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**EXPRES<sup>2</sup>ION**<sup>®</sup>  
BIOTECH

Interim report Q3  
01/01/2020 – 30/09/2020  
Expres<sup>2</sup>ion Biotech Holding AB  
559033-3729

## Conclusion of interim report

“Expres<sup>2</sup>ion Biotech Holding AB” refers to Expres<sup>2</sup>ion Biotech Holding AB with corporate identity number 559033-3729. “The Company” or “Expres<sup>2</sup>ion” refers to the group, i.e. Expres<sup>2</sup>ion Biotech Holding AB and its fully owned operational subsidiary Expres<sup>2</sup>ion Biotechnologies ApS, Denmark.

### Third quarter (01/07/2020 to 30/09/2020)

- Net sales amounted to 3,141 (3,158) KSEK.
- Result after financial items amounted to -5,544 (-3,581) KSEK.
- Net income amounted to -4,887 (-2,944) KSEK.
- Net income per share\* amounted to -0.30 (-0.22) SEK.

### Nine months (01/01/2020 to 30/09/2020)

- Net sales amounted to 9,986 (10,218) KSEK.
- Result after financial items amounted to -16,432 (-12,139) KSEK.
- Net income amounted to -14,360 (-10,361) KSEK.
- Net income per share\* amounted to -0.93 (-0.79) SEK.
- Cash flow from operating activities amounted to -8,501 (-10,878) KSEK
- Equity ratio\*\* amounted to 1.8% (29.3%).
- Cash and cash equivalents amounted to 30,399 (2,628) KSEK.

Numbers in parenthesis are the numbers from the same period in 2019.

\*The Group's net income per share: The net income for the period divided with the average number of shares for the period. For the period July to September 2020, the average number of shares amounted to 16,283,367 and for the period January to September 2020, the average number of shares amounted to 15,363,612. As of 30/09/2020, the total number of shares in Expres<sup>2</sup>ion Biotech Holding AB was 16,365,891.

\*\*Equity ratio: Shareholder's equity divided by total capital.

## Key financials

SEK '000	2020	2019	2020	2019	2019
	July - Sept	July - Sept	Jan - Sept	Jan - Sept	Jan - Dec
Net sales	3.141	3.158	9.986	10.218	13.829
Gross earnings	1.895	2.441	5.486	7.745	10.43
Operating costs	-5.235	-4.781	-17.324	-15.965	-23.849
Result in jointly governed companies	2	-297	-195	-1.275	-1.824
Operating profit	-3.338	-2.637	-12.033	-9.495	-15.243
Profit/loss before tax	-5.544	-3.581	-16.432	-12.139	-19.087
Profit/loss for the period	-4.887	-2.944	-14.36	-10.361	-16.703
Earnings per share	-0.30	-0.22	-0.93	-0.79	-1.27
Cash balance, end of period	30,399	2,628	30,399	2,628	5,418

## Significant events during the third quarter of 2020

- On July 8, Expres<sup>2</sup>ion announced that the cVLP COVID-19 vaccine license agreement negotiation between its joint venture AdaptVac and Bavarian Nordic is expected to continue beyond the previously announced two-month time frame. The timeline of the already fully funded Phase I/IIa trial is not affected. Process transfer to GMP manufacturing has been initiated, while Bavarian Nordic and AdaptVac continue to cooperate on vaccine scale-up and later phase clinical development activities.
- On July 14, Expres<sup>2</sup>ion announced that its Expres<sup>2</sup> platform will be used in the production of the novel Zika-HX vaccine candidate that is being developed by Excivion Ltd., a UK-based biotechnology company. The manufacturing

of the Zika-HX vaccine will be conducted together with CPI, a British independent technology innovation centre and a founding member of the UK Government's High Value Manufacturing Catapult.

