



BioInvent Interim Report 1 January – 30 June 2014

Milestone payments and sale of product rights bring profit in second quarter

Second quarter 2014, April - June

- ❑ Net sales for April – June 2014 amounted to SEK 32 (12) million.
- ❑ Earnings after tax for April – June 2014: SEK 3.7 (-9.4) million.
- ❑ Earnings after tax per share for April – June before and after dilution: SEK 0.04 (-0.13).
- ❑ Cash flow from current operations and investment activities for April – June 2014: SEK -25 (-37) million.

Half year results 2014, January – June

- ❑ Net sales for January – June 2014 amounted to SEK 34 (24) million.
- ❑ Earnings after tax for January – June 2014: SEK -15 (-24) million.
- ❑ Earnings after tax for January – June before and after dilution: SEK -0.17 (-0.32).
- ❑ Liquid funds as of 30 June 2014: SEK 74 (40) million. Cash flow from current operations and investment activities for January – June 2014: SEK -48 (-60) million.

Important events in the second quarter and after the reporting period

- ❑ In the second quarter BioInvent received SEK 63.9 million through a rights issue combined with a private placement. The rights issue was oversubscribed by 101% and amounted to SEK 48.9 million. The private placement of SEK 15 million was subscribed by Henrik Rhenman through Rhenman Healthcare Equity L / S and Peter Thelin through East Bay AB.
- ❑ BioInvent sold back its rights to the drug candidate ADC-1013 to Alligator Bioscience AB to focus resources on the fully owned drug development candidates.
- ❑ BioInvent was granted a U.S. patent for BI-505 and apoptosis-inducing ICAM-1 antibodies. The patent provides broad protection for BI-505 which is in a phase II study and which was developed using F.I.R.S.T.[™], BioInvent's patented discovery platform for antibody drug candidates and cellular target structures.
- ❑ BioInvent has received milestone payments from Bayer and Servier totaling EUR one million. The milestone payments are based on the development of antibodies identified from BioInvent's n-CoDeR[®] antibody library. The milestone payments were triggered as Bayer enrolled the first patient in a phase I clinical trial and Servier reached *in vivo* proof of concept against a specific target structure.

Comments from the CEO

"In the second quarter, we demonstrated that we can generate significant revenue from our technology. We have scaled up our marketing efforts and seen a growing interest from international pharmaceutical and biotech companies for our development platform F.I.R.S.T.[™] and for our key pipeline projects. Our research programs are focused in immuno-oncology, the pharmaceutical market segment expected to become the largest pharmaceutical market in oncology with a value potential of over SEK 200 billion." says Michael Oredsson, CEO of BioInvent.

Contact

Any questions regarding this report will be answered by Michael Oredsson, CEO, phone.+46 (0)46 286 85 67, mobile +46 (0)707 18 89 30. The report is also available at www.bioinvent.com

BioInvent International AB is a research-based pharmaceutical company focused on discovery and development of innovative antibody-based drugs against cancer.

The company has unique expertise in antibody drug development from initial concept to late clinical phase. The screening tool F.I.R.S.T.TM and the antibody library n-CoDeR[®] are two patented tools that enable identification of relevant human antibodies and disease targets during the discovery phase. The scope and strength of this platform is also used to develop antibody-based drugs in collaboration with partners who finance the development of the new drug, and provide BioInvent the right to milestone payments and royalties on sales. These partners include Bayer Pharma, Daiichi Sankyo, Mitsubishi Tanabe Pharma, Servier and Xoma.

Overview of the project portfolio

Project	Primary Indication	Discovery	Preclinic	Phase I	Phase II	Collaboration
Proprietary Projects						
BI-505	Multiple Myeloma					
BI-1206	Hematologic cancer					University of Southampton
Research Programmes						
T-reg	Oncology					University of Southampton
TAM	Oncology					Cancer Research Technology
Blood cancers	Hematologic cancer					University of Southampton
Partner's Projects (n-CoDeR[®])¹⁾						
Partner project 1						
Partner project 2						
Partner project 7						
Partner project 3						
Partner project 4						
Partner project 5						
Partner project 6						
Partner project 8						
Partner project 9						
>10 projects						

¹⁾ Include Bayer Pharma, Daiichi Sankyo, Mitsubishi Tanabe Pharma, Servier and Xoma

