Transcription of call between Martin Welschof (MW), CEO BioInvent AB, and Klas Palin (CP), equity analyst RedEye. Released December 19, 2019.

KP: Interview with Martin Welschof, CEO BioInvent. Today you announced a clinical collaboration with Merck about BI-1206 in solid tumors. What does this mean to BioInvent?

MW: Well, first of all this is very good news, and I can, you know, clarify a little bit more around that. Obviously, Merck is running a number of those collaborations, but recently they have become much, much more selective. This means that this was for us great validation since they looked in great detail at the pre-clinical data that we had generated, the mode of action, and based on that they agreed to, basically, enter into this clinical collaboration and supply agreement, which I think is very, very good. And the other point, which is actually adding additional value, maybe not directly to the shareholders, but indirectly, is that obviously the clinical protocol, all the plans, and the strategy, has been vetted with the clinical development team from Merck, which means we have an excellent protocol and I think a very, very good strategy. So that's the second part, so it's not only a validation but it makes the whole trial better because we could, you know, access the clinical capabilities, experience and knowledge of Merck.

KP: Could you describe how you will be working with each other in this clinical trial?

MW: Yes, so obviously there's a joint committee which is overlooking the whole activities, but in principle we are responsible for the study. We run the trial, obviously in collaboration with Merck, and they provide Keytruda. So that's basically, in short, a very simple summary of how the collaboration will work.

KP: I guess Merck will have full access to all the data?

MW: Absolutely. So, obviously, the amount of Keytruda that we will need for this study is actually quite significant, so it's a significant chunk of money, and for that Merck will have access to the clinical data, but that will not mean that they can block us in any ways and I think we will probably come back to that later in the discussions points that we are having in this call.

KP: Yes. Does this collaboration have any implications on your BI-1206 study in NHL or perhaps the other FcγRIIB programs?

MW: No, so maybe I will start with BI-1607 first. So this is a different compound, but obviously BI-1206 is already in a clinical study for Non-Hodgkins Lymphoma which is running quite well and I think there's no direct implication between those two studies. Obviously, what I think is quite helpful for the study that we are running with Merck is that we already have BI-1206 in the clinic. We have already some dosing data, we have an idea regarding receptor occupancy, and this of course could be used directly in the Merck study. So if at all it's really very helpful and supportive. And of course, there could also be things that we learn from the second study with BI-1206 which could be helpful for the first one. But in the end it's a completely different set of indications so the first study is in Non-Hodgkins Lymphoma and the second one is obviously in solid tumors. And also the mode of action is different since we are targeting in the Non-Hodgkins Lymphoma setting the target FcγRIIB on the tumoral B-cells whereas in solid tumor setting we are targeting FcγRIIB on the cells of the innate immune system. So there we are modulating the immune system, whereas in the first study we are modulating the immune system but we are also killing the circulating tumoral B-cells.

KP: Will this collaboration in any way restrain you to enter into a license agreement with other parties for BI-1206?

MW: No it will not, it will not. Obviously, it is not restraining us, to make that very clear. But to turn it also into something positive, let's say that we are generating great data in combination with Keytruda, then we already have the number one company at hand for a potential broader collaboration and partnering. So I think it's a great opportunity to BioInvent that we were able to strike this deal with Merck, because obviously Merck is the number one company currently regarding checkpoint modulators. And based on the pre-clinical data we hope that we will generate positive data and then we would already have a partner at hand, basically. But to make it very clear so there's no restrains on other partnerships. Obviously, there are certain rules and regulations in the collaboration agreement, but we can still partner BI-1206 also with other companies, there's no limitation.

KP: Maybe you could give an update of the BI-1607 program and also if we should expect you to report some phase I clinical data in the near future.

MW: Yes, I think there will be an update at the beginning of next year, during the first half. But just very briefly, so the BI-1206 study is running well and you might remember that we could show that the antibody is doing its job, basically it is depleting peripheral B-cells but also circulating tumoral B-cells which is very, very good and we are quite careful because we only have a limited number of patients so that's why we only call it signs of efficacy and not efficacy yet but it is clearly going in the right direction, and we hope to have an update during the first half of next year. And also the planning for BI-1607, there we also hopefully will have an update by Q1, latest by Q2 and I just also wanted to briefly mention that the other two program in the pre-clinical pipeline so it's obviously the collaboration with TransGene and there we just had a press release a couple of weeks ago this is also going on schedule and there we also plan to file an IND during the first half of next year. As we do for our proprietary BI-1808 program where we target the TNF receptor 2. So both are on schedule and I think that's also how we want to position the company. Various shots on goal, different targets, different modes of action and we also all know that what you need at the end is one program that generates excellent data and I think we are well positioned to do that.

KP: It would also be interesting to hear your view on BioInvent and the opportunities you see to finance the business in the long term.

MW: Yeah, so basically as already communicated at a number of events and you know lunch meetings as well as the capital markets day so we will have a combination of the following: so obviously this gives me an opportunity to highlight again our collaboration with Pfizer which is running very well and there will hopefully be some news in the near future. So that will obviously be one part, and I am mentioning Pfizer just as a representative. Basically, we can do commercialization around the platform, where Pfizer is the ongoing one, but we also hope to implement other collaborations and we are actively working on that. Then the other thing is partnering, you know, around one or other portfolio programs, and as I already mentioned, we have quite active business development discussions ongoing and I think that good progress has been made, but obviously you always need two parties for a wedding and you also don't want to give it away too cheap, but I can clearly see, based on the activities that we are running, that there's quite some interest and hopefully we can deliver something in this context during the first half of next year. And then obviously we have the manufacturing piece, you probably saw the press release we had around our deal with Cancer Research UK, which is you know, initially moderate income but still very important to us and obviously with Cancer Research UK, we have a potentially strategic partner, which

hopefully will come repeatedly to us because they work together with small to midsize companies which will need manufacturing. So, I think there is also a potential pipeline for the future. But, you know, those three activities will bring cash to the company, but obviously going forward there will be also need for another financing, at some timepoint, and I think I am quite optimistic regarding this as well since we have very strong support of our large institutional investors, which I think is very helpful in that matter.

KP: Lastly, into 2020, what should we expect when it comes to news flow from BioInvent?

MW: So some of it we touched upon already, but I can go through it in the order it will probably happen. An update on BI-1206 in Non-Hodgkins Lymphoma, hopefully during the first half of next year. Then the second trial of BI-1206, hopefully, and that depends on because now we have to source the product and start the clinical sites but maybe by the end of 2020 we might have some first data because it will also be an open label study, but that remains to be seen. Then for 1607, the TransGene collaboration and 1808 I think there will be also updates during the first half of next year. And then I mentioned already the Pfizer collaboration, where I also expect at least one update in the near future. And that will be the main things, and then obviously on the partnering side we hopefully will also have one or the other announcement during the first half of next year and then there is also the manufacturing piece which will also run in the background to generate additional income to the company. So that basically is the mix. So I think this year we managed quite well to deliver the most important milestones and we will do our best to continue this activity during 2020.

KP: Thank you very much Martin!

MW: Thank you Klas.