



Probiodrug AG

Halle /Saale

ISIN DE0007921835 / PBD

Invitation to the Ordinary General Meeting of Shareholders¹

We invite our shareholders to the

ordinary general meeting of shareholders

taking place

on Thursday, June 21, 2018, at 11:00 a.m. (CEST),

at the Leonardo Royal Hotel Berlin Alexanderplatz,
Otto-Braun-Strasse 90, 10249 Berlin, Germany.

I.

Agenda

- 1. Presentation of the Approved Annual Financial Statements as well as the Management Report of Probiodrug AG for the Financial Year 2017, including the Explanatory Report of the Management Board as to the Information pursuant to sec. 289a para. 1 of the German Commercial Code ("HGB") and the Report of the Supervisory Board for the Financial Year 2017.**

The documents mentioned under this item of the agenda are available for inspection on the website of the Company at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/> as of the date of the invitation to the general meeting. Moreover, they are displayed for inspection by the shareholders as of the invitation date in the offices of the Company at Weinbergweg 22, 06120 Halle/Saale, Germany, during the usual business hours of the Company from Monday through Friday from 09:00 a.m. until 04:00 p.m. Furthermore, the documents will be available at the general meeting as well. In conformity with the legal regulations, no resolution is provided for this item of the agenda, as the Supervisory Board has given its consent to the annual financial statements already and thus the annual financial statements are approved.

¹ **NOTE:** The English version is for information purposes only. The German version shall prevail.

2. Adoption of a Resolution on the Approval of the Actions of the Management Board Members for the Financial Year 2017

The Management Board and the Supervisory Board propose to grant the approval to the members of the Management Board holding office in the financial year 2017 for their actions during that period.

3. Adoption of a Resolution on the Approval of the Actions of the Supervisory Board Members for the Financial Year 2017

The Management Board and the Supervisory Board propose to grant the approval to the members of the Supervisory Board holding office in the financial year 2017 for their actions during that period.

4. Election of the Financial Statements Auditor for the Financial Year 2018

The Supervisory Board proposes to elect KPMG AG Wirtschaftsprüfungsgesellschaft, Münzgasse 2, 04107 Leipzig, as financial statements auditor and as auditor for the auditing review of interim financial reports, if any, for the financial year 2018.

The proposal of the Supervisory Board as to this item 4 of the agenda is based on a corresponding recommendation of the audit committee of the Supervisory Board.

5. Elections to the Supervisory Board

Upon the end of the general meeting on June 21, 2018, the term of office of the Supervisory Board members Dr. Dinnies von der Osten, Dr. Erich Platzter, Dr. Jörg Neermann and Charlotte Lohmann will expire.

The Supervisory Board member Kees Been resigned in November 2017 for personal reasons.

Pursuant to sec. 95, sec. 96 para. 1, sec. 101 para. 1 AktG (German Stock Corporations Act) as well as pursuant to sec. 8 para. 1 of the present articles of association of the Company, the Supervisory Board of the Company is composed of five members elected by the general meeting.

The Supervisory Board proposes to re-elect the following persons to the Supervisory Board:

- a) Erich Platzter, physician, resident in Basel
- b) Charlotte Lohmann, Senior Vice President, General Counsel of MorphoSys AG, Planegg, resident in Munich
- c) Dinnies Johannes von der Osten, executive partner of GoodVent GmbH & Co. KG, resident in Berlin
- d) Jörg Neermann, biotechnologist and investment manager, resident in Munich

The election is made pursuant to sec. 8 para. 2 of the Company's articles of association in combination with sec. 102 para. 1 AktG for the period until the end of the general meeting resolving on the approval of actions in the financial year 2019.

It is intended to have the general meeting decide on the new elections to the Supervisory Board by way of individual voting.

Dr. Erich Platzter

Dr. Erich Platzer is a business angel with StartAngels and BioBAC, advising and investing in early-stage companies, in particular in biotech, medtech and high-tech businesses.

In 2001, he co-founded HBM Partners AG, a venture capital Company, from which he retired in 2015. He has been chairman or board member of various publicly traded or privately held early-stage companies including Novuspharma, CTI, Micromet, Cylene, mtm laboratories and Nereus, as well as currently Aptose Biosciences, Credentis, Advanced Osteotomy Tools (AOT), Peripal and Léman Micro Devices (LMD).

Since 2015, Dr. Platzer has also been a Supervisory Board member of the venture capital Company MTIP, MedTech Innovation Partners.

Until 1999 Dr. Platzer worked for close to 10 years in various functions in product development and marketing at F. Hoffmann La Roche, Basel, most recently as Business Director Oncology, supervising the therapeutic area of oncology and responsible for various strategic corporate partnerships. Dr Platzer has worked as a physician and researcher for many years and was a member of the team that purified human natural G-CSF (from which Neupogen[®] was derived). Dr. Platzer graduated from the Medical School of the University of Erlangen, where he also received his MDPHd (Dr. med. habil.).