Multiple myeloma (BI-505)

Background

Candidate drug BI-505 is a human antibody that specifically binds to the ICAM-1 adhesion protein (also known as CD54). Expression of ICAM-1 is elevated in tumour cells, which makes it a suitable target for a candidate drug. BI-505 exerts its antitumour activity by inducing cell death of myeloma cells and by involving the patient's immune cells, known as macrophages, to attack myeloma cells. Macrophages are abundant in the bone marrow of myeloma patients, where they are thought to contribute to disease progression and development of resistance to currently available drugs. The ability of BI-505 to engage these disease-associated, disease-driving, immune cells to kill myeloma cells is therefore a very interesting mechanism of action. BI-505 has a new mechanism contributing to the effective killing of myeloma cells. In several animal models, BI-505 proved to be very effective at killing tumours and more effective than existing drugs. The number of newly diagnosed patients with multiple myeloma worldwide is estimated at approx. 60,000 per year.

BI-505 has received Orphan Drug Designation for multiple myeloma by the U.S. Federal Drug Administration (FDA) and European Medicines Agency (EMA).

Project status

The initial results from the phase I study of BI-505 on patients in advanced stages of the malignant disease multiple myeloma were reported in January 2013. The preliminary analysis showed a good safety profile for BI-505. In those dosage groups to which extended therapy was offered, 24% of these severely ill patients demonstrated stable disease for at least two months, indicating a beneficial effect of BI-505. Optimal dose was determined according to the study protocol and is used in the current clinical trial.

Results from the phase I study were presented in April 2013 at the International Myeloma Workshop 2013 in Kyoto, Japan. New preclinical data were presented on the same occasion and in December 2013 in New Orleans, USA, showing significantly enhanced antitumour activity compared with monotherapy when combining the approved drugs Velcade® or Revlimid® with BI- 505. Velcade® and Revlimid® together represent an annual sales value of about USD 6 billion.

In April 2013 the journal Cancer Cell presented data showing preclinical proof-of-concept both for BI-505, and for BioInvent's function-based F.I.R.S.T.™ platform with which the antibody was developed. The article presents data showing the potent action of BI-505 in several preclinical multiple myeloma models.

In the first quarter and early in the second quarter of 2014, two additional patients were dosed in the ongoing phase II study of BI-505.

The study is carried out in patients with asymptomatic multiple myeloma ("smouldering multiple myeloma"). Patients with asymptomatic myeloma have no clinical symptoms; the disease can only be seen in laboratory tests. The study includes up to 10 patients and evaluates how BI-505 affects disease activity in these patients. Secondary objectives include safety, pharmacokinetics and evaluation of biomarkers.

BioInvent have discussions with potential partners in order to run a phase II study in multiple myeloma with BI-505 in combination with an existing drug.

Hematologic cancer (BI-1206)

Background

BI-1206 is a so-called antagonistic (blocking) antibody aimed at the immunosuppressive target protein Fc gamma receptor IIB, CD32b. CD32b is overexpressed on tumour cells in patients with lymphoma, especially in patients who respond poorly to currently available drugs. Data show that CD32b is directly involved in the development of tumour cell resistance to the current state-of-the-art treatment – Rituximab (Rituxan®, Mabthera®, Roche), an antibody directed against target protein CD20. Combined treatment with BI-1206 and rituximab, with annual sales of about USD 7.9 billion, in clinically relevant animal models with tumour cells from patients demonstrated significantly improved antitumour effects compared to monotherapy with rituximab. Combination therapy therefore has the potential to significantly improve treatment of patients with non-Hodgkin's lymphoma.

BI-1206 has also shown strong ability to kill lymphoma cells on its own in preclinical models using tumour cells taken directly from patients. Moreover, other groups have shown that animals lacking CD32b (CD32b knockout mice) respond better to antibody treatment and are better able to kill tumour cells in a lung cancer model compared with animals that have the CD32b protein. These results show that BI-1206 may have the potential to also be used as monotherapy and, by blocking the immunosuppressive effect of CD32b, create a more immunostimulatory environment and thereby enhance the therapeutic effect of several approved antibody-based drugs other than rituximab. BI-1206 will initially be developed for severely ill patients with blood cancer and work is currently underway to prioritize the most relevant patient group. Preclinical studies are also planned to assess the potential for this antibody to be effective in other types of hematologic cancer, in solid tumours and in combination with antibodies other than rituximab. The product is developed in collaboration with a leading research group in Southampton, England. Various studies, have shown that as many as half of all cancer patients who responded to an initial Rituxan® treatment proved to be resistant to the drug at relapse.

