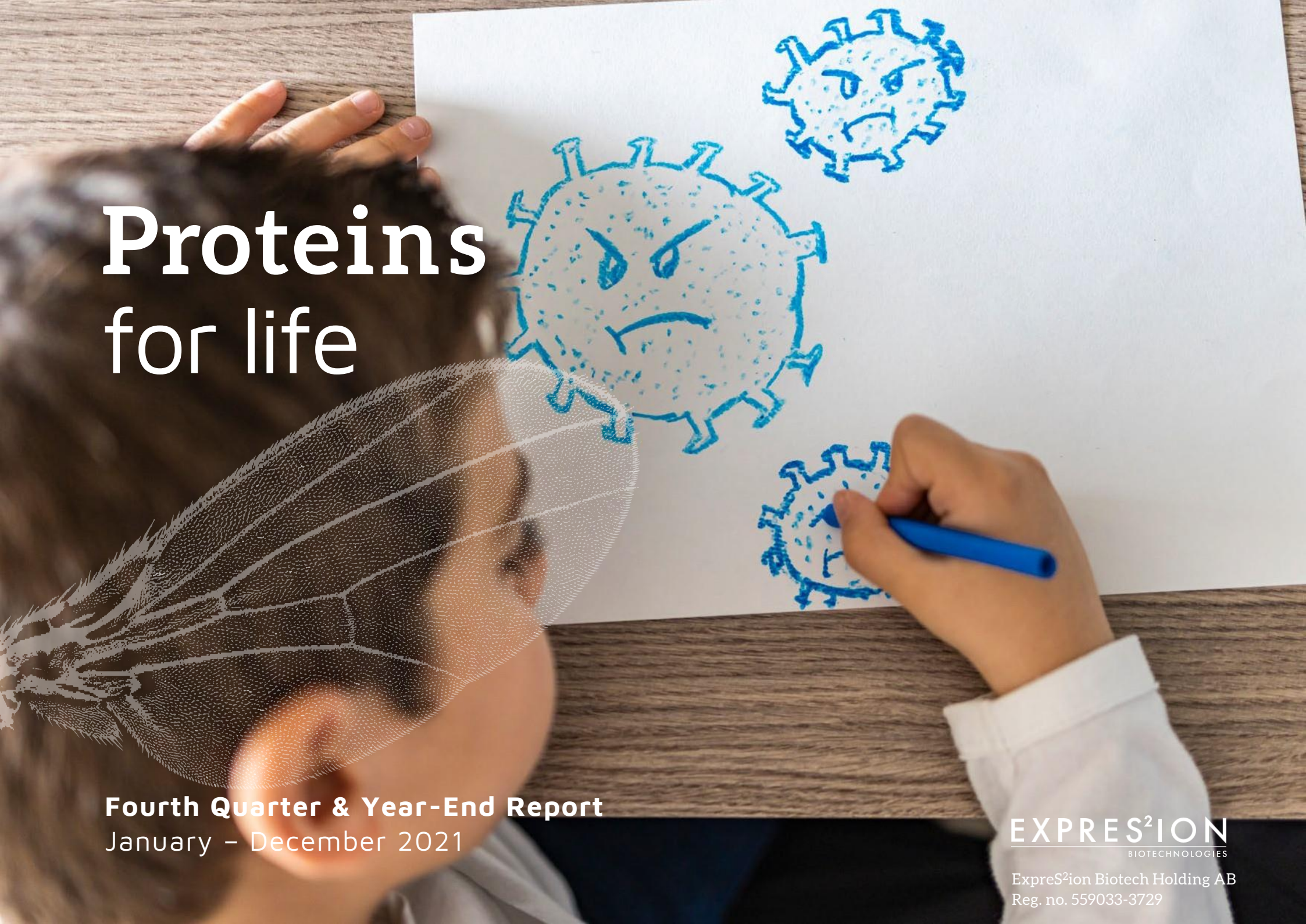


Proteins for life

Fourth Quarter & Year-End Report
January – December 2021

EXPRES²ION BIOTECHNOLOGIES

ExpreS²ion Biotech Holding AB
Reg. no. 559033-3729

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. ExpreS^{2}ion 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.

Definitions

"ExpreS^{2}ion Biotech Holding AB" refers to ExpreS^{2}ion Biotech Holding AB with corporate identity number 