candidate to humans with a limited risk. Side effect studies are therefore carried out in animals, but also in test tube and tissue section studies. The in vivo studies also allow the absorption, distribution, metabolism and excretion of the drug candidate to be studied. When the safety studies have been completed, an application is filed with the authorities for a license to start clinical studies. The preclinical development phase usually takes about a year.

Clinical phase I study

Clinical phase I studies are normally carried out on healthy individuals. This is where the safety of the substance and how well it is tolerated is examined. Analysis is then carried out to determine how the drug is metabolised by the body (pharmacokinetics), and if possible, its effect on the body (pharmacodynamics). A clinical phase I study normally takes up to a year to complete.

Clinical phase II study

During clinical Phase II studies the effect of the drug is analysed on small patient cohorts. In addition to safety and tolerability, these studies attempt to gain an understanding of therapeutically active doses. It is usually also possible to get an idea of the drug's effect during this phase. The phase II studies are expected to take one to three years.

Clinical phase III study

The phase III studies incorporate broader patient cohorts. In phase III studies the effects and side effects are compared with those of the drugs already on the market. Usually parallel studies are carried out with different patient populations. The primary purpose of phase III studies is to prove that the drug is effective. The studies often need to be large because the results must be able to prove sufficient statistical significance. These studies can take anything from two to six years depending on the indication and the effect the study is intended to prove.

Registration and launch

Following successfully completed clinical studies, an application is filed with the relevant authorities (FDA in the US and EMA in Europe) to get the drug approved and registered to be marketed and sold. The registration process normally takes 12–18 months.

Development projects

BioInvent is currently running four projects in development phases in the areas of coronary artery disease (BI-204), thrombosis (TB-402) and cancer (BI-505 and TB-403).

	Preclinical research	Preclinical development	Clinical phase I	Clinical phase II	Clinical phase III	Registration and launch
BI-204						
TB-402						
BI-505						
TB-403[1)]						

1) Phase Ib/II.

BI-204 (acute coronary syndrome)

BI-204 is being developed as a drug to prevent the recurrence of acute coronary artery disease, so-called secondary prevention. The antibody targets oxidised forms of apoB100, a lipoprotein that is part of the LDL particle. Research in recent years has shown strong links between oxidised LDL and harmful inflammation of the vessel walls. This type of inflammation leads to the formation of atherosclerotic plaque which is particularly likely to rupture and cause blood clots.

BioInvent has entered into a strategic partnership with Genentech where the companies are jointly developing and commercialising BI-204. Under the agreement the companies have joint responsibility for clinical development. Genentech has licensed the North American commercialisation rights, while BioInvent has retained the rights for the rest of the world.

Product characteristics

The BI-204 drug candidate has the potential to stabilise vulnerable plaque at risk of rupture, and may also reduce its size. BI-204 therefore has the potential to attack the underlying cause of disease in the coronary arteries – the atherosclerosis that is common in these patients. An important component in this disease is believed to be harmful inflammation in the patients' coronary arteries. Links have been shown between the oxidised forms of LDL and the inflammatory processes that lead to plaque formation in the vessel walls. Preclinical trials support the fact that the mechanism behind BI-204 is a modulation of the inflammatory processes resulting in a reduction of proinflammatory cells (macrophages) in the plaques. Proinflammatory cells contribute to the formation and build-up of the atherosclerotic plaque.

Clinical need

The goal is for BI-204 to be able to prevent myocardial infarction in patients with acute coronary syndrome, so called secondary prevention. These patients have a substantially higher risk for complications; 30 percent have another myocardial infarction within three years. Currently no effective drugs are available that have a significant effect on the underlying cause of the disease – the normally extensive atherosclerosis in the vessels of these patients. There is a specific medical need during the first few months following an acute coronary artery event, when the risk of a relapse with repeated acute events is highest.

Clinical observations show that metabolic syndrome, like the syndrome components insulin resistance and hyperglycaemia, are more common in individuals with high concentrations of oxidised LDL. Thus BI-204 may be expected to be able to enhance the treatment of these high-risk patients.

Alliance with Genentech

In January 2007 the Company entered into a strategic partnership with Genentech Inc. to develop and commercialise BI-204. Genentech made a cash payment to BioInvent of USD 15 million. An additional USD 15 million was paid to BioInvent at the start of the phase II study in March 2011. In the partnership with Genentech, BioInvent may receive up to USD 190 million in one-time payments as well as royalties on sales in North America. Under the agreement, Genentech and BioInvent are jointly responsible for clinical development. Genentech will be responsible for, and will have sole control of, all commercialisation of the drug in North America, while BioInvent will be responsible for, and will have sole control of, commercialisation in the rest of the world. In the development period, Genentech and BioInvent are sharing development costs according to an undisclosed split.

Project status

A phase IIa study with the Company's drug candidate BI-204 was initiated in March 2011. The study has been assigned the acronym GLACIER (*Goal of oxidised Ldl and ACtivated macrophage Inhibition by Exposure to a Recombinant antibody*). BI-204 is being developed to protect patients with acute coronary syndrome from repeated cardiovascular events, such as myocardial infarction, also called secondary prevention.

GLACIER is a randomised, placebo controlled, double-blind, multicentre study where the drug candidate BI-204 is delivered to patients with stable coronary artery disease on top of standard of care. The study is being conducted at some 20 clinics in the US and Canada. The imaging technology used in the study (see below) is a fast-evolving modality for cardiovascular imaging and to have a better chance of reaching a conclusive outcome, the decision was taken to increase the study from 120 to 144 patients. In the beginning of March 2012, all patients had started treatment. In view of the increased enrolment, the first results are expected to be reported in the third quarter this year.

The GLACIER study is designed to demonstrate a reduction in inflammation as quantified by FDG-PET imaging (18Fluoro-2-deoxyglucose positron emission tomography) in the atherosclerotic blood vessels after four and twelve weeks of treatment. Inflammation in the coronary arteries is considered an important risk factor for the development of atherosclerosis and coronary artery disease.

In November 2011 the Company initiated a bioavailability study of a subcutaneous formulation of BI-204. Results from the study, which includes 22 healthy subjects, are expected in the second half of 2012. In the ongoing phase IIa study BI-204 is being administered intravenously.

A phase I study, which involved a total of 80 healthy volunteers and was concluded in 2009, demonstrated that the drug was well tolerated and had a biological half-life within the expected interval for human antibodies.

Patent production

Patent applications for the oxidised forms of the apolipoprotein apoB-100 which causes the harmful inflammation in the vessel walls, the use of them in drug development, products targeting these target proteins, mechanisms of action and the formulation of BI-204 have been filed in around 40 countries, including the large markets of the US, Europe, Canada, Japan, Australia, China and India. A total of five patents have been granted, åtta of which are in the US and one in the EU.

TB-402 (thrombosis)

TB-402 is a human monoclonal antibody that has shown a beneficial partial inhibition of factor VIII, an important factor in the coagulation cascade. The product is primarily being developed to prevent the occurrence of venous thromboembolism (VTE) in connection with orthopaedic surgery. In this market, there is also the potential to document the preventative effect of TB-402 in patients with limited mobility, e.g. those who are immobilised in a bed, or other factors that increase the risk of a blood clot, e.g. cancer. The potential to develop TB-402 as a chronic treatment to prevent stroke in patients with atrial fibrillation will also be studied. TB-402 is being developed in cooperation with ThromboGenics.

Product characteristics

TB-402 is expected to be able to effectively and safely prevent VTE. The prolonged half-life of TB-402 is thought to make it possible to achieve this prophylactic effect with a single dose in an acute treatment situation or once a month in chronic treatment. This attractive method should be compared with daily dosing with current treatment options. There may be many benefits with a simplified form of administering a drug, such as better patient compliance during treatment and therefore better clinical outcomes, and less of a burden on healthcare producers and therefore lower costs.

Clinical need

Several patients groups, e.g. patients who are immobilised during medical treatments or patients who are undergoing major orthopaedic surgery, have a great need of improved and safe anticoagulant therapy. If they are not treated, these patients run the risk of venous thromboembolism. Current treatments, e.g. various heparin drugs, require daily injections and sometimes lead to severe bleeding. It is therefore particularly important for new anticoagulant drugs to have a good side-effect profile with respect to the risk of bleeding. The mortality rate of patients affected by VTE is high and the costs for society relating to patient care needs and subsequent long-term follow-up care is great. Another group requiring effective antithrombotic treatment consists of patients with atrial fibrillation who may suffer from complications such as stroke. In contrast to currently available treatment, TB-402 is expected to be administered as a single dose in connection with orthopaedic surgery or with intervals of up to four weeks for chronic conditions. The benefits of this approach are patient convenience and compliance. The treatment is also expected to be associated with a low risk of bleeding and other side effects such as liver or kidney toxicity, which should reduce the need for patient monitoring.

Alliance with ThromboGenics

BioInvent and ThromboGenics Ltd entered into an alliance in September 2004 for the joint development of antibody-based drugs to treat vascular diseases. Under the alliance the expertise of both companies is combined for the discovery, development and production of antibodies. BioInvent is contributing knowledge and experience in antibody development, production and immunology, and ThromboGenics is contributing expertise in research and clinical development in the area of vascular medicine. The partnership covers both TB-402 and TB-403.

Project status

A phase IIb study of the prevention of venous thromboembolism (VTE) after hip replacement surgery was initiated in April 2011. The study is a multicentre, double-blind, randomised study evaluating safety and efficacy of a single dose of TB-402, either 25 or 50 mg, compared to a five-week course of daily doses of the recently approved Factor Xa inhibitor rivaroxaban (Xarelto, Bayer/Johnson & Johnson).

The purpose of the study is to evaluate the two doses of TB-402, administered as a single intravenous infusion to prevent venous thromboembolism in patients following hip replacement surgery. The primary endpoint is evaluated on day 35 and is based

on symptomatic cases of VTE and measurement of asymptomatic cases of DVT as detected by venography. The primary safety endpoint is the number of patients with a major or clinically relevant non-major bleed. The trial is fully enrolled with 632 patients at 36 clinics in Europe. The results will be announced in the second quarter.

Results from an earlier phase IIa study on patients who received an artificial knee were published in February 2011 in the Journal of Thrombosis and Haemostasis (JTH). The study showed that TB-402 has a significantly better effect than the leading low molecular heparin enoxaparin (Lovenox, Sanofi) and that the safety is comparable[1]. Enoxaparin is currently the standard of care for the prevention of DVT, both in surgical procedures and when there is an increased risk of throboembolic events in severely ill patients with limited mobility.

Additional studies have shown that the effect of TB-402 was reversed by administering the target protein (factor VIII) which TB-402 blocks and that TB-402 is safe and well tolerated in individuals who have received the standard of care (enoxaparin and warfarin) for deep vein thrombosis.

Patent protection

Antibodies that only partially inhibit Factor VIII, pharmaceutical preparations containing such antibodies and their use in drug development are all patent-pending in markets such as Europe, Japan, Canada, the US and Australia. A total of five patents have been granted in the EU, the US and Japan.

BI-505 (cancer)

BI-505 is a fully human antibody against the adhesion protein ICAM-1 (CD54), a naturally occurring cell surface protein. Expression of ICAM-1 is elevated in a number of types of cancer, while it is low in most healthy tissue. In a first step, BI-505 is being developed for the treatment of multiple myeloma which expresses ICAM-1. BioInvent is developing BI-505 in-house.

Product characteristics

BI-505 is a specific antibody that binds to ICAM-1 with a high binding affinity. ICAM-1 is expressed by cancer cells in a number of types of cancer. The antibody induces programmed cell death (apoptosis) and mediates immune effector functions that also help fight and kill tumour cells.

Clinical need

In preclinical models, BioInvent has shown that BI-505 is especially effective against multiple myeloma which expresses ICAM-1. Multiple myeloma is currently mainly treated with chemotherapy and bone marrow transplantation. Notable among new treatments are the proteasome inhibitor Velcade (bortezomib, Takeda/Johnson & Johnson) and the immunomodulating drugs such as Revlimid (lenalidomide, Celgene) and thalidomide. These drugs have improved survival somewhat in the hard-to-treat population of relapse patients, but mortality remains high. The average survival is 3–5 years for myeloma patients, and the course of the disease is often painful since the tumour attacks bone tissue and patients suffer from severe bone pain and bone destruction as well as neurological symptoms. In addition, these patients are infection prone and may suffer from severe kidney damage.

Project status

A phase I study with escalating doses of BI-505 is ongoing in relapsed patients with multiple myeloma. The study is investigating safety, pharmacokinetics and pharmacodynamics, as well as relevant biomarkers for tumour response, with the aim of defining the optimal dose of the antibody for future clinical phase II development. The study involves approx. 35 patients who are treated with intravenous doses of BI-505 every other week for a four-week period with the possibility of extending treatment until the condition deteriorates again.

Treatment continues for the tenth dose cohort. The study protocol has been expanded to include more cohorts on higher doses. BI-505 has up to now been shown to have a good safety profile and by increasing the dose strength, the Company expects to reach the maximum tolerated dose (MTD), which is an important objective of the study.

More clinics have recently joined the study to speed up patient recruitment. Currently six centres are participating in the study in Sweden, Europe and the US. By taking these steps, and assuming that the study data permits, BioInvent expects to be able to exercise the option in the study protocol of including a higher proportion of patients at MTD or just below MTD. It is difficult to predict exactly when study results can be reported, but it is most likely to be at the end of the second quarter this year.

1) A pooled analysis showed that the frequency of venous thrombosis was 22% for the patients who were treated with TB-402, compared to 39% for those treated with enoxaparin. This was a statistically significant different. The entire study was recently published (Verhamme et al., 2011, J ThrombHaemost).

At the annual meeting of the American Society of Hematology in December 2011, BioInvent announced that new data from tests carried out in mice show that BI-505 has an effect both on the cancer type multiple myeloma and bone destruction, which is a symptom of the disease.

BI-505 has been granted orphan drug designation in both Europe and the US for the treatment of multiple myeloma. This gives BI-505 the possibility of market exclusivity for the treatment of multiple myeloma with an antibody against ICAM-1, for up to 10 years after market approval has been obtained.

Patent protection

BioInvent has applied for patents for antibodies against ICAM-1 and their ability to induce apoptosis in various types of tumours such as multiple myeloma, lymphoma and carcinoma. One patent has been granted by the US Patent and Trademark Office.

TB-403 (cancer)

TB-403 is a monoclonal antibody targeting PlGF (Placental Growth Factor), a protein that affects the development of new blood vessels (angiogenesis). The project is being developed primarily to treat types of cancer that are dependent on the growth of new blood vessels. TB-403 was originally developed within the framework of BioInvent's strategic partnership with ThromboGenics. In June 2008 the partnership entered into a strategic product alliance with Roche. This gives Roche exclusive, worldwide rights to develop and commercialise TB-403 at the same time as BioInvent and ThromboGenics retain the right to market the product in the Nordic, Baltic and Benelux countries.

Product characteristics

TB-403 is a new form of angiogenesis inhibitor that is specific to the PlGF target protein. PlGF is often upregulated in cancer and chronic inflammatory conditions, but is believed to play a limited role in healthy adults. It is therefore believed to be a suitable target protein in the treatment of cancer.