Project status

Development of the production process for BI-1206 has begun. The next stage of development after up-scaling and production involves toxicological studies, which were initiated in the second quarter of 2014. The first clinical study with BI-1206 is expected to start at year end 2014.

Partner's Projects

The Company is already conducting research and development of antibody-based drugs in cooperation with other external partners such as Bayer Pharma, Daiichi Sankyo, Mitsubishi Tanabe Pharma, Servier and Xoma. The structure of the various collaborations may vary, but common to them all is that BioInvent receives licence fees and research financing, as well as milestone payments and royalties on sales of commercial products. The contribution from these external drug programmes to the Company's drug portfolio today consists of three clinical phase I projects, whereof two have entered the clinical phase in 2014, and six projects in the preclinical phase and more than ten projects in the early research phase. These partner projects may yield significant revenues for the future. In the

second quarter BioInvent received milestone payments from Bayer and Servier totaling EUR one million as Bayer enrolled the first patient in a phase I clinical trial and Servier reached *in vivo* proof of concept against a specific target structure.

Technology platform

BioInvent's patented F.I.R.S.T.[™] platform is a unique approach that, in combination with n-CoDeR[®] antibody library, offers the advantage of simultaneously identifying disease-associated targets and antibodies which bind to them. The method is based on simultaneous investigation of antibody binding to both diseased and healthy tissue in order to specifically select those antibodies and target structures that are unique for diseased tissue in terms of binding and expression.

In recent years BioInvent has successfully used the F.I.R.S.T.[™] platform to discover own new antibodies, e.g. BI-505. In the first quarter and early second quarter of 2014 BioInvent initiated the launch of the technology broadly in relation to international biotech and pharmaceutical companies.

BioInvent believes that during the early development phase it is of utmost importance to recreate as closely as possible the biology relevant to human disease. Consequently the F.I.R.S.T.[™] platform uses biological material obtained directly from patients. In the current situation we have focused on using F.I.R.S.T.[™] in the development of immunomodulatory therapies that enhance the immune response to haematological cancer. In the next step of research and development, we also use unique patient cellbased *in vitro* and *in vivo* models, developed by BioInvent. We believe this strategy will lead to more predictable results with a lower risk of failure in clinical projects.

Revenues and result

April-June

Net sales for the April-June period amounted to SEK 32 million (12). Revenues for the period are derived from partners developing therapeutic antibodies from the n-CoDeR[®] antibody library and from sales of the Company's rights to the drug development candidate ADC-1013 to Alligator Bioscience AB.

The Company's total costs for the April-June period amounted to SEK 29 million (22). Operating costs are divided between external costs of SEK 18 million (8.5), personnel costs of SEK 10 million (13) and depreciation of SEK 0.5 million (0.7). Research and development costs for April – June amounted to SEK 20 million (16).

Earnings after tax for April-June amounted to SEK 3.7 million (-9.4). The net financial items, April–June, amounted to SEK 0.3 million (0.8). Earnings per share before and after dilution, April–June, amounted to SEK 0.04 (-0.13).

January-June

Net sales for the January-June period amounted to SEK 34 million (24). Revenues for the period are derived from partners developing therapeutic antibodies from the n-CoDeR[®] antibody library and from sales of the Company's rights to the drug development candidate ADC-1013 to Alligator Bioscience AB.

The Company's total costs for the January–June period amounted to SEK 51 million (49). Operating costs are divided between external costs of SEK 31 million (22), personnel costs of SEK 19 million (26) and depreciation of SEK 1.0 million (1.4). Research and development costs for January – June amounted to SEK 34 million (36).

During the period financial support from the EU's framework programme was reported for early research projects. The subsidy amounted to SEK 1.2 million (0.7) and has been reported in the income statement under "Other operating revenues and costs".

