

# Corporate governance report

BioInvent applies the Swedish Corporate Governance Code ("the Code"). In addition to the Code, BioInvent also complies with applicable rules in the Swedish Companies Act, rules and recommendations ensuing from the Company's listing on Nasdaq Stockholm, and good practices on the stock market.

This corporate governance report has been prepared in accordance with the provisions of the Annual Accounts Act and the Code. The corporate governance report has been prepared as a document separate from the Annual Report, and is as such not part of the formal Annual Report documentation. The corporate governance report has been reviewed by the Company's auditor in accordance with the provisions of the Annual Accounts Act. The auditor's statement is attached to the report.

## General Meetings

The Annual General Meeting ("AGM"), or as applicable, the Extraordinary General Meeting, is the supreme decisionmaking body of BioInvent in which all shareholders are entitled to participate. The Articles of Association contain no restrictions regarding the number of votes that may be cast by a shareholder at a General Meeting and no special provisions regarding amendments of the Articles of Association.

The AGM addresses the Company's progress and resolves on a number of key issues, such as the adoption of the income statement and balance sheet, allocation of result, discharge from liability for the Board of Directors and the CEO, and the election of Board of Directors until the next AGM. Every second year, an auditor for the Company is elected for a term of two years and the AGM resolves on compensation for the auditor.

The AGM 2020 was held on May 28 and the minutes are available on the BioInvent website. Extraordinary General Meetings were held on July 3, 2020 and November 27, 2020 and the minutes of these meetings are available on the BioInvent website. The AGM 2021 will be held on April 29. The EGM will be held only through advance voting (postal voting) in accordance with temporary legislation.

Notification to attend the AGM is published no earlier than six and no later than four weeks before the Meeting. Proposals to the General Meeting should be addressed to BioInvent International AB, attn: Stefan Ericsson, 223 70 Lund and submitted in good time before notification to attend the Meeting is issued, no later than seven weeks before the Meeting.

## Nominating Committee and shareholders

In accordance with the resolution of the AGM, 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 August 31 each calendar year. The Nominating Committee shall prepare all the 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 tasked with preparing proposals to present to the AGM regarding the election of Chairman of the General Meeting, election of Chairman of the Board and other Board members, resolution on remuneration of the Board of Directors, shared among the Chairman, other Board members and possible compensation for committee work and, where applicable, election of auditors and auditor's fees.

The Nominating Committee for the AGM 2020 consisted of Mattias Cramby (Mexor i Skellefteå AB), Erik Esveld (Van Herk Investments B.V.), Vincent Ossipow (Omega Fund IV, LP) and

the Chairman of the Board Leonard Kruimer. The Nominating Committee formulated proposals regarding the Chairman of the General Meeting, the composition of the Board of Directors, remuneration of the Board of Directors, as well as election of auditors and auditors fees. The Nominating Committee had four meetings, of which three were by telephone. The committee members also had additional telephone contacts. No fees have been paid to the members of the Nomination Committee.

Pursuant to the Nomination Committees reasoned statement the Nomination Committee has, when preparing its proposal for Board members, applied Section 4.1 of the Code as diversity policy. The goal of the policy is that the Board of Directors shall have a composition appropriate to the Company's operations, phase of development and other relevant circumstances, characterised of diversity and breadth of qualifications, experience and background and that the Company shall strive for gender balance. The AGM 2020 resolved to elect Board members in accordance with the Nomination Committees' proposal, which resulted in the present Board of Directors. However, when preparing its proposal, the Nomination Committee concluded that the composition of the Board of Directors will not meet the ambition that 40 percent of the Board members shall represent the underrepresented gender, but noted that the two employee representatives appointed to the Board of Directors are women. At the AGM 2020, five Board members were elected, whereof one woman and four men.

The composition of the Nominating Committee for the AGM 2021 was presented on BioInvent's website on December 9, 2020. According to the Code, the Company must post the names of the Nominating Committee's members on the Company's website six months prior to the AGM and, where applicable, information on which shareholder the Committee member represent. Due to the fact that it has taken longer than anticipated to appoint the Nominating Committee, BioInvent has deviated from the above-mentioned requirement. The Nominating Committee for the AGM 2021 consists of Erik Esveld, appointed by van Herk Investments B.V., Chairman of the Nomination Committee, Vincent Ossipow, appointed by Omega Funds, LP, Jannis Kitsakis, appointed by the Fourth National Swedish Pension Fund, and Leonard Kruimer, Chairman of the Board. No fees have been paid to the members of the Nomination Committee.

Redmile Group, LLC. has since March 29, 2021 a stake equal to or greater than 10 percent of the votes of all shares in BioInvent.

