EXPRES²ION®
BIOTECH

Annual report
2019

ExpreS²ion Biotech Holding AB

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Contents

CEO Bent U. Frandsen comments

"In 2019, while reaching the highest revenues ever of SEK 13.8 million, a 56% annual increase, we were able to take several important steps towards becoming a more commercially and pipeline-driven company. We did this while also solidifying our position as a world-class producer of complex proteins for vaccine development, including work for several malaria vaccine projects. Being able to achieve all of this in one year as a small biotechnology company with limited resources is quite an achievement. However, a lesson to be learned is that our research-based progress was not always easy for the market to evaluate, and as a listed company we must strive to maximize shareholder value."

After having worked for ExpreS^{2}ion since 2016, the Board of Directors decided to appoint me as CEO for the Company in December 2019, and it is with much pride that I have taken over this position. I look forward to leading such a world-class scientific establishment with exciting value potential. I will strive to continue the evolution of ExpreS^{2}ion and make sure that we are moving the focus from the research and development of our platform towards using it for pipeline project development. Availability and timing are important factors when acquiring suitable assets and going forward into 2020 a key focus is on building our portfolio.

The year in review

In 2019, we managed to achieve the highest revenue ever of SEK 13.8 million, a 56% increase compared with previous year. We have also been able to see progress in several key areas. In preclinical services and protein production, our partner projects in 2019 included malaria vaccine projects led by different teams such as the Walter and Eliza Hall Institute of Medical Research, the PlacMalVac consortium and the Jenner Institute at the University of Oxford. Our work in these projects has generated co-publications in renowned journals such as *Nature*, *Cell* and *Clinical Infectious Diseases*, substantial revenue streams and the potential for royalties if one or more of these vaccines reach the market in the future. In ExpreS^2-based research products, the first *in-vitro* diagnostics product by our licensee Institute Virion\Serion was launched, and several more products will follow. In 2019 we also attracted our first Japanese licensee, namely Mitsubishi-Tanabe.

Our joint venture AdaptVac progressed with its first pipeline project (the AV001 HER2+ breast cancer vaccine), as well as a vaccine for DER2+ cancer in dogs and a vaccine project to reduce antibiotic usage in pigs. Outside the AV001 project, AdaptVac has since December 2018 been awarded grants of more than SEK 6 million. These pipeline projects, especially the breast cancer vaccine, holds strong potential for a future partnering/licensing deal with a large pharmaceutical company.

Further, we have reached an important milestone for ExpreS^{2}ion as a platform-based company. We have seen improvements in our ExpreS^2 technology, based on many years of R&D work, which I believe can open doors to many new clients and potential partners. This included licensing the ground-breaking CRISPR/Cas9 gene-editing technology and launching HighMan-S2™, our first unique cell line for enhanced efficacy of vaccines and immunotherapy. These improvements will be used actively in our service offerings, and not least in our internal pipeline development initiatives.

Exciting outlook for 2020

2020 marks the 10th anniversary of ExpreS^{2}ion, and I want to praise the work of our world-class scientific team. Their efforts have contributed to scientific progression in several important medical fields during this time despite the team being just 10-15 people over the years. This includes developing vaccines against the very complex malaria disease, an area where there is still a major unmet medical need. ExpreS^{2}ion's efforts in the field of malaria vaccines culminate in the following years, with ExpreS^2-produced vaccines soon being in 5 malaria vaccine clinical trials programs. Furthermore, our most recent initiative regarding the development of a vaccine against the deadly Coronavirus disease (COVID-19), demonstrates that ExpreS^{2}ion is capable of starting development programs on its own and with potential value to our shareholders. Together, these achievements put ExpreS^{2}ion in a position where we will be able to continue to build strong revenue streams from partner projects and customer sales in 2020, while also adding more focus on inhouse pipeline project development in addition to our involvement in AdaptVac's development projects.

For investors, I want to highlight that we have a global customer base that we will continue to expand going forward. This includes promising relations across Europe, Australia, and the United States. This global focus will now also be reflected in our investor relations communication as we are switching to English as our primary and only language for market communication. I am certain that our stakeholders will understand the reasoning behind our decision to go English-only, including those of our valued shareholders that are based in Sweden.

Finally, I would like to thank all our shareholders who have followed us during 2019, and I look forward to an exciting new year and a new decade for ExpreS^{2}ion!

Bent U. Frandsen
CEO, ExpreS^{2}ion Biotech Holding AB

About ExpreS²ion Biotech Holding AB

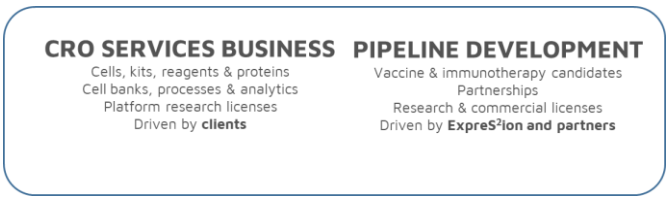
ExpreS²ion was established in 2010 as a technology spinout from the Danish pharmaceutical company Affitech A/S (formerly known as Pharmexa A/S). The Company was founded by the doctors Charlotte Dyring, Wian de Jongh and Martin Roland Jensen, with the business idea to provide proteins to research institutions and vaccine producing companies, using a new platform technology. The Company's operations are based on the patent-protected ExpreS² platform and its ability to produce complex proteins. The main component of the ExpreS² platform is S2 cells that can produce proteins, as well as the Company's patented expression vectors, that are the part of the platform, that, among other things, makes it possible for the cells to generate a high yield. The platform has a number of features that distinguish it from competing technologies:

- It has on occasion been the only known method for producing specific proteins.
- It is significantly less costly and time-consuming than alternative methods, which is an important competitive advantage, considering, for example, time to market and patent validity, but it also makes the platform particularly valuable in the development of diagnostics and vaccines for infectious and rapidly growing pandemics.
- The method generates a significantly higher yield, i.e. amount of protein per manufacturing batch, compared to competing systems.
- The method provides very homogeneous manufacturing batches, which is a requirement in pharmaceutical development and manufacturing.

At this point the Company already has a well-established and diverse customer base, as illustrated with selected examples in the figure below (SMEs = small and medium-sized enterprises, CMOs = contract manufacturing organisations):

Business model and market potential

ExpreS²ion's business model consists of mainly two parts:



- ExpreS²ion maintains client-relations through its Contract Research Organisation (CRO) services business, which was the premise for the business at inception. Several revenue streams exist under the services business. The Company sells reagents and protein kits as well as charge clients for services where the Company develops tailormade proteins and delivers these as finished products, using the ExpreS² platform. ExpreS²ion can also market licenses to use the ExpreS² platform as a whole (or parts of it), thus allowing the client to participate in or be entirely responsible for the development of the proteins required for pharmaceutical or vaccine

development. This is another way through which the Company can receive milestone payments and royalties for project development and market launch.

- ExpreS²ion can co-own pharmaceutical projects that use the ExpreS² platform. In this way, the Company can receive milestone payments as the development progresses as well as royalties in case the pharmaceutical or vaccine reaches market launch. As a result of the developments of the platform, the Company is now also positioned to undertake the development of own projects, either alone or in collaboration with partners. Malaria and breast cancer are examples of such target indications for pipeline development, as well as since early 2020 COVID-19.

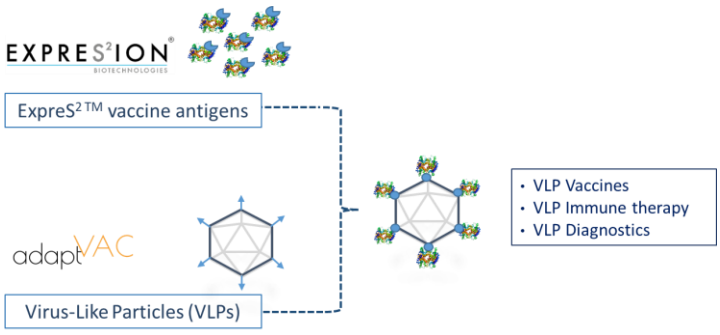
ExpreS²ion through its CRO service business targets all clients that pursue development of vaccines and diagnostics as their primary business, or clients that need a strong clinically validated production platform to facilitate research efforts within structural biology and similar discovery activities. The market for such protein expression services is estimated at more than USD 2 billion in 2019 and projected to increase by 7.2% annually in the next 10 years (Future Market Insight).

ExpreS²ion through its pipeline development targets a range of infectious diseases, primarily **malaria**, as well as immunooncology, primarily **breast cancer** through its joint venture AdaptVac.

In WHO's World Malaria Report newly issued in November 2019 it is estimated that there were 228 million cases of malaria in 2018. Malaria continues to claim the lives of more than 405,000 people each year, largely in Africa. Children under the age of 5 are especially vulnerable; and WHO estimates that every two minutes a child dies from this preventable disease. In 2018, an estimated US$ 2.7 billion was invested globally in malaria control and elimination efforts by governments of malaria endemic countries and international partners. The blood stage malaria market is estimated to translate into an amount of approximately USD 400 million annually (Boston Consulting Group 2014).