Earnings after tax for January – June amounted to SEK -15 million (-24). The net financial items, January–June, amounted to SEK 0.4 million (0.6). Earnings per share before and after dilution, January–June, amounted to SEK -0.17 (-0.32).

Financial position and cash flow

As of 30 June 2014, the Group's liquid funds amounted to SEK 74 million (40). The cash flow from current operations and investment activities for January – June amounted to SEK -48 million (-60). Reported but not yet paid revenues affected working capital during the past quarter. Payment of

reserves from 2012 for remaining costs of the TB-402 project and for restructuring costs affected cash flow negatively in 2013.

The extraordinary general meeting in March 2014 approved the Board of Directors' resolutions in February 2014 to carry out a new share issue with pre-emptive rights for shareholders of SEK 48.9 million and a directed new share issue of SEK 15.0 million. The new share issues were completed in April 2014 and amounts to a total of SEK 63.9 million before issue costs. The subscription price for the new share issues was set to SEK 2.30 per share. The rights issue was oversubscribed. The shares in the directed new share issue have been subscribed by two investors of institutional character; Henrik Rhenman through Rhenman Healthcare Equity L/S and Peter Thelin through East Bay AB. After the share issue the share capital consists of 112,790,050 shares.

The shareholders' equity amounted to SEK 91 million (24) at the end of the period. The Company's share capital at the end of the period was SEK 9.0 million. The equity/assets ratio at the end of the period was 76 (42) per cent. Shareholders' equity per share amounted to SEK 0.81 (0.32). The Group had no interest-bearing liabilities.

Investments

No investments were made in tangible assets or intangible assets during the period (-).

Parent company

All operations of the Group are conducted by the Parent Company. The Group's and the Parent Company's financial statements coincide in every material way.

Organisation

As of 30 June 2014, BioInvent had 36 (46) employees. 30 (38) of these work in research and development.

Employee Incentive Programme

Employee Incentive Programme 2011/2015

The 2011 Annual General Meeting voted in favour of complementing the already established Employee Incentive Programme 2008/2012 aimed at newly employed senior executives and key individuals not participating in Employee Incentive Programme 2008/2012. The number of employee options was within the framework of the number of options still not exercised in Employee Incentive Programme 2008/2012, including previous supplementary programmes.

Each employee option entitles the holder to acquire 1.069 new shares in BioInvent for a subscription price of SEK 28.42 up to 1 December 2015. Subscription price and number of shares that each employee option entitles to are converted pursuant to rights issues carried out. Under the programme a maximum of 33,750 employee options can be allotted.

Employee Incentive Programme 2013/2017

The 2013 Annual General Meeting voted in favour of establishing a new, long-term employee incentive programme involving the allotment of a maximum of 900,000 employee options free of charge to all Group employees.

The employees will receive options based on their performance in the 2013, 2014 or 2015 financial years and allotment will take place in connection with the publication of the year-end financial statement for the subsequent year. Each employee option will entitle the holder to acquire 1.064 new share in BioInvent for a subscription price of SEK 3.31 during the period from the date of publication of the Company's year-end financial statement for the 2016 financial year up to and including 1 December 2017. Subscription price and number of shares that each employee option entitles to are converted pursuant to rights issues carried out. Allotment of 100,747 employee options took place in February 2014.

To guarantee BioInvent's commitment and cover the costs associated with Employee Incentive programme 2013/2017, the 2013 Annual General Meeting resolved to issue a maximum of 1,182,780 warrants to BioInvent Finans AB.

If fully exercised, Employee Incentive Programme 2011/2015 and Employee Incentive Programme 2013/2017 will represent a dilution equivalent to around 1.4 percent of the shares in the Company.

Risk factors

The Company's operations are associated with risks related to factors such as pharmaceutical development, clinical trials and product responsibility, commercialisation and partners, competition and fast technological development, biotechnology and patent risk, compensation for pharmaceutical sales, qualified personnel and key individuals, additional financing requirements, currency risk and interest risk. The aforementioned risks summarize the factors of significance for BioInvent and thus an investment in the BioInvent share. For a more detailed description of risk factors, see section "Risks and Risk Management", page 30, in the company's annual report 2013.

Accounting principles

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable sections of the Swedish Annual Accounts Act. The accounting principles applied here are the same as those applied in the preparation of the most recent annual report. Changes in IFRS standards entered into force in 2014 has had no material impact on the financial statements. The financial statements of the Parent company coincide in every material way with the consolidated financial statements.