## The Board of Directors and its work

BioInvent's Board of Directors is elected annually at the AGM for the period until the next AGM and shall, according to the Articles of Association, consist of no less than five and no more than nine members. The Articles of Association contain no special provisions regarding the election or dismissal of Board members.

The AGM 2020 discharged the Board members and the CEO from liability and re-elected the Board members Dharminder Chahal, An van Es-Johansson, Leonard Kruimer and Bernd Seizinger, and elected Kristoffer Bissessar as new Board member. Leonard Kruimer was elected Chairman of the Board.

The EGM on July 3, 2020 resolved, in accordance with the Nomination Committee's and major shareholders' proposal, to increase the Board of Directors with one member through new election of Dr. Thomas Hecht as a Board member. On January 18, 2021, BioInvent announced that An van Es-Johansson would resign as a director of the board effective as of February 15, 2021, due to personal reasons.

The Board of Directors consists of six directors elected by the General Meeting, as well as the employee representatives Vessela Alexieva and Anette Mårtensson.

The Board of Directors is presented on page 26. All Board members elected by the General Meeting are independent in relation to the Company, senior executives and major shareholders.

The AGM 2020 resolved that the Board's fee shall amount to SEK 682,500 to the Chairman of the Board and SEK 305,500 to each of the other Board members, who are not employed by the company. In addition hereto, the AGM resolved on fees for committee work of SEK 57,500 to the Chairman of the Audit Committee, SEK 46,000 to each of the other members of the Audit Committee and SEK 57,500 to the Chairman of the Scientific Committee and that no fee for work in the Remuneration Committee shall be paid. Fee for committee work shall not be paid to the Chairman of the Board.

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

In 2020 the Board of Directors held six ordinary meetings and nine extraordinary meetings. The Board of Directors met with the Company's auditor on two occasions, including one occasion without the presence of the CEO or other persons from the senior management. Attorney Madeleine Rydberger, Mannheimer Swartling Advokatbyrå, has served as the secretary of the Board of Directors during the year. Regular items on the agenda at the meetings included monitoring of the operation in relation to the Company's budget and strategic plan. In addition, the Board of Directors has considered and resolved on issues pertaining to research and development, financing, intellectual property, strategic focus and planning, the budget, essential agreements, audit, financial reporting and compensation related issues.

The Board has conducted the annual structured Board evaluation and the results of this have been shared with the Nominating Committee.

Board member	Attendance
Leonard Kruimer (Chairman)	15 (15)
Vessela Alexieva	14 (15)
Kristoffer Bissessar <sup>2)</sup>	9 (9)
Dharminder Chahal	15 (15)
Elin Jaensson Gyllenbäck <sup>1)</sup>	5 (6)
Thomas Hecht <sup>3)</sup>	6 (6)
An van Es-Johansson	14 (15)
Anette Mårtensson <sup>2)</sup>	9 (9)
Vincent Ossipow <sup>1)</sup>	6 (6)
Bernd Seizinger	15 (15)

1) Resigned on May 28, 2020 in conjunction with the AGM.

2) Elected on May 28, 2020 in conjunction with the AGM.

3) Elected on July 3, 2020 in conjunction with the EGM.

Once a year the Board of Directors evaluates its own work and the work of the CEO with a view to develop Board procedures and efficiency. The evaluation takes the form of a questionnaire that the members answer, after which the responses are compiled and presented to the Board of Directors and the Nomination Committee along with the results of the evaluations carried out in the two preceding years.

### Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of Leonard Kruimer (Chairman), An van Es-Johansson and Bernd Seizinger. All members are independent in relation to the Company and the senior executives. The work is regulated in the instructions that comprise part of the rules of procedure for the Board of Directors and include to consider and to resolve on issues pertaining to remuneration and benefits to senior executives. The work includes preparation of other remuneration issues of greater importance, such as incentive programs. Added to this are assignments to monitor and evaluate ongoing and completed programs for variable remuneration to senior executives, monitor and evaluate implementation of the guidelines for remuneration to senior executives applicable for the year, as well as applicable remuneration structures and levels within the Company. The Remuneration Committee reports to the Board of Directors. The committee held one meeting in 2020.

Member of the Remuneration Committee	Attendance
Leonard Kruimer (Chairman)	1 (1)
An van Es-Johansson	1 (1)
Bernd Seizinger	1 (1)

### Audit Committee

The Board of Directors has appointed an Audit Committee consisting of Kristoffer Bissessar (Chairman), Dharminder Chahal and Leonard Kruimer (for the period following the AGM in 2020; before then Leonard Kruimer (Chairman) and Dharminder Chahal). The Audit Committee's members have the requisite accounting expertise.