- On July 17, ExpreS<sup>2</sup>ion announced that AdaptVac has announced publication of a paper in the journal Vaccines, where its broadly protective Flu cVLP vaccine induced a more potent, long-lasting immune response and was able to protect mice against both homologous and heterologous H1N1 influenza challenge, even after a single dose.
- On July 22, ExpreS<sup>2</sup>ion announced that its joint venture AdaptVac has entered into a final license agreement with Bavarian Nordic, to license the proprietary capsid virus like particle (cVLP) based SARS-CoV-2 subunit vaccine. Under the terms of the agreement, Bavarian Nordic will make an upfront payment of EUR 4 million to AdaptVac, in addition to potential future development as well as sales milestones and single to double-digit percentage-tiered royalties. The total deal value, excluding royalties is up to EUR 136 million, corresponding to SEK 1.4 billion. For application of its proprietary protein production system ExpreS<sup>2</sup>, ExpreS<sup>2</sup>ion will retain up to EUR 2 million, corresponding to SEK 21 million, of the commercial milestone payments, which are estimated to be recognized as ExpreS<sup>2</sup>ion revenues during 2021 and 2022 in accordance with the current development plans, as well a double-digit percentage of AdaptVac's royalty revenue stream.
- On August 3, ExpreS<sup>2</sup>ion announced that all warrants held by employees and Board members under the 2017 Warrant Program, established in April 2017, have been fully exercised. In total, 436,200 warrants were exercised, providing ExpreS<sup>2</sup>ion SEK 2,656,632. The exercise has increased the number of shares by 436,200, from 15,929,691 to 16,365,891.
- On August 18, ExpreS<sup>2</sup>ion announced that it wishes to exercise the option to inlicense AV001 before it expires on February 26, 2021. The exercise of the option is subject to the Company obtaining the necessary financing to fund the exercise of the option and the further preclinical development of AV001. If so, the Company expects to be able to submit an application to start clinical trials in the first half of 2022. The Company furthermore announced that it will transfer 16 percent of its joint venture ownership in AdaptVac to joint venture partner NextGen vaccines, following which ExpreS<sup>2</sup>ion will hold 34 percent and NextGen Vaccines 66 percent of AdaptVac when the option to in-license AV001 is exercised. The transfer of ownership provides AdaptVac with the autonomy needed as an independent commercial entity, further strengthen its ties to leading scientists at the University of Copenhagen and facilitates future capitalizations of AdaptVac independent of ExpreS<sup>2</sup>ion. These strategic measures will enable AdaptVac to continue developing valuable assets for our joint venture, without drawing on ExpreS<sup>2</sup>ion core resources.
- On August 18, ExpreS<sup>2</sup>ion announced that it has appointed Mr. Keith Alexander as new Chief Financial Officer (CFO). Mr. Alexander brings more than 20 years of corporate banking and strategy consulting experience and will initially be focused on strengthening the Company's financial strategies and investor relations function. Mr. Alexander will begin his employment on October 1, 2020 and will be based out of ExpreS<sup>2</sup>ion's headquarters in Hørsholm, Denmark.
- On August 19, ExpreS<sup>2</sup>ion provided a market update on its expectations to the development timelines of the COVID-19 vaccine prior to the release of the Company's Q2 2020 report. The Company announced that it expects the phase III trials to commence as soon as the first half of 2021, with possible market launch before the end of 2021.
- On August 20, ExpreS<sup>2</sup>ion announced that the Company's half-year report for 2020 is published. The half-year report is available on ExpreS<sup>2</sup>ion's website ([www.expres2ionbio.com](http://www.expres2ionbio.com)).
- On August 25, ExpreS<sup>2</sup>ion announced that the Board of Directors of ExpreS<sup>2</sup>ion Biotech Holding AB has, subject to approval by the Extraordinary General Meeting to be held on September 23, 2020, resolved to carry out a share issue with preferential rights for the Company's existing shareholders including warrants (the "Rights Issue" or the "Offering"). Upon full subscription of the Rights Issue, which is fully guaranteed, the Company will receive approx. SEK 131 million and upon full exercise of the warrants, the Company will receive up to an additional approx. SEK 85 million before deduction of costs related to the Offering. The proceeds allows the Company to continue its participation in the PREVENT-nCoV consortium to develop a novel COVID-19 vaccine, to exercise the option to in-license AV001, a promising therapeutic breast cancer vaccine and in general to effectuate the new strategy

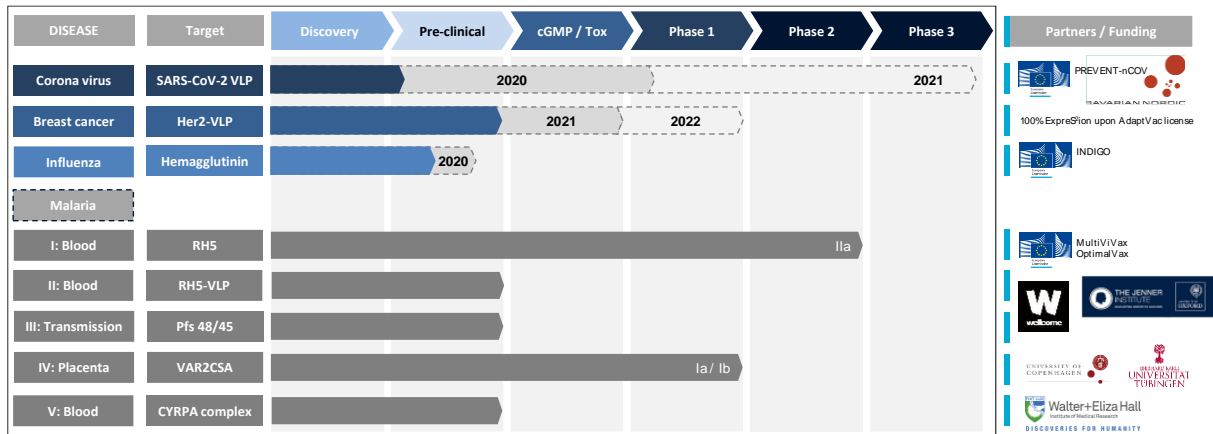
described in the Q1 2020 interim report on May 20, 2020 under which the Company combines its successful service business with the creation of an in-house pipeline of biopharmaceutical drug and vaccine candidates to maximize shareholder returns.