This report has been reviewed by the company's auditors.

Upcoming financial reports

BioInvent will present the following financial reports:

Interim reports 23 October 2014

Consolidated statement of comprehensive income in brief for the Group (SEK thousands)

	3 MONTHS 2014 April-June	3 MONTHS 2013 April-June	6 MONTHS 2014 Jan.-June	6 MONTHS 2013 Jan.-June	12 MONTHS 2013 Jan.-Dec.
Net sales	32,442	12,274	34,206	23,912	81,713
<i>Operating costs</i>					
Research and development costs	-19,629	-15,848	-33,973	-35,574	-71,180
Sales and administrative costs	-9,439	-6,645	-17,110	-12,964	-30,220
Other operating revenues and costs	48	-17	1,213	376	511
	-29,020	-22,510	-49,870	-48,162	-100,889
Operating profit/loss	3,422	-10,236	-15,664	-24,250	-19,176
Profit/loss from financial investments	292	812	445	567	1,137
Profit/loss after financial items	3,714	-9,424	-15,219	-23,683	-18,039
Tax	-	-	-	-	-
Profit/loss after tax	3,714	-9,424	-15,219	-23,683	-18,039
Other comprehensive income					
<i>Items that have been or may be reclassified subsequently to profit or loss</i>					
Changes in actual value current investments					
Tax	-5	-	-5	-10	-10
Comprehensive income for the year	3,709	-9,424	-15,224	-23,693	-18,049
Other comprehensive income for the year attributable to parent company's shareholders	3,709	-9,424	-15,224	-23,693	-18,049
Earnings per share, SEK					
Before dilution	0.04	-0.13	-0.17	-0.32	-0.23
After dilution	0.04	-0.13	-0.17	-0.32	-0.23

Consolidated statement of financial position in brief for the Group (SEK thousands)

	2014 30 June	2013 30 June	2013 31 Dec.
Assets			
Fixed assets			
Intangible fixed assets	0	0	0
Tangible fixed assets	2,924	5,377	3,928
Financial fixed assets	9,000		
Current assets			
Inventories	79	124	205
Current receivables	32,954	12,468	12,559
Liquid funds	74,297	39,764	64,745
Total assets	119,254	57,733	81,437
Shareholders' equity and liabilities			
Shareholders' equity	91,163	23,955	49,007
Current liabilities	28,091	33,778	32,430
Total shareholders' equity and liabilities	119,254	57,733	81,437

Statement of changes in equity for the Group (SEK thousands)

	2014 April-June	2013 April-June	2014 Jan.-June	2013 Jan.-June	2013 Jan.-Dec.
Opening balance	30,111	33,367	49,007	47,624	47,624
Effect of employee incentive programme	19	12	56	24	49
Rights issue and directed new share issue	57,324		57,324		
Rights issue					19,383
Comprehensive income	3,709	-9,424	-15,224	-23,693	-18,049
Closing balance	91,163	23,955	91,163	23,955	49,007
Shareholders' equity pertaining to the parent company's shareholders	91,163	23,955	91,163	23,955	49,007

The share capital as of 30 June 2014 consists of 112,790,050 shares and the share's ratio value is 0.08. The rights issue and the directed new share issue carried out in April 2014 raised SEK 57,324 thousands after issue expenses, which amounted to SEK 6,559 thousands. The rights issue carried out in August 2013 raised SEK 19,383 thousands after issue expenses, which amounted to SEK 3,903 thousands.

Consolidated statement of cash flows in brief for the Group (SEK thousands)