The Audit Committee, whose work is regulated in the instructions that serve as part of the rules of procedure for the Board of Directors, is tasked with preparing issues on behalf of the Board of Directors regarding procurement of audit services and remuneration, monitoring the auditors' work and the Company's internal control systems, monitoring the current risk scenario, monitoring external audits and the Company's financial information, adopting the interim reports for quarters 1 and 3, preparing the interim report for quarters 2 and 4, as well as the Company's Annual Report, monitoring issues pertaining to financing, and preparing the adoption and revision of 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. The committee held eight meetings in 2020.

Member of the Audit Committee	Attendance
Kristoffer Bissessar (Chairman after May 28, 2020) <sup>1)</sup>	5 (5)
Dharminder Chahal (Chairman until May 28, 2020)	8 (8)
Leonard Kruimer	8 (8)

1) Elected on May 28, 2020 in conjunction with the AGM.

### Auditors

According to the Articles of Association, BioInvent shall appoint a registered auditing Company for a term of two years. The auditor attends at least one Board meeting a year not attended by the CEO and other members of the Company's senior management. The AGM 2020 elected KPMG AB to serve as the Company's auditors for a two-year mandate. Linda Bengtsson, authorized public accountant, is principal auditor.

### Group Management

According to its guidelines and instructions, the Board of Directors has delegated the day-to-day business to the CEO. The CEO and, under his leadership, other members of the management group, are responsible for collective business operations and day-to-day business. The CEO regularly reports to the Board of Directors on the Company's business operations, financial performance and other issues relevant to the Company. Once a year the Board of Directors evaluates the work of the CEO. No member of the senior management is present at this meeting. The CEO and the senior management are presented on page 27.

### Remuneration to senior executives

The AGM 2020 adopted guidelines for remuneration to senior executives. According to the guidelines, salaries and other terms of employment for senior management are set at market rates. In addition to a fixed base salary, senior executives can also receive a variable salary, which will be limited and based mainly on technical and commercial milestones within proprietary drug projects. In addition to such fixed and variable compensation, the Company may grant retention bonuses which for a three-year period may amount to a maximum of 100 percent of the fixed salary for a year. Senior executives may also receive remuneration in the form of options or other share-related incentive programs, as decided by the Annual General Meeting of shareholders. The complete guidelines can be seen in the Board of Directors Report on pages 33-34.

### The Company's systems for internal control and risk management with respect to financial reporting for the 2020 financial year

According to the Swedish Companies Act and the Code the Board of Directors is responsible for internal control. This description has been prepared in accordance with the Annual Accounts Act, Chapter 6, Section 6, and describes the Company's systems and procedures for internal control in connection with financial reporting. Internal control and risk management regarding

financial reporting is a process designed by the Board of Directors to provide the Board of Directors, senior management and others involved in the organization a reasonable assurance regarding the reliability of external financial reporting and the extent to which the financial statements are formulated in compliance with generally accepted accounting principles, applicable laws and regulations as well as other requirements for listed companies.

### Control Environment

The foundation of the internal control process consists of the overall control environment, including among other things: the Company's ethical values, organizational structure and decision making procedures, as well as the allocation of powers and responsibilities. The most essential components of the control environment at BioInvent are documented in its policies and other governing documents. BioInvent's rules of procedure describe the allocation of responsibilities between the Board of Directors and the CEO, as well as among the Board's committees. Other policies and governing documents include the Company's ethical guidelines, treasury policy and authorization instructions.

### Control activities

Appropriate control activities is a prerequisite to manage essential risks associated with the internal control process. To ensure the efficacy of the internal control procedures, BioInvent has both computerized controls in IT systems to handle authorization and approval authority, as well as manual controls such as inventories and reconciliation procedures. Detailed financial analyses of the Company's performance, as well as follow-up of plans and forecasts, supplement the controls and provide an overall confirmation of the quality of financial reporting.

### Information and communications

BioInvent's most essential policies and other governing documents are updated regularly and communicated to everyone involved through established information channels, in print and/or in electronic format.

### Follow-up

BioInvent follows up and assesses its compliance with internal policies and other governing documents on a regular and annual basis. Suitability and functionality are also evaluated on a regular and annual basis. Inadequacies are reported and remedied in accordance with specific established procedures.

### Internal audit

BioInvent has formulated governance and internal control systems with regular follow-up of compliance at various levels within the Company. The Board of Directors therefore does not consider a separate audit function to be necessary in the current situation. This is reconsidered annually by the Board of Directors.

Lund April 8, 2021  
The Board of Directors

# Auditor's report on the corporate governance statement

To the general meeting of the shareholders in BioInvent International AB (publ), corporate identity number 556537-7263

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2020 on pages 60-62 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö April 8, 2021  
KPMG AB

Linda Bengtsson  
Authorized Public Accountant