The PlGF expression has been shown to correlate with tumour stages and patient survival in several types of tumours. Preclinical data supports the idea that PlGF plays a role in tumour growth and angiogenesis, and shows that blocking PlGF by administering TB-403 can inhibit tumour growth in animal models. Healthy blood vessels are not dependent on PlGF. Mice that lack PlGF are healthy and reproduce normally. PlGF blockade can therefore be expected to be a relatively safe and well-tolerated cancer treatment used in combination with chemotherapy or other angiogenesis inhibitors.

Clinical need

Cancer constitutes a heterogeneous group of diseases, which complicates the development of drugs directed at tumour cells with the intention of killing them. An attractive strategy is to attack the tumours indirectly by inhibiting the growth of new blood vessels. These blood vessels supply growing tissue with nutrients and transport waste away from the tissue. Tumours over a certain size are dependent on the formation of new blood vessels in order to grow and survive. A substance that inhibits the growth of new blood vessels could therefore reduce tumour growth and increase the patient's chances of survival.

Current treatment for these types of cancer usually includes various combinations of chemotherapy or radiation and surgery. Certain types of cancer are also sensitive to hormone therapy. Angiogenesis inhibitors work better in combination with current treatments. This is supported by clinical trials that have been conducted with other angiogenesis inhibitors under development and on the market.

Alliance with Roche

In June 2008 BioInvent and its partner ThromboGenics entered into a strategic license agreement with Roche for development and commercialisation of TB-403. Roche paid BioInvent and ThromboGenics a cash payment of EUR 50 million in July 2008.

In January 2009 the transfer and implementation of technology and process development to Roche for ongoing clinical development of TB-403 were successfully concluded and an additional payment from Roche of EUR 5 million was received by BioInvent and ThromboGenics. In 2010 Roche initiated an imaging study on patients with metastasising, treatment-resistant colorectal and ovarian cancer. BioInvent and its development partner ThromboGenics accordingly received a milestone payment of EUR 10 million from Roche. The study was finished later during the year in line with the study protocol. When Roche started a phase Ib/II study in 2011, BioInvent and ThromboGenics received a EUR 4 million milestone payment from Roche.

If successful development and commercial milestones are reached, BioInvent and ThromboGenics stand to receive an additional EUR 431 million in milestone payments and double-digit royalties as a percentage of sales of TB-403 and any back-up programmes based on inhibition of PlGF.

Roche has received a global license with sole rights to develop and commercialise TB-403. ThromboGenics, which discovered TB-403, will receive 60 percent and BioInvent 40 percent of the revenues from Roche.

BioInvent and ThromboGenics have retained a right to market the drug in the Nordic, Baltic and Benelux countries. Roche is responsible for all future development costs.

Project status

BioInvent's development partner Roche initiated a clinical phase Ib/II study on patients with relapsed glioblastoma multiforme, an aggressive type of brain cancer. This study, which may involve a total of 80 – 100 patients, will examine the safety and clinical effect of TB-403 in combination with Avastin (bevacizumab, Roche). Secondary endpoints include tolerability and pharmacokinetics. The trial will include an evaluation of conceivable biomarkers.

In February 2012 a decision was taken to end the phase Ib study with TB-403 in combination with sorafenib on patients with advanced primary liver cancer. The study was started in March 2011. Roche announced that the slow pace of patient enrolment for the first part of the study, which started in March, was deemed to be too big of an obstacle to move the study forward to the randomised second part.

Patent protection

Patents that cover treatment with antibodies against PlGF for the purpose of reducing or preventing pathological angiogenesis, vascular leakage, pulmonary hypertension, cancer and inflammation have been granted in Europe. In the US similar patents have been granted for the treatment of pathological angiogenesis and patent applications for other indications are being processed. An objection has been filed against the European patent. The objection was rejected in the court of first instance. In addition, patent applications for TB-403 and similar antibodies have been filed in Europe, Japan, Canada, the US, Australia and several other countries. A total of two patents have been granted, one in the US and one in the EU.

Preclinical research

BioInvent's preclinical research is currently focused on oncology and inflammation. By using the Company's key competence and through select alliances with internationally recognised academic teams and industrial partners, such as ThromboGenics and Human Genome Sciences, the Company has built up expertise in fields such as cancer biology, angiogenesis, tumour immunology, acute and chronic inflammatory diseases and immunology.

Over the past decade BioInvent has accumulated a substantial amount of experience using the most relevant disease models in these fields. These models are used to identify the most effective and potent antibody candidates, while extensively investigating the expected safety and tolerability of the antibody, based on the biology of the disease and the mechanism of action of the antibody.

The Company's preclinical research is aimed at building a portfolio of drug candidates.

This research is supplemented by select research collaboration with large pharmaceutical companies, giving these companies access to BioInvent's technology for the production of product candidates. These alliance programmes involve little risk for BioInvent and provide an opportunity to earn revenues in the future in the form of milestone and royalty payments.

BioInvent's research

BioInvent's strategy for research and development is to produce antibody-based drugs and document their biological effect in clinical research.

In order for the product candidates to advance through late clinical development towards full commercialisation, BioInvent works with large pharmaceutical companies. In certain projects a partnership agreement is signed early on in the development process, while other projects may be developed for a longer period by the Company.

BioInvent is aiming to broaden and expand its portfolio of drugs to give the Company several opportunities to successfully develop new products and thereby increase the likelihood of commercial success.

So far the Company has mainly launched projects in alliances with external research teams, either in academic environments or in industry. These research teams not only contribute target proteins, but also significant biological and medical expertise. The Company continues to place great emphasis on cooperation with external research teams as an important source of new medical concepts. As the Company matures and its expertise in individual areas increases, medical concepts from internal research programmes are launched. BI-505 for the treatment of multiple myeloma is the result of one such programme. The functional screening system (F.I.R.S.T.) developed by BioInvent which identified this candidate is a platform for further research programmes.

Cancer

In the area of cancer, the research is focused on programmed cell death inducing antibodies with a strong ability to kill tumour cells, as well as activation of the body's own immune defence cells. With BioInvent's F.I.R.S.T. platform, where antibodies are identified

directly based on their powerful ability to kill primary cancer cells through differentially expressed, cancer cell associated surface receptors, the Company is looking for new drug candidates for the treatment of various haematological cancers. BioInvent is working with leading Swedish and international academic teams with the objective of developing antibodies for the treatment of serious haematological and solid cancers through new pharmaceutical concepts.

Inflammation

In the area of inflammation, BioInvent has been working since March 2010 with the US company Human Genome Sciences. The companies have the common goal of developing and commercialising antibody drugs based on various target proteins from Human Genome Sciences' research and BioInvent's antibody technology. The Company's initiatives in oncology and inflammation have in common the development of therapies that impede the functions and activity of myeloid cells.

F.I.R.S.T. – Combined discovery of target protein and antibody

BioInvent has developed a method known as F.I.R.S.T. which makes it possible to directly detect new drug candidates without prior knowledge of the target proteins of the antibodies. The method is based on isolating antibodies from the n-CoDeR antibody library that selectively bind to one cell population (or other complex collection of target proteins) in preference to another. This is achieved by selecting antibodies, step-by-step, that bind to one cell population over the other population through so-called differential screening. The antibodies identified are then selected based on their functional properties.

The advantage with this method is that it is possible to detect antibodies that bind to a target protein that was not previously known to be linked to a specific effect, such as initiating the death of a tumour cell. Another advantage with this method is that antibodies are identified as they bind to target proteins found in their natural environment (e.g. the cell surface), which increases the probability that the antibodies will mediate the desired effect when administered as a medication in vivo. The method also makes it possible to find antibodies that bind to target proteins which are in a relative state of surplus or deficit, irrespective of whether this is due to differences in protein expression or if disease-associated epitopes that arise in other ways are exposed on the target cell.

BioInvent has used this method to identify antibodies that bind specifically to cancer cells and which, when they bind to their target protein, initiate cell death through various mechanisms. This allows antibodies with a direct therapeutic effect to be identified in a single step. This method was used to identify BI-505, the Company's product candidate for the treatment of haematologic cancer such as multiple myeloma. With the help of the F.I.R.S.T. method, BioInvent is actively seeking new drug candidates to treat various haematologic cancers.

Product partnerships

BioInvent has entered into a series of partnerships to develop and manufacture antibodies. In these partnerships, BioInvent receives one-off payments and research support, as well as future rights to milestone payments and royalties on sales of products from the partnerships. A number of the current partnerships are described below:

- **Bayer HealthCare:** Identifying and developing antibody-based products with the help of the n-CoDeR library. The agreement covers the development of up to 14 antibody-based products.
- **Daiichi Sankyo:** License and research agreement for the development of therapeutic antibodies targeting several target proteins with the help of the n-CoDeR library. The agreement gives BioInvent certain rights to market products in Scandinavia and the Baltic region.
- **Mitsubishi Tanabe:** Identifying and developing antibody-based products with the help of the n-CoDeR library. The agreement covers development of up to five antibody-based therapeutic products.
- **Servier:** In January 2012 BioInvent entered into a partnership with the French pharmaceutical company Les Laboratoires Servier. Servier will provide a target protein within tumour cell metabolism which BioInvent will screen for hits in the Company's antibody library. BioInvent will also assist Servier during future optimisation of a drug candidate.

Human antibody library

BioInvent develops therapeutic, fully human, monoclonal antibodies using the Company's own n-CoDeR platform. Monoclonal means that all antibody molecules in a given drug are exact copies of each other. This simplifies characterisation of the product and the manufacturing process, and makes the biological effect of the drug more precise and predictable. One important reason why antibodies are so effective as pharmaceuticals is that they com-

prise a natural part of the organism's defence against diseases. Therefore they have naturally evolved to be specifically targeted and cause an appropriate biological reaction as they bind to their target protein. This activates the immune system's effector functions, a collective term for a host of different reactions with the purpose of neutralising the threat that the antibody binding ("the antibody complex") is a consequence of. Since this is a very precise reaction, it is important for the antibody drug that is introduced to be as similar to the body's own antibodies as possible.

The first generation of monoclonal antibody drugs came from animals, primarily mice. These mouse antibodies, with components that were foreign to the human immune system, triggered an immune response to the introduced antibodies. Later, in the mid-1990s, genetic engineering made it possible for these mouse antibodies to become more similar to those found in humans. Several such "chimeric" antibody drugs (e.g. rituximab) are currently approved and widely used. The humanised antibodies (e.g. bevacizumab) represent a further improvement; although still derived from mice, they appear more human-like to the immune system. The final link in this chain of development is to introduce fully human antibodies.

There are currently two fundamental technologies for manufacturing human antibodies. One involves genetic manipulation of mice, in which the mouse genes for antibody production are replaced by the corresponding human genes resulting in a genetically altered mouse capable of producing human antibodies directly. The second technology involves the creation of "antibody libraries" in test tubes containing human antibodies, which can then be used to produce fully human antibodies. There are different ways of designing an antibody library. Important parameters that determine library quality include size, variability, and the stability and functionality of the molecules produced. These factors determine the likelihood of finding an antibody with the desired binding properties against all types of target proteins.

The n-CoDeR antibody library

BioInvent has developed a powerful technology platform for discovery, development and production of human antibodies. The n-CoDeR antibody library is the source of the Company's drug candidates.

The antibody library is the cornerstone of BioInvent's technology platform. The library contains a collection of more than 20 billion human antibody genes stored within bacteria in test tubes. The bacteria act as production units for the antibodies making it possible to search through the library to identify precisely those antibodies that bind to a specific target protein. The n-CoDeR library is searched using an established technology called phage display. To identify the optimal antibody, BioInvent has developed automated processes in which robots carry out the analysis on an industrial scale. The n-CoDeR library consists of naturally occurring antibody genes. Every component comes from nature, but the combinations are largely new, making it possible to build an antibody repertoire that is greater than nature's own variability. BioInvent calls this "evolution beyond nature." The n-CoDeR library is protected by patents and patent applications in the largest markets.

Patent protection for products and n-coder

The task of achieving effective patent protection is an important component in all projects that BioInvent is running. The Company's patents and patent applications relate to different antibody products in development and their use as drugs, as well as the Company's technology used in the development of antibody drugs and various aspects of that. The patent portfolio as of 31 December 2011 consisted of 75 patents, while BioInvent had 198 outstanding patent applications. The table below shows important patents and patent applications for clinical project candidates and the n-CoDeR platform.

Products/ Technologies			Status of the largest markets			Expire[b)]
			Europe[a)]	USA	Japan	
Products						
TB-402	3 patent families relating to Factor VIII (including 16 granted patents and patent applications[a, c)])	License	2 granted/ 1 application	1 granted/ 4 applications	2 granted/1 application	2024
TB-403	3 patent families relating to PlGF (including 39 granted patents and patent applicationsa,[c)])	License	1 granted)/ 2 applications	1 granted/ 5 applications	2 applications	2029
BI-204	4 patent families relating to oxidised types of LDL (including 110 granted patents and patent applications[a, c)])	License	3 granted/ 3 applications	5 granted/ 3 applications	5 applications	2030
BI-505	3 patent families for the use of target proteins to treat tumours (including 27 patent applications[a, c)])	Own	3 applications	1 granted/ 3 applications	3 applications	2032
Technologies						
Technology for the human antibody library	CDR shuffling – a method for in vitro molecular development of protein functions (n-CoDeR)	Own	1 granted/ 1 application	2 granted/ 1 application	1 granted	2018
Methods for selection from the antibody library	Technology and methods for selection and identification of binding proteins against antigen structures in complex substances	Own	1 granted/ 1 application	2 applications	1 application	2032

a) Every European patent corresponds to 18–20 national patents.
b) The patent expires in the year indicated, given that it is granted. In the cases where several patent families exist, the year is the last year of expiration.
c) Includes all applications, i.e. including those outside Europe, the US and Japan.
d) Patent for which an objection has been filed.

Personal and organisation

All research and development work is carried out in the form of projects with a matrix containing the following main areas:

- The research department is mainly responsible for the antibody candidates' in vitro and in vivo pharmacological effects up to and including the selection of product candidates.
- The protein technology and pharmacy department is responsible for the selection of antibodies from n-CoDeR, development of the cell line that will produce the product as well as other analysis and process development, and also for all manufacturing, characterisation and quality assurance of the product based on instructions from the authorities.
- The clinical department is responsible for the preclinical safety tests and the clinical development of the Company's product candidates, and also for ensuring that the Company's drug development is in compliance with pharmaceutical legislation. The activities within the department's areas of responsibility are largely outsourced to external contract research organisations.

In addition to the above-named line functions, the Company's quality assurance department and the Company's internal patent department are directly involved in research and development activities. The support functions for the Company include business development, HR, economy and finance, Investor Relations and IS/IT.

As of 31 December 2011 BioInvent had 87 (92) employees. 72 (77) of these work in research and development. Around 90 percent of the Company's employees have a university degree. 43 percent have a PhD.