Breast cancer is a widespread oncology indication affecting more than 1.3 million people worldwide annually, resulting in more than 450,000 deaths (Tao, 2015: www.ncbi.nlm.nih.gov/pubmed/25543329). The most common treatment today is based on monoclonal antibodies, where the dominating therapy Herceptin (trastuzumab) generates annual global sales of USD 7 billion. The target product profile of AdaptVac's lead breast cancer project, AV001 (HER2-cVLP), is tailored to be highly competitive both in terms of cost and efficacy, thus aiming at a significant market share.

The joint venture company AdaptVac

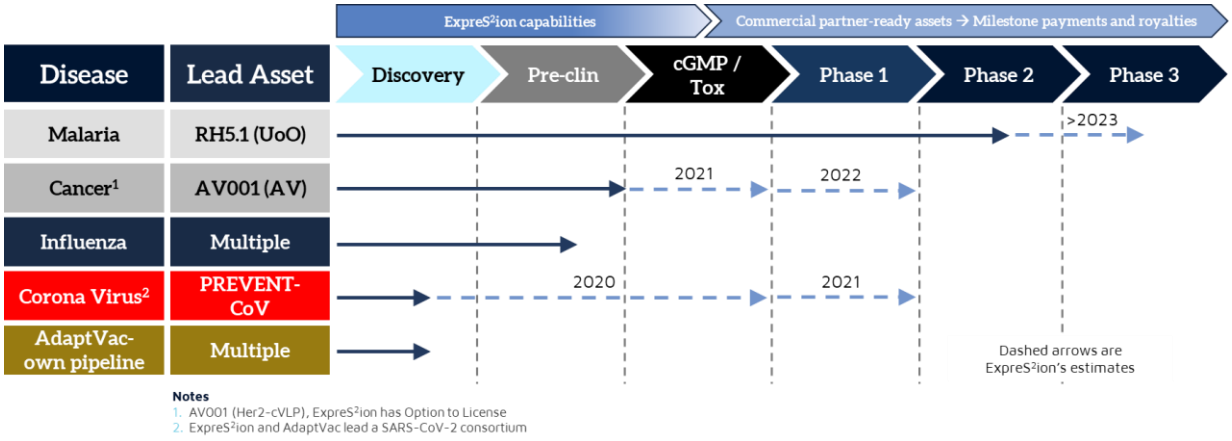


In addition to ExpreS²ion's core business activities described above, the Company initiated the joint venture AdaptVac ApS ("AdaptVac") in 2017 together with NextGen Vaccines ApS ("NextGen"), a company established by researchers from the University of Copenhagen. AdaptVac has a worldwide exclusive license to a universal capsid Virus-Like Particle (cVLP) technology, which enables accelerated development of efficient therapeutic and prophylactic vaccines within high-value segments of oncology, infectious diseases, and immunological disorders. The aim of AdaptVac is to establish a world-class company for the development of competitive vaccines and therapeutic treatments in this segment. The combination of ExpreS²ion's technology and know-how and NextGen's unique expertise within the capsid VLP technology provide important synergy effects for ExpreS²ion's proprietary platform and has the potential to create a robust and versatile company within the field of new vaccines and immunotherapies. With AdaptVac, ExpreS²ion also enters the market for immuno-oncology which, according to Research and Markets 2018, is estimated to surpass a market value of USD 100 billion by 2022.

ExpreS²ion's project pipeline

The table below gives a brief description of the different projects that ExpreS²ion is currently involved in. ExpreS²ion is currently involved in two projects in clinical phases. The first one, the most advanced, is the RH5.1

blood-stage malaria vaccine conducted by the Jenner Institute of the University of Oxford to which ExpreS²ion has out-licensed its platform. Positive data from a phase I/IIa study within the project were communicated in October 2018. The other project in clinical phase is conducted by the PlacMalVac consortium and ExpreS²ion has a joint ownership in the project's development of a placental malaria vaccine. In this project, positive phase Ia data were communicated in January 2019. In addition to these malaria projects, the Company is also actively involved in AdaptVac's most advanced project, AV001 (HER2-cVLP), which is targeting breast cancer and which has documented proof of concept in animals (POCA). ExpreS²ion has announced an option to license agreement on this asset, which ensures that the road to clinical studying has a clear path, while relieving AdaptVac's priorities on multiple earlier stage projects. Furthermore, ExpreS²ion has for many years been actively involved with clients in producing antigens for influenza R&D – now the Company is also actively involved in new influenza disease vaccine development through the recently announced EU-India INDIGO consortium. Finally, since February 2020 the Company has been pursuing a COVID-19 vaccine together with AdaptVac and other European consortium partners.



Company structure and shareholding

ExpreS²ion Biotech Holding AB has a fully owned subsidiary, ExpreS²ion Biotechnologies ApS, in Denmark. All operational activity takes place in the subsidiary, and ExpreS²ion Biotech Holding AB's only operational activity is to own the subsidiary ExpreS²ion Biotechnologies. In addition to this, ExpreS²ion Biotechnologies ApS owns 50 percent of the shares in AdaptVac ApS, Denmark. This company is accounted for as a jointly governed company. In addition to the above, the Company does not own any shares in other companies.

List of shareholders

The table below shows shareholders with more than 5% of the votes and capital in ExpreS²ion Biotech Holding AB as of December 31, 2019.

Name	Number of shares	Percentage of votes and capital
ExpreS²ion Holding ApS[1]	1 744 370	12,82 %
AR Consult ApS[2]	1 397 003	10,27 %
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 288 739	9,47 %
Total shareholders more than 5 %	*4 430 112*	*32,56 %*
Other shareholders (less than 5 %)	*9 171 903*	*67,44 %*
Total 2019-12-31	**13 602 015**	**100,00%**

[1] The Chairman of the Board Martin Roland Jensen owns 32.22% of the votes and capital in ExpreS²ion Holding ApS. COO Charlotte Dyring owns 39.23% of the votes and capital in ExpreS²ion Holding ApS. CSO Wian de Jongh owns 28.55% of the voting rights and capital in ExpreS²ion Holding ApS.

[2] Board member Allan Rosetzsky owns 100% of the votes and capital in AR Consult ApS.

The share

ExpreS^{2}ion Biotech Holding AB's share was listed on Nasdaq Stockholm First North on July 29, 2016. The symbol of the share is EXPRS2 and the ISIN code is SE0008348262. As of January 1, 2019, the number of shares in ExpreS^{2}ion Biotech Holding AB was 12,002,015. As of December 31, 2019, the number of shares in ExpreS^{2}ion Biotech Holding AB was 13,602,015. The average number of shares for the full year 2019 was 13,202,015. Please note that the number of shares after the period has changed in connection to redemption of warrants. The number of shares in ExpreS^{2}ion amounts to 15,735,303 at the time of this annual report. Please note that the number of shares after the period will increase further as a result of conversion of part of the loan from Modelio Equity AB. The increase has at the time of this annual report not been registered with the Swedish Companies Registration Office. Following registration with the Swedish Companies Registration Office, the number of shares will amount to 15,929,691. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

Board of Directors and CEO

Dr. Martin Roland Jensen – Chairman

Dr. Martin Roland Jensen has extensive experience of leadership in the biotech industry and has also founded and co-founded a large number of biotech companies. He also has extensive experience in scientific work, primarily in immunology, cell biology, and cancer vaccine development. Dr. Jensen holds a doctorate in cell and molecular biology from the University of Copenhagen. Dr. Jensen is one of the founders of the Company.

Dr. Allan Rosetzsky – Board member

Dr. Allan Rosetzsky graduated as a Doctor of Medicine from the University of Copenhagen in 1973 and then worked in the Danish medical profession for several years. Dr. Rosetzsky has also held several leading positions in drug development in the Rhône-Poulenc Group. In addition, he has founded, developed and operated his own company KLIFO, which worked internationally with contract research. Dr. Rosetzsky is in addition active in Business Angels Copenhagen.

Gitte Pedersen – Board member

Gitte Pedersen holds a master's degree in chemical engineering and a bachelor's degree in business science. Gitte Pedersen has over 20 years of experience in the biotechnology and pharmaceutical industry. She has worked in Novo Nordisk in research and development, production and marketing and also had a role as a chef for marketing with global responsibility for and storing product portfolio. Gitte Pedersen has also automatically acted as a business advisor to biotech and pharma companies in both early and later phases in North America. She has also acted as advisor to the Danish Ministry of Foreign Affairs and has secured transactions for several billion USD for companies in the Danish biotechnology. Gitte Pedersen has founded the companies Genomic Expression and Legomics.

Jakob Knudsen – Board member

Jakob Knudsen is the CEO of Virogates A/S (NASDAQ "VIRO"), an international diagnostics company located in Denmark and is, in addition, a non-executive director in PV Fonden (DK). He holds a Master of Law from the University of Copenhagen, DK, and an MBA from Imperial College, UK. Following his graduation in 1994, Jakob Knudsen has built up extensive experience in commercial operations, including business development, marketing and finance. He has held various positions at ALK-Abelló A/S, a listed mid-sized biotechnology company in Denmark, where he a.o. headed Corporate Business Development. Furthermore, Knudsen has held positions as CCO and CFO at the Danish pharmaceutical company Egalet Ltd.