Charlotte Lohmann

Ms. Charlotte Lohmann has been Senior Vice President since January 2018 and General Counsel since May 2012 at MorphoSys AG in Martinsried/Munich.

Prior to this, she spent eleven years at Wilex AG in Munich, her last position as Senior Vice President Legal Affairs & Human Resources. Prior to her position at Wilex, she practiced as a lawyer at the law firm KPMG Treuhand & Goerdeler GmbH in Munich. She started her career in the tax and law department of the auditing Company KPMG Deutsche Treuhand-Gesellschaft AG in the Munich office.

Ms. Lohmann received her degree in law from the University of Munich and is a licensed attorney.

Dinnies Johannes von der Osten

Dr. Dinnies Johannes von der Osten is CEO/Partner at GoodVent Beteiligungsmanagement and CEO of Cedrus Private Equity. He has spent over 20 years in the venture and private capital sector in various positions. Between 1998 and 2007, he was sole Managing Director of IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH; Managing Director of VWM Waste und Beteiligungsgesellschaft mbH (1994-1997) and BDO of TechnoCommerz GmbH, a Treuhandanstalt owned Company (1993-1994).

Dr. von der Osten holds a Ph.D. in Economics from Freie Universität Berlin, a diploma in Economics from Ludwig-Maximilians-University, Munich and a Bachelor of Business and Engineering from TU Karlsruhe.

Jörg Neermann

Dr. Joerg Neermann has been Partner at LSP (Life Sciences Partners) since 2007. He is responsible for sourcing, selecting and managing investments in privately held life science companies primarily in the German-speaking region, but also in other European regions.

He currently also serves on the Supervisory Boards of Immunic (Germany), Eyesense (Switzerland), Vicentra (Netherlands) and Ventaleon (Germany).

Dr. Neermann began his venture capital career in 1996 at Atlas Venture. In 1998, he joined DVC Deutsche Venture Capital, a subsidiary of Deutsche Bank AG, where he became Managing Partner in 2002. Dr. Neermann studied Biotechnology at TU Braunschweig and at the M.I.T. (Cambridge, USA) and holds a Master's degree in Biotechnology. He received his Ph.D. in 1996 from TU Braunschweig.

The proposed candidates hold the following memberships in other Supervisory Boards to be formed by virtue of law and in comparable domestic and foreign control bodies of business enterprises (sec. 125 para. 1 sentence 5 AktG):

Erich Platzer

Memberships in other Supervisory Boards to be formed by virtue of law and in comparable domestic and foreign control committees of business enterprises

- Aptose Biosciences Inc. (NASDAQ, TSE)
- Advanced Osteotomy Tools AOT, Basel, Switzerland
- Credentis AG, Windisch, Switzerland
- Léman Micro Devices S.A., Lausanne, Switzerland
- Peripal AG, Zürich, Switzerland
- MedTech Innovation Partners AG, Basel, Switzerland
- PlatzerInvest AG, Basel, Switzerland

Charlotte Lohmann

Memberships in other Supervisory Boards to be formed by virtue of law and in comparable domestic and foreign control committees of business enterprises

- none

Dinnies Johannes von der Osten

Memberships in other Supervisory Boards to be formed by virtue of law and in comparable domestic and foreign control committees of business enterprises

- Marketlogic Software AG, Berlin

Jörg Neermann

Memberships in other Supervisory Boards to be formed by virtue of law and in comparable domestic and foreign control committees of business enterprises

- Immunic AG, chairman of the Supervisory Board, Martinsried
- Eyesense AG, member of the administration board, Basel, Switzerland
- ViCentra B.V., Board Member, Utrecht, the Netherlands
- Ventaleon GmbH, member of the advisory board, Gmünden

For the persons it proposed, the Supervisory Board took into consideration the objectives set in accordance with the recommendations of the German Corporate Governance Code for the composition of the Supervisory Board with the exceptions declared in the compliance statement of the Company as well as the targets defined by the Supervisory Board on September 15, 2017 for its composition.

Of the proposed candidates, Charlotte Lohmann, Dr. Dinnies von der Osten and Dr. Jörg Neermann qualify based on their many years of professional experience as finance experts as defined in sec. 100 para. 5 AktG. Moreover, all the proposed candidates are acquainted with the industry sector in which the Company works.

According to the view of the Supervisory Board, all candidates are to be considered as independent as defined in sec. 5.4.2 DCGK (German Corporate Governance Code).

According to the vote of the Supervisory Board as composed until now, it is planned to elect Dr. Erich Platzner as chairman of the Supervisory Board.

The proposal of the Supervisory Board as to this item 5 of the agenda is based on a corresponding recommendation of the nomination committee of the Supervisory Board.