Number of employees	2011	2010	2009
At the end of the period	87	92	105
Of which in research and development	72	77	89
Average number	89	96	105
Of which women	62%	62%	63%
Age distribution			
–30 years of age	8%	8%	8%
31–40 years of age	39%	42%	45%
41–49 years of age	26%	25%	20%
50–years of age	27%	25%	27%

Environment

BioInvent places great importance on environmental work and this is an integrated part of the daily routines. BioInvent works actively with environmental issues and the principles under the general rules of consideration are observed in the Company's ongoing operations. The Company consistently endeavours to reduce the use of substances that may be harmful to the environment and to ensure that the environmental impact is kept to a minimum. The aim is to assess the possibility, early on in the value chain, of replacing a substance that is harmful to the environment with a less harmful one. Another goal is to continuously improve the way in which chemical substances and other resources are used so that the Company's environmental impact is minimised in this respect as well. Proactive environmental efforts reduce the risk of harming the environment and health and put the Company in a better position to handle future environmental legislation and societal requirements.

BioInvent has a permit in accordance with the Swedish Environmental Code for manufacturing biological pharmaceutical substances. The Company's operations require permits according to the Swedish Environmental Code, and reports are required to be submitted to the Lund municipality. Self-monitoring is carried out to monitor the Company's operations on an ongoing basis to counteract and prevent negative environmental impact. As part of this self-monitoring process, the Company has introduced a description of environmental consequences and a plan for the self-monitoring process.

The Company's emissions from its laboratories and production facilities are limited. The emissions consist of commonly found salts and easily biodegradable organic substances. Waste is sorted and separated, and special procedures are used for handling environmentally hazardous waste. The processes of developing, manufacturing and distributing pharmaceutical substances are becoming more and more complex and require energy. Like most other companies, BioInvent's emissions are largely the result of energy consumption at plants as well as in transportation. BioInvent focuses on handling environmental impact in all parts of the Company's operations and introduces improvement initiatives on an ongoing basis. The Company also has a permit to import and export cell lines in accordance with the European Parliament's regulation. BioInvent uses genetically modified micro-organisms (GMM) in its research and development work and has permits for the so-called contained use of such organisms according to the Swedish Work Environment Authority's directions.

Quality and regulatory approval

The Company has a permit under the EU rules on producing investigational pharmaceutical products for clinical trials according to Good Manufacturing Practice (GMP).

This permit was issued by the Swedish Medical Products Agency which conducts regular inspections to verify that production maintains the approved level of quality. BioInvent is also involved in auditing activity to ensure the quality of raw materials and that contracted services maintain a high standard.

BioInvent's preclinical studies to evaluate the safety of products are carried out through contract research organisations (CROs) in accordance with Good Laboratory Practice (GLP). Clinical trials are conducted according to Good Clinical Practice (GCP). In cases where tests are carried out on animals, they are conducted in laboratories that strictly adhere to the applicable regulations.

BioInvent has many years' experience of quality work, and endeavours to constantly improve the quality of all of its work.

History

1997–2002

In 1997 BioInvent acquired a unique technology for designing a human antibody library from Professor Carl Borrebaeck's research team at Lund University. The company developed the n-CoDeR antibody library based on this technology. The first significant agreements regarding access to the antibody library, with pharmaceutical companies Novo Nordisk A/S and GlaxoSmithKline Inc, were signed in 2000–2001.

BioInvent was listed on Stockholmsbörsen (Stockholm Stock Exchange) in 2001 and through a share issue, the Company raised SEK 262 million after issue costs.

The following year the Company entered into a comprehensive alliance with Oxford GlycoSciences aimed at developing antibody-based drugs. In 2002 BioInvent started developing its own pharmaceutical projects.

2003–2004

In 2003–2004 BioInvent initiated several of its own development projects. All of these projects are based on acquisitions of patent rights and developing antibody-based drugs against unique target proteins considered of great relevance in several diseases. One of these agreements was for the acquisition of the right to develop antibody drugs targeting oxidised forms of the bad cholesterol, LDL.

In 2004 the Company signed an agreement with ThromboGenics, which has proved to be very important for BioInvent. The agreement, which combines the two companies' areas of expertise, is aimed at developing antibody drugs for the treatment of vascular diseases.

The commercial successes continued during the period 2003–2004 when several agreements were signed. One example was a cross-licensing agreement with the US pharmaceutical company XOMA. The agreement gave XOMA the right to use BioInvent's antibody library. Another agreement was signed regarding delivering antibodies to Orbus Medical Technologies and another agreement was signed with ALK-Abelló regarding commercial manufacturing of antibodies.

2005–2006

In 2005 BioInvent implemented a new share issue which raised SEK 146 million for the Company after issue costs. BioInvent also initiated its first clinical project in 2005, BI-201, for the treatment of HIV infection. This project was discontinued, however, the following year when the phase I/IIa study showed no reduction of HIV levels with the doses being studied.

2007

In 2007 the Company implemented a rights issue which raised SEK 120 million for the Company after issue costs. The Company's product portfolio grew during this year. TB-402, a collaboration with ThromboGenics, reached the clinical phase, and a clinical phase I study was conducted and showed positive results. The Company designated BI-505, for the treatment of cancer, as a new product candidate.

The Company entered into a partnership agreement with Genentech to develop the antibody drug BI-204 for the treatment of coronary artery disease, which generated a first milestone payment of USD 15 million.

2008

The Company's product portfolio was developed further in 2008. A clinical phase I study for the drug candidate TB-403 for cancer treatment, which was developed in cooperation with ThromboGenics, was conducted with positive results. The Company also entered into a strategic partnership with Roche regarding TB-403, which generated a cash payment to BioInvent and ThromboGenics of EUR 50 million.

There was also success with BI-204 for the treatment of coronary artery disease with the launch by BioInvent and Genentech of a phase I study.

An agreement was signed regarding BioInvent's antibody library with Bayer HealthCare for research and development of antibody drugs.

2009

Phase II studies were launched with TB-402 for the prevention of deep vein thrombosis, within the framework of the partnership between BioInvent and ThromboGenics, with results expected in the second quarter of 2010. BioInvent and Genentech also successfully concluded the phase I study for BI-204 for the treatment of coronary artery disease which was launched in 2008. BioInvent also presented positive data from preclinical studies of BI-505 for the treatment of multiple myeloma. BI-505 was approved for phase I studies in the US and phase I studies were started at the end of 2009/beginning of 2010.

Two separate licensing agreements were signed with the two Japanese pharmaceutical companies, Mitsubishi Tanabe Pharma Corp. and Daiichi Sankyo, for the development of therapeutic antibodies.

In 2009 BioInvent and ThromboGenics received EUR 5 million for a successful transfer of technology to Roche for TB-403. BioInvent was awarded the "Licensing Deal of the Year" Scrip Award 2009 for the TB-403 partnership agreement.

2010

Positive results from the phase II study of the thrombosis inhibitor TB-402 were reported in May 2010. The Company's antibody showed a clearly improved effect and comparable safety in relation to the comparison drug (enoxaparin).

A new clinical study with TB-403 was conducted during the year. BioInvent and partner ThromboGenics received EUR 10 million as a milestone payment from Roche.

A phase II study of BI-204 for the treatment of coronary artery disease was approved in November 2010 by the US Food and Drug Administration (FDA). The study is being conducted with partner Genentech, a wholly owned company in the Roche Group.

A product partnership with Human Genome Sciences for the development and commercialisation of therapeutic antibodies was initiated in March 2010.

Recruitment for and expansion of the ongoing phase I study of BI-505 continued.

2011

In March Roche launched a phase Ib study with TB-403 administered in combination with sorafenib to patients with advanced liver cancer. The study was suspended prematurely in February 2012.

In March BioInvent and Genentech entered into a phase IIa study (GLACIER) with BI-204. Genentech paid a milestone payment of USD 15 million at the start of the study. The study is documenting the anti-inflammatory effect of BI-204 in patients with stable coronary artery disease.

In April a phase IIb study with TB-402 was started in patients that had undergone hip replacement surgery. All 632 patients had been recruited in December.

In May Roche entered into a study with TB-403 administered in combination with bevacizumab to relapsed patients with glioblastoma multiforme, an aggressive form of brain tumour. A milestone payment of EUR 4 million was paid to ThromboGenics and BioInvent, of which BioInvent received EUR 1.6 million.

In June a directed new share issue worth SEK 136 million before transaction costs was aimed mainly at a group of foreign institutional investors.

Recruitment for and expansion of the phase I study with Bi-505 continued.

Summary of financial information

The summarised financial information below refers to full years and is taken from BioInvent's annual reports for the 2009–2011 financial years, which have been prepared in accordance with IFRS and audited by the Company's auditor. For further information on the financial reporting, please refer to "Accounting principles and information notes" on page 41 and onwards in BioInvent's 2011 Annual Report.

The information below should be read in combination with BioInvent's financial reports for the 2009–2011 financial years, which are incorporated in this prospectus by reference (see "Incorporation through reference" in "Legal considerations and supplementary information"). All reports are available on BioInvent's website, www.bioinvent.com.

Summary of consolidated income statement

SEK million	2011	2010	2009
Net revenues	124.6	82.9	80.7
Research and development costs	–163.9	–178.9	–229.2
Sales and administrative costs	–32.6	–32.2	–35.5
Other net revenues and costs	0.2	0.4	4.5
Operating costs	**–196.3**	**–210.7**	**–260.2**
Operating profit/loss	–71.7	–127.8	–179.5
Net financial items	4.6	–0.6	2.8
Profit/loss after financial items	**–67.1**	**–128.4**	**–176.7**
Tax on profit for the year	–	–	–
Profit/loss for the year	**–67.1**	**–128.4**	**–176.7**

Summary of consolidated balance sheet

SEK million	2011	2010	2009
Intangible fixed assets	1.9	3.1	7.0
Tangible fixed assets	11.0	11.2	12.0
Inventories	0.3	0.7	2.0
Current receivables	18.7	17.0	21.2
Current investments and cash and bank	174.0	106.1	84.0
Total assets	**205.8**	**138.0**	**126.2**
Shareholders' equity	138.0	74.2	55.6
Non-interest-bearing liabilities	67.8	63.8	70.6
Interest-bearing liabilities	–	–	–
Total shareholders' equity and liabilities	**205.8**	**138.0**	**126.2**

Summary of consolidated statement of cash flows

SEK million	2011	2010	2009
Operating profit/loss	–71.7	–127.8	–179.5
Adjustments for depreciation/amortisation, interest etc.	12.3	12.6	17.0
Changes in operating working capital	3.9	–2.4	35.3
Cash flow from current operations	**–55.5**	**–117.7**	**–127.1**
Cash flow from investment activities	–4.9	–4.6	–1.3
Cash flow from current operations and investment activities	**–60.4**	**–122.3**	**–128.4**
Cash flow from financing activities	128.3[1)]	144.4[1)]	–
Increase/decrease in current investments and cash and bank	**67.9**	**22.1**	**–128.4**

1) Directed new share issue.

Key financial ratios

SEK million	2011	2010	2009
Net revenue growth, %	50.4	2.7	–68.0
Net working capital	–48.9	–46.1	–47.4
Net working capital/net revenues, %	–39.2	–55.7	–58.7
Operating capital	–36.0	–31.9	–28.4
Operating capital/net revenues, %	–28.9	–38.5	–35.2
Capital employed	138.0	74.2	55.6
Capital employed/net revenues, %	110.7	89.5	69.0
Return on shareholders' equity, %	–63.2	–197.8	–123.1
Return on capital employed, %	–63.2	–197.8	–123.1
Capital turnover rate, multiple	1.2	1.3	0.6
Equity/assets ratio, %	67.0	53.7	44.1
Intangible fixed assets	–	–	–
Tangible fixed assets	4.9	4.6	1.3
Number of employees, average	89	96	105
Revenue per employee	1.4	0.9	0.8

Per share data

SEK	2011	2010	2009
Earnings per share			
Before dilution	–1.04	–2.12	–3.17
After dilution	–1.04[1)]	–2.12[1)]	–3.17[1)]
Shareholders' equity per share			
Before dilution	2.05	1.21	1.00
After dilution	2.05[2)]	1.19	1.00[2)]
Cash flow per share	–0.93	–2.02	–2.31
Average number of shares			
Before dilution (thousands)	64,660	60,552	55,661
After dilution (thousands)	64,660[2)]	61,542	55,661[2)]
Number of shares at end of period			
Before dilution (thousands)	67,205	61,096	55,661
After dilution (thousands)	67,205[2)]	62,151	55,661[2)]
Dividend	–	–	–

1) There is no dilution of earnings per share because the earnings per share before dilution constituted a negative amount.
2) There is no dilution because the subscription price exceeds the average share price.

Definitions

Number of employees, average
Weighted average number of employees during the year.

Return on shareholders' equity
Profit/loss after financial items as a percentage of the average shareholders' equity.

Return on capital employed
Profit/loss after financial items plus financial costs as a percentage of average capital employed.

Shareholders' equity per share
Shareholders' equity divided by the number of shares at the end of the year.

Capital turnover rate
Operating income divided by the average capital employed.

Cash flow per share
Cash flow from current operations and investment activity divided by the average number of shares.

Net working capital
Non-interest-bearing current assets less non interest-bearing current liabilities.

Operating capital
Balance sheet total less non-interest-bearing liabilities and other non-interest-bearing provisions, current investments and cash and bank.

Earnings per share
Profit/loss after financial items divided by the average number of shares.

Equity/assets ratio
Shareholders' equity as a percentage of the balance sheet total.

Capital employed
The balance sheet total less non-interest-bearing liabilities and non-interest-bearing provisions.

Comments on financial development

Comparison of financial years 2011 and 2010

The figures in brackets refer to the corresponding period the previous year.

Revenues

In 2011 BioInvent's net revenues amounted to SEK 124.6 million, compared to 2010 when net revenues amounted to SEK 82.9 million. The revenues for 2011 include a milestone payment of USD 15 million from Genentech when BioInvent and Genentech started a new clinical study in March 2011 with BI-204 and BioInvent's portion, EUR 1.6 million, of a milestone payment when partner Roche started a new clinical study in May 2011 with TB-403. The revenues for the period also include revenues from partners who are using the n-CoDeR antibody library.

Costs

The Company's total costs in 2011 amounted to SEK 196.5 million, while the corresponding amount for 2010 was SEK 211.1 million. The operating costs in 2011 break down as external costs SEK 110.2 million (113.8), personnel costs SEK 80.0 million (88.0) and depreciation/amortisation SEK 6.3 million (9.4). Research and development costs in 2011 amounted to SEK 163.9 million (178.9).

Result

In 2011, the Company's operating profit/loss was SEK –71.7 million, compared to SEK –127.8 million in 2010. The improvement was mainly due to higher revenues and lower costs for research and development. The net financial items amounted to SEK 4.6 million (–0.6). Profit/loss for the year was SEK –67.1 million (–128.4). The earnings per share was SEK 1.04 (–2.12).

Financial position and cash flow

As of 31 December 2011, the Group's current investments together with cash and bank amounted to SEK 174.0 million (106.1). In 2011, the cash flow from current operations amounted to SEK –55.5 million (–117.7) and was primarily impacted positively by an higher operating profit/loss. The cash flow from investment activities was SEK –4.9 million (–4.6). The cash flow from financing activities was SEK 128.31 million (144.4) and was related to the directed rights issue implemented in June 2011 (see below).

Shareholders' equity at the end of the period amounted to SEK 138.0 million, compared to SEK 74.2 million at the end of 2010.