Bent U. Frandsen – CEO

Bent U. Frandsen holds a MSc in Finance and Strategic Planning from Copenhagen Business School, Denmark. He has more than 25 years of professional experience in management, finance, and business development positions in multinational companies, including more than 20 years life science experience at public listed companies: Lundbeck, ALK-Abelló, Coloplast, and private companies: NsGene, CMC Biologics, and Amphidex. Frandsen is experienced in licensing, services, M&A, and new cash deals in excess of €200 million, and has furthermore been in charge of successfully closing numerous collaboration agreements pertaining to research and development of both new chemical entities and biologicals. Bent U. Frandsen is employed since 2016 and was appointed CEO in 2019. Frandsen entered the board of AdaptVac ApS in 2017.

Management report

The Board and CEO of ExpreS²ion Biotech Holding AB hereby submit the Annual Report and consolidated accounts for the financial year 2019.

General information about the business

ExpreS²ion Biotechnologies has created a platform technology to enable cost-effective and safe production of complex proteins, which are the active ingredient in new vaccines and thus also an important basis in the diagnosis, research, and development of these new vaccines. Since its inception in 2010, the company has worked with research institutions and pharmaceutical companies and, with the help of its patented ExpreS² platform, has produced over 300 different proteins with an efficiency and success factor that exceeds competing technologies.

The company operates in a market that is currently valued at over USD 30 billion annually and is experiencing strong growth. The business model includes developing, producing and delivering proteins, as well as generating ongoing revenue by out-licensing the ExpreS² platform to research institutes and pharmaceutical companies who themselves or in cooperation with the company want to develop vaccines and other biological drugs. In this way, the Company also receives future royalties, license fees, and milestone payments through the products developed with ExpreS². As a result of developments on the platform, the Company is now also positioned to carry out its own projects, either in-house or in collaboration with partners.

The Company was listed on Nasdaq First North Growth Market on July 29, 2016.

Business structure

ExpreS²ion Biotech Holding AB is the parent company of a group that also includes the wholly-owned Danish operations subsidiary ExpreS²ion Biotechnologies ApS. In addition, ExpreS²ion Biotech Holding AB owns no shares in other companies. The wholly-owned subsidiary ExpreS²ion Biotechnologies ApS owns 50 percent of AdaptVac ApS.

Financing

The Company continuously monitors its cash requirement as well as the development in revenue and costs. ExpreS²ion also investigates the possibilities to achieve financing of its option to license agreement of AV001 from the joint venture AdaptVac.

It is the Management's assessment that the Company has sufficient funds to support its normal operations for 2020 based on the current level of activity.

Significant events in 2019

- On January 10, ExpreS²ion announced that the placental malaria vaccine (PlacMalVac) consortium, of which ExpreS²ion is part, has announced successful phase I clinical study results. The PAMVAC vaccine, manufactured using the ExpreS² platform, was demonstrated to be safe, well-tolerated and to elicit a specific antibody response in all participants.

- On February 19, ExpreS²ion announced that its joint venture AdaptVac has been awarded approx. SEK 3.6 million by the Danish Innovation Foundation for its participation in a vaccine project aimed at preventing post-weaning diarrhea (PWD), a major cause of antibiotic use in the swine industry.

- On February 28, ExpreS²ion announced that the Company is conducting a directed share issue of initially approx. SEK 8 million, with attached consideration-free warrants, which in later stages can provide the Company with a further approx. SEK 9.6 million. The directed share issue is conducted in order to finance an accelerated pace of operations and increased investments in the business to ensure long-term good development.

- On March 19, ExpreS^{2}ion Biotech Holding AB held an extraordinary general meeting. The extraordinary general meeting approved the Board's decision to conduct a directed share issue.

- On April 16, ExpreS^{2}ion announced that Mitsubishi Tanabe Pharma Corporation, Osaka, Japan, has signed a two-year Research License Agreement granting the company access to use ExpreS^{2}ion's proprietary protein expression platform, ExpreS^2™, in their research and development.

- On April 25, ExpreS^{2}ion announced the publication of a co-authored article in *Cellular Microbiology* with the Company's Australian collaboration partner, The Walter and Eliza Hall Institute, providing proof of concept in an animal model for a new and potentially groundbreaking malaria vaccine that is targeting a molecular 'key' for infection, that was recently discovered by the group.

- On May 2, ExpreS^{2}ion published its annual report for 2018. The annual report is available on ExpreS^{2}ion's website (www.expres2ionbio.com).

- On May 23, the annual general meeting of ExpreS^{2}ion Biotech Holding AB (publ) was held. The report is available on the Company's website (www.expres2ionbio.com).

- On June 14, ExpreS^{2}ion announced that a scientific article, documenting that human antibodies against the RH5 protein can stop the malaria parasite from entering human blood cells, has been published in the highly renowned journal *Cell*. The article is based on a clinical study conducted by researchers at the University of Oxford together with a consortium of research entities including ExpreS^{2}ion.

- On June 26, ExpreS^{2}ion Biotech Holding AB announced that the Company has appointed Svensk Kapitalmarknadsgranskning AB as its Certified Adviser. This change will come into effect on July 1, 2019.

- On July 1, ExpreS^{2}ion announced the signing of a non-exclusive license agreement with ERS Genomics, providing ExpreS^{2}ion access to its ground-breaking CRISPR/Cas9 gene-editing technology.

- On August 2, ExpreS^{2}ion announced the Company's first product launch within *in vitro* diagnostics (IVD), based on the ExpreS^2 platform from its licensee Institut Virion\Serion.

- On September 23, ExpreS^{2}ion announced that the Company has received a 1.6 MSEK order to perform development work as part of a Wellcome Trust-funded malaria vaccine project.

- On October 16, ExpreS^{2}ion announced that the Company is increasing its working capital by securing a combination of a bridge loan and a loan facility of up to SEK 8 million in total. This will enable ExpreS^{2}ion to further expand its business activities in line with the growth numbers reported for Q1 and Q2 2019.

- On October 17, ExpreS^{2}ion announced that its joint venture company AdaptVac ApS ("AdaptVac") has been awarded an InnoBooster grant by the Danish Innovation Foundation worth 0.8 MDKK (approx. 1.2 MSEK). The grant provides further resources for the development of safe and effective treatment for dogs diagnosed with DER2+ cancer. The project will also generate supportive data for AV001, AdaptVac's preclinical human HER2+ breast cancer program.

- On October 24, ExpreS^{2}ion launched a new tailormade S2 cell line, HighMan-S2™, after several years of research and development. This is the first member of ExpreS^{2}ion's new functionally modified S2 product line, GlycoX-S2™, which utilizes and expands the advantages of the ExpreS^2 platform in the development of new, effective vaccines and immunotherapies.

- On December 12, ExpreS^{2}ion announced that the Company has been awarded SEK 2.7 million as part of the Horizon 2020-funded OptiMalVax grant consortium, led by Jenner Institute at the University of Oxford, to establish monoclonal *Drosophila* S2 cell banks for two new malaria vaccine candidates.

- On December 20, ExpreS^{2}ion announced that the Company's Board of Directors has appointed Bent U. Frandsen as the new Chief Executive Officer of ExpreS^{2}ion, succeeding Dr. Steen Klysner as of December 20, 2019. Bent has been with ExpreS^{2}ion since March 2016 and has served as the Company's Chief Business Officer since August 2018.

Significant events after the end of the period

- On January 7, ExpreS^{2}ion announced that its joint venture company AdaptVac ApS has been granted a US patent covering its core technology platform. This confirms the overall patentability and proprietary protection of AdaptVac's entire pipeline and future projects. In particular, this consolidates the position of the AV001 breast cancer vaccine for which a specific divisional U.S. patent was issued in 2018.

- On February 6, ExpreS^{2}ion announced initiation of a Wuhan Coronavirus (2019-nCoV) vaccine program. ExpreS^{2}ion will produce viral antigens needed for diagnostics and vaccine research, focused on internal vaccine development efforts. The program's first stage has a timeline of two-three months and is contained within ExpreS^{2}ion's existing budget.

- On February 24, ExpreS^{2}ion announced that the company will lead a consortium of European expert entities in applying for the EU Horizon 2020 and the Coalition for Epidemic Preparedness Innovations (CEPI) grant calls for COVID-19 (SARS-CoV-2) Coronavirus vaccine development. The consortium includes all the bench-to-bedside expertise required for rapid clinical development of the COVID-19 vaccine that is already under development by ExpreS^{2}ion.

- On February 25, ExpreS^{2}ion announced that a consortium led by the company's joint venture AdaptVac has been awarded a 0.6 MEUR Eurostars grant, of which AdaptVac directly receives 1.3 MDKK (1.8 MSEK). The grant will support pre-clinical safety and efficacy studies of AV001 (HER2-cVLP) in pet dogs with spontaneous cancer and non-human primates as part of the breast cancer vaccine clinical development program for AV001 (HER2-cVLP). ExpreS^{2}ion expects to receive 0.7 MDKK (1.0 MSEK) from this grant.