	2014 April-June	2013 April-June	2014 Jan.-June	2013 Jan.-June	2013 Jan.-Dec.
Current operations					
Operating profit/loss	3,422	-10,236	-15,664	-24,250	-19,176
Depreciation	502	725	1,004	1,447	2,896
Adjustment for other non-cash items	19	12	56	24	49
Interest received and paid	101	146	291	606	929
Cash flow from current operations before changes in working capital	4,044	-9,353	-14,313	-22,173	-15,302
Changes in working capital	-28,847	-28,007	-33,459	-38,124	-39,350
Cash flow from current operations	-24,803	-37,360	-47,772	-60,297	-54,652
Investment activities					
Acquisition of tangible fixed assets	-	-	-	-	-47
Cash flow from investment activities	-	-	-	-	-47
Cash flow from current operations and investment activities	-24,803	-37,360	-47,772	-60,297	-54,699
Financing activities					
Rights issue and directed new share issue	57,324		57,324		
Rights issue	-	-	-	-	19,383
Cash flow from financing activities	57,324	-	57,324	-	19,383
Change in liquid funds	32,521	-37,360	9,552	-60,297	-35,316
Opening liquid funds	41,776	77,124	64,745	100,061	100,061
Liquid funds at end of period	74,297	39,764	74,297	39,764	64,745
Liquid funds, specification:					
Current investments	70,054	20,081	70,054	20,081	50,073
Cash and bank	4,243	19,683	4,243	19,683	14,672
	74,297	39,764	74,297	39,764	64,745

Key financial ratios for the Group

	2014 30 June	2013 30 June	2013 31 Dec.
Shareholders' equity per share at end of period, SEK	0.81	0.32	0.58
Number of shares at end of period (thousands)	112,790	73,926	85,015
Equity/assets ratio, %	76.4	41.5	60.2
Number of employees at end of period	36	46	43

Consolidated income statement in brief for the Parent Company (SEK thousands)

	3 MONTHS 2014 April-June	3 MONTHS 2013 April-June	6 MONTHS 2014 Jan.-June	6 MONTHS 2013 Jan.-June	12 MONTHS 2013 Jan.-Dec.
Net sales	32,442	12,274	34,206	23,912	81,713
<i>Operating costs</i>					
Research and development costs	-19,629	-15,848	-33,973	-35,574	-71,180
Sales and administrative costs	-9,439	-6,645	-17,110	-12,964	-30,220
Other operating revenues and costs	48	-17	1,213	376	511
	-29,020	-22,510	-49,870	-48,162	-100,889
Operating profit/loss	3,422	-10,236	-15,664	-24,250	-19,176
Profit/loss from financial investments	292	812	445	567	1,137
Profit/loss after financial items	3,714	-9,424	-15,219	-23,683	-18,039
Tax	-	-	-	-	-
Profit/loss	3,714	-9,424	-15,219	-23,683	-18,039
Other comprehensive income	5	-	5	-10	-10
Changes in actual value current investments					
Comprehensive income for the year	3,719	-9,424	-15,214	-23,693	-18,049

Consolidated balance sheet in brief for the Parent Company (SEK thousands)

	2014 30 June	2013 30 June	2013 31 Dec.
Assets			
Fixed assets			
Intangible fixed assets	0	0	0
Tangible fixed assets	2,924	5,377	3,928
Financial fixed assets	9,100	100	100
Current assets			
Inventories	79	124	205
Current receivables	32,954	12,468	12,559
Current investments	70,054	20,081	50,073
Cash and bank	4,243	19,683	14,672
Total assets	119,354	57,833	81,537
Shareholders' equity and liabilities			
Shareholders' equity	91,201	23,983	49,035
Current liabilities	28,153	33,850	32,502
Total shareholders' equity and liabilities	119,354	57,833	81,537

The board of directors and the CEO hereby ensure that this interim report for the period 1 January 2013 – 30 June 2014 provides a fair overview of the operations, financial position and performance of the Company and the Group and describes the material risks and uncertainty factors faced by the Company and the companies included in the Group.

Lund, 24 July 2014

Björn O. Nilsson
Chairman of the Board

Vessela Alexieva
Board member

Lars Backsell
Board member

Dharminder Chahal
Board member

Lars Ingelmark
Board member

Jonas Jendi
Board member

Elisabeth Lindner
Board member

Ulrika T. Mattson
Board member

Michael Oredsson
President and CEO

Review report

Introduction

We have reviewed the summarised interim financial information for BioInvent International AB (publ) on 30 June 2014 and for the six month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing, ISA, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the group's part according to IAS 34 and the Annual Accounts Act and for the parent company's part according to the Annual Accounts Act.

Lund, 24 July 2014
KPMG AB

Alf Svensson
Authorised Public Accountant

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Forward looking information

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

Information disclosed in this half year report is provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 8.40 a.m. CET, on 24 July, 2014.