In June 2011 BioInvent implemented a directed rights issue totaling 6,109,568 shares that raised SEK 128.3 million for the Company after transaction costs. The subscription price was set at SEK 22.30 per share

The equity/assets ratio as of 31 December 2011 was 67.0 percent, which can be compared to 53.7 percent at the end of 2010. The shareholders' equity per share at the end of 2011 was SEK 2.05 (1.21). BioInvent had no interest-bearing liabilities as of 31 December 2011.

Investments

Investments in tangible fixed assets during the 2011 financial year amounted to SEK 4.9 million (4.6). No investments were made in intangible fixed assets (–).

Comparison of financial years 2010 and 2009

The figures in brackets refer to the corresponding period the previous year.

Revenues

In 2010 BioInvent's net revenues amounted to SEK 82.9 million compared to 2009, when the net revenues amounted to SEK 80.7 million. The revenues for 2010 consist of milestone payments from strategic partners and revenues from partners who use the n-CoDeR antibody library.

Costs

The Company's total costs in 2010 amounted to SEK 211.1 million, while the corresponding amount for 2009 was SEK 264.7 million. The operation costs in 2010 break down as external costs SEK 113.8 million (167.3), personnel costs SEK 88.0 million (86.2) and depreciation/amortisation SEK 9.4 million (11.1). Restructuring costs (personnel costs) in connection with changes in the manufacturing operation amounting to SEK 6.0 million were charged to the Company's second quarter in 2010. Research and development costs amounted to SEK 178.9 million (229.2).

Result

In 2010, the Company's operating profit/loss was SEK −127.8 million, compared to SEK −179.5 million in 2009. The improvement was mainly due to lower costs for research and development. The net financial items amounted to SEK −0.6 million (2.8). Profit/loss for the year was SEK −128.4 million (−176.7). The earnings per share was SEK −2.12 (−3.17).

Financial position and cash flow

As of 31 December 2010, the Group's current investments together with cash and bank amounted to SEK 106.1 million (84.0). In 2010, the cash flow from current operations amounted to SEK −117.7 million (−127.1) and was primarily impacted positively by an higher operating profit/loss. In 2010, the cash flow from the investment activities was SEK −4.6 million (−1.3) as a result of slightly higher level of investment during the year. The cash flow from financing activities was SEK 144.4 million (−) and was related to the directed rights issue implemented in February 2010 (see below).

Shareholders' equity at the end of the period amounted to SEK 74.2 million compared to SEK 55.6 million at the end of 2009.

In February 2010 BioInvent implemented a directed rights issue totaling 5,434,800 shares that raised SEK 144.4 million for the Company after transaction costs. The subscription price was set at SEK 27.60 per share.

The equity/assets ratio as of 31 December 2010 was 53.7 percent, which can be compared to 44.1 percent at the end of 2009. The shareholders' equity per share at the end of 2010 was SEK 1.21 (1.00). BioInvent had no interest-bearing liabilities as of 31 December 2010.

Investments

Investments in tangible fixed assets during the 2010 financial year amounted to SEK 4.6 million (1.3). No investments were made in intangible fixed assets (−).

Capital structure and other financial information

Shareholders' equity and liabilities

Below is BioInvent's capital structure as of 31 December 2011.

SEK million	31 December 2011
Total current interest-bearing liabilities	–
With guarantee or surety	–
Against collateral	–
Without guarantee/surety or collateral	–
Total long-term interest-bearing liabilities	–
With guarantee or surety	–
Against collateral	–
Without guarantee/surety or collateral	–
Shareholders' equity	**138.0**
Share capital	33.6
Other allocated capital	1,072.0
Other reserves	0.0
Accumulated loss including result for the period	–967.7
Holdings without controlling influence	–

Net debt

Below is an account of BioInvent's net debt as of 31 December 2011.

SEK million	31 December 2011
(A) Cash	12.1
(B) Other liquid funds	–
(C) Current financial investments	161.9
(D) Liquidity (A)+(B)+(C)	**174.0**
(E) Current financial receivables	18.7
(F) Current bank loans	–
(G) Current portion of long-term liabilities	–
(H) Other current financial liabilities	67.8
(I) Current financial liabilities (F)+(G)+(H)	**67.8**
(J) Net current debt (I)–(E)–(D)	**–124.9**
(K) Long-term financial receivables	–
(L) Long-term bank loans	–
(M) Outstanding bond loans	–
(N) Other long-term liabilities	–
(O) Long-term financial liabilities (L)+(M)+(N)	–
(P) Long-term financial net debt (O)–(K)	–
(Q) Financial net debt (J)+(P)	**–124.9**

Account of working capital and capital requirement

BioInvent's working capital is mainly linked to the development of the Company's clinical development candidates. According to BioInvent's assessment, the Company's existing working capital is not sufficient for the current requirements for the upcoming twelve months. Current requirements refers to continued development of the product candidates when positive study results are obtained as well as unchanged research and development activities over the mentioned twelve month period. Taking into account the Company's existing liquidity, which at the end of February 2012 amounted to SEK 157.1 million, as well as current cash flows, the existing working capital is expected to be sufficient until the end of February 2013.

The deficit of the working capital, which would arise in March 2013, is estimated to amount to approx. SEK 10 million subject to the above set assumptions. The Company's measures to raise sufficient working capital includes the current rights issue. Taking into account the existing liquidity, BioInvent believes that the working capital after the rights issue has been implemented will be sufficient to cover the working capital requirement for at least the next twelve months. In addition to this, there may be liquidity from new partnership agreements that may be entered into in light of positive data.

If, despite the existing letters of intent, subscription undertakings and guarantee commitments, the rights issue is not fully subscribed, BioInvent has the flexibility to reduce the cost of its development programs and its research activity in general, which would result in the existing working capital before the new share issue being sufficient to also cover the working capital requirement for the next twelve months. In such a case, this would, however, force the Company to delay certain research and development activity.

Research and development

The table below shows BoInvent's research and development costs for the 2009 – 2011 financial years. Research costs are expensed as they arise. Costs for developing new products are not capitalised unless the criteria in IAS 28 *Intangible Assets* are met. Due to the fact that the Company's drug projects are a relatively long time away from being registered as products that can be sold and provide financial benefits for the Company, no costs for the development of products have been capitalised, i.e. no intangible assets developed in-house have been capitalised.

SEK million	2011	2010	2009
Research and development costs	163.9	178.9	229.2

Ongoing and future investments

The Group currently has no significant ongoing investments and the Company has not made any clear undertakings regarding future investments.

Fixed assets

BioInvent's fixed assets as of 31 December 2011 amounted to SEK 12.9 million. SEK 1.9 million of this amount pertained to acquired intangible assets and SEK 11.0 million to tangible fixed assets. The tangible fixed assets consisted of equipment for an amount of SEK 10.4 million and costs for amounts spent on the property of other parties for a total of SEK 0.6 million.

Leased assets

BioInvent's lease agreements consist of operational leases. The leases are for laboratory, production and office premises. The cost of the leases in 2011 amounted to SEK 9.7 million. Future minimum lease charges for operational leases that cannot be cancelled are shown in the table below.

Year of expiry	SEK million
2012	9.7
2013–2016	13.9
2017 or later	–

Financial policy

BioInvent is exposed to financial risks such as currency risk, interest risk, liquidity risk and credit risk. To reduce the impact of these, BioInvent's Board of Directors has adopted a financial policy with guidelines for the management of these risks.

Currency exposure

BioInvent's currency exposure has increased as the development projects have advanced in the value chain. Costs of services such as toxicological studies and clinical trials have also increased. These services are often carried out in other countries and are paid for in foreign currencies. At the same time the percentage of revenues in foreign currencies has increased.

Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK generate transaction exposure. Currency exposure is primarily eliminated by matching flows in the same currency. When matching of underlying receivables and liabilities is not possible, the currency exposure is eliminated through forward contracts.

In 2011, 100 percent (95) of revenues were invoiced in foreign currencies, mainly USD and EUR. Around 37 percent (36) of the costs in 2011 were invoiced in foreign currencies, mainly USD, EUR and GBP. Realised forward contracts for flows in 2011 had a positive effect on the operating result in the amount of SEK 0.3 (0.6) million. A sensitivity analysis shows that the Company's operating result in 2011 before hedging transactions would have been affected in the amount of SEK +0.7 million if the Swedish krona had weakened by one percent against the USD and SEK –0.1 million if the Swedish krona had weakened by one percent against the EUR.

Interest exposure

BioInvent's exposure to market risk for changes in interest levels is related to bank balances and corporate and bank certificates. To reduce the effect of the fluctuation in market interest rates, the excess liquidity is invested with different maturities so that the investments mature on a regular basis over the subsequent twelve-month period.

The average interest rate on income for 2011 was 2.3 percent (0.7). A change in the interest rate of one percent in 2011 would have affected the net interest income in the amount of SEK 1.6 million.

Liquidity and credit exposure

Exposure to liquidity risk is minimised by liquidity planning and investment in financial instruments that can be redeemed at short notice. Only investments in interest-bearing securities with low credit risk and high liquidity are permitted. There are also limitations in the amount that can be invested with an individual counterparty to avoid the concentration of credit risk.

In accordance with BioInvent's financial policy, excess liquidity is placed in bank accounts and invested in corporate and bank certificates with a K1 rating or the equivalent. Corporate and bank certificates carry fixed interest rates and may have terms of up to one year.

BioInvent works with established and creditworthy counterparties. A credit assessment is carried out for all partners who will receive some form of credit. In addition, BioInvent monitors receivables on a continuous basis. The Company's exposure to doubtful receivables is therefore low.

Tendencies

Big Pharma continues to implement extensive cost reduction programmes to deal with weak sales growth and low productivity in research and development activity. Although these programmes affect the entire organisation of pharmaceutical companies, there are signs of a tendency to cut back on early-stage research activity. This could represent both a threat and an opportunity for BioInvent, but BioInvent is of the opinion that Big Pharma will, to a greater extent than in the past, seek to enter into partnerships with external partners, for example smaller companies like BioInvent.

Significant changes since 31 december 2011

In January 2012 BioInvent and Les Laboratoires Servier entered into a partnership for the development of an antibody against a target structure in the metabolism of tumour cells. Under this partnership, BioInvent will receive licensing fees, research financing and possible milestone payments of more than EUR 11 million. There will also be royalties on future sales of the product. Servier will engage BioInvent to screen for antibodies from BioInvent's n-CoDeR antibody library. Servier, which will provide target structures, will also have access to BioInvent's preclinical expertise in optimising an antibody candidate for future clinical development.

No other significant changes have taken place since 31 December 2011 with respect to the Company's financial position or status in the market.

Board of Directors, senior management and auditor

Board of Directors

Name	Position	Elected	Independent	Audit Committee	Remuneration Committee	Shareholding[1]
Björn O. Nilsson	Chairman	1999	Yes	●	●	15,000
Lars Backsell	Member	2010	Yes	●		3,913,000
Carl Borrebaeck	Member	1997	No[2]			1,142,908
Lars Ingelmark	Member	2006	Yes	●	●	–
Elisabeth Lindner	Member	2005	Yes		●	6,400
Svein Mathisen	Member, President and CEO	2001	No[2]			1,050,000
Ulrika T Mattson	Member[3]	2007	–			400
Kenth Petersson	Member	1997	Yes	●		80,000

1) Refers to own and related legal and physical parties' holdings as per 31 January 2012, including later known changes.
2) Not independent of the Company and its management.
3) Employee representative.

Björn O. Nilsson

Doctor of Science, born 1956. Professor, CEO and member of the Royal Swedish Academy of Engineering Sciences. Associate professor at the Royal Institute of Technology (KTH) in Stockholm. Member of the Board of Directors since 1999. Chairman of the Board of Directors since 2011. Chairman of the Remuneration Committee and Member of the Audit Committee.
Other appointments: Vice Chairman of the Board of Directors of Ångpanneföreningens Forskningsstiftelse. Member of the Board of Directors of ÅF AB, Jubileum P 350 AB and SwedNanoTech AB.
Previous appointments (in the past five years): Senior Vice President in Biovitrum AB and Biacore AB. Member of the Board of Directors of Diamyd Medical AB.
Holding: 15,000 shares.
Independent of the Company and its management and major shareholders.

Lars Backsell

B Sc Economics at SSE and has completed AMP at Insead, born 1952. Previous roles include CEO of Recip AB and senior positions within Pharmacia AB and Coloplast A/S. Member of the Royal Swedish Academy of Engineering Sciences. Member of the Board of Directors since 2010. Member of the Audit Committee.
Other appointments: Chairman of the Board of Directors of Recipharm AB and Backsell Eldered Holding AB. Member of the Board of Directors of Lund University Bioscience AB, Rohirrim AB and Skärmare Drifts AB.
Previous appointments (in the past five years): Member of the Board of Directors of Aros Growth Capital AB.
Holding: 3,913,000 shares (through companies).
Independent of the Company and its management and major shareholders.

Carl Borrebaeck

Doctor of Science, born 1948. Deputy Vice-Chancellor at Lund University, Professor at the Department of Immunotechnology and Centre Director for the transnational cancer centre – CREATE Health in Lund. Member of the Royal Swedish Academy of Engineering Sciences. Senior Scientific Advisor to the Company. Member of the Board of Directors since 1997.
Other appointments: Chairman of the Board of Directors of Immunovia AB and Lund University Innovation System AB. Member of the Board of Directors of Alligator Bioscience AB, Atlas Therapeutics AB, SenzaGen AB and WntResearch AB. Deputy Member of the Board of Directors of Endo Medical AB and IdeonCenter AB.
Previous appointments (in the past five years): Chairman of the Board of Directors of Forskarpatent AB and InnovationsbronSyd AB. Member of the Board of Directors of Eurocine AB, Lund University Bioscience AB and Nordic Vaccine A/S.
Holding: 1,142,908 shares.
Independent of the Company's major shareholders, but not of the Company and its management.

Lars Ingelmark

Bachelor of Medicine, born 1949. Head of Business Area Life Science of Sjätte AP-fonden. Member of the Board of Directors since 2006. Member of the Remuneration Committee and the Audit Committee.
Other appointments: Chairman of the Board of Directors of Gyttorp AB, Industrial Equity (I.E.) AB, SLS Invest AB and Svensk Våtmarksfond. Member of the Board of Directors of Healthcare Göteborg AB, Innoventus AB, IQQU Styrelseutveckling AB, KA Intressenter AB, Skedala Säteri AB and Svenska Jägareförbundet.
Previous appointments (in the past five years): Chairman of the Board of Directors of Medicon Valley Capital Management AB, Cefar Matcher AB, DJO Nordic AB, Jägareförbundet Service AB and MoMail AB. Member of the Board of Directors of Karo Bio AB, Mölnlycke HealthCare AB, Cefar Medical AB, A Carlsson Research AB/NeuroSearch Sweden AB, Clinical Data Care in Lund AB, Camurus Development AB, CashCap AB, A+ Science AB and Mintage Scientific AB.
Holding: –
Independent of the Company and its management and major shareholders.

Elisabeth Lindner

Master of Science, MBA, born 1956. Member of the Royal Swedish Academy of Engineering Sciences. Member of the Board of Directors since 2005. Member of the Remuneration Committee.
Other appointments: CEO of OxThera AB. Chairman of the Board of Directors and CEO of BioSource Europe AB. Member of the Board of Directors of Karo Bio AB, Pharmalink AB and Cobra Biologics Holding AB.
Previous appointments (in the past five years): CEO and President of Diamyd Medical AB.
Holding: 6,400 shares.
Independent of the Company and its management and major shareholders.