- On February 26, ExpreS^{2}ion announced that the company has signed an Option to License Agreement ("Agreement") with AdaptVac whereby ExpreS^{2}ion may call an option to exclusively license in AV001 (HER2-cVLP), a preclinical-stage novel breast cancer vaccine candidate, which ExpreS^{2}ion plans to develop towards human clinical studies. According to the Agreement, ExpreS^{2}ion has the right to call the option to license in AV001 within 12 months. The option price entails no upfront fee and can maximum amount to DKK 1.2M (SEK 1.7M) during the full option term.

- On February 26, ExpreS^{2}ion that the company has received written confirmation from warrant holders that these parties will exercise all of their warrants of series TO 3. ExpreS^{2}ion will thereby be allocated approximately SEK 9.6 million before issue costs. In connection with this share issue SEK 1.5 million of the loan provided by Modelio Equity AB will also be converted into new shares at the same share price as the warrants (SEK 6,00).

- On March 6, ExpreS^{2}ion announced that a consortium had been awarded an EU Horizon 2020 grant for the COVID-19 (SARS-CoV-2) Coronavirus vaccine development program. The award funding amounts to 2,7 MEUR (28MSEK), of which ExpreS2ion directly is funded with 0.88 MEUR (9.3 MSEK).

- On March 31, ExpreS^{2}ion announced that the international next-generation influenza vaccine consortium INDIGO, led by the University of Amsterdam with ExpreS^{2}ion as a participating member, has been awarded a 10.0 MEUR Horizon 2020 grant from the EU. ExpreS^{2}ion's participation is directly awarded 0.6 MEUR (approx. 6.7 MSEK) of this grant, which is estimated to be recognized as revenue evenly from H2 2020 through H2 2021.

- On April 21, ExpreS^{2}ion announced that SEK 1.75 million (excluding accrued interest) of the loan provided by Modelio Equity AB will be converted into new shares at a price of SEK 6.4925 (corresponding to the last 15 trading days volume-weighted average share price).

- On April 21, the shareholders of ExpreS^{2}ion are invited to attend the Annual General Meeting on Tuesday, May 26, 2020, at 4:00 p.m. at Clarion Grand Hotel, Stortorget 8, in Helsingborg.

- On April 24, ExpreS^{2}ion announced that its joint venture AdaptVac and AGC Biologics, a global Contract Development and Manufacturing Organization (CDMO) for Biopharmaceuticals enters into a partnership for the scale-up and cGMP manufacture of the COVID-19 vaccine developed by the PREVENT-nCoV consortium. The partnership between AdaptVac and AGC Biologics has the potential to advance the initiation of the first clinical trial to the end of 2020.

- On May 4, ExpreS2ion announced that SEK 1.75 million (excluding accrued interest) of the loan provided by Modelio Equity AB ("Modelio") will be converted into new shares at a price of approximately SEK 9.06 (corresponding to a 10% discount off the last 15 trading days volume-weighted average share price). Following this conversion there is no remaining outstanding SEK 5 million bridge loan to Modelio. In parallel, a new combination of a loan and a loan facility totaling up to SEK 6.5 million provides new working capital funding to the Company.

A note regarding COVID-19

As mentioned above ExpreS^{2}ion is engaged in developing a vaccine against the new coronavirus (COVID-19). At the same time, ExpreS^{2}ion is also taking measures to operate the Company under the current conditions. On March 11th, 2020, the prime minister of Denmark declared a lock-down with a major impact on both private and public organisations in order to prevent the spread of the disease. ExpreS^{2}ion is following the rules and the health guidelines by the Danish Health Authority and WHO. The Company has let colleagues not involved in laboratory activities work from home, whereas all personnel working with laboratory activities continue such work, carefully planned, to be respectful of the health guidelines and ensure both activities related to pipeline development and customer service projects can be maintained without untoward delays.

At the time of this Annual Report, the impact on the global economy from the COVID-19 crisis is expected to have a negative effect on ExpreS^{2}ion's revenues in the short term. This is partly because of the impact on some of the Company's customers' maneuverability in projects using the ExpreS^2 platform, and partly because of the less efficient work processes related to complying with the current guidelines.

Risk factors

A number of risk factors may have an adverse impact on the operations in ExpreS²ion Biotech Holding AB, its subsidiary ExpreS²ion Biotechnologies ApS and its joint venture AdaptVac ApS. It is therefore very important to consider the relevant risks alongside the Company's possibilities of growth. For obvious reasons, not all risk factors can be assessed, but rather a collective evaluation of other information in the Memorandum has been done together with a general assessment of the general environment the Company operates in.

The Company

A brief history

ExpreS²ion Biotech Holding AB was established in 2015 and its operating subsidiary, ExpreS²ion Biotechnologies ApS, was established in 2010. The Company's relationships with customers as well as suppliers are relatively newly established, whereby the relationships can be difficult to evaluate, affecting the future prospects of the Company. There is a risk that long-term stable customer and supplier relationships cannot be established, hence there is a risk that the Company's sales are adversely affected, or that no revenue is received at all.

No released pharmaceuticals

A key part of the Company's business model includes milestone payments and royalties from approved pharmaceuticals that have been developed with the ExpreS² platform. The operating subsidiary ExpreS²ion Biotechnologies ApS was established in 2010, and so far, its platform technology has neither individually nor via partners resulted in any pharmaceuticals that have gained market approval. The Company has conducted limited sales activities and generated revenues. It can therefore be difficult to evaluate the Company's sales potential, and there is a risk that future substantial revenues will be adversely affected or that no revenues will be received at all.

Financing needs and capital

ExpreS²ion Biotechnologies' development of platform technology for pharmaceuticals and diagnostics entail increasing costs for the Company. There is a risk that a delay in a market breakthrough results in a deterioration in earnings for the Company. There is also a risk that any delays in product development leads to a delay in the generation of substantial cash flow. There is a risk that ExpreS²ion Biotechnologies may need to raise additional capital in the future and there is a risk that any additional capital cannot be raised. Thus, there is a risk that the development is temporarily halted or that the Company is forced to conduct its operations at a slower pace than desired, which can lead to delays or that commercialisation is not implemented, and no revenue is generated.

Suppliers/Manufacturers

ExpreS²ion Biotechnologies has collaborations with suppliers and manufacturers. There is a risk that one or more of these parties decide to suspend the cooperation with the Company, which can have a negative impact on the business operations. There is also the risk that the Company's suppliers and/or manufacturers do not fully meet the quality standards, which the Company has established. There is a risk that the establishment of relationships with new suppliers or manufacturers will be costlier and/or take longer than the Company estimates, whereby there is a risk that the Company's operations are adversely affected.

Clinical trials

Before medicinal products may be put on the market, safety and effectiveness in treating humans must be ensured, which is done by clinical studies/trials. There is a risk that the results in the planned clinical trials will not be satisfactory, and there is a risk that the candidate drugs that are developed with the Company's platform technology will not indicate sufficient safety and efficacy in order to be put out on the market. The outcome from preclinical studies do not always correspond with the results that are obtained in clinical trials in humans. Nor do the results from smaller clinical trials always correspond with the results in more comprehensive clinical trials, whereupon one finds several risks on the pathway to the release of a drug to the market. Unless the candidate drugs developed with the Company's platform are sufficiently safe and effective, there is a risk that the Company is adversely affected, which could materially affect the Company's revenue and result.

Registration and licensing at agencies/governmental authorities

In order to market and sell pharmaceuticals and diagnostics, authorisation must be obtained, and registration take place at the appropriate agency/governmental authority in their respective markets, such as the Food and

Drug Administration (FDA) in the U.S. and the European Medicines Agency (EMA) in Europe. In the event the Company, directly or through collaboration partners, fails to obtain the requisite authorisations and registrations from the agencies/governmental authorities, there is a risk that the Company's ability to generate revenues may be significantly impeded. There is also a risk that the views concerning the Company's proposed approach to planned collaborations regarding clinical trials result in delays and/or higher costs for the Company. The current rules and interpretations are subject to change, and there is therefore a risk that the Company's preconditions for fulfilling regulatory requirements is adversely affected. There is a risk that the Company, directly or through collaboration partners, does not obtain the necessary authorisations and registrations with the governmental authorities. In the event this occurs, there is a risk that the Company's earnings potential and financial position are affected in a negative manner.

Key individuals and employees

ExpreS^{2}ion Biotechnologies' key employees have extensive expertise along with considerable experience in the Company's area of operations. There is a risk that a loss of one or more key employees would have adverse consequences for the Company's business operations and financial results.

Unauthorised disclosure of information

It is not possible to fully protect against unauthorised disclosure of information, with the risk that competitors may receive information about and take advantage of the know-how developed by the Company, which may adversely affect the Company's revenue or entail that no revenue is received.

Competitors

Some of the Company's competitors are multinational companies with significant financial resources. An extensive investment and product development from a competitor could pose risks in the form of limited revenue. Furthermore, a company with global operations, which is presently active in adjacent fields, could decide to establish themselves within the Company's field of activity. There is a risk that increased competition results in adverse impacts on sales and earnings potential for the Company in the future.

Clients

ExpreS^{2}ion Biotechnologies' operating revenues have so far been generated from a limited number of clients. Certain clients may account for a large proportion of the Company's total operating revenues for limited periods of time. There is a risk that a loss of a major customer could adversely affect the Company's sales in the short term.