- On September 10, ExpreS<sup>2</sup>ion announced that ExpreS<sup>2</sup>ion Biotech Holding AB's affiliate ExpreS<sup>2</sup>ion Biotechnologies ApS would participate at several key events in September and October, including Aktiespararna's Aktiedagen, September 15 in Lund, Sweden, the World Vaccine Congress Washington Virtual, September 28–October 1, and the World Vaccine Congress Europe Digital Event, October 19–21.
- On September 23, ExpreS<sup>2</sup>ion Biotech Holding held an extra general meeting. Resolutions that were passed are available in the press release that was published on September 23.
- On September 24, ExpreS<sup>2</sup>ion announced that its affiliate ExpreS<sup>2</sup>ion Biotechnologies ApS and the biotech tools company Attana AB have signed a heads of terms agreement regarding the development and supply of novel ExpreS<sup>2</sup>ion proteins to Attana. The first target protein will be the ExpreS<sup>2</sup>ion-produced SARS-CoV-2 spike and receptor-binding-domain (RBD) antigen used in ExpreS<sup>2</sup>ion's COVID-19 vaccine program. Attana will now be able to offer customers utilising its AVA diagnostic platform this and other novel ExpreS<sup>2</sup>ion proteins. The parties are not disclosing the commercial terms of the agreement.
- On September 29, ExpreS<sup>2</sup>ion announced the launch of a significantly upgraded company website. The new website has a stronger focus on ExpreS<sup>2</sup>ion's novel technology platforms and the Company's pipeline project development. It also introduces a separate investor site for improved communication with shareholders, potential investors and other parties of interest.
- On September 29, ExpreS<sup>2</sup>ion published the prospectus in connection with capital raise of up to SEK 216 million. The prospectus had been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen).

### Significant events after the end of the period

- On October 23, ExpreS<sup>2</sup>ion announced the completion of the rights issue of shares and warrants ("Units") with last day for subscription on October 19, 2020 (the "Offering"). The Offering was subscribed to 142.2 percent. Through the Offering ExpreS<sup>2</sup>ion will receive proceeds amounting to approximately SEK 131 million before deduction of costs related to the Offering.
- On November 16, ExpreS<sup>2</sup>ion announced that the capsid virus like particle (cVLP) based COVID-19 vaccine, which is licensed to Bavarian Nordic, has been successfully manufactured with a full batch release to follow after final quality analysis. The project remains on track for presenting initial clinical Phase I/IIa results in Q1 2021, depending on the speed of the clinical trial application (CTA) approval procedure. Furthermore, the cVLP technology and manufacturing processes used are perfectly suited for rapidly manufacturing new vaccines in response to potential COVID-19 mutations.

## Research & Development pipeline



## A word from our CEO Bent U. Frandsen



One reason – perhaps the main reason – I am so pleased with our recent capital raise is that we can now finally get to work on the HER2 VLP breast cancer vaccine AV001. You may recall that we have an option on this program from our joint venture partner AdaptVac.

AV001 is not a *preventive* vaccine in the classical sense. It is a *therapeutic* vaccine you give to somebody who has already been diagnosed with HER2 positive breast cancer. HER2 is a receptor molecule which sits on the surface of some cancer cells and it is involved in promoting cancer cell growth. If a breast cancer is HER2 positive, it usually means that the cancer is of a more aggressive type and is more likely to recur (come back) even if you manage to temporarily knock it down. AV001 is a *therapeutic* vaccine in the sense that it has been designed to create a specific yet broad immune response against any cancer cell that shows (or “expresses”) the HER2 receptor on its surface. Its mode of action is to trick the patient’s own immune system into producing antibodies against HER2. When the antibodies bind to the HER2 receptor, the cells stop growing and many eventually die. The antibodies that are now bound to the surface of the tumor cells also flag them for destruction by other immune cells.

One of the most successful biological drugs ever is Herceptin, a so-called monoclonal antibody targeting the HER2 receptor. Herceptin was introduced in the late nineties and has been – and still is – a great commercial success and a life altering drug for thousands of women and men around the world. Generic versions of the drug started appearing five years ago. It is fair to ask what sort of place AV001 would have in such a competitive market? Why do we believe AV001 is worth the investment?

Unfortunately, the anti-HER2 monoclonals, including Herceptin, have serious drawbacks. One of them is that it does not stay in the patient’s system very long. The drug therefore must be administered every third week. This may eventually evoke an immune response against the treatment because, after all, the monoclonal is still a foreign biological substance. Also, a significant percentage of patients will become resistant to monoclonal therapy. The solution to this conundrum is an *active* immunotherapy strategy like the one represented by AV001. We want the immune system to react, because when it does, it will attack the HER2 expressing cancer cells, and do so in a way that is likely to make it harder for the cancer to become resistant.

AdaptVac previously published data showing that AV001 is a very effective anti-cancer drug in mouse models of breast cancer. If we lived in a mouse world, the product would be near ready for launch, but we don’t live in a mouse world. The drug needs to be tested in humans, and eventually in breast cancer patients. To get there we need to go through a number of key steps, each of them crucial. AV001 must first be produced at a quality and consistency applicable for human trials. The drug combines AdaptVac’s virus like particle coated with carefully selected parts of the HER2 molecule made using our ExpreS2 technology. Each part is manufactured separately, then mixed (although this is a gross simplification) to create the drug. The product is a liquid, and it will be administered intramuscularly. While the manufacturing steps are going on, we need to develop the analytical methods required, among other things, to be able to monitor the immune response generated through vaccination. Once this is done, the drug is tested in a higher species – in our case small primates – to ensure it is well tolerated at the intended dose. Toxicology testing is a regulatory requirement before the application for permission to start clinical trials in human subjects can be submitted.