Svein Mathisen

Master of Science, Engineering Physics, born 1956. CEO since 1997. Previously held senior positions within the Norsk Hydro Group. Member of the Board of Directors since 2001.
Other appointments: Chairman of the Board of Directors of Biotec Pharmacon ASA and Member of the Board of Directors of Camurus AB and SwedenBIO.
Previous appointments (in the past five years): –
Holding: 1,050,000 shares and 24,000 employee options.
Independent of the Company's major shareholders, but not of the Company and its management.

Ulrika T Mattson

University degree in Biomedical Laboratory Science, born 1968. Biomedical Scientist. Member of the Board of Directors since 2007. Employee representative.
Other appointments: –
Previous appointments (in the past five years): –
Holding: 400 shares (own and related parties' holdings) and 7,500 employee options.

Kenth Petersson

Bachelor of Arts, born 1956. Member of the Board of Directors since 1997. Chairman of the Audit Committee.
Other appointments: Chairman of the Board of Directors of AlphaBeta AB, Biocrine AB, Science Pacific AB and Spiber Technologies AB. Member of the Board of Directors of Alligator Bioscience AB and Genovis AB. Deputy Member of the Board of Directors of Diabetes Tools AB.
Previous appointments (in the past five years): Member of the Board of Directors of Coding Technologies AB.
Holding: 80,000 shares.
Independent of the Company and its management and major shareholders.

Senior management

Name	Position	Employed within BioInvent since	Shareholding[1)]	Holding employee options[2)]
Svein Mathisen	President and CEO	1995	1,050,000	24,000
Björn Frendéus	Vice President, Preclinical Research	2001	740	44,250
Cristina Glad	Executive Vice President	1987	1,043,301	24,000
Steven Glazer	Senior Vice President, Development	2004	–	46,500
Per-Anders Johansson	Vice President, Quality Assurance and Regulatory Affairs	1984	250,000	24,000
Sten Westerberg	Vice President, Investor Relations	2011	–	32,917
Martin Wiles	Senior Vice President, Business Development	2003	–	46,500

1) Refers to own and related legal and physical parties' holding as per 31 January 2012, including later known changes.
2) See "Share-related inventive plans" in "Share capital and ownership structure" for further information.

Svein Mathisen

President and CEO

Master of Science, Engineering Physics, born 1956. President and CEO since 1997 (1995–1996 at the former subsidiary BioInvent Production AB). Previously held senior positions within the Norsk Hydro Group.

Other appointments: Chairman of the Board of Directors of Biotec Pharmacon ASA and Member of the Board of Directors of Camurus AB and SwedenBIO.

Previous appointments (in the past five years): –

Holding: 1,050,000 shares and 24,000 employee options.

Björn Frendéus

Vice President, Preclinical Research

Doctor of Immunology, born 1973. Employed since 2001. Graduated as the country's first student from the Swedish Foundation for Strategic Research funded Biomedicine programs within the Infection & Vaccinology program in 2001.

Other appointments: –

Previous appointments (in the past five years): –

Holding: 740 shares (own and related parties' holdings) and 44,250 employee options.

Cristina Glad

Executive Vice President

Doctor of Science, Biochemistry, MBA, born 1952. Employed since 1987 at the former subsidiary BioInvent Production AB. Member of Board of Directors of the Royal Swedish Academy of Engineering Sciences.

Other appointments: Member of the Board of Directors of Ideonfonden AB and Lund University, Faculty of Medicine.

Previous appointments (in the past five years): –

Holding: 1,043,301 shares and 24,000 employee options.

Steven Glazer

Senior Vice President, Development

Doctor of Medicine, born 1948. Employed since 2004. Previously active as Medical Director and Director of Development at Maxygen A/S and employed at NovoNordisk A/S etc.

Other appointments: –

Previous appointments (in the past five years): –

Holding: 46,500 employee options.

Per-Anders Johansson

Vice President, Quality Assurance and Regulatory Affairs

Master of Science, Chemistry, born 1955. Employed since 1984 at the former subsidiary BioInvent Production AB.

Other appointments: –

Previous appointments (in the past five years): –

Holding: 250,000 shares and 24,000 employee options.

Sten Westerberg

Vice President, Investor Relations

University studies in Business Economics, Chemistry and French, born 1960. Employed since 2011. Previously active as stock market analyst at Öhman Fondkommission and Swedbank Markets, and as business journalist at Veckans Affärer.

Other appointments: –

Previous appointments (in the past five years): –

Holding: 32,917 employee options.

Martin Wiles

Senior Vice President, Business Development
Doctor of Chemistry, MBA, born 1963. Employed since 2003.
Previously Head of Business Development at KS Biomedix Holdings Plc, listed on the London Stock Exchange.
Other appointments: –
Previous appointments (in the past five years): –
Holding: 46,500 employee options.

Auditor

Ernst & Young AB (Torggatan 4, SE-203 14 Malmö, Sweden) is the Auditor of the Company since 1996, with Johan Thuresson as auditor in charge since April 2008. Johan Thuresson is an Authorised Public Accountant and member of FAR, the professional institute for authorised public accountants, approved public accountants and other highly qualified professionals in the accountancy sector in Sweden.

The Nominating Committee has proposed the Annual General Meeting to be held on 26 March 2012 that KPMG AB with authorised public accountant Alf Svensson as auditor in change shall be elected new auditor for a mandate period of 2 years.

Other information on the Board of Directors and senior management

All members of the Board and senior management can be reached at the Company's address, Sölvegatan 41, SE-223 70 Lund.

There are no family ties between the members of the Board of Directors and/or senior management. No member of the Board of Directors or senior management has been convicted in any fraudulent offences in the past five years. No one of these persons have been involved in any bankruptcy, receiverships or liquidations in the past five years. Nor has any of them in the past five years been subject of any incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies). No member of the Board of Directors or senior management has been disqualified by a court from acting as a Board member or executive, or otherwise been banned from engaging in commercial activities.

No member of the Board of Directors or senior management has any private interests that could conflict with those of BioInvent. As stated above, there are several members of the Board of Directors and senior management with financial interests in BioInvent as a consequence of their holdings of shares and/or employee options.

BioInvent has not entered into any agreements with any member of the Board of Directors or senior management about benefits after their assignment is terminated. However, the CEO is entitled to severance pay if BioInvent terminates his employment, see "Remuneration to senior management".

Corporate governance

Corporate governance in BioInvent

BioInvent applies the Swedish Code of Corporate Governance (the "**Code**"). In addition to the Code, BioInvent also complies with applicable rules in the Swedish Companies Act, regulations and recommendations ensuing from BioInvents listing on NASDAQ OMX Stockholm, and good practices on the stock market.

Annual General Meeting

The Annual General Meeting ("AGM") (or when applicable, an Extraordinary General Meeting) is BioInvent's supreme executive body at which all shareholders may participate. The Articles of Association do not stipulate any restriction with respect to how many votes each shareholder may exercise at shareholders' meetings. The AGM considers the Company's progress and resolves on a number of key issues such as dividends, remuneration to the Board of Directors, amendments of the Articles of Association, discharge of the Board of Directors from liability and the election of a new Board of Directors until the next Annual General Meeting. At the present time, an auditor for the Company is elected every four years, and remuneration to the auditor is resolved upon. Notification to attend the AGM is published no earlier than six and no later than four weeks ahead of the General Meeting.

Nominating Committee

In accordance with the resolution of the Annual General Meeting, the Nominating Committee shall consist of the Chairman of the Board as the convener, and a representative for each of the Company's three largest shareholders as of 31 August each calendar year. The Nominating Committee shall prepare all elections and proposals of remuneration that come into question, from the Nominating Committee has been appointed until a new Nominating Committee is appointed. The Nominating Committee is responsible for preparing proposals to present to the AGM regarding the election of Chairman of the General Meeting, Chairman of the Board of Directors and other members of the Board of Directors, board remuneration, shared among the Chairman, other members of the Board of Directors and possible compensation for committee work and, where applicable, election of auditor and auditors' fees.

The Nominating Committee for the 2012 Annual General Meeting comprises Tony Sandell (B&E Participation AB), Ulrica Slåne (Tredje AP-fonden), Håkan Bohlin (Sjätte AP-fonden) and the Chairman of the Board Björn O. Nilsson.

Board of Directors

BioInvent's Board of Directors is elected annually at the AGM for the period until the next AGM and, according to the Articles of Association, is to consist of no fewer than five and no more than nine members. The Articles of Association do not contain specific stipulations on the appointment or dismissal of members of the Board of Directors or on amendments to the Articles of Association. The Board of Directors currently consists of seven directors elected by the General Meeting and one employee representative.

BioInvent's CEO, Svein Mathisen, is on the Board of Directors. Carl Borreback, member of BioInvent's Board of Directors, is engaged as a senior scientific advisor for the Company. He does not work with BioInvent's operations in his capacity as scientific advisor. Other elected members of the Board of Directors are independent, both in relation to major shareholders and in relation to the Company and senior management. Since no shareholder in the Company control 10 percent or more of the shares and thereby constitute a major shareholder, there can be no relationship of dependence between the members of the Board of Directors elected by the AGM and major shareholders.

The work of the Board of Directors is governed by rules of procedure that are revised and re-adopted by the Board of Directors at least once a year. The rules of procedure consist primarily of directions for the work of the Board of Directors, instruction for the division of duties between the Board of Directors and the CEO and instructions for financial reporting.

Regular items on the agenda at the board meetings include follow-up on the operations in relation to the Company's budget and strategic plan. In addition, the Board of Directors considers and resolves on issues pertaining to research and development, financing, intellectual property, strategic focus and planning, the budget, material agreements, audits, financial reporting and issues related to remuneration. Once a year the Board of Directors conducts an evaluation of its work and the work of the CEO and this evaluation is provided to the Nominating Committee.

Committees

Within the Board of Directors there are two committees, the remuneration committee and the audit committee.

BioInvent's remuneration committee is appointed by the Board of Directors each year and the committee considers and resolves on issues pertaining to remuneration and benefits to all senior management except the CEO, whose remuneration is decided by the Board of Directors. The committee also prepares other remuneration issues of greater importance, such as incentive plans. Furthermore, the remuneration committee shall monitor and evaluate variable remuneration, both ongoing and those that have ended during the year for senior management, and monitor and evaluate the application of the guidelines for remuneration for senior management that the AGM is legally obliged to establish, as well as the current remuneration structures and levels in the Company. The remuneration committee reports to the Board of Directors.

The audit committee is appointed each year by the Board of Directors, and shall with prepare issues on behalf of the Board of Directors pertaining to selection of auditors and fees, follow up of the auditors' work and the Company's internal control systems, follow up of the current risk scenario, follow up of external audits and the Company's financial information, adoption of the earnings report for quarters 1 and 3, preparation of the interim report for quarters 2 and 4, as well as the Company's annual report, preparation and follow up of issues pertaining to financing, preparation to adopt and revise financial policy and other issues that the Board of Directors entrusts to the committee to prepare. The audit committee reports to the Board of Directors.

For information on the composition of the board committees, see the composition of the Board of Directors above.

Remuneration to the Board of Directors

The Annual General Meeting 2011 set the Board's fee at SEK 400,000 for the Chairman of the Board and SEK 160,000 for each of the other members of the Board of Directors not employed by the Company. In addition hereto, it was decided that SEK 20,000 shall be the fee for each of the members in the remuneration committee, and that 50,000 shall be the fee for the Chairman of the audit committee, and that SEK 40,000 shall be the fee for each of the other members of the audit committee. Special remuneration to the chairman of the Board of Directors for committee work shall not be paid.

The table below sets forth the remuneration to the members of the Board of Directors during the period 2011–2012.

Name	Position	Fee	Fee audit committe	Fee remuneration committee	Total
Björn O. Nilsson	Chairman	400,000	–	–	400,000
Lars Backsell	Member	160,000	40,000	–	200,000
Carl Borrebaeck	Member	–	–	–	–
Lars Ingelmark	Member	160,000	40,000	20,000	220,000
Elisabeth Lindner	Member	160,000		20,000	180,000
Svein Mathisen	Member, CEO	–	–	–	–
Ulrika T Mattson	Member[1)]	–	–	–	–
Kenth Petersson	Member	160,000	50,000	–	210,000
Total		**1,040,000**	**130,000**	**40,000**	**1,120,000**

1) Employee representative.

Board member Carl Borrebaeck is senior scientific advisor to the Company. In 2011 he received SEK 618,000 in cash gross salary and SEK 60,000 in other benefits, primarily car benefits. He received no board fees in 2011. Carl Borrebaeck is entitled to pension benefits under the ITP plan, retirement age is 65 years. The total cost of Carl Borrebaeck's pension benefits amounted to SEK 127,000 in 2011.

External auditors

The Annual General Meeting appoints the Company's auditors and shall on behalf of the shareholders, examine the Company's Annual Report and accounting records and the administration of the Board of Directors and the CEO. The auditor attends at least once a year a board meeting, at which the CEO and other persons from senior management are not present. In addition, the auditor participate at the Annual General Meeting to present the auditors' report, which describes the audit work and observations made.

CEO and senior management

According to its guidelines and instructions, the Board of Directors has delegated the day-to-day management to CEO Svein Mathisen. The CEO and under his leadership, other members of the Company's senior management group, are responsible for the overall business operations and day-to-day management. The CEO reports regularly to the Board of Directors on the Company's business operations, financial performance and other issues relevant to the Company. At one board meeting a year, the Board of Directors evaluates the CEO, at which none of the Company's senior management attend.

Remuneration to senior management

The 2011 Annual General Meeting adopted guidelines for remuneration to senior management. According to the guidelines, salaries and other terms of employment for senior management are set at market rates. In addition to an annual fixed salary senior management can also receive a variable salary, which shall be limited and based mainly on technical and commercial milestones within the own drug projects. Senior executives may also receive remuneration in the form of options or other share-related incentive plans, as decided by the Annual General Meeting.

The table below sets forth the remuneration and other benefits paid to the CEO and senior management for 2011.

Name	Fixed salary	Variable remuneration	Other benefits[1)]	Pension costs	Total
CEO	1,787	210	1	1,308[2)]	3,306
Other senior management[3)]	6,672	595	254	1,987	9,508
Total	**8,459**	**805**	**255**	**3,295**	**12,787**

1) Refers primarily to car benefits.
2) Whereof SEK 491,000 has been wage shifted from cash gross salary to pension costs.
3) Six persons in 2011.

The CEO is entitled to redundancy pay, corresponding to 18 monthly salaries, if his employment is terminated by the Company. Redundancy pay is not deducted from other income. Other senior management are not entitled to redundancy pay other than salary during the period of notice.

Share capital and ownership structure

Share information

According to BioInvent's Articles of Association, the Company's share capital shall be not less than SEK 30 million and not more than SEK 120 million , divided into not fewer than 60,000,000 and not more than 240,000,000 shares. The Company has only one class of shares. The Company's registered share capital is SEK 33,602,628.50, represented by 67,205,257 shares. Each share has a quota value of SEK 0.50. The shares in BioInvent have been issued in accordance with Swedish legislation, are fully paid and are denoted in SEK. A shareholder's right can only be changed in accordance with the procedure stated in the Swedish Companies Act (2005:551).