Grant funding

Grant funding is a part of ExpreS^{2}ion Biotechnologies' business model, where the Company receives parts of different types of research grants and funding for pharmaceutical development in collaboration with clients. There is a risk that these contributions for various reasons, which may be outside the Company's control, will not be received. This may adversely affect the Company's revenues and earnings.

Business cycles and exchange rate risk

There is a risk that external factors such as inflation, exchange and interest rate fluctuations, supply and demand and phases of economic growth and decline, will have an impact on operating costs and selling prices and share prices. There is a risk that ExpreS^{2}ion Biotechnologies' future revenues and share price will be adversely affected by these factors, which are outside of the Company's control. A portion of the sales revenues may be received in international currencies. Exchange rates can change substantially.

Political risk

In various ways, ExpreS^{2}ion Biotechnologies is active in and through a large number of different countries. Risks can arise from changes in laws, taxes, customs duties, exchange rates and other conditions for foreign companies. The Company is also affected by political and economic uncertainties in these countries. There is a risk that the Company will be adversely affected by possible domestic policy decisions. There is a risk that the above results in negative consequences for the Company's business operations and its financial results.

Market growth

ExpreS^{2}ion Biotechnologies plans to expand extensively in the coming years, partly by increasing the market share in the countries and regions where the Company is already established, and partly by establishing the

Company in additional countries and regions. An establishment in new countries and regions can entail problems and risks that are difficult to predict. Additionally, establishments may be delayed and thereby result in loss of revenue. Rapid growth can also entail that the Company acquires other companies. Lost synergy effects and less successful integration processes can adversely affect the Company's operations and financial result. Rapid growth can cause organisational problems. It may be difficult to recruit the right employees, and there may be difficulties in successfully integrating new employees into the organisation.

Product Liability

Considering that ExpreS^{2}ion Biotechnologies operates in the pharmaceutical industry, risks associated with product liability are relevant and present. There is also a risk that ExpreS^{2}ion Biotechnologies can be held responsible for any incidents occurring during clinical trials, even if the clinical trials are carried out by an external party. If an incident does occur during a clinical trial, and if ExpreS^{2}ion Biotechnologies is held liable for this, there is a risk that the Company's insurance coverage may not be sufficiently adequate to fully cover any future legal claims. There is a risk that this can negatively affect ExpreS^{2}ion Biotechnologies, both in terms of reputation as well as financially.

Patents and intellectual property rights

ExpreS^{2}ion Biotechnologies has a patent issued in EU, USA, India, Canada, Japan, China, and South Korea for the method and process for the ExpreS^2 platform. Furthermore, the Company have applied for patent protection of the glyco-engineered S2 cell lines, which were launched in 2019. There is a risk that the existing and/or future patent portfolio and other intellectual property rights held by the Company and AdaptVac will not provide an adequate commercial protection. There is also a risk that the Company's or AdaptVac's potential future patent applications will not be approved. There is also no guarantee that approved patents will provide a long-term protection, as objections or other invalidity claims on issued patents can be made after the patent has been approved. The outcome of such procedures may be a limitation of already approved patents, for example a limitation of the scope of the application area or rejection of the patent. The outcome may also be that the patent is rejected. The rejection of a patent means that no one is granted exclusive rights, which means that no one can be hindered by the rejected patent from practicing the invention defined therein. The outcome of an opposition process can be appealed, which means that the final result of an opposition is difficult to predict.

Development costs

ExpreS^{2}ion Biotechnologies will continue to develop and further develop products within its area of operations. Aspects of time and costs connected with the product development can be difficult to determine beforehand. There is therefore a risk that the planned product development will be costlier than planned.

Pricing

ExpreS^{2}ion Biotechnologies' business model includes milestone payments and royalties from approved pharmaceuticals that have been developed with the Company's platform technology. General pricing of pharmaceuticals is outside of the Company's control. In the event of a general decline in the prices for pharmaceuticals, there is a risk that this could negatively impact the Company's revenue opportunities. Pricing of pharmaceuticals is in some cases determined at the regulatory level. This is outside of the Company's control. A lower pricing means less favourable revenue possibilities for the Company. There is a risk that the pricing of pharmaceuticals will be lower than what the Board of the Company expects.

Going concern

It is the Management's assessment that the Company has sufficient funds to support operations for 2020 based on the current level of activity.

Risks related to the share

Sales of shares from existing shareholders

There is no applicable lock-up agreement that governs principal shareholders' possibility to sell their shares in the Company. There is therefore a risk that the current principal shareholders will sell all or part of their holdings in the Company. There is a risk that a potential sale by principal shareholders affects the share price an adverse manner.

Price movements

There is a risk that the share price will undergo large price movements. Share price fluctuations may arise from major changes in purchase and sales volumes and may not necessarily have a connection with ExpreS^{2}ion Biotechnologies underlying value. Price movements may negatively affect the Company's share price.

Psychological factors

There is a risk that the securities market is influenced by psychological factors. There is a risk that the Company's shares are affected in the same way as any other securities that are regularly traded on various stock exchanges. Psychological factors and their impact on the movements in the share price are often difficult to predict and there is a risk that this affects the Company's share price in a negative manner.

Marketplace

First North is an MTF (multilateral trading facility) operated by the equity markets included in Nasdaq OMX. First North does not have the same legal status as a regulated marketplace. Companies whose shares are listed on First North are governed by the First North rulebook, a less extensive regulatory framework than for companies whose shares are traded on a regulated marketplace. Investing in a company listed at First North is therefore riskier than investing in a company listed on a regulated market.

Distribution of dividends

ExpreS^{2}ion Biotechnologies has not made any distribution dividends to shareholders as of yet. The Company is in an initial developmental phase and any surpluses are primarily planned to be invested in the Company's continued development. There is a risk that future cash flows will not exceed the Company's needs for capital and that future shareholder meetings will not decide to issue dividends.

Group

Overview (KSEK)	**2019**	**2018**	**2017**	**2016**
Net sales	13 829	8 868	9 795	4 652
Profit/loss after financial items	-19 087	- 18 853	- 11 750	- 9 412
Total assets	18 707	20 954	17 235	24 615
Equity/assets ratio (%)	-5,8 %	39,6%	39,1%	52,3%
Average number of employees	15	15	11	10

Parent company

Overview (KSEK)	**2019**	**2018**	**2017**	**2016**
Net sales	335	335	305	34
Profit/loss after financial items	-2 055	- 1 605	- 1 710	- 1 169
Total assets	49 174	39 193	22 147	20 555
Equity/assets ratio (%)	89,4%	98,6%	99,3%	97,8%
Average number of employees	0	0	0	0

Environment

The Company's management is not aware of any changed market conditions or significant needs of decontamination nor has any approvals related to this issue been exceeded.

Distribution of dividends

(Amounts in SEK)
Proposed appropriation of retained earnings

Retained earnings at the disposal of the Annual General Meeting:	
Share premium account	44 487 185
Loss for the year	-2 055 737
	42 431 448

The Board proposes that:	
The loss for the year is settled against the share premium fund and to the share premium fund is carried forward	42 431 448

Income statement - group

KSEK	Note	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Operating income			
Net sales	3	13 829	8 868
Total operating income		*13 829*	*8 868*
Operating costs			
Raw materials and consumables		-3 399	- 2 753
Other external costs	4	-8 543	- 7 176
Personnel costs	5	-15 306	- 13 253
Depreciation of tangible and intangible fixed assets		-2 876	- 2 615
Result in jointly governed companies		-1 824	- 1 327
Total operating costs		*-31 948*	*- 27 124*
Operating profit/loss		**-18 119**	**- 18 256**
Result from financial investments			
Other interest income and similar profit/loss items	6	3	20
Interest expense and similar profit/loss items	7	-971	- 617
Total result from financial investments		*-968*	*- 597*
Profit/loss after financial items		**-19 087**	**- 18 853**
Tax	8	2 384	2 031
Profit/loss for the year		**-16 703**	**- 16 822**

Balance sheet - group

KSEK	Note	2019-12-31	2018-12-31
Assets			
Concessions, patents, licenses, trademarks and similar intellectual rights	9	5 614	7 030
Goodwill	10	802	1 383
Total intangible fixed assets		**6 416**	**8 413**
Plants and machinery	11	1 186	993
Total tangible assets		**1 186**	**993**
Interest in group companies	12	35	34
Other long-term receivables	13	933	682
Financial assets		**968**	**716**
Total fixed assets		**8 570**	**10 122**
Accounts receivable		1 162	1 317
Tax receivables		2 058	1 757
Other receivables		1 128	975
Prepaid expenses and accrued income	14	371	528
		4 719	**4 577**
Cash and cash equivalents		5 418	6 255
Total current assets		**10 137**	**10 832**
TOTAL ASSETS		**18 707**	**20 954**
Equity and liabilities			
Share capital		1 512	1 334
Other capital contributions		48 972	41 803
Other equity including net profit for the period		-51 563	- 34 836
Total equity	15	**-1 079**	**8 301**
Accrued tax liabilities	16	1 191	1 546
Total liabilities		**1 191**	**1 546**
Other liabilities		6 380	6 063
Total long-term liabilities	17	**6 380**	**6 063**
Liabilities to credit institutions		1 493	924
Accounts payable		1 082	607
Other liabilities		9 640	3 513
Total contingent liabilities		**12 215**	**5 044**
TOTAL EQUITY AND LIABILITIES		**18 707**	**20 954**

Changes in equity – group

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2018-01-01	**1 067**	**23 815**	**- 18 145**	**6 737**
Issuance of new shares	267	18 936		19 203
Issuing expenses		- 1 003		- 1 003
Redemption of options		58		58
Exchange difference for the year		- 3	131	128
Profit/loss for the year			- 16 822	- 16 822
Total equity as of 2018-12-31	**1 334**	**41 803**	**- 34 836**	**8 301**

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2019-01-01	**1 334**	**41 803**	**- 34 836**	**8 301**
Issuance of new shares	178	7 822		8 000
Issuing expenses		-656		-656
Exchange difference for the year		3	-24	-21
Profit/loss for the year			-16 703	-16 703
Total equity as of 2019-12-31	**1 512**	**48 972**	**-51 563**	**-1 079**

The number of shares amount to 13 602 015 (12 002 015), with a quota value of SEK 0.1111 per share.