The point is that each of these steps is expensive. They are all, to varying extents, carried out in collaboration with highly specialised external collaborators. In-house, one of our key jobs will be to employ our highly specialised scientists to develop the manufacturing process, leaning heavily on our experience from previous vaccine projects. But each step also provides important information to us and prospective partners and increases the overall value of the program. At the same time, they are all comparatively low risk activities, in as much as both AdaptVac’s VLP technology and our ExpreS2 technology have been through these steps before, so there is a good chance that with the investments we make now, we will have a novel therapeutic vaccine that has shown solid immune responses in humans in a couple of years. And that is a very attractive position to be in.

*Bent U. Frandsen*  
CEO, Expres<sup>2</sup>ion Biotech Holding AB

## About ExpreS<sup>2</sup>ion Biotech Holding AB

ExpreS<sup>2</sup>ion was founded in 2010 on the realisation that to produce the complex proteins needed for the biological drugs and vaccines of the future, in a safer and more efficient manner, a new protein expression system would be needed. The ExpreS<sup>2</sup> technology platform was developed to be especially well suited for production of the proteins required for the development and production of vaccines and immunotherapy products. The platform is based on insect cells, so called *Drosophila Melanogaster* (fruit fly) S2 cells combined with patented expression vectors (the genetic tool researchers employ to commandeer the cell's internal protein production machinery) and especially adapted culture agents and reagents which are needed to make the cells thrive and grow. Among the platform's many advantages are:

- Significantly less costly and time-consuming than alternative methods, which is an important competitive advantage, considering time-to-market and patent expiry. It also makes the platform particularly valuable for the development of diagnostics and vaccines in epidemic or pandemic situations where speed is of the essence.
- Generates higher yields, i.e. amount of protein per manufacturing batch, compared to competing systems.
- Provides homogeneous manufacturing batches, a requirement in pharmaceutical development. The platform includes the Company's patented expression vectors which were developed, among other things, to make it possible for the cells to generate higher yields.
- Since 2019 the Company's offering to the biopharma sector includes glyco-engineered S2 cell lines under the GlycoX-S2™ brand. This allows for functional modification, e.g. by enhancing immunogenicity or improving pharmacokinetics.

To date more than 300 different proteins have been produced with the ExpreS<sup>2</sup> platform, with a success rate exceeding 90%.

### Business model

The Company's business model is to develop, produce and deliver therapeutic or diagnostic proteins, as well as to generate revenue by out-licensing the ExpreS<sup>2</sup> platform to research institutes and pharmaceutical companies who themselves or in cooperation with the Company develop biopharmaceutical drugs and vaccines. This model generates short term revenue for the Company and carries potential future royalties, license fees, and milestone payments through pharmaceutical products developed using the Company's technology.

Under its new strategy the service model above will be complemented by the Company increasingly building its own pipeline of preclinical and later clinical biopharmaceutical drug and vaccine candidates. Under this new model, the Company will carry out its own initial research, preclinical and early clinical development work prior to out-licensing. The recent agreement with Bavarian Nordic, under which Bavarian Nordic assumes all future development costs for the COVID-19 vaccine program and pay certain milestones and royalties, subject to external funding, is the first example of this new strategy.

The Company believes that the combination of a continued successful service model combined with the creation of an inhouse pipeline of biopharmaceutical drug and vaccine candidates puts it in a good position to balance risk and return and create value for its shareholders.

### Revenue generation

With over 100 currently active or former academic and industrial service and license contracts, the Company has built a large network in the international research community since its inception in 2010. Furthermore, the Company is currently a part of an international research consortia which together has been granted more than an estimated EUR 40 million of non-dilutive public funding.

The Company also sells licenses to use the ExpreS<sup>2</sup> platform as a whole or in part, thus allowing its clients to participate in or be entirely responsible for the development of the required proteins. The Company sells ExpreS<sup>2</sup> test kits and reagents for application as research tools or diagnostics. The Company may also enter into agreement where the client accept a quotation and is charged for the development, production and delivery of research grade proteins, using the ExpreS<sup>2</sup> platform.

The Company services both pharmaceutical companies and research institutions. The ExpreS<sup>2</sup> platform is equally suited for academic research, analytics and commercial drug development, both in vaccines and other biopharma fields. The Company's clients are not limited to any geographic area and are located all over the world. Since its foundation in 2010, the Company

has worked with more than 100 clients and partners. The agreements with these clients, which in many cases are world-leading universities, research institutions and pharmaceutical companies, have generated significant revenues for the Company over the years. It currently has more than ten major clients. For instance, the Company has out-licensed the ExpreS<sup>2</sup> platform for research to Hoffman-La Roche, Imperial College London and Francis Crick Institute among others, and out-licensed the platform for clinical development to the University of Copenhagen and the Jenner Institute of the University of Oxford, among others. Five of the Company's current material transfer agreements (MTAs) relate to the transfer of Company-made SARS-CoV-2 material for various COVID-19 diagnostic and research support purposes.