The forthcoming rights issue will, if fully subscribed for, result in an increase in the number of shares in the Company from 67,205,257 shares to 73,925,782 shares, corresponding to an increase of 10.0 percent. For shareholders who refrain from subscribing for shares in the forthcoming rights issue, there will be a dilution effect of a total of 6,720,525 new shares, corresponding to 9.1 percent of the total number of shares in the Company after the rights issue.

Certain rights attached to the shares

General Meeting

Convening notice of General Meetings shall be published in the Swedish Official Gazette and on the Company's website. It shall be announced in Sydsvenska Dagbladet and in Dagens Industri that notice has been given. Shareholders must be registered in BioInvent's share register five days before the General Meeting to have the right to attend the General Meeting, and must notify the Company of his/her attendance not later than the day set out in the convening notice of the General Meeting.

Each share entitles the holder to one vote and each qualified voter is entitled to vote at a General Meeting for the full number of shares that such shareholder holds, or represents, without limitation of voting powers.

Preferential right to new shares, etc.

If the Company resolves to issue new shares in a cash issue or a set-off issue, subscription warrants or convertible instruments, the shareholders have preferential right to subscribe for shares in proportion to the number of shares they already own. However, there are no regulations in the Company's Articles of Association that constitute any restriction on the possibility to, in accordance with the regulations in the Swedish Companies Act, issue new shares, subscription warrants or convertible instruments with deviation from the preferential right of the shareholders.

Right to dividend and liquidation proceeds

All shares carry equal rights to the Company's dividends as well as to potential surplus in the event of liquidation.

Share capital development

The table below illustrates the share capital development since 1 January 2009.

Year	Transaction	Change share capital, SEK	Change number of shares	Share capital in total, SEK	Number of shares in total	Quota value, SEK
2009	–	–	–	27,830,444,50	55,660,889	0.50
2010	Rights issue[1)]	2,717,400,00	5,434,800	30,547,844,50	61,095,689	0.50
2011	Rights issue[2)]	3,054,784,00	6,109,568	33,602,628,50	67,205,257	0.50
2012	*Pending rights issue*	*3,360,262,50*	*6,720,525*	*36,962,891,00*	*73,925,782*	*0.50*

1) Directed share issue in February 2010. The issue price was SEK 27.60 per share and SEK 144.4 million was raised for the Company after deductions for transaction costs.
2) Directed share issue in June 2011. The issue price was SEK 22.30 per share and SEK 128.3 million was raised for the Company after deductions for transaction costs.

Authorisations for the Board of Directors

The Annual General Meeting on the 24 March 2011 authorised the Board of Directors to – on one or several occasions and until the next Annual General Meeting – resolve on issue of not more than 6,109,568 shares, corresponding to 10 percent of the share capital of that time. The authorisation was fully used in connection with the share issue implemented by the company in June 2011.

The Board of Directors has proposed that the annual general meeting on 26 March 2012 to authorise the Board of Directors 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 10 percent 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 of Directors resolves on an issue with deviation from the shareholders' preferential right the reason may be to add 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 of Directors.

Ownership structure

BioInvent had as per 29 February 2012 approximately 6,200 shareholders. The largest shareholder was JP Morgan Bank nominee accounts, holding approximately 7.1 percent of the total number of shares and votes in the Company. The Company's largest shareholders and ownership structure in relation to holding proportion is illustrated below.

Largest shareholders as per 31 January 2012

Owner/manager/deposit bank	Number of shares	Proportion of shares and votes, %
JP Morgan Bank nominee accounts	4,779,595	7.1
DnB NOR fonder	4,540,462	6.8
B&E Participation AB	3,913,000	5.8
Staffan Rasjö	3,181,621	4.7
Avanza Pension Insurance	2,950,235	4.4
Nordnet Pension Insurance	2,600,065	3.9
Tredje AP-fonden	1,615,740	2.4
Länsförsäkringar fonder	1,413,285	2.1
SEB Life Ireland	1,405,400	2.1
Friends Provident International	1,349,689	2.0
Total ten largest shareholders	**27,749,092**	**41.3**
Other shareholders	39,456,165	58.7
Total	**67,205,257**	**100.0**

Source: SIS Ägarservice AB.

Ownership structure as per 31 January 2012

Holding, number of shares	Number of shareholders	Proportion of shareholders, %	Proportion of shares, %
1–500	3,201	51.9	1.0
501–1,000	1,171	19.0	1.6
1,001–2,000	704	11.4	1.8
2,001–5,000	530	8.6	2.9
5,001–10,000	229	3.7	2.7
10,001–20,000	119	1.9	2.8
20,001–50,000	93	1.5	4.5
50,001–100,000	39	0.6	4.4
100,001–500,000	52	0.8	17.0
500,001–1,000,000	7	0.1	7.3
1,000,001–5,000,000	19	0.3	54.1
Total	**6,164**	**100.0**	**100.0**

Source: SIS Ägarservice AB.

Share performance

The BioInvent share is listed on NASDAQ OMX (previously the Stockholm Stock Exchange) since 2001. The share is traded on the Mid Cap list under the symbol BINV (Reuters: BINV.ST). The chart below illustrates the share price development and the number of shares traded in BioInvent on NASDAQ OMX during the last 5 years.

Central securities depository affiliation

BioInvent's Articles of Association contains a so called record date provision and the Company's shares are cleared through the electronic securities system operated by Euroclear (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm), the Swedish central securities depository. No share certificates are issued or will be issued with respect to the new shares. The BioInvent shares have ISIN code SE0000789711.

Shareholder agreements

To the knowledge of the Board of Directors, no shareholder agreements or equivalent agreements exist between shareholders in the Company with the objective of creating a joint influence over the Company. Nor are there, to the knowledge of the Board of Directors, any agreements or equivalent arrangements that may lead to a change of control over the Company.

Dividends and dividend policy

BioInvent has not payed any dividends since the Company was founded in 1996. The Company will continue to focus on research and development of new products, and available financial resources are intended to be used to finance these projects. The Board of Directors therefore does not intend to propose that any dividends be paid for the next few years.

Dividends are resolved upon by the General Meeting and the payment is administered by Euroclear. Dividends may only be paid if the Company, after such dividends, still enjoys full coverage of its restricted equity and further to the extent that such dividends appear justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations, and (ii) the Company's and the Group's need to strengthen their balance sheet, liquidity and financial position in general (the so called prudence rule). As a general rule, the shareholders may not decide upon larger dividends than those proposed or approved by the Board of Directors.

The right to possible dividends vests in any person who is registered as a shareholder in the share register maintained by Euroclear on the record date as determined by the General Meeting. If a shareholder cannot be contacted through Euroclear, the shareholder's claim on the Company with respect to the dividends remains and is limited in time only be the statute of limitations

rule (10 years). Where the statute of limitations applies, the dividend amount accrues to BioInvent. Neither the Swedish Companies Act or BioInvent's Articles of Association contain any restriction on the right to dividends with respect to shareholders domiciled outside of Sweden. Other than in case of possible restrictions in connection with bank or clearing systems in the concerned jurisdictions, payments of dividends to such shareholders are made in the same way as to shareholders domiciled in Sweden. However, in relation to shareholders who are subject to restricted taxation in Sweden, Swedish withholding tax is normally payable, see "Certain tax considerations in Sweden".

Share-related incentive programs

The Company has two long-term incentive programs for employees, consisting of employee options and hedging measures through issue and approval of transfer of in total 2,380,060 subscription warrants. Upon full exercise of the programs, the total dilutive effect would be approximately 3.4 percent of the total number of shares in the Company. See note 2 on page 45 in BioInvent's Annual Report for 2011 for certain further information about the employee stock option plans.

Employee Stock Option Plan 2008/2012

The Annual General Meeting 2008 resolved to adopt an employee stock option plan, comprising allotment of a maximum of 1,450,000 employee options to employees, free of charge. In total, 1,051,125 employee options have been allotted. Each employee option entitles the holder to subscribe for a new share in BioInvent at a subscription price of SEK 26.84.[1)] The last exercise date is 1 December 2012.

The Annual General Meeting 2009 resolved on a supplement to the Employee Stock Option Plan 2008/2012. The supplement program entails an allotment of 240,250 employee options, free of charge. Allotment of in total 41,877 employee options has been made. Each employee option entitles the holder to subscribe for a new share in BioInvent at a subscription price of SEK 26.84.[1)] The last excercise date is 1 December 2012.

In order to enable delivery of shares under the Employee Stock Option Plan 2008/2012, and to hedge related costs, primarily social security contributions, the Annual General Meeting 2008 resolved to issue 1,920,090 subscription warrants to the subsidiary BioInvent Finans AB. Each subscription warrant entitles the holder to subscribe for one new share at a subscription price of SEK 26.84[1)] during the time up to and including 31 December 2012.

Employee Stock Option Plan 2011/2015

The Annual General Meeting 2011 resolved to adopt a complement to the previously resolved employee stock option plan, comprising allotment, free of charge, of a maximum of 350,000 employee options to senior managers and key employees who do not participate in Employee Stock Option Plan 2008/2012. The number of employee options are within the scope of the number of employee options that remains unexercised from Employee Stock Option Plan 2008/2012, inclusive of the additional plan. Allotment can be made until the Annual General Meeting 2012. Up to now, basic allotment has been made of 37,500 employee options, and extra allotment has been made of 6,667 employee options. Each employee option entitles the holder to subscribe for a new share in BioInvent at a subscription price of SEK 30.36.[1)] The last exercise date is 1 December 2015.

In order to hedge BioInvent's obligations and costs with respect to Employee Stock Option Plan 2011/2015, the Annual General Meeting 2011 resolved to issue 459,970 subscription warrants to BioInvent Finans AB. Each subscription warrant entitles the holder to subscribe for one new share at a subscription price of SEK 30.36[1)] during the time up to and including 31 December 2015.

1) Under the terms and conditions for employee options and subscription warrants, the number of shares which each option/warrant entitles to, and the subscription price, will be recalculated due to the present new issue.

Articles of Association

The Articles of Association was adopted at the Annual General Meeting on 24 March 2011

§ 1
The name of the company is Bioinvent International Aktiebolag. The Company is a public company.

§ 2
The Board of Directors shall have its registered office in the municipality of Lund, the county of Skåne.

§ 3
The business activities of the Company shall be to directly or indirectly through its subsidiaries or other associated companies, carry out research and development as well as manufacturing and trading mainly in the field of chemistry, and business related hereto.

§ 4
The share capital shall amount to no less than thirty million (30,000,000) Swedish kronor (SEK) and no more than one hundred and twenty million (120,000,000) Swedish kronor (SEK).

§ 5
The number of shares shall be not less than sixty million (60,000,000) and not more than two hundred and forty million (240,000,000).

§ 6
All shares shall be of the same class and carry equal rights.

§ 7
In addition to the board members, who, pursuant to legal stipulations are appointed by a body other than the General Meeting, the Board of Directors shall consist of no less than five (5) directors and no more than nine (9) directors, with no more than four (4) deputies. The board members shall be elected at a general meeting for the period up to and including the Annual General Meeting held the year after the board member was elected.

§ 8
The financial year of the Company shall be the calendar year.

§ 9[1)]
For the audit of the Company's financial report and accounts as well as the administration of the Board of Directors and the chief executive officer no less than one (1) and no more then three (3) authorised public accountants shall be appointed for a term stipulated by law.

§ 10
Notice convening General Meetings shall be given by announcement in the Official Swedish Gazette (Sw: Post- och Inrikes Tidningar) and on the Company's website. It shall be announced in Sydsvenska Dagbladet and Dagens Industri that notice of a General Meeting has been given.

In order to participate in the proceedings at a General Meeting, shareholders shall be recorded in a printout or another presentation of the entire share register indicating conditions five weekdays prior to the meeting and notify the Company of their intention to attend before 4.00 pm on the day specified in the notice. That day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the meeting.

§ 11
Annual General Meeting shall be held once a year.
At the Annual General Meeting the following issues shall be dealt with.

1. Preparation and adjustment of the voting list;
2. Election of two persons to check the minutes;
3. Examination of whether or not the meeting has been duly convened;
4. Approval of the agenda;
5. Presentation of annual report and auditor's report and, where applicable, the group accounts and auditor's report for the group;
6. Resolutions in respect of
   (a) adoption of the profit and loss account and balance sheet and, where applicable, the consolidated profit and loss account and consolidated balance sheet;
   (b) allocation of the Company's profit or loss;
   (c) discharge from liability of the directors and the chief executive officer;
7. Determination of the number of directors, deputy directors and, where applicable, auditors;
8. Determination of directors' fees and, where applicable, auditors' fees;
9. Election of directors and, where applicable, auditors; and
10. Other issue to be dealt with at the meeting according to the Companies Act or the Articles of Association.

§ 12
The shares in the Company shall be recorded in a control register according to the Act (1998:1479) on Account-Keeping of Financial Instruments.

1) The Board of Directors has proposed the Annual General Meeting to be held on 29 March 2012 to amend § 9 in that way so a registered accounting firm shall be appointed for a period of mandate of two years.

Legal considerations and supplementary information

General company- and group information

The Company's corporate ID number is 556537-7263 and the registered office of the Company is located in the municipality of Lund, the county of Scania, Sweden. The Company was incorporated in Sweden on 16 December 1996 and was registered with the Swedish Companies Registration Office on 14 January 1997. The Company has conducted its business since that time. The Company is a public limited liability company regulated by the Swedish Companies Act (2005:551).

The Company is the parent company of the Group. In addition, the Group consists of the wholly owned Swedish subsidiary BioInvent Finans AB. BioInvent Finans AB, which is not operating, administers subscription warrants issued by the Company to secure the proper performance of BioInvents obligations to deliver shares and pay social security contributions under existing employee stock option plans.

Material agreements

The following is a summary of material agreements that BioInvent has concluded and which contains rights and obligations that are material for BioInvent.

Agreement with Forskarpatent i Syd AB

In December 2002, the Company acquired, through a license agreement with Forskarpatent i Syd AB, all rights to develop pharmaceuticals (excluding vaccine) by virtue of patent applications comprising (i) oxidised epitopes of the LDL-particle which cause harmful inflammations of the vessel walls, (ii) usage of them for pharmaceutical development and (iii) products directed towards these. The patent applications are based on research at the University hospital MAS in Malmö and Cedars-Sinai on Los Angeles. Parts of these patent applications were transferred to BioInvent through a license agreement in December 2006. In accordance with the license agreement, BioInvent paid an initial license fee when the agreement was concluded and subsequently, the Company has made one-time milestone payments. Likewise, BioInvent will make future milestone payments and pay royalties on the final sale of possible products.

Agreement between BioInvent and ThromboGenics

In September 2004, BioInvent and ThromboGenics Ltd (Belgium) entered into an alliance for the joint development of antibody-based drugs to treat vascular diseases. Under the alliance the expertise of both companies is combined for the discovery, development and production of antibodies. BioInvent is contributing knowledge and experience in antibody development, production and immunology, and ThromboGenics is contributing expertise in research and clinical development in the area of vascular medicine. The parties share costs and proceeds alike (if a product candidate is identified when the cooperation starts, the proceeds are divided 60/40 in favour of the party who has furnished the project).