Cash flow statement – group

KSEK	Note	2019-01-01 – 2019-12-31	2018-01-01 – 2018-12-31
Operating profit/loss		-18 119	- 18 256
Adjustments for items not included in the cash flow	18	2 876	2 581
Depreciation		14	78
Received interest		-659	- 602
Interest paid		1 723	1 471
Cash flow from operating activities before changes in working capital		**-14 165**	**- 14 728**
Decrease(+)/increase(-) of current receivables		-43	- 228
Decrease(-)/increase(+) of current liabilities		1 517	2 077
Cash flow from operating activities		**-12 691**	**- 12 879**
Investments in tangible fixed assets		-632	- 813
Investments in intangible fixed assets		-47	0
Cash flow from investing activities		**-679**	**- 813**
Leasing agreement		481	328
Bridge loan		4 750	0
Redemption of options		0	58
Issuance of new shares		8 000	19 203
Costs of issuing shares		-656	- 1 003
Cash flow from financing activities		**12 575**	**18 586**
Cash flow for the year		**-795**	**4 894**
Cash and cash equivalents at the beginning of the year		6 255	1 508
Exchange difference cash and cash equivalents		-42	- 147
Cash and cash equivalents at the end of the year		**5 418**	**6 255**

Income statement – parent company

KSEK	Note	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Operating income			
Net sales	3	335	335
Total operating income		*335*	*335*
Operating costs			
Other external costs	4	-2 328	- 2 089
Personnel costs	5	-75	- 454
Total operating costs		-2 403	- 2 543
Operating profit/loss		**-2 068**	**- 2 208**
Result from financial investments			
Other interest income and similar profit/loss items	6	402	608
Interest expense and similar profit/loss items	7	-389	- 5
Total result from financial investments		*13*	*603*
Profit/loss after financial items		**-2 055**	**- 1 605**
Tax	8	0	0
Profit/loss for the year		**-2 055**	**- 1 605**

Balance sheet – parent company

KSEK	Note	2019-12-31	2018-12-31
Assets			
Shares in group companies	12	45 053	17 496
Receivables from group companies		1 777	15 768
Other long-term receivables	13	50	50
Total financial fixed assets		**46 880**	**33 314**
Total fixed assets		**46 880**	**33 314**
Tax receivables		34	14
Other receivables		57	45
Prepaid expenses and accrued income	14	30	30
Total current receivables		**121**	**89**
Cash and cash equivalents		2 173	5 790
Total current assets		**2 294**	**5 879**
TOTAL ASSETS		**49 174**	**39 193**
Equity and liabilities			
Share capital		1 512	1 334
Total tied-up equity		1 512	1 334
Share premium account		44 487	38 926
Profit/loss for the year		-2 055	- 1 605
Total free equity		42 432	37 321
Total equity		**43 944**	**38 655**
Other liabilities		5 230	538
Total contingent liabilities		**5 230**	**538**
Total liabilities		**5 230**	**538**
TOTAL EQUITY AND LIABILITIES		**49 174**	**39 193**

Changes in equity – parent company

KSEK	Share capital	Share premium reserve	Retained earnings incl. profit/loss for the year	Total equity
Opening balance as of 2018-01-01	**1 067**	**22 645**	**- 1 710**	**22 002**
Appropriation of retained earnings according to the AGM		- 1 710	1 710	0
Redemption of options		58		58
Issuance of new shares	267	18 936		19 203
Issuing expenses		- 1 003		- 1 003
Profit/loss for the year			- 1 605	- 1 605
Total equity as of 2018-12-31	**1 334**	**38 926**	**- 1 605**	**38 655**

KSEK	Share capital	Share premium reserve	Retained earnings incl. profit/loss for the year	Total equity
Opening balance as of 2019-01-01	**1 334**	**38 926**	**- 1 605**	**38 655**
Appropriation of retained earnings according to the AGM		-1 605	1 605	0
Rights issue	178	7 822		8 000
Issue costs		-656		-656
Profit/loss for the period			-2 055	-2 055
Total equity as of 2019-12-31	**1 512**	**44 487**	**-2 055**	**43 944**

The number of shares amount to 13 602 015 (12 002 015), with a quota value of SEK 0.1111 per share.

Cash flow statement – parent company

KSEK	Note	2019-01-01 – 2019-12-31	2018-01-01 – 2018-12-31
Operating profit/loss		-2 068	- 2 208
Received interest		402	16
Interest paid		-139	- 21
Company tax paid		-20	1
Cash flow from operating activities before changes in working capital		**-1 825**	**- 2 212**
Decrease(+)/increase(-) of current receivables		-12	195
Decrease(-)/increase(+) of current liabilities		-308	394
Cash flow from operating activities		**-2 145**	**- 1 623**
Investments in subsidiaries		-27 557	0
Loans group company		13 991	- 11 059
Cash flow from investing activities		**-13 566**	**- 11 059**
Issuance of new shares		8 000	19 203
Bridge loan		4 750	0
Costs of issuing shares		-656	- 1 003
Redemption of options/redemption of shares		0	58
Cash flow from financing activities		**12 094**	**18 258**
Cash flow for the year		**-3 617**	**5 576**
Cash and cash equivalents at the beginning of the year		5 790	214
Cash and cash equivalents at the end of the year		**2 173**	**5 790**

Additional information

Note 1
Accounting principles and valuation principles
The Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BFNAR 2012:1 (K3) are applied when preparing the financial statements.

Reporting currency
The annual accounts are prepared in Swedish krona and the amounts are given in KSEK unless stated otherwise.

Consolidated accounts
The consolidated accounts comprise the parent company and the subsidiaries in which the parent company directly or indirectly holds more than 50% of the votes or otherwise has a controlling influence. The consolidated accounts have been prepared in accordance with the acquisition method, which means that equity in the subsidiaries at the acquisition date is eliminated in its entirety. Thus, in the group's equity, only the part of the subsidiaries' equity that has been added after the acquisition is included.

Appropriations and untaxed reserves are divided into equity and deferred tax liabilities. Deferred tax attributable to this year's appropriations is included in the profit for the year. The deferred tax liability has been recognised as a provision, while the remaining part is added to the group's equity. Deferred tax in untaxed reserves has been calculated at 21,4% (22%).

If the group's acquisition cost for the shares exceeds the value of the Company's net assets in the acquisition analysis, the difference is reported as consolidated goodwill. This value is amortised over a period of 5 years in the consolidated accounts. The amortisation rate is based on the long-term strategic importance of the acquisition for the group.

Internal profits within the Group are eliminated in their entirety.

When translating foreign subsidiaries, the current method is used. This means that the balance sheets are translated at the closing date's exchange rates and that the income statements are translated at the average exchange rates for the period. The translation differences that arise are reported directly against the group's equity.

Shares in associated companies and jointly controlled companies
Associated companies are those companies in which the Group has significant but not controlling influence, which usually applies to shareholdings comprising at least 20% of the votes. In jointly controlled companies, the business is jointly conducted by two or more parties. Holdings in associated companies and holdings in jointly controlled companies are reported according to the equity method and are initially valued at cost. The Group's reported value of holdings in associated companies and jointly controlled companies includes goodwill identified at acquisition, net after depreciation and any impairment losses. The Group's share of earnings that arose in the associated company or the jointly controlled company after the acquisition is reported in the income statement. Accumulated changes after the acquisition are reported as changes in the carrying amount of the holding. Unrealized gains on transactions between the Group and its associated companies and between the Group and its jointly controlled companies are eliminated in relation to the Group's holdings in the associated company or the jointly controlled company. When the Group no longer has a significant influence, each remaining holding is revalued to fair value and the change in carrying amount is recognized in the consolidated income statement. The fair value is used as the first reported value and forms the basis for the continued accounting.

Shares in group companies
Shares in group companies are reported at acquisition cost in the parent company and includes any transaction costs directly attributable to the acquisition of the shares. Issue payments and shareholders' contributions are added to the acquisition cost. Should the fair value be lower than the carrying amount, the shares are written down to the fair value if the decline in value can be assumed to be permanent.

Cash flow statement
The cash flow statement has been prepared in accordance with the indirect method whereby adjustments are made for transactions that do not entail payments in or out. Assets that are classified as cash and cash equivalents are, apart from cash and bank balances, balances on group bank accounts and short-term liquid investments that can be converted to a known amount and that is exposed to an insignificant risk of value fluctuation.