6 Resolution on the Reduction of the Number of the Supervisory Board Members as well as the Corresponding Amendment to the Articles of Association

After the re-election of the Supervisory Board members pursuant to agenda item 5, the Supervisory Board will consist of four officiating members of the Supervisory Board. The articles of association shall be adjusted to this number of Supervisory Board members. Thus, the Management Board and the Supervisory Board propose to adopt the following resolution:

- a) The number of the Supervisory Board members is reduced to four from currently five.
- b) Sec. 8 para. 1 of the articles of association is adjusted accordingly and therefore it now reads as follows:

“The Supervisory Board consists of four members elected by the shareholders pursuant to the Stock Corporations Act.”

7. Authorization to issue option bonds and/or convertible bonds (or a combination of such instruments) with exclusion of the subscription right concurrently cancelling the existing authorization of June 10, 2015, as well as creation of a Conditional Capital 2018 concurrently cancelling the Conditional Capital 2015 and amendment to the articles of association

In the general meeting of June 10, 2015, the issue of option bonds and/or convertible bonds (or a combination of such instruments) and the exclusion of the subscription right as well as the creation of a conditional capital and amendments to the articles of association were resolved under item 8 of the agenda. In sub-section hh) of that resolution, the Management Board was authorized - subject to the consent of the Supervisory Board - to exclude the subscription right in specific cases. The Company has not yet made use of that authorization.

The creation of the new authorization is intended to fully exclude the subscription right for the issue of option bonds and/or convertible bonds in order to achieve increased flexibility in the capital market and the synchronization with the conditional capital, for which the subscription right was excluded in the general meeting of June 13, 2017.

Moreover, the provisions for the calculation of the option price and the conversion price are to be adjusted to the needs of the Company. The minimum issue price is to align closer to the market price of the Company's shares on the date of exercising the conversion right or the option and thus of the issue of the shares. A minimum issue price relating to the date of the issue of the option bonds or convertible bonds is only provided for the event of determining a fixed option price or conversion price on the issue of the convertible bonds. This is to enable the Company at any time to adjust its financing structure in the best possible way in accordance with the resulting requirements and opportunities in a flexible and sustainable manner.

The new authorization to be created for the issue of Bonds should be exercisable until June 20, 2023.

The creation of a new conditional capital ("**Conditional Capital 2018**") is associated with the foregoing.

Provided that the following resolutions are adopted in a valid manner and the new Conditional Capital is entered in the commercial register, both the existing authorization to issue option bonds and convertible bonds and the Conditional Capital 2015 resolved by the general meeting of June 10, 2015 shall be cancelled.

The Management Board and the Supervisory Board propose to adopt the following resolutions:

- a) Cancellation of the existing authorization and of the Conditional Capital 2015

The authorization of the Management Board to issue Bonds currently existing based on the resolution under item 8a) of the agenda of the general meeting of June 10, 2015 shall be cancelled effective as of the effective date (i) of the new authorization of the Management Board set forth in sub-section b) below, and (ii) of the new Conditional Capital 2018 set forth in sub-section c) below. Until the effective date of such cancellation, the Management Board maintains the right - subject to the consent of the Supervisory Board - to exercise the currently existing authorization within its limits.

The Conditional Capital 2015 currently existing pursuant to Art. 5 para. 8 of the articles of association shall be cancelled effective as of the effective date (i) of the new authorization of the Management Board set forth in sub-section b) below, and (ii) of the new Conditional Capital 2018 set forth in sub-section c) below.

- b) Authorization to issue option bonds and/or convertible bonds and to exclude the subscription right for such option bonds or convertible bonds

- aa) General

Until June 20, 2023, the Management Board is authorized - subject to the consent of the Supervisory Board - to issue once or in several transactions, in the latter case also simultaneously in several tranches, option bonds and/or convertible bonds in bearer and/or registered form (the "**Bonds**") with a total nominal amount counted as of the date of the initial adoption of the resolution on June 10, 2015 of up to EUR 60,000,000.00, each with or without a maturity restriction. The Bonds, subject to the respective terms and conditions of the option bonds (the "**Option Conditions**") grant option rights or impose option obligations. The Bonds may also, subject to

the respective terms and conditions of the convertible bonds (the “**Convertible Bond Conditions**”) grant conversion rights or impose conversion obligations. The Bonds may grant rights or impose obligations to subscribe for up to 3,400,000.00 no-par value bearer shares of the Company with a total prorated amount of the Company’s share capital of up to EUR 3,400,000.00]. The Bonds may be issued in Euro or - limited to the respective value in Euro - in any other statutory currency of an OECD member state. The Bonds may also be issued against non-cash consideration, in particular to acquire enterprises, interests in enterprises, business units, receivables, patents and licenses or other assets, provided however, that their value is at least equivalent to the issue price of the Bonds.