### Company structure and shareholding

ExpreS<sup>2</sup>ion Biotech Holding AB has a fully owned subsidiary, ExpreS<sup>2</sup>ion Biotechnologies ApS, in Denmark. All operational activity takes place in the subsidiary, and ExpreS<sup>2</sup>ion Biotech Holding AB's only operational activity is to own the subsidiary ExpreS<sup>2</sup>ion Biotechnologies. In addition to this, ExpreS<sup>2</sup>ion Biotechnologies ApS owns 50 percent of the shares in AdaptVac ApS, Denmark. However, this ownership stake will be reduced to 34 percent once the Company exercises its option to in-license AV001. AdaptVac is accounted for as a jointly governed company. In addition to the above, the Company does not own any shares in other companies.

## Financial overview

### Development in figures for Q3 2020

#### Revenue

Group turnover during the third quarter of 2020 amounted to KSEK 3,141 (3,158). The revenues in the third quarter of 2020 were 0,5% lower compared to the same period last year. Thus far in 2020, there has been a significant shift in the mix of revenues coming from client driven projects, which have in many cases been delayed due to COVID-19, to revenues from grant projects. This trend continued in the third quarter.

#### Net result

The consolidated net result for the third quarter of 2020 amounted to KSEK -4,887 (-2,944). The lower result is primarily due to the combination of higher R&D costs, driven by the COVID-19 vaccine project and the Her2 VLP breast cancer vaccine (AV001) option to license, as well as higher administrative expenses. Partially offsetting were lower selling costs as COVID-19 restrictions resulted in much lower travel and networking related expenses.

#### Cash and cash equivalents

As of September 30, 2020, ExpreS<sup>2</sup>ion's cash and cash equivalents amounted to KSEK 30,399 (2,628). The balance largely reflects the bridge loans received during the quarter. To a much lesser extent, the exercise of the 2017 warrant program, announced in August 2020, also had a positive impact on the Company's cash position. Excluding the impact of financing activities, cash was reduced by operating activities and interest on the bridge loan.

### Development in figures for the first nine months of 2020

#### Revenue

Group turnover during the first nine months of 2020 amounted to KSEK 9,986 (10,218). The revenues in the first nine months of 2020 were 2% lower compared to the same period last year. As mentioned above, client projects have faced significant headwinds in 2020 as COVID-19 resulted in project delays. Fortunately for ExpreS<sup>2</sup>ion, we have been able to mostly offset the reduction in client project revenue with grant-based revenues.

#### Net result

The consolidated net result for the first nine months of 2020 amounted to KSEK -14,360 (-10,361). The result is primarily the result of investment in the COVID-19 vaccine project and staff costs, partially offset by a write-down of investment in AdaptVac which occurred in 2019.



## Other disclosures

### Shareholder structure

The table below lists all shareholders who held more than 5 % of the capital and voting shares in ExpreS<sup>2</sup>ion Biotech Holding AB as of September 30, 2020.

Name	Number of shares held	Share of votes and capital
ExpreS <sup>2</sup> ion Holding ApS <sup>1</sup>	1,744,370	10.66%
AR Consult ApS <sup>2</sup>	1,306,109	7.98%
Summary shareholders over 5 %	3,050,479	18.64%
Remaining shareholders (below 5 %)	13,315,412	81.36%
<b>Total 30/09/2020</b>	<b>16,365,891</b>	<b>100.00%</b>

- <sup>1</sup>Chairman of the board & Co-Founder Martin Roland Jensen holds 32.22 % of the voting and capital shares in ExpreS<sup>2</sup>ion Holding ApS. COO & Co-Founder Charlotte Dyring owns 39.23 % of the voting and capital shares in ExpreS<sup>2</sup>ion Holding ApS. CSO & Co-Founder Wian de Jongh owns 28.55 % of the voting and capital shares in ExpreS<sup>2</sup>ion Holding ApS.
- <sup>2</sup>Board member Allan Rosetzky owns 100 % of the shares in AR Consult ApS.

### The share

ExpreS<sup>2</sup>ion Biotech Holding AB's share was listed at Nasdaq First North Growth Market on July 29, 2016. The trading name of the share is EXPRS2 and the ISIN-code is SE0008348262. As of September 30, 2020, the number of shares in ExpreS<sup>2</sup>ion Biotech Holding AB amounted to 16,365,891. The average amount of shares in the third quarter of 2020 amounted to 16,283,367. Please note that the number of shares after the period has increased to 27,276,485 as a result of the successful outcome from the rights emission. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

### Warrants

The Company currently has four series of warrants issued, where two series are part of incentive programs and two series are part of the rights issue of units carried out during the third quarter 2020. These series are identified as T02, T04, T06 and T06.