Valuation principles, etc.
Assets, provisions and liabilities are valued at cost unless otherwise is stated below.

Revenue recognition
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and when the revenue can be measured reliably. Performed fixed-price service assignments are recognised as the work is done. This means that the revenue is recognised based on the degree of completion. The degree of completion is calculated as contracted expenses for work performed in relation to estimated total expenses in order to complete the assignment. For assignments where the outcome cannot be calculated satisfactorily, revenues corresponding to costs incurred is reported Expected losses are recognised as soon as they are known. Assignments on a current account are recognised as revenues as the work is performed.

Tangible and intangible fixed assets
Tangible and intangible fixed assets are reported at acquisition cost less amortisation/depreciation based on an assessment of asset's useful life.

The following depreciation periods apply to both parent and group companies

Concessions, patents, licenses, trademarks and similar intellectual rights	5-13 years
Goodwill	5 year
Equipment	5 year

Goodwill is amortised over 5 years based on the assessment that the acquisition attributable to the asset will generate benefits for at least this time.

Leasing
Leasing agreements are classified either as finance or operating leases. Finance leases are recognised as such when substantially all financial risks and rewards related to the leased asset have been transferred to the leaseholder. All other leases are operating leases. The group has both finance and operating lease agreements. The fee for operating lease agreements is distributed linearly over the term of the lease. For finance lease agreements, the leased asset is recognized in the balance sheet as a corresponding liability for future leasing fees. Assets held under finance leases are subsequently depreciated as the company's other non-current assets. In the parent company, all leasing agreements are recognized as operating leases, which means that the leasing fee is distributed linearly over the term of the lease.

Receivables and liabilities in foreign currency
Receivables and liabilities in foreign currency have been translated at the exchange rate of the closing date. The difference between cost and closing day value has been recognised in the income statement. Insofar as claims and liabilities in foreign currency have been hedged, they are translated at the forward rate.

Impairment
Should there be an indication of a decline in the value of an asset, its recovery value is determined. If the asset's book value exceeds the recovery value, the asset is written down to this value. The recovery value is defined as the highest of either the market value or the value in use. The value in use is defined as the present value of the estimated future payments that the asset generates. Impairments are recognised in the income statement.

Income taxes
Income tax accounting includes current tax and deferred tax. The tax is reported in the income statement, except in cases where it relates to items recognised directly in equity. In such cases, tax is also reported in

equity. Deferred tax is reported in accordance with the balance sheet method on all significant temporary differences. A temporary difference exists when the book value of an asset or liability differs from the tax value.

Deferred tax is calculated using the tax rate that has been decided or announced at the closing date, which is currently 22% in Denmark and 21,4% in Sweden from 2019.
Deferred tax assets are reported to the extent that future tax surpluses are deemed to be available against which the temporary differences can be utilised. The Company do not presently report any deferred taxes.

Provisions
Provisions are recognised when the group has or may be considered to have an obligation as a result of an event occurring and it is likely that payments will be required to fulfil the obligation. A prerequisite is that a reliable estimate of the amount to be paid can be made.

Note 2
Estimates and assessments
Management makes estimates and assumptions about the future. These estimates rarely match the real outcome. The estimates and assumptions that could lead to the risk of significant adjustments in the reported values of assets and liabilities are mainly valuation of goodwill and concessions, patents, licenses, trademarks and similar rights.
Each year, there is a test to see if there is any indication that the value of the assets is lower than the carrying amount. If there is an indication, the asset's recovery value is calculated, which is the higher of the asset's fair value fewer selling costs and value in use.

INFORMATION ON INDIVIDUAL ITEMS

Note 3
Net sales per geographic market

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
The Nordics	1 300	718	335	335
Other countries	12 529	8 150	0	0
Total	**13 829**	**8 868**	**335**	**335**

In the table above for 2019, a total of 1 507 KSEK are included from grants.

Note 4
Remuneration of auditors

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Remuneration and reimbursements				
Mazars AB				
Audit assignment	120	120	120	120
Other audit-related fees	17	30	17	30
Other services	0	34	0	34
	137	**184**	**137**	**184**
Other auditors				
Audit assignment	189	228	0	0
Tax advice	0	12	0	0
Other services	379	426	0	0
	568	**666**	**0**	**0**
Total	**705**	**850**	**137**	**184**

Note 5
Average number of employees and personnel cost

	2019		2018	
	Number of employees	Of which men	Number of employees	Of which men
Average number of employees				
Parent company				
Sweden	0	0	0	0
Subsidiaries				
Denmark	15	7	15	7
Total subsidiaries	15	7	15	7
Group total	**15**	**7**	**15**	**7**

	2019		2018	
	Women	Men	Women	Men
Board and management				
Board	1	3	1	3
CEO and rest of management	0	1	0	1

KSEK	2019		2018	
	Salaries and remunerations	Social expenses	Salaries and remunerations	Social expenses
Personnel costs				
Parent company				
Board of Directors and CEO	75	0	375	0
Parent company	75	0	375	0
Subsidiaries				
Board of Directors and CEO	1 899	3	1 472	3
Other employees	12 795	209	10 759	189
Group total	**14 769**	**212**	**12 606**	**192**

The CEO has a notice period of 3 months in case of his own dismissal. In the event of termination by the company, a notice period of 6 months applies.

Note 6
Other interest income and similar profit/loss items

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Interest income, group companies	0	0	402	608
Interest income, others	3	20	0	0
Total	**3**	**20**	**402**	**608**

Note 7
Interest expense and similar profit/loss items

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Interest expense, group companies	0	0	11	0
Interest expense, others	971	617	378	5
Total	**971**	**617**	**389**	**5**

Note 8
Tax

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Current tax	2 001	1 691	0	0
Deferred tax	383	340	0	0
Total	**2 384**	**2 031**	**0**	**0**
Theoretical tax				
Pre-tax profit	-19 087	- 18 853	-2 055	- 1 605
Tax at current rate, 21,4% / 22%	4 085	4 148	440	353
Reconciliation of reported tax				
Effect of foreign tax rate	85	0	0	0
Effect of non-deductible costs	-617	- 395	0	-
Effect of amortisation of group goodwill	-131	- 130	0	-
Effect of deductible issue costs directly against equity	140	221	140	221
Effect of unrecognised loss carryforwards	-1 178	-1 813	-580	- 574
Total	**2 384**	**2 031**	**0**	**0**

Note 9
Concessions, patents, licenses, trademarks and similar intellectual rights

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Opening cost	11 145	10 714	0	0
Acquisitions	46	0	0	0
Exchange difference for the year	168	431	0	0
Closing accumulated cost	**11 359**	**11 145**	**0**	**0**
Opening depreciation	-4 115	- 2 473	0	0
Depreciation for the year	-1 591	- 1 543	0	0
Exchange difference for the year	-39	- 99	0	0
Closing accumulated depreciation	**5 745**	**- 4 115**	**0**	**0**
Closing carrying amount	**5 614**	**7 030**	**0**	**0**

Note 10
Goodwill

KSEK	Koncernen 2019	Koncernen 2018	Parent company 2019	Parent company 2018
Opening cost	2 963	2 848	0	0
Exchange difference for the year	45	115	0	0
Closing accumulated cost	**3 008**	**2 963**	**0**	**0**
Opening depreciation	-1 580	- 948	0	0
Depreciation for the year	-611	- 593	0	0
Exchange difference for the year	-15	- 39	0	0
Closing accumulated depreciation	**2 206**	**1 580**	**0**	**0**
Closing carrying amount	**802**	**1 383**	**0**	**0**

Note 11
Plant and machinery

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Opening cost	3 269	2 360	0	0
Purchases	842	813	0	0
Exchange difference for the year	50	96	0	0
Closing accumulated cost	**4 161**	**3 269**	**0**	**0**
Opening depreciation	-2 276	- 1 728	0	0
Depreciation for the year	-675	- 477	0	0
Exchange difference for the year	-24	- 71	0	0
Closing accumulated depreciation	**-2 975**	**2 276**	**0**	**0**
Closing carrying amount	**1 186**	**993**	**0**	**0**

Plant and machinery include capitalized leased assets amounting to TKR 780 (377) in carrying amount. Machinery and other technical facilities include capitalized leased assets amounting to TKR 780 (377) in carrying amount.

Note 12
Shares in subsidiaries

Parent company

Company	Corporate ID	Registered office	Capital share	Closing carrying amount 2019-12-31	Closing carrying amount 2018-12-31
ExpreS²ion Biotechnologies ApS	32 77 04 87	Hørsholm, Danmark	100 %	45 053	17 496
				45 053	**17 496**

	Parent company 2019-12-31	Parent company 2018-12-31
Opening cost	17 496	17 496
Shareholder contributions	27 557	0
Closing carrying amount	**45 053**	**17 496**

Group

Company	Corporate ID	Registered office	Capital share	Closing carrying amount 2019-12-31	Closing carrying amount 2018-12-31
AdaptVac ApS	38 73 27 30	Hørsholm, Danmark	50 %	35	34
				35	**34**

	Group 2019-12-31	Group 2018-12-31
Opening cost	34	0
Rights issue	1	0
Revaluations	0	34
Closing carrying amount	**35**	**34**

Note 13
Long-term receivables

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Long-term part, other long-term receivables	933	682	50	50
Short-term part, other receivables	0	0	0	0
Total	**933**	**682**	**50**	**50**

Note 14
Prepaid expenses and accrued income

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Prepaid insurance	64	136	0	0
Other prepaid costs	307	392	30	30
Closing carrying amount	371	**528**	30	**30**

Note 15
Equity
The number of shares is 13 602 015 and the quota value is 0.111 SEK per share.