The Bonds may also be issued by domestic or foreign companies affiliated with the Company within the meaning of sec. 15 et. seq. AktG (the “**Group Company**”). In the event an issue by a Group Company, the Management Board - subject to the consent of the Supervisory Board - is authorized to guarantee the Bonds on behalf of the Company and to grant conversion rights to the holders of convertible bonds or grant option rights/impose option obligations to the holders of option bonds relating to the shares in the Company.

bb) Option bonds and convertible bonds

The Bonds will be divided into equal partial bonds. In case of the issue of option bonds, one or more option warrants will be attached to each partial bond, entitling the holder or creditor or, in case of option obligations, obligating the holder or creditor to acquire no-par value bearer shares in the Company subject to the Option Conditions as set out in more detail by the Management Board. The Option Conditions may provide that the option price can be paid by assigning partial bonds and, as the case may be, by an additional cash consideration. The total prorated amount of the Company’s share capital, which is allotted to the shares to be acquired for each (partial) option bond, must not exceed the nominal amount of the (partial) option bond. Subject to the Option Conditions and Convertible Bond Conditions, rights to subscribe for fractions of shares may be added up to rights to subscribe for full shares, as the case may be, for an additional cash consideration. The exchange ratio may be rounded up or down in each case to the next integer. Remainder amounts may be aggregated and/or compensated in cash; a premium to be paid in cash may also be determined.

If convertible bonds are issued, in case of bearer bonds, the bearers, and in all other cases, the creditors of the partial bonds are granted the right or, in case of a conversion obligation, undertake the obligation to convert their partial convertible bonds into no-par value bearer shares in the Company pursuant to the Convertible Bond Conditions determined by the Management Board. The conversion ratio is calculated by dividing the nominal amount, or the issue price of a partial bond if it is lower than the nominal amount, by the fixed conversion price for a no-par value bearer share in the Company and may be rounded up or down to a whole number; moreover, an additional cash contribution and the combination or a compensation for non-convertible fractions may be determined. The Convertible Bond Conditions may provide for a variable conversion ratio and the determination of the conversion price (subject to the minimum price determined below) within a predetermined range,

which depends on the development of the price of the no-par value shares in the Company during the term of the convertible bonds.

cc) Substitution right

The Option Conditions or the Convertible Bond Conditions may provide for the right of the Company not to grant new no-par value shares in the Company in the event of the exercising of options or conversions, but to pay the equivalent value in cash, which corresponds to the average volume-weighted closing price of no-par value shares in the Company in the electronic trading system of the stock exchange Euronext Amsterdam during a time period determined in the Option Conditions or the Convertible Bond Conditions. The Option Conditions or the Convertible Bond Conditions may also stipulate that the Bond with attached option rights or conversion rights or option obligations or conversion obligations may - at the Company's option - be converted into already existing shares in the Company or of another Company listed in a regulated market instead of new shares from conditional capital, or that the option right may be complied with by delivering such shares. The Option Conditions or the Convertible Bond Conditions may provide for a combination of such forms of compliance.

The Option Conditions or the Convertible Bond Conditions may further provide for the right of the Company to grant - entirely or in part - no-par value shares in the Company or another Company listed in a regulated market upon maturity of the Bond with attached option rights or conversion rights or option obligations or conversion obligations (including maturity resulting from termination) to the holders or creditors instead of payment of the relevant amount due.

dd) Option obligation and/or conversion obligation

The Option Conditions or the Convertible Bond Conditions may also provide for an unconditional or conditional obligation to exercise conversion rights or option rights upon the end of the term or upon an earlier date or upon the occurrence of a certain event. The Company may be given the right in the Option Conditions or the Convertible Bond Conditions to compensate in cash - in whole or in part - any difference between the nominal amount or a lower issue price of the convertible bond and the option bond, if any, and the product from the option price and/or conversion price and the conversion ratio.

ee) Option price and conversion price

In the event of Bonds being issued, which grant option rights and/or conversion rights, and further in the event of determination of a variable conversion price depending on the future development of the price for the no-par value shares in the Company during the term of the Bond, the option price or conversion price per no-par value share in the Company to be determined from time to time - with the exception of the cases in which a substitution right (see cc) above) or a conversion obligation (see dd) above) is provided - shall amount to at least 95% of the volume-weighted average closing price of the Company's shares in the electronic trading system of the stock exchange Euronext Amsterdam on at least five consecu-

tive trading days ending on the trading day preceding the exercising date of the option rights or conversion rights.

In the event of determining a fixed option price or conversion price in the Convertible Bond Conditions, such price shall amount to at least 80% of the volume-weighted average closing price of the Company's no-par value shares in the electronic trading system of the stock ex-change Euronext Amsterdam in the period of at least five consecutive trading days ending on the trading day preceding the day on which the resolution of the Management Board on the issue of the Bond with attached option rights or conversion rights or conversion obligations is passed.