- T02 (2019/2022): On 23 May 2019, the Annual General Meeting resolved to implement an incentive program and issue a maximum of 680,100 warrants, of which all were subscribed for and allocated to selected employees.
- T04 (2020/2021-1) and T05 (2020/2021-2): On 23 September 2020, the Extraordinary General Meeting resolved to approve the board resolution from 25 August 2020 regarding a rights issue of units consisting of shares and two series of warrants of 5,455,297 warrants each. All shares and warrants issued in the rights issue of units were subscribed and paid for by the subscribers.
- T06 (2020/2024): On 23 September 2020, the Extraordinary General Meeting resolved to implement an incentive program and issue a maximum of 1,000,000 warrants. All warrants were subscribed for by the Company's subsidiary ExpreS<sup>2</sup>ion Biotechnologies ApS and 740,000 warrants have subsequently been transferred to selected employees and 260,000 warrants are still held by the subsidiary for future transfers to selected employees.

### Employees

As of September 30, 2020, there was a total of 16 employees, corresponding to 15 full-time equivalents (FTE's).

### Operational risks and uncertainties

The risks and uncertainties that ExpreS<sup>2</sup>ion's operations are exposed to are summarized in terms of pharmaceutical development, competition, technology development, patents, government requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For more detailed reporting of risks and uncertainties refer to the Company's annual report for the fiscal year of 2019.

**Auditor review**

This interim report has not been formally reviewed by the Company's auditor.

**Accounting principles**

ExpreS<sup>2</sup>ion Biotech Holding AB applies the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BFAR 2012:1 (K3) when preparing its financial statements.

**Financial calendar**

Year-end report, 2020	25/02/2021
Interim report, Q1 2021	19/05/2021
Annual General Meeting, 2021	26/05/2021
Half-year report, 2021	19/8/2021
Interim report, Q3 2021	18/11/2021
Year-end report, 2022	24/2/2022

**Certified Adviser**

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**Declaration of The Board of Directors and CEO**

*The Board of Directors and the CEO assure that the interim report presents a true and fair view of ExpreS<sup>2</sup>ion Biotech Holding AB's business, operations, position and results.*

Hørsholm, Denmark, November 19, 2020  
ExpreS<sup>2</sup>ion Biotech Holding AB  
c/o Mindpark, Rönnowsgatan 8c, S-252 25 Helsingborg

*Board of Directors and CEO*

## Forward-looking statements and disclaimer

This report contains forward-looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in this report, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. The important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, risks associated with product discovery and development, uncertainties related to the outcome of clinical trials, slower than expected rates of patient recruitment, unforeseen safety issues resulting from the administration of our products in patients, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate. The forward-looking statements in this document speak only as at the date of this report. ExpreS2ion Biotech does not undertake any obligation to update or revise forward-looking statements in this report nor to confirm such statements to reflect subsequent events or circumstances after the date made or in relation to actual results, unless required by law.

Income statement in brief – group

KSEK	01/07/2020	01/07/2019	01/01/2020	01/01/2019	01/01/2019
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	31/12/2019
	3 months	3 months	9 months	9 months	12 months
Net sales	3,141	3,158	9,986	10,218	13,829
Raw materials and consumables	-1,246	-717	-4,500	-2,473	-3,399
<b>Gross earnings</b>	<b>1,895</b>	<b>2,441</b>	<b>5,486</b>	<b>7,745</b>	<b>10,430</b>
Other external costs	-2,321	-1,252	-7,535	-5,871	-8,543
Personnel costs	-2,914	-3,529	-9,789	-10,094	-15,306
Result in jointly governed companies	2	-297	-195	-1,275	-1,824
<b>Operating profit/loss before depreciation</b>	<b>-3,338</b>	<b>-2,637</b>	<b>-12,033</b>	<b>-9,495</b>	<b>-15,243</b>
Depreciation	-734	-738	-2,186	-2,151	-2,876
<b>Operating profit/loss</b>	<b>-4,072</b>	<b>-3,375</b>	<b>-14,219</b>	<b>-11,646</b>	<b>-18,119</b>
Other interest income and similar items	-8	6	-8	6	3
Other interest costs and similar items	-1,464	-212	-2,205	-499	-971
<b>Profit/loss from financial items</b>	<b>-1,472</b>	<b>-206</b>	<b>-2,213</b>	<b>-493</b>	<b>-968</b>
<b>Profit/loss before tax</b>	<b>-5,544</b>	<b>-3,581</b>	<b>-16,432</b>	<b>-12,139</b>	<b>-19,087</b>
Tax on the result of the year	657	637	2,072	1,778	2,384
<b>Profit/loss for the period</b>	<b>-4,887</b>	<b>-2,944</b>	<b>-14,360</b>	<b>-10,361</b>	<b>-16,703</b>