Note 16
Accrued tax liabilities
Deferred tax liabilities refer to tax on step-up values in connection with the acquisition of (issue for non-cash consideration) subsidiary, amounting to 1 191 (1 546) KSEK. The reductions during the year are due to depreciation of the surplus values.
The accumulated tax loss carryforwards in the parent company amounts to 8,6 (8,0) MSEK and in the Danish subsidiary to 24,6 (16,5) MDKK. None of these loss carryforwards have been recorded at any value in the balance sheet. They run without a time limit.

Note 17
Long-term liabilities

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Maturity date, 1 to 5 years from the balance sheet date				
Other liabilities	6 380	6 063	0	0
Total	**6 380**	**6 063**	**0**	**0**

No liabilities have a maturity date later than 5 years after the balance sheet date.

Note 18
Items not affecting cash flow

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Depreciation	2 876	2 615	0	0
Other adjustments not affecting cash flow	0	-34	0	0
Total	**2 876**	**2 581**	**0**	**0**

OTHER INFORMATION

Note 19
Contingent liabilities

KSEK	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Rent commitment, Hørsholm, Denmark	888	629	0	0
Total	888	629	0	0

Note 20
Significant events after the end of the fiscal year

- On January 7, ExpreS^{2}ion announced that its joint venture company AdaptVac ApS has been granted a US patent covering its core technology platform. This confirms the overall patentability and proprietary protection of AdaptVac's entire pipeline and future projects. In particular, this consolidates the position of the AV001 breast cancer vaccine for which a specific divisional U.S. patent was issued in 2018.

- On February 6, ExpreS^{2}ion announced initiation of a Wuhan Coronavirus (2019-nCoV) vaccine program. ExpreS^{2}ion will produce viral antigens needed for diagnostics and vaccine research, focused on internal vaccine development efforts. The program's first stage has a timeline of two-three months and is contained within ExpreS^{2}ion's existing budget.

- On February 24, ExpreS^{2}ion announced that the company will lead a consortium of European expert entities in applying for the EU Horizon 2020 and the Coalition for Epidemic Preparedness Innovations (CEPI) grant calls for COVID-19 (SARS-CoV-2) Coronavirus vaccine development. The consortium includes all the bench-to-bedside expertise required for rapid clinical development of the COVID-19 vaccine that is already under development by ExpreS^{2}ion.

- On February 25, ExpreS^{2}ion announced that a consortium led by the company's joint venture AdaptVac has been awarded a 0.6 MEUR Eurostars grant, of which AdaptVac directly receives 1.3 MDKK (1.8 MSEK). The grant will support pre-clinical safety and efficacy studies of AV001 (HER2-cVLP) in pet dogs with spontaneous cancer and non-human primates as part of the breast cancer vaccine clinical development program for AV001 (HER2-cVLP). ExpreS^{2}ion expects to receive 0.7 MDKK (1.0 MSEK) from this grant.

- On February 26, ExpreS^{2}ion announced that the company has signed an Option to License Agreement ("Agreement") with AdaptVac whereby ExpreS^{2}ion may call an option to exclusively license in AV001 (HER2-cVLP), a preclinical-stage novel breast cancer vaccine candidate, which ExpreS^{2}ion plans to develop towards human clinical studies. According to the Agreement, ExpreS^{2}ion has the right to call the option to license in AV001 within 12 months. The option price entails no upfront fee and can maximum amount to DKK 1.2M (SEK 1.7M) during the full option term.

- On February 26, ExpreS^{2}ion that the company has received written confirmation from warrant holders that these parties will exercise all of their warrants of series TO 3. ExpreS^{2}ion will thereby be allocated approximately SEK 9.6 million before issue costs. In connection with this share issue SEK 1.5 million of the loan provided by Modelio Equity AB will also be converted into new shares at the same share price as the warrants (SEK 6,00).

- On March 6, ExpreS^{2}ion announced that a consortium had been awarded an EU Horizon 2020 grant for the COVID-19 (SARS-CoV-2) Coronavirus vaccine development program. The award funding amounts to 2,7 MEUR (28MSEK), of which ExpreS2ion directly is funded with 0.88 MEUR (9.3 MSEK).

- On March 31, ExpreS^{2}ion announced that the international next-generation influenza vaccine consortium INDIGO, led by the University of Amsterdam with ExpreS^{2}ion as a participating member, has been awarded a 10.0 MEUR Horizon 2020 grant from the EU. ExpreS^{2}ion's participation is directly awarded 0.6 MEUR (approx. 6.7 MSEK) of this grant, which is estimated to be recognized as revenue evenly from H2 2020 through H2 2021.

- On April 21, ExpreS^{2}ion announced that SEK 1.75 million (excluding accrued interest) of the loan provided by Modelio Equity AB will be converted into new shares at a price of SEK 6.4925 (corresponding to the last 15 trading days volume-weighted average share price).

- On April 21, the shareholders of ExpreS^{2}ion are invited to attend the Annual General Meeting on Tuesday, May 26, 2020, at 4:00 p.m. at Clarion Grand Hotel, Stortorget 8, in Helsingborg.

- On April 24, ExpreS^{2}ion announced that its joint venture AdaptVac and AGC Biologics, a global Contract Development and Manufacturing Organization (CDMO) for Biopharmaceuticals enters into a partnership for the scale-up and cGMP manufacture of the COVID-19 vaccine developed by the PREVENT-nCoV consortium. The partnership between AdaptVac and AGC Biologics has the potential to advance the initiation of the first clinical trial to the end of 2020.

- On May 4, ExpreS2ion announced that SEK 1.75 million (excluding accrued interest) of the loan provided by Modelio Equity AB ("Modelio") will be converted into new shares at a price of approximately SEK 9.06 (corresponding to a 10% discount off the last 15 trading days volume-weighted average share price). Following this conversion there is no remaining outstanding SEK 5 million bridge loan to Modelio. In parallel, a new combination of a loan and a loan facility totaling up to SEK 6.5 million provides new working capital funding to the Company.

A note regarding COVID-19

As mentioned in the management report ExpreS^{2}ion is engaged in developing a vaccine against the new coronavirus (COVID-19). At the same time, ExpreS^{2}ion is also taking measures to operate the Company under the current conditions. On March 11th, 2020, the prime minister of Denmark declared a lock-down with a major impact on both private and public organisations in order to prevent the spread of the disease. ExpreS^{2}ion is following the rules and the health guidelines by the Danish Health Authority and WHO. The Company has let colleagues not involved in laboratory activities work from home, whereas all personnel working with laboratory activities continue such work, carefully planned, to be respectful of the health guidelines and ensure both activities related to pipeline development and customer service projects can be maintained without untoward delays.

At the time of this Annual Report, the impact on the global economy from the COVID-19 crisis is expected to have a negative effect on ExpreS^{2}ion's revenues in the short term. This is partly because of the impact on some of the Company's customers' maneuverability in projects using the ExpreS^2 platform, and partly because of the less efficient work processes related to complying with the current guidelines.

Note 21
Transactions with related parties
No transactions have been made with related parties apart from salaries and board fees.

Note 22
Proposed appropriation of retained earnings

(Amounts in SEK)
Proposed appropriation of retained earnings

Retained earnings at the disposal of the Annual General Meeting:	
Share premium account	44 487 185
Loss for the year	-2 055 737
	42 431 448

The Board proposes that:	
The loss for the year is settled against the share premium fund and to the share premium fund is carried forward	42 431 448

HELSINGBORG May 5, 2020

Dr Martin Roland Jensen – Chairman of the Board

Dr Allan Rosetzsky – Member of the Board

Gitte Pedersen – Member of the Board

Jakob Knudsen – Member of the Board

Bent U. Frandsen – Chief Executive Officer

Our auditor's report has been submitted on May 5, 2020

Mazars AB

Bengt Ekenberg
Authorised Auditor

MAZARS
REVISION - SKATT - REDOVISNING

AUDITOR'S REPORT

To the general meeting of the shareholders of ExpreS^{2}ion Biotech Holding AB
Corporate identity number 559033-3729

Report on the annual accounts and the consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of ExpreS^{2}ion Biotech Holding AB for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 8-35 in this document.

In our opinion, the annual and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019, and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities section*. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the pages 1-7 but does not include the annual accounts, consolidated accounts and our auditor's report thereon.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistake.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or mistake, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or mistake, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from mistake, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any possible significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of ExpreS^{2}ion Biotech Holding AB for the financial year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities section*. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other mattes take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' whether the proposal is in accordance with the Companies Act.

Helsingborg May 5th 2020

Mazars AB

Bengt Ekenberg
Authorized Public Accountant

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BIOTECH

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