In the event of a substitution right and/or a conversion obligation, the option price and the conversion price shall - in accordance with the Option Conditions or the Convertible Bond Conditions - amount to at least either the minimum amount stated above or the volume-weighted average closing price of the Company's no-par value shares in the electronic trading system of the stock exchange Euronext Amsterdam on the at least five trading days prior to maturity or another determined date, irrespective whether such average price is below the minimum amount stated above (95%). Sec. 9 para. 1 AktG and sec. 199 AktG shall remain unaffected.

ff) Dilution protection

In the event of Bonds with attached option rights or conversion rights or option obligations or conversion obligations, the option price or conversion price may be adjusted with value-preserving effect - notwithstanding sec. 9 para. 1 AktG and in the case of the option rights or conversion rights or the conversion obligations - as provided for in the Option Conditions or the Convertible Bond Conditions if the Company increases the share capital until the expiration of the option term or conversion term concurrently granting a subscription right to its shareholders, or issues or guarantees further Bonds and if the holders of already existing option rights or conversion rights or option obligations or conversion obligations are not granted any subscription right in this respect, unless such adjustment is not already required by law or subscription rights are granted as compensation or a respective amount in cash is paid. The Option Conditions or the Convertible Bond Conditions may also provide for an adjustment of the option price or conversion price in case of other measures or events, which could lead to a dilution of the value of the option rights or conversion rights or the option obligations or conversion obligations.

gg) Authorization to determine the further details

The Management Board - subject to the Supervisory Board's consent- is authorized to determine the further details of the issue and the terms of the Bonds, in particular interest rate, type of interest accrual, issue price, term and division as well as option period and/or conversion period and a potential variability of the conversion ratio and, if applicable, to do so in consultation with the corporate bodies of the subsidiary issuing the option bond or the convertible bond.

hh) Subscription right

The subscription right of the shareholders on the occasion of the issue of Bonds based on this authorization shall be excluded.

c) Creation of a Conditional Capital 2018

The share capital is conditionally increased by up to EUR 3,400,000.00 by issuing up to 3,400,000 new no-par value bearer shares (Conditional Capital 2018). The purpose of the conditional capital increase is to grant no-par value bearer shares in the event of exercise of conversion rights and/or option rights (or the satisfaction of corresponding conversion obligations and/or option obligations) or to grant no-par value shares in the Company instead of payment of the due cash amount, in whole or in part, as the Company may opt in this respect, to the holders or creditors of conversion bonds and/or option bonds issued by the Company or a Group Company in the meaning of sec. 18 AktG until June 20, 2023 based on the authorization of the general meeting of June 21, 2018. Moreover, the issue of the new shares shall be made at the conversion price or option price to be determined based on the resolution of authorization mentioned above.

The conditional capital increase shall be implemented only to the extent in which conversion rights or option rights are made use of or holders or creditors of Bonds obligated to exercise options or effect the conversion comply with their obligation to exercise options or effect the conversion or to the extent in which the Company exercised an option to grant no-par value shares in the Company in lieu of payment of the due cash amount, in whole or in part, unless cash compensation is made or own shares or shares in another listed Company are used as satisfaction. The issued new shares shall participate in the profits as of the beginning of the financial year in which they are created. As far as legally permitted, the Management Board may - subject to the consent of the Supervisory Board - determine the profit participation of new shares in derogation of sec. 60 para. 2 AktG.

The Management Board is authorized - subject to the consent of the Supervisory Board - to determine the further details of the implementation of the conditional capital increase.

The Supervisory Board is authorized to adjust the version of Art. 5 para. 8 of the articles of association in accordance with the issue of the subscription shares as applicable from time to time and to conduct all the other related adjustments of the articles of association, which affect the version only. This shall apply mutatis mutandis in the event that the authorization to issue convertible bonds or option bonds (or combinations of such instruments) is not made use of after the lapse of the period of authorization as well as in the event that the Conditional Capital is not made use of after the lapse of the periods for the exercise of conversion rights or option rights or for the compliance with conversion obligations.

d) Amendments to the Articles of Association

Sec. 5 para. 8 of the Articles of Association shall be revised as follows:

“The share capital of the Company is conditionally increased by up to EUR 3,400,000.00 by issuing up to 3,400,000 new no-par value bearer shares (Conditional Capital 2018). The conditional capital increase is implemented only insofar as the holders or creditors of option rights or conversion rights

or the persons obligated to conversion or exercise of options make use of their option rights or conversion rights or - if they are obligated to convert - meet their obligation to convert, under the option bonds or convertible bonds issued or guaranteed by the Company or a Group Company in the sense of sec. 18 AktG until June 20, 2023 based on the authorization resolved by the general meeting of June 21, 2018 or insofar as the Company exercises its option to grant shares in the Company in lieu of payment of the due cash amount, in whole or in part, unless cash compensation is made or own shares or shares in another listed Company are used as satisfaction. The issue of the new shares shall be effected at the conversion price or option price to be determined, in each case, in accordance with the aforementioned authorization resolution. The new shares issued based on the exercise of the conversion right or option right or the compliance with the conversion obligation shall participate in the profits as of the beginning of the financial year in which they are created; if, however, new shares are issued based on a statement of conversion or exercise made already prior to the annual general meeting of the Company resolving on the appropriation of the balance-sheet profit of the preceding financial year, then the entitlement to dividend from these new shares shall also apply to the financial year preceding their issue. As far as legally permitted, the Management Board may - subject to the consent of the Supervisory Board - determine the profit participation of new shares in derogation of sec. 60 para. 2 AktG. The Management Board is authorized - subject to the consent of the Supervisory Board - to determine the further details of the implementation of the conditional capital increase.”

II.

Report of the Management Board on Item 7 of the Agenda

As of the date of the invitation to the general meeting, the following report of the Management Board will be available to the shareholders on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/>. On request, the Company will send a copy to each shareholder immediately and free of costs. The report will also be available at the general meeting.

Report of the Management Board as to item 7 of the agenda on the adjustment of the authorization to issue option bonds and/or convertible bonds or a combination of such instruments excluding the subscription right, as well as the creation of a conditional capital and amendment to the articles of association

Report of the Management Board on the exclusion of the subscription right pursuant to sec. 221 para. 4 sentence 2, sec. 186 para. 4 sentence 2 AktG

By way of the resolution of the general meeting of June 13, 2017, the subscription right was completely excluded in connection with the Authorized Capital 2017 to achieve the financing of the Company for the required flexibility of the further development of the business. Considering this and as alignment to the resolution adopted on the Authorized Capital, the subscription right is not to be excluded completely for the issue of option bonds and/or convertible bonds, too.

As the decisions on covering capital requirements and/or on the use of a strategic option and/or the use of favorable market conditions usually have to be taken in the short term, it is of essential importance that the Company is able to act without loss of time. As a rule, this is also achieved by the authorization to issue option bonds and convertible bonds. It is in the interest of the Company and its shareholders that it has sufficient flexibility to be able to implement its corporate financing in due time and with a manageable complexity. The Company's ability to determine the terms and conditions for the option bonds and/or convertible bonds close to market conditions allows it determining more favorable conditions for the Company in relation to the interest rate, the option price and/or conversion price, and the issue price. If the subscription right were maintained, however, the issue price and substantial conditions would have to be published no later than by the third day prior to the lapse of the subscription period of at least two weeks. Considering the volatility at the capital markets, there would be a market risk until the end of the period, which could entail safety margins in determining the conditions for the option bonds and/or convertible bonds and thus conditions less close to the market. During the subscription period, the Company could not react to changes of the market situation, particularly to declining share prices, which would make the raising of equity capital more difficult. Moreover, the uncertainty with regard to the subscription result would entail increased expense for or even put at risk the placement with third parties.

In the event of issue of option bonds and convertible bonds, the Company's shareholders have a subscription right in principle. Such subscription right is to be excluded in the process. This is done particularly with a view to the competition situation of Probiodrug with comparable companies of its sector. The Company is listed at a foreign stock exchange (Euronext), while its shareholders are mainly from foreign jurisdictions with different legal systems. There, Probiodrug is in stiff competition with companies where the principle of the subscription right has a more flexible structure than it is the case under the German Stock Corporations Act, and which can act quicker and with a clearly lower legal complexity for

this reason. This ability provides them with the additional advantage that international institutional investors prefer transactions with a low legal complexity. For Probiodrugg it is therefore of outstanding importance to reduce this significant disadvantage as much as possible.

Reasonable equity capital constitutes the economic basis for the business development of Probiodrugg and is therefore of considerable significance for its prospects in the future as well as the implementation of its business strategy. Since the domestic (German) market has only few investors investing in option bonds and convertible bonds etc. of biotech companies, the management bodies also consider the involvement of foreign investors to invest in such financing instruments. As a rule, they demand maximum flexibility in the structuring of the option bonds and convertible bonds. With the adoption of the resolution proposed in this context, Probiodrugg addresses this requirement, thus ensuring that it will have no competitive disadvantage to comparable companies that are also approaching this group of investors, but are subject to a more flexible jurisdiction.

The Management Board presents this report to inform about this resolution to exclude the subscription right based on sec. 221 para. 4 sentence 2, sec. 186 para. 4 sentence 2 AktG.

III. Other Details of the Invitation

1. Information and Documents

As of the time of convening the general meeting, the documents pursuant to sec. 124a AktG will be available for viewing and downloading on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/>.