Balance sheet in brief – group

KSEK	30/09/2020	30/09/2019	31/12/2019
<b>Assets</b>			
Concessions, patents, licenses, trademarks and similar intellectual rights	4,497	6,180	5,614
Goodwill	355	980	802
<b>Total intangible fixed assets</b>	<b>4,852</b>	<b>7,160</b>	<b>6,416</b>
Plant and machinery	1,230	1,178	1,186
<b>Total tangible assets</b>	<b>1,230</b>	<b>1,178</b>	<b>1,186</b>
Interest in group companies	35	36	35
Other long-term receivables	1,064	856	933
<b>Financial assets</b>	<b>1,099</b>	<b>892</b>	<b>968</b>
<b>Total fixed assets</b>	<b>7,181</b>	<b>9,230</b>	<b>8,570</b>
Accounts receivable	369	1,980	1,162
Tax receivables	1,864	3,358	2,058
Other receivables	1,273	792	1,128
Receivable from rights emission	0	0	0
Prepaid expenses	1,830	559	371
<b>Total receivables</b>	<b>5,336</b>	<b>6,689</b>	<b>4,719</b>
Cash and cash equivalents	30,399	2,628	5,418
<b>Total current assets</b>	<b>35,735</b>	<b>9,317</b>	<b>10,137</b>
<b>TOTAL ASSETS</b>	<b>42,916</b>	<b>18,547</b>	<b>18,707</b>
<b>Equity and liabilities</b>			
Share capital	1,818	1,512	1,512
Other capital contributions	65,204	48,972	48,972
Other equity including net profit for the period	-66,259	-45,050	-51,563
<b>Total equity</b>	<b>763</b>	<b>5,434</b>	<b>-1,079</b>
Deferred tax	952	1,312	1,191
<b>Total provisions</b>	<b>952</b>	<b>1,312</b>	<b>1,191</b>
Liabilities to credit institutions	9,454	6,905	6,380
<b>Total long-term liabilities</b>	<b>9,454</b>	<b>6,905</b>	<b>6,380</b>
Liabilities to credit institutions	1,630	895	1,493
Accounts payable	1,070	777	1,082
Other liabilities	29,047	3,224	9,640
<b>Total short-term liabilities</b>	<b>31,747</b>	<b>4,896</b>	<b>12,215</b>
<b>Total liabilities</b>	<b>42,153</b>	<b>13,113</b>	<b>19,786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,916</b>	<b>18,547</b>	<b>18,707</b>

Cash flow statement in brief – group

KSEK	01/07/2020 30/09/2020 3 months	01/07/2019 30/09/2019 3 months	01/01/2020 30/09/2020 9 months	01/01/2019 30/09/2019 9 months	01/01/2019 31/12/2019 12 months
Operating profit/loss	-4,072	-3,376	-14,219	-11,646	-18,119
Adjustments for depreciation	734	738	2,186	2,151	2,876
Received interest	-9	6	-9	6	14
Interest paid	-1,336	-214	-1,929	-573	-659
Company tax paid	2,049	0	2,045	-17	1,723
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2,634</b>	<b>-2,846</b>	<b>-11,926</b>	<b>-10,079</b>	<b>-14,165</b>
Decrease / increase of current receivables	-71	457	-898	-528	-43
Decrease / increase of current liabilities	-1,996	226	4,323	-271	1,517
<b>Cash flow from operating activities</b>	<b>-4,701</b>	<b>-2,163</b>	<b>-8,501</b>	<b>-10,878</b>	<b>-12,691</b>
Investments in tangible fixed assets	-31	-132	-565	-641	-632
Investments in intangible fixed assets	0	-47	0	-47	-47
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-179</b>	<b>-565</b>	<b>-688</b>	<b>-679</b>
Leasing agreement	-170	-73	-249	558	481
Bridge loan	20,003	0	23,170	0	4,750
Redemption of options	2,656	0	2,656	0	0
Issuance of new shares	0	0	9,600	8,000	8,000
Costs of issuing shares	-85	0	-806	-656	-656
<b>Cash flow from financing activities</b>	<b>22,404</b>	<b>-73</b>	<b>34,371</b>	<b>7,902</b>	<b>12,575</b>
<b>Cash flow for the period</b>	<b>17,762</b>	<b>-2,415</b>	<b>25,305</b>	<b>-3,664</b>	<b>-795</b>
Cash and cash equivalents at the beginning of the period	12,764	5,013	5,418	6,255	6,255
Exchange difference cash and cash equivalents	-37	30	-324	37	-42
<b>Cash and cash equivalents at the end of the period</b>	<b>30,399</b>	<b>2,628</b>	<b>30,399</b>	<b>2,628</b>	<b>5,418</b>

Changes in equity in brief – group

KSEK	01/07/2020	01/07/2019	01/01/2020	01/01/2019	01/01/2019
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	31/12/2019
	3 months	3 months	9 months	9 months	12 months
Total equity at the beginning of the period	4,198	8,324	-1,079	8,301	8,301
Issuance of new shares	0	0	0	8,000	8,000
Redemption of options	1,654	0	12,256	0	0
Conversion of debt	0	0	5,088	0	0
Issuing cost	-85	0	-806	-656	-656
Profit/loss for the period	-4,887	-2,944	-14,360	-10,361	-16,703
Exchange difference	-117	54	-336	150	-21
<b>Total equity at the end of the period</b>	<b>763</b>	<b>5,434</b>	<b>763</b>	<b>5,434</b>	<b>-1,079</b>