The first collaboration program involves development of ThromboGenics' human monoclonal antibody anti-factor VIII (TB-402), a entirely new anticoagulant therapy in connection with orthopaedic surgery and atrial fibrillation. Since the continuous development program is conducted jointly by the parties, the costs are split equally. Due to the fact that ThromboGenics already had developed a product candidate on its own account when the collaboration was initiated, the proceeds within the project is divided 60/40 in favour of ThromboGenics.

In December 2004, the alliance with ThromboGenics was broadened to include the joint development of a new antibody from ThromboGenics' research portfolio (TB-403). The antibody, which inhibits the placental growth factor (PlGF), represents a new class of angiogenesis inhibitors with cancer as first indication field. In accordance with the agreement, the costs of the continuous development of the product candidate are split equally, whilst the proceeds within the project are divided 60/40 in favour of ThromboGenics.

Partnership with Genentech

In January 2007, the Company entered into a strategic partnership with Genentech Inc. to develop and commercialise BioInvent's product candidate BI-204 for the treatment of coronary artery disease. In connection therewith, Genentech made a cash payment to BioInvent of USD 15 million and a further USD 15 million was paid to BioInvent in March 2011. In addition thereto, BioInvent may receive up to USD 160 million in milestone payments, as well as royalties on sales in North America.

Under the agreement Genentech and BioInvent are jointly responsible for the clinical development. Genentech is responsible for, and will have sole control of, all commercialization of the drug in North America, while BioInvent is responsible and will have sole control of, commercialization in the rest of the world. During the development period, Genentech and BioInvent share the development costs according to an undisclosed split.

Agreement with Roche

In June 2008, BioInvent and ThromboGenics entered into a strategic license agreement with Roche for development and commercialization of TB-403 for the treatment of cancer. Roche received a global license with sole right to develop and commercialise TB-403, and in July 2008 Roche paid BioInvent and ThromboGenics a cash payment of EUR 50 million. In January 2009, the transfer and implementation of technology and process development for ongoing clinical development of TB-403 were successfully concluded and an additional payment from Roche of EUR 5 million was received by BioInvent and ThromboGenics.

The first clinical milestone payment of EUR 10 million was paid in 2010 when Roche initiated an imaging study on patients with colorectal and ovarian cancer and a second milestone payment of EUR 4 million was paid in 2011 when Roche started a brain tumor study. If successful development and commercial milestones are reached, BioInvent and ThromboGenics stand to receive an additional EUR 431 million in milestone payments and a double-digit percentage of sales of TB-403 in royalties and any back-up programs based on inhibition of PIGF.

ThromboGenics, which has discovered TB-403, will receive 60 percent and BioInvent 40 percent of the proceeds from Roche. BioInvent and ThromboGenics have retained the right to market the drug in the Nordic, Baltic and Benelux countries. Roche is responsible for all future development costs.

Licensed technology

The Company has licensed technology which complements the own technology platform in cases when is it assessed to bring competitive advantages. Non-exclusive licenses from Cambridge Antibody Technology (Great Britain), Dyax Corp (United States) and Biosite Diagnostics (United States) have been acquired in connection to fag display. Through a non-exclusive license from the American pharmaceutical company XOMA, the Company is entitled to use XOMA's expression technology for the purpose of developing antibody drugs. BioInvent also has a non-exclusive license from Lonza Biologics (Great Britain) to use Lonza's G-S Gene Expression System. For some of these licenses, BioInvent will pay compensation by means of milestone payments and royalties in the event of successful development. Such compensations are set on market terms.

Subscription and guarantee undertakings

Five shareholders in BioInvent, together holding shares corresponding to approx. 10.1 percent of the total amount of shares in the Company, have undertaken to exercise their preferential right in the rights issue and thereby subscribe for shares corresponding to their respective pro rata share (see distribution in the below table). These shareholders have also undertaken not to reduce their respective holdings from the date respective agreements were entered into and at the most up to the date of registration of the rights issue with the Swedish Companies Registration Office. No commission is paid for these subscription undertakings.

Three shareholders and a number of external investors have guaranteed subscription of additional shares to an aggregate amount of approx. SEK 88.8 million, corresponding to 84.7 percent of the rights issue (see the distribution in the below table). BioInvent shall pay a commission of 5 percent for these guarantee undertakings, approx. SEK 4.4 million in total.

Allotment of shares subscribed for in accordance with the above guarantee undertakings will be made in accordance with the principles described under "Allotment at subscription without preferential right" in the section "Terms, conditions and instructions".

The subscription- and guarantee undertakings are subject to that the Board of Directors of BioInvent and the General Meeting resolve on necessary resolutions for the implementation of the rights issue. These conditions are satisfied with the share issue resolution of the Board of Directors on 13 February 2012 and the Extraordinary General Meeting's approval on 9 March 2012.

Unsecured undertakings

The above mentioned subscription and guarantee undertakings are not secured. Consequently there is a risk that one or more of the parties will be unable to fulfill their respective commitments. See further under "Unsecured subscription and guarantee undertakings" in the section "Risk Factors".

Total undertakings

To summarize, the total subscription- and guarantee undertakings of the rights issue amount to 94.8 percent, as further detailed in the table below.

Shareholder	Subscription undertaking (preferential right), proportion of the rights issue, %	Guarantee undertaking, SEK	Guarantee undertaking, proportion of the rights issue %	Total undertaking, proportion of the rights issue, %
B&E Participation AB[1)]	5.8	–	–	5.8
Tredje AP-fonden[2)]	2.4	–	–	2.4
LMK Ventures AB[3)]	0.1	15,000,008.40	14.3	14.4
Stena Finans AB[4)]	1.7	10,000,005.60	9.5	11.2
Christoffer Lönn[5)]	0.1	3,000,004.80	2.9	3.0
Lars Magnusson[6)]	–	11,000,012.40	10.5	10.5
Grenspecialisten AB[7)]	–	10,000,005.60	9.5	9.5
Fårö Capital AB[8)]	–	7,500,012.00	7.2	7.2
Råsunda Förvaltning AB[9)]	–	7,300,004.40	7.0	7.0
Altira AB[10)]	–	5,000,002.80	4.8	4.8
Denali AB[11)]	–	5,000,002.80	4.8	4.8
Swedia Capital AB[12)]	–	5,000,002.80	4.8	4.8
Mattias Ståhlgren[13)]	–	5,000,002.80	4.8	4.8
Capmate AB[14)]	–	3,000,004.80	2.9	2.9
Svante Godén[15)]	–	2,000,013.60	1.9	1.9
Total	**10.1**	**88,800,082.80**	**84.7**	**94.8**

1) Lagervägen 7, 136 50 Jordbro
2) Box 1176, 111 91 Stockholm
3) 405 19 Göteborg
4) Näckrosvägen 5, 169 37 Solna
5) Stortorget 6, 222 23 Lund
6) Hedetorp Gård, 646 93 Gnesta
7) Box 4042, 203 11 Malmö
8) Norra Villavägen 19B, 237 34 Bjärred
9) Skogsbacken 20, 172 41 Sundbyberg
10) Birger Jarlsgatan 62, 114 29 Stockholm
11) Box 242, 104 51 Stockholm
12) Skinnarviksringen 16, 117 27 Stockholm
13) Vikbyvägen 32, 181 43 Lidingö
14) Björkvallavägen 2A, 194 77 Upplands Väsby
15) Primusgatan 94, 112 67 Stockholm

In addition, the shareholders DnB NOR Fonder and Tangentfonden have informed that they will subscribe for shares corresponding to 5.2 percent of the rights issue. All subscription and guarantee undertakings were entered into and given, respectively, in connection with the Board of Directors' rights issue resolution on 13 February 2012.

Legal and arbitration proceedings

BioInvent has not been party to any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the last twelve months which may have, or have had in the recent past, significant effects on BioInvents financial position or profitability.

Related party transactions

BioInvent applies IAS 24 Related party disclosures. During the financial year 2010 and 2011 and the current financial year there have been no transactions with related parties, in accordance with IAS 24, to report. In May 2009, BioInvent transferred a patent to Immunovia AB which relates to a method for analyzing complex protein and peptide samples based on the affinity capture of defined subpopulations of analytes followed by analysis with for example mass spectroscopy, which patent is the subject of one of BioInvent's closed research projects. Carl Borrebaeck has, through shareholding and as member of the Board of Directors in Immunovia AB, a significant influence over Immunovia AB. The Board of Directors in BioInvent has made the assessment that the patent has no commercial value and the transfer has been made in consideration of that BioInvent has been entitled to a part of any future license fees or an option to, on certain conditions, re-enter in the project after proof-of-concept.

For information on remuneration to the members of the Board of Directors and senior management, see "Board of Directors, senior management and auditors".

Advisors

Mannheimer Swartling Advokatbyrå is legal advisor to BioInvent in connection with the rights issue and Redeye has arranged the guarantee consortium.

Incorporation through reference

The financial reports of BioInvent from 2009, 2010 and 2011 form a part of this prospectus and should be read as a part thereof. These financial reports are presented in BioInvents Annual Reports for the financial year 2009 (with reference to pages 28–51), the financial year 2010 (with reference to pages 28-51) and the financial year 2011 (with reference to pages 27–53). BioInvent's Annual Reports for the financial years 2009–2011 have been audited by the Company's auditor and the auditors' reports form part of respective Annual Report.

Available documents

The following documents are available in electronic form on BioInvent's website, www.bioinvent.com. Copies of the documents are also available at BioInvent's head office, Sölvegatan 41 in Lund, Sweden, during the validity period of the prospectus (regular office hours on business days).

- BioInvent's Articles of Association.
- BioInvent's Annual Reports for the financial years 2009, 2010 and 2011 (including auditors' reports).

Certain tax considerations in Sweden

The following is a summary of certain tax consequences of the present offering to subscribe for new shares to holders of shares and subscription rights in the Company. The summary applies only to individuals or limited liability companies tax resident in Sweden, unless otherwise stated. The summary is based on the legislation currently in force and is intended as general information only. The summary does not address securities held by partnerships or securities held as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains (including non-deductibility for capital losses) and dividends in the corporate sector that may be applicable when shares or subscription rights are considered to be held for business purposes (Sw. näringsbetingade andelar) by the shareholder. Nor does the summary cover the special rules that may apply to securities in companies that are or previously have been closely held or securities that have been acquired by means of "qualified shares" in closely held companies. Moreover, the summary does not address shares or other equity-related securities that are held on a so-called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on standardised taxation. Special tax rules apply to certain categories of taxpayers, e.g. mutual funds, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares and subscription rights should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.

Individuals

Capital Gains Taxation

Upon the sale or other disposition of listed shares or other equity-related securities, such as subscription rights, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a rate of 30 percent. The capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis (for specific information on the tax basis for subscription rights, see "Exercise and Disposal of Subscription Rights" below). The tax basis for all equity-related securities of the same class and type are added together and computed collectively in accordance with the "average method". It should be noted that the BTAs (paid subscription shares) in this context are not considered to be of the same class and type as the existing shares that entitled the shareholder to the preferential right in the rights issue until the resolution of the rights issue has been registered with the Swedish Companies Registration Office.

Upon the sale of listed shares, such as shares in the Company, the tax basis may alternatively be determined as 20 percent of the sales proceeds after deducting sales costs under the "notional rule".

Capital losses on listed shares and on other listed equity-related securities are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in mutual funds which consist exclusively of Swedish receivables ("interest funds"). Up to 70 percent of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 percent is allowed on the portion of such net loss that does not exceed SEK 100,000 and 21 percent of any remaining loss. Such net loss cannot be carried forward to future fiscal years.

Dividend taxation

For individuals, dividends are taxed as income from capital at a rate of 30 percent. A preliminary tax of 30 percent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear or, regarding nominee-registered shares, by the Swedish nominee.

Exercise and Disposal of Subscription Rights

The exercise of subscription rights does not give rise to any taxation. The issuing price constitutes the acquisition cost for a share. If subscription rights that are used for subscription of shares have been purchased or otherwise acquired (i.e. that have not been received based on a holding of existing shares), the tax basis of such subscription shall be included when calculating the tax basis for the subscribed shares. For shareholders that do not wish to utilise their preferential right to participate in the rights issue of shares and therefore dispose of their subscription rights a capital gain or loss is calculated. Subscription rights based on a shareholding of existing shares are considered to have been acquired at SEK 0 . The total sales proceeds, after deducting sales costs, are thus taxable. The "notional rule" is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired the price paid for the rights constitutes the acquisition cost. The "notional rule" may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Limited liability companies

Capital Gains and Dividend Taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 26.3 percent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares and other equity related securities may only be deducted against taxable capital gains on such securities. Such capital losses may also, if certain conditions are fulfilled, be offset against such capital gains in a company within the same group, provided that the requirements for exchanging group contributions (Sw. koncernbidrag) are met. A capital loss that cannot be utilized during a given year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

Exercise and Disposal of Subscription Rights

The exercise of subscription rights does not give rise to any taxation. The issuing price constitutes the acquisition cost for a share. If subscription rights that are used for subscription of shares have been purchased or otherwise acquired (i.e. that have not been received based on a holding of existing shares), the tax basis of such subscription shall be included when calculating the tax basis for the subscribed shares.

For shareholders that do not wish to utilise their preferential right to participate in the rights issue of shares and therefore dispose of their subscription rights a capital gain or loss is calculated. Subscription rights based on a shareholding of existing shares are considered to have been acquired at 0 SEK. The total sales proceeds, after deducting sales costs, are thus taxable. The "notional rule" is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired the price paid for the rights constitutes the acquisition cost. The "notional rule" may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Specific tax considerations for shareholders and holders of subscription rights who are not tax resident in Sweden

Dividend taxation

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. The tax rate is 30 percent. However, the tax rate is often reduced by tax treaties for the avoidance of double taxation between Sweden and other countries. The majority of Sweden's tax treaties for the avoidance of double taxation enable a reduction of the Swedish tax to the tax rate stipulated in the treaty directly at the payment of dividends, provided that necessary information is available in relation to the person entitled to such dividends. In Sweden, Euroclear or, for nominee-registered shares, the nominee, normally carries out the withholding. The receipt of subscription rights does not give rise to any obligation to pay withholding tax.

If a 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in the case too much withholding tax has otherwise been withheld, a refund can be requested from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation

Holders of shares and subscription rights not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares or subscription rights. The holders may, however, be subject to tax in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of certain securities (such as shares, BTAs and subscription rights) if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties for the avoidance of double taxation between Sweden and other countries.

Restriction on sale and transfer of securities

*The distribution of subscription rights and the offer to subscribe for new shares in the Company by exercise of subscription rights or without subscription rights (the "**Offering**") to persons who reside in, or who are citizens of, countries other than Sweden may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consents or requirement to observe any other formalities to enable them to exercise subscription rights or to subscribe for new shares without subscription rights.*

General

BioInvent has not taken and will not take any action to permit an offering to the public of the new shares being offered in the Offering (through the exercise of the subscription rights or otherwise) in any jurisdiction other than Sweden. Receipt of this prospectus does not constitute an offer in those jurisdictions in which it would be prohibited to make an offer and, in those circumstances, this prospectus is for information purposes only and must not be copied or forwarded.