2. Conditions for the Participation in the General Meeting and Exercising the Voting Right

Pursuant to Art. 17 of the Company's articles of association, those shareholders shall be entitled to take part in the general meeting and to exercise their voting right who register in text form (sec. 126 b German Civil Code – "BGB") in the German or English language at the address, telefax number or email address as shown below and prove their entitlement to participate in the general meeting by submitting evidence of their shareholding:

Probiodrug AG
c/o Computershare Operations Center
80249 Munich

Fax: +49 89 30903-74675

Email: anmeldestelle@computershare.de

The evidence of the shareholding can be provided by a custodian institution in text form (sec. 126b BGB) in the German or English language and shall relate to the beginning of the 21st day prior to the general meeting, i.e. to **May 31, 2018, 00:00 hours (CEST)** ("**Evidence Qualifying Date**").

The registration for the participation in the general meeting and the evidence of the shareholding must be received by the Company at the above address, telefax number or email address not later than six days prior to the general meeting, i.e. until the lapse of **June 14, 2018, 24:00 hours (CEST)**.

In the relationship to the Company, only he shall be deemed a shareholder entitled to take part in the general meeting and exercise the voting right who provided the evidence of the shareholding by the Evidence Qualifying Date. Changes of the share portfolio after the Evidence Qualifying Date shall not have any relevance in this respect. The Evidence Qualifying Date shall not be associated with any blocking of the entitlement to sell the shareholding. Accordingly, once the registration has been made, the shareholders may still dispose of their shares freely. Persons not holding any shares by the Evidence Qualifying Date yet shall not be entitled to take part or vote, unless they have obtained a relevant proxy or are authorized to do so.

After the due registration and the Company's receipt of the evidence of the shareholding, admission tickets for the general meeting will be sent to the shareholders or deposited for them at the convention site. To ensure the timely receipt of the admission tickets, we ask the shareholders to register and send the evidence of their shareholding to the Company in good time.

3. Procedure for Granting Voting Proxies

Shareholders who do not wish to take part in the general meeting in person may have their voting right exercised by a proxy holder, e.g. a credit institution, an association of shareholders, by third parties or the proxy recipients appointed by the

Company subject to the granting of a relevant proxy document. Also in the event of granting a proxy, the timely registration of the shareholder and the evidence of the shareholding as set forth above shall be required.

Shareholders who registered in due time will receive a proxy form together with the admission ticket to the general meeting. In addition, soon after the convocation, a form for granting a proxy will be available on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/>. Shareholders wishing to authorize a proxy holder are asked to use preferably the proxy forms received together with the admission.

If neither any credit institution, nor any association of shareholders, nor any other person or institution equivalent to the foregoing pursuant to sec. 135 para. 8 and para. 10 AktG are given any proxy, then the proxy shall be conferred in text form (sec. 126b BGB) to the Company or directly to the proxy holder. The same applies to the cancellation of the proxy.

For the granting of a proxy to credit institutions, institutions equivalent to the foregoing (sec. 135 para. 10, sec. 125 para. 1 AktG), as well as associations of shareholders or persons as defined in sec. 135 para. 8 AktG, as well as for the evidence and cancellation of such a proxy, the legal regulations, in particular sec. 135 AktG shall apply, which require, *inter alia*, that the proxy shall be documented in a verifiable manner by the proxy holder. Consequently, in case of granting a proxy to a credit institution, an association of shareholders or a person equivalent to the foregoing pursuant to sec. 135 AktG, the shareholders are asked to consult the said proxy recipients in a timely manner for a possibly required form of the proxy.

If the proxy is granted to the Company, it should be received for organizational reasons until June 20, 2018, 06:00 p.m. (CEST) at the following address, telefax number or email address:

Probiodrug AG
c/o Computershare Operations Center
80249 Munich

Fax: +49 89 30903-74675

Email: anmeldestelle@computershare.de

If the proxy is granted to the proxy holder, evidence of such granting of the proxy is required to be provided to the Company in text form (sec. 126b BGB). Such evidence may be provided on the day of the general meeting at the access and exit checkpoint. The evidence of the proxy may also be sent to the above address, telefax number or email address.

If the shareholder authorizes more than one person, the Company may reject any or several of them.

We offer our shareholders to authorize proxy recipients appointed by the Company and bound to follow instructions already prior to the general meeting. The proxy documents for the proxy recipients appointed by the Company are required to be in text form (sec. 126b BGB) and shall include instructions for the exercise of the voting right. In the absence of such instructions, the proxy shall be invalid. The proxy recipients are obligated to vote according to the instructions; they cannot exercise the voting rights at their discretion.