Income statement in brief – parent company

KSEK	01/07/2020	01/07/2019	01/01/2020	01/01/2019	01/01/2019
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	31/12/2019
	3 months	3 months	9 months	9 months	12 months
Net sales	0	0	167	167	335
Other external costs	-248	-157	-1,491	-1,539	-2,328
Personnel costs	-93	-81	-206	-281	-75
<b>Operating profit/loss</b>	<b>-341</b>	<b>-238</b>	<b>-1,530</b>	<b>-1,653</b>	<b>-2,068</b>
Other interest income and similar items	127	0	293	384	402
Other interest costs and similar items	-1,317	-10	-1,627	-15	-389
<b>Profit/loss from financial items</b>	<b>-1,190</b>	<b>-10</b>	<b>-1,334</b>	<b>369</b>	<b>13</b>
<b>Profit/loss before tax</b>	<b>-1,531</b>	<b>-248</b>	<b>-2,864</b>	<b>-1,284</b>	<b>-2,055</b>
Tax	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-1,531</b>	<b>-248</b>	<b>-2,864</b>	<b>-1,284</b>	<b>-2,055</b>



Balance sheet in brief – parent company

KSEK	30/09/2020	30/09/2019	31/12/2019
<b>Assets</b>			
Deposits	50	50	50
Shares in group companies	45,053	45,053	45,053
Receivables from group companies	9,878	0	1,777
<b>Total financial fixed assets</b>	<b>54,981</b>	<b>45,103</b>	<b>46,880</b>
<b>Total fixed assets</b>	<b>54,981</b>	<b>45,103</b>	<b>46,880</b>
Tax receivables	45	34	34
Receivable from rights emission	0	0	0
Other receivables	153	94	57
Prepaid expenses	1,462	30	30
<b>Total receivables</b>	<b>1,660</b>	<b>158</b>	<b>121</b>
Cash and cash equivalents	26,370	1,072	2,173
<b>Total current assets</b>	<b>28,030</b>	<b>1,230</b>	<b>2,294</b>
<b>TOTAL ASSETS</b>	<b>83,011</b>	<b>46,333</b>	<b>49,174</b>
<b>Equity and liabilities</b>			
Share capital	1,818	1,511	1,512
Share premium account	64,034	47,803	44,487
Net profit/loss for the period	-8,234	-4,599	-2,055
<b>Total equity</b>	<b>57,618</b>	<b>44,715</b>	<b>43,944</b>
Bridge loan	23,500	0	5,000
Other liabilities	1,893	800	230
Liabilities to group companies	0	818	0
<b>Total short-term liabilities</b>	<b>25,393</b>	<b>1,618</b>	<b>5,230</b>
<b>Total liabilities</b>	<b>25,393</b>	<b>1,618</b>	<b>5,230</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,011</b>	<b>46,333</b>	<b>49,174</b>

Cash flow statement in brief – parent company

KSEK	01/07/2020	01/07/2019	01/01/2020	01/01/2019	01/01/2019
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	31/12/2019
	3 months	3 months	9 months	9 months	12 months
Operating profit/loss	-341	-238	-1,530	-1,653	-2,068
Received interest	-1	6	-1	6	402
Interest paid	-1,317	-10	-1,538	-15	-139
Company tax paid	0	0	-4	-17	-20
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1,659</b>	<b>-242</b>	<b>-3,073</b>	<b>-1,679</b>	<b>-1,825</b>
Decrease / increase of current receivables	-850	185	-1,529	-50	-12
Decrease / increase of current liabilities	1,727	93	1,659	283	-308
<b>Cash flow from operating activities</b>	<b>-782</b>	<b>36</b>	<b>-2,943</b>	<b>-1,446</b>	<b>-2,145</b>
Investments in subsidiaries	0	0	0	0	-27,557
Loans group Company	858	77	-7,810	-10,616	13,991
<b>Cash flow from investing activities</b>	<b>858</b>	<b>77</b>	<b>-7,810</b>	<b>-10,616</b>	<b>-13,566</b>
Issuance of new shares	0	0	9,600	8,000	8,000
Bridge loan	20,000	0	23,500	0	4,750
Redemption of options	2,656	0	2,656	0	0
Costs of issuing shares	-85	0	-806	-656	-656
<b>Cash flow from financing activities</b>	<b>22,571</b>	<b>0</b>	<b>34,950</b>	<b>7,344</b>	<b>12,094</b>
<b>Cash flow for the period</b>	<b>22,647</b>	<b>113</b>	<b>24,197</b>	<b>-4,718</b>	<b>-3,617</b>
Cash and cash equivalents at the beginning of the period	3,723	959	2,173	5,790	5,790
<b>Cash and cash equivalents at the end of the period</b>	<b>26,370</b>	<b>1,072</b>	<b>26,370</b>	<b>1,072</b>	<b>2,173</b>

Changes in equity – parent company

KSEK	01/07/2020	01/07/2019	01/01/2020	01/01/2019	01/01/2019
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	31/12/2019
	3 months	3 months	9 months	9 months	12 months
Total equity at the beginning of the period	57,580	44,963	43,944	38,655	38,655
Issuance of new shares	0	0	0	8,000	8,000
Redemption of options	1,654	0	12,256	0	0
Conversion of debt	0	0	5,088	0	0
Issuing cost	-85	0	-806	-656	-656
Profit/loss for the period	-1,531	-248	-2,864	-1,284	-2,055
<b>Total equity at the end of the period</b>	<b>57,618</b>	<b>44,715</b>	<b>57,618</b>	<b>44,715</b>	<b>43,944</b>



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