Except as otherwise disclosed in this prospectus, if an investor receives a copy of this prospectus in any jurisdiction other than Sweden, the investor shall not treat the prospectus as constituting an invitation or offer to it. Nor should the investor in any event deal in the subscription rights, paid subscription shares (betalda tecknade aktier, BTA) or new shares being granted or offered, respectively, in the Offering (the "**Securities**"), unless such an invitation or offer can lawfully be made to that investor, or the Securities could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements in the relevant jurisdiction.

Accordingly, if an investor receives a copy of this prospectus, the investor should not send or in any other way distribute the same, or transfer the Securities to any person, in or to any jurisdiction where to do so would or might contravene local securities laws or regulations. If an investor forwards this prospectus to any such jurisdiction (whether under a contractual or legal obligation or otherwise), such investor should draw the recipient's attention to the contents of this section. Except as otherwise expressly noted in this prospectus, the following applies:

- Securities being granted or offered, respectively, in the Offering may not be offered, subscribed for, sold or transferred, directly or indirectly, in or to the United States, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or any other jurisdiction in which it would not be permissible to offer the Securities or where such action would presume additional prospectuses, registration or measures other than those pursuant to Swedish law ("**Ineligible Jurisdictions**");
- the prospectus cannot be sent to any person in any Ineligible Jurisdiction; and
- the allotment of subscription rights to an account of a shareholder or other person in an Ineligible Jurisdiction or of a citizen of an Ineligible Jurisdiction ("**Ineligible Persons**") does not constitute an offer to such persons of new shares and Ineligible Persons may not exercise subscription rights.

If an investor subscribes for, receives, transfers, trades or otherwise deals in Securities, that investor will be deemed to have made, or, in some cases, be required to make, among other things, the following representations and warranties to BioInvent and its agents (unless such requirement is waived by BioInvent):

- the investor is not located in any Ineligible Jurisdiction;
- the investor is not an Ineligible Person;
- the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- unless the investor is an existing shareholder and a so called qualified institutional buyer as defined in, and in accordance with, Rule 144A under the United States Securities Act of 1933 (the "**Securities Act**"), the investor is located outside the United States and any person on whose account or for whose benefit the investor is acting on a non-discretionary basis is located outside the United States, and, upon acquiring new shares, the investor and any such possible person will be located outside the United States;
- the investor understands that the Securities have not been nor will be registered under the Securities Act and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred within the United States, or on the account or for the benefit of persons located in the United States, except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act; and
- the investor may lawfully be offered, exercise, subscribe for and receive Securities in the jurisdiction in which it resides or is currently located.

BioInvent and its agents will rely upon the investor's representations and warranties. Furnishing of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of subscription rights (including, without limitation, as a nominee, guardian or trustee) such person will be required to provide the foregoing representations and warranties to BioInvent with respect to the exercise of subscription rights on behalf of the holder. If such person does not or is unable to provide the aforementioned representations and warranties, BioInvent will not be bound to authorise the allocation of any Securities to that person or the person on whose behalf the other is acting.

Subject to the specific restrictions described below, if investors (including, without limitation, their nominees, guardians and trustees) who is located outside of Sweden wishes to exercise, deal in or subscribe for Securities, the investors must satisfy themselves as to full observance of the applicable laws of any relevant jurisdiction including obtaining any possible requisite governmental or other consents, observing any other requisite formalities and paying any taxes due in such territories.

The information set out in this section is intended as a general guide only. If the investors is in doubt as to whether it is eligible to exercise subscription rights or subscribe for Securities, the investor should consult professional advisers immediately.

Subscription rights will initially be credited to financial intermediaries on the account of shareholders who hold shares in the Company through such intermediaries as of the record date, 14 March 2012. A financial intermediary may not exercise any subscription rights on behalf of a person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of subscription rights to certify the same.

Subject to certain exceptions, financial intermediaries may not send this prospectus or any other information about the Offering into any Ineligible Jurisdiction or to any Ineligible Person. The crediting of subscription rights to persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of Securities to such persons. Financial intermediaries, which include banks, brokers, custodians and nominees, holding for Ineligible Persons may consider selling any or all subscription rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions regarding subscription sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Securities will not be delivered to addressees in any Ineligible Jurisdiction. BioInvent reserves the right to reject any exercise or revoke any accepted exercise made in the name of any persons who provides an address in an Ineligible Jurisdiction for subscription for or delivery of Securities, who does not or is unable to represent or warrant that they are not in any Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis on behalf of such persons, or who BioInvent or its agents understands have signed their exercise instructions in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, BioInvent reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of subscription rights which appears to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding what is additionally stipulated in this prospectus, BioInvent reserves the right to permit a holder to exercise its subscription rights if BioInvent in its solve and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, BioInvent does not accept any liability for any actions that a holder takes or for any consequences that such holder may suffer by BioInvent's acceptance of the holder's exercise of subscription rights.

Nor BioInvent or its agents, are making any representation to any offeree, subscriber or purchaser of Securities regarding the legality of an investment in Securities by such offeree, subscriber or purchaser under applicable laws. Each investor should consult with its own advisors and make its independent assessment of the legal, tax, business, financial and other consequences of a subscription or purchase of Securities.

Investing in Securities involves risks. See "Risk factors" for a discussion of selected risks that prospective investors should consider before investing in Securities.

United States

The Securities have not been registered and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, taken up, resold, granted,

delivered or otherwise transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with the securities laws of a relevant state or other jurisdiction of the United States. The Securities are being offered outside the United States in reliance of Regulation S under the Securities Act. Any offering of Securities made in the United States will be made only to a limited number of existing shareholders who (i) are reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIB**") pursuant to an exemption from registration under the Securities Act in a transaction not involving any offering to the public, and (ii) have executed an returned a so called investor letter, in form and substance acceptable, to BioInvent.

Accordingly, subject to certain limited exceptions, this document will not be sent to, and no subscription rights will be credited to, any shareholder with a registered address in the United States. In addition, BioInvent reserves the right to reject any instruction in respect of Securities sent by or on behalf of any securities account holder with a registered address in the United States.

Until 40 days after the commencement of the Offering, an offer, sale or transfer of Securities within the United States that is carried out by a securities dealer (whether or not participating in the Offering) may constitute an infringement of the registration requirements of the Securities Act.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or expressed an opinion on the Offering or the accuracy or reliability of this document. A representation to the contrary is a criminal offense in the United States.

Each person to whom Securities are distributed, offered or sold within the United States will, by accepting delivery of this prospectus or by its subscription for Securities, be deemed to have represented and agreed, on its own behalf and on behalf of any investor for which it is subscribing for Securities, as the case may be, that, among other things:

- it is an existing shareholder and QIB; and
- the Securities have not been offered to it by BioInvent by means of any form of "*general solicitation*" or "*general advertising*" (within the meaning of Regulation D under the Securities Act).

Each person to whom Securities are distributed, offered or sold outside the United States will, by subscribing for or acquiring Securities, be deemed to have represented and agreed, on its own behalf and on behalf of any investor for which it is subscribing for Securities, as the case may be, that:

- it is receiving the Securities from BioInvne through an "*offshore transaction*" pursuant to the definition in Regulation S under the Securities Act; and
- the Securities have not been offered to it by means of any form of "*directed selling efforts*" pursuant to the definition in Regulation S under the Securities Act.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA 421-B**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Agreement of confidentiality

Any recipient of this document in the United States is hereby notified that this document is being furnished to it on a confidential basis and must not be reproduced, resent or otherwise redistributed, in whole or in part, under any circumstances. Furthermore, recipients are authorised to use this document solely for the purpose of considering a subscription for Securities and may not disclose any of the contents of this document or use any information herein for any other purpose. This document is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities. Any recipient of this document agrees to the foregoing by accepting delivery of this document.

Enforcement of liabilities and service of process

BioInvent is organized under the laws of Sweden. All members of the Board of Directors and Group management are non-residents of the United States. A substantial portion of the assets of BioInvent and such non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process upon BioInvent or such persons or to enforce against them in U.S. courts judgments obtained in such courts. Original actions, or actions for the enforcement of judgments of a U.S. court, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit to the Swedish court the final judgment that has been rendered in the United States. A judgment by a federal or state court in the United States against the Company or the Group will neither be recognized nor enforced by a Swedish court, but such judgment may serve as evidence in a similar action in a Swedish court.

European Economic Area

Within the European Economic Area ("**EEA**") there will be no public offering of Securities in any other country than Sweden. In other member states of the EEA which have implemented the Prospectus Directive, an offer of any Securities may only be made to "qualified investors" pursuant to the definition under article 2.1 e) of the Prospectus Directive or under other circumstances that does not require BioInvent to make public a prospectus in the member state in question pursuant to article 3 of the Prospectus Directive. Each recipient of this prospectus will be deemed to have made representations and warranties that it has not made or will not make an offering to the public in any member state of the EEA.

The expression "offering to the public" refers to the definition in Article 2.1 d) of the Prospectus Directive. The "Prospectus Directive" means the Directive 2003/71/EC of the European Parliament and the Council and every relevant implementation measure (including but not limited to measure for the implementation of the Directive 2010/73/EU of the European Parliament and the Council regarding a revision of the Prospectus Directive etc.) in each member state in question.

Other jurisdictions

The Securities have not been registered and will not be registered under the laws of Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or any other jurisdiction outside Sweden and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, allotted or delivered, directly or indirectly, in or to any such jurisdiction except in such exempt cases that do not require any prospectus, under applicable laws and regulations of such jurisdiction.

Glossary

Animal model A laboratory animal given a disease very like a disease in humans.

Administer drugs To give drugs to patients, e.g. by injection.

Angiogenes Formation of new blood vessels.

Antigen A substance that is foreign to the body and that can stimulate the immune system.

Anticoagulants Drugs that reduce the blood's ability to coagulate that are used, for example, to prevent blood clots from forming.

Antibody Reaction product in the body induced by antigens. Antibodies are proteins from the group collectively called immunoglobulins and can now be produced in laboratories.

Atherosclerosis Condition where deposits of fats and minerals form on the walls of large blood vessels.

Biological drugs Drugs, e.g. antibodies, with varying biological origins, including vaccines, blood products, cells, gene therapy, tissue and recombinant proteins. Recombinant proteins are produced from living cells.

Cell line Cultured cells with the same genetic origin.

Cell surface protein Protein anchored in the cell's membrane (cover).

Clinical trials Studies carried out on humans to test the effect and safety of future drugs.

Clone Genetically identical copy.

Drug candidate/**product candidate** A substance with the potential to be developed into a drug.

Embolism When part of a blood clot breaks loose and is transported by the blood flow through the heart and elsewhere in the body, e.g. to the lungs.

Endothelial cells Cells that line the inside of blood vessels.

Enzyme A substance that triggers and stimulates chemical reactions in living organisms.

Evolve Change biological characteristics, and molecules, evolving over several generations.

Extracellular Describes position outside cells, e.g. in a tissue.

Genetic make-up All of the genetic material in a cell or an individual.

Genome See above.

GMP Good Manufacturing Practice. A set of instructions for manufacturing pharmaceuticals and ensuring their quality and safety.

Heparin Drug that impedes the coagulation of the blood.

Human antibodies Antibodies that are perceived by the immune system as human.

Immunology Study of the origins and consequences of immune responses (i.e. antibody and cell responses).

In vitro Within a test tube or another artificial environment. (Opposite of in vivo).

In vivo 'Within the living body'. In biomedicine, something that is done to a living organism. In everyday speech, synonymous with experiments on animals.

Inflammation Reactive condition of tissue following damage to the tissue or infection.

Inhibitory Inhibits a physiological or biological process.

LDL Transport molecule for blood lipids, commonly known as 'the bad cholesterol'.

Lipoprotein Chemical compounds of proteins that transport lipids in the blood. They can be divided, for example into HDL and LDL.

Lymphoma Disease involving a tumor in the lymphoid tissue.

Metabolism All of the biochemical reactions that take place in living organisms.

Milestone payment Payment when targets are reached in a drug development project; often linked to the successful implementation of phases in clinical development.

OxLDL Oxidized LDL. A substance that can contribute to blood clots or infarction; a target protein for the development of a treatment for atherosclerosis.

Pathological Diseased, abnormal, changed by disease.

Phage Virus that can infect bacteria.

Phage display Technology for expressing molecules, e.g. antibodies, on the surface of phages.

Pharmaceutical Referring to drugs or their preparation.

Pfarmacokinetic How a drug is absorbed, distributed, broken down and excreted from the body.

PlGF Growth factor that is secreted by tumor cells; target protein for TB-403.

Plaque Deposits of substances/materials, for example on vessel walls.

Pre-clinical development Testing and documentation of a drug candidate's properties in a model system.

Protein The most important components in all organisms. There are many thousands of different proteins.

Resistance The ability of e.g. tumor cells to avoid treatment that was originally effective. Resistance is developed when genes change and vary and the inhibitor therapy favours the variations that survive and multiply.

Royalty Payment linked to the sale of a drug; often a percentage of sales.

Safety study Study of side effects in animal models to ensure that a product is safe enough to begin clinical trials.

Screening Searching and final selection of the antibody fragments that bind the best to a given antigen.

Selection Selection of a number of possible antibody fragments that bind to a given antigen.

Small-molecule drugs (or low-molecular weight drugs) Traditional drugs with low molecular weight. Can usually be given in tablet form.

Specificity The ability of antibodies to recognise the 'right' antigen and ignore all others.

Statins A group of drugs that reduce the level of cholesterol in the blood.

Stroke Blood clot in the brain.

Target protein The proteins in the body upon which a drug can have an effect. An antigen can be a target protein upon which antibodies can have a therapeutic effect.

Therapeutic antibody Antibody that is used for the treatment of a disease; antibody-based drug.

Therapy Treatment; here in general with drugs.

Thrombosis Formation of a blood clot.

Toxicology Scientific study of poisons and their effects.

Toxin, toxic Toxic substance, with toxic effect.

Vaccine A medicine that is used in immunisation (vaccination) to produce protection against a disease that is often caused by an infection.

Validation Assessment of an antibody or target structure to discover if they have the desired effect or characteristics.

Vascular That belongs to or has a connection with an organism's vascular system.

VEGF inhibitor Substance that inhibits angiogenesis, where this is caused by the growth factor VEGF.

Addresses

BioInvent

Head office

Visiting address
Sölvegatan 41

Mailing address
Ideon Science Park
SE-223 70 Lund

Telephone: +46 46 286 85 50
E-mail: info@bioinvent.com
www.bioinvent.com

Legal advisor

Mannheimer Swartling Advokatbyrå

Visiting address
Södergatan 22

Mailing address
P.O. Box 4291
SE-203 14 Malmö

Telephone: +46 40 695 58 00
www.mannheimerswartling.se

Auditor

Ernst & Young AB

Visiting address
Torggatan 4

Mailing address
P.O. Box 4279
SE-203 14 Malmö

Telephone: +46 40 693 15 00
www.ey.com

Issuing agent

Avanza Bank AB

Visiting address
Regeringsgatan 103

Mailing address
P.O. Box 1399
SE-111 93 Stockholm

Telephone: +46 8 562 251 22
www.avanza.se

BioInvent International AB (publ)
S-223 70 Lund
Visiting address: Sölvegatan 41, Lund
Sweden
Tel: +046 (0)46-286 85 50
E-mail: info@bioinvent.com
www.bioinvent.com

BIOINVENT

Intellecta Finanstryck 2012/6350