Shareholders intending to make use hereof may use the proxy and instruction forms received together with the admission tickets and send them by mail, telefax or email to the following address, telefax number or email address:

Probiodrug AG
c/o Computershare Operations Center
80249 Munich

Fax: +49 89 30903-74675

Email: anmeldestelle@computershare.de

The forms must be received on or before **June 20, 2018, 06:00 p.m. (CEST)** at the above address, telefax number or email address. Until that date, changes as well as the cancellation of proxies and instructions issued prior to the general meeting are possible as well. Moreover, on the day of the general meeting, present shareholders and shareholder proxy holders may grant proxies and give instructions to the proxy recipients appointed by the Company and change or cancel such proxies and instructions.

More details on the participation in the general meeting as well as the granting of proxies and giving of instructions shall be sent to the shareholders together with the admission ticket. They may as well be viewed on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/>.

4. Applications for Amendments, Applications and Election Proposals of Shareholders, Right to Obtain Information, Additional Information

Application for amendments to the agenda on the request of a minority (sec. 122 para. 2 AktG)

Shareholders the shares of which jointly accumulate to the twentieth part of the registered share capital (this is equivalent to a rounded number of 410,400 shares) or the proportional amount of EUR 500,000.00 (equivalent to 500,000 shares) may request that items be placed on the agenda and announced. Each new item shall be accompanied with a substantiation or draft resolution. The request shall be addressed to the Company's Management Board and shall be received by the Company not later than until 30 days prior to the meeting, i.e. on or before **May 21, 2018, 24:00 hours (CEST)** at the following address:

Management Board of
Probiodrug AG
Weinbergweg 22
06120 Halle /Saale
Germany

As regards the minimum holding period, reference is made to the provisions of sec. 122 para. 1 sentence 3 and para. 2 AktG. The respective shareholders shall prove pursuant to sec. 122 para. 2, para. 1 sentence 3 AktG that they have been holders of the required number of shares since a minimum of 90 days prior to the date of receipt of the request and that they hold the respective shares until the decision of the Management Board regarding the request.

Applications and election proposals of shareholders (sec. 126 para. 1 and sec. 127 AktG)

Pursuant to sec. 126 para. 1 AktG, each shareholder has the right to present applications opposed to the resolution proposals of the Management Board and the Supervisory Board relating to items of the agenda without requiring any announcement, publication or other special action prior to the general meeting. The same applies to counter-proposals to election proposals for Supervisory Board members and auditors (sec. 127 AktG).

Notwithstanding, shareholders may as well send applications opposing a proposal of the Management Board and/or the Supervisory Board for items of the agenda as well as election proposals already prior to the general meeting. Such applications shall be addressed to the following address, telefax number or email address only:

Probiodrug AG
c/o Computershare Operations Center
Elsenheimerstraße 61
80687 Munich

Fax: +49 89 30903-333

Email: gegenantraege@computershare.de

Subject to sec. 126 para. 2 and 3, sec. 127 AktG, the Company shall make available to the other shareholders without undue delay on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/> opposing applications and election proposals of shareholders received until not later than 14 days prior to the general meeting, i.e. until not later than by **June 6, 2018, 24:00 hours (CEST)** addressed to the above address, telefax number or email address. Statements of the administration, if any, shall also be published on the mentioned website subsequently.

Please note that opposing applications and election proposals sent to the Company in due time in advance shall only be taken into consideration in the general meeting if they are presented orally during the general meeting.

The shareholder's right to obtain information (sec. 131 para. 1 AktG)

On request, in the general meeting the Management Board shall provide information to each shareholder on the affairs of the Company, including the legal and business relations to affiliated undertakings as well as the situation of the group and of the companies included in the consolidated annual financial statements to the extent as required for the proper assessment of the item of the agenda. As a rule, requests for information shall be presented orally in the course of the debate. The Management Board may deny the provision of information for the reasons specified in sec. 131 para. 3 AktG.

Additional information

Additional information relating to the rights of the shareholders pursuant to sec. 122 para. 2, sec. 126 para. 1, sec. 127, sec. 131 para. 1 AktG can be found on the Company's website at <http://www.probiodrug.de/investors/annual-shareholders-meeting-2018/>.

5. Number of Issued Shares and Voting Rights

At the time of convening the general meeting, the Company's registered share capital amounts to EUR 8,208,009.00 and is divided in 8,208,009 no-par value bearer shares. Each no-par value share confers one vote. Accordingly, at the date of convening the general meeting, the total number of voting rights in the Company is 8,208,009. The Company does not hold any own shares; there are no shares of different classes.

6. Data Protection Information

As of May 25, 2018, new data protection regulations shall apply throughout Europe based on the coming into force of the European General Data Protection Regulation. The protection of your data and their processing in conformity with the law are

very important to us. In our Data Protection Information, we summarized all the information on the processing of personal data of our shareholders in a clear and consolidated form. The new Data Protection Information will be available on the Company's website at <http://www.probiodrug.de/investors/hauptversammlung-2018/> for inspection and downloading.

Halle/Saale, in May 2018

Probiodrug AG
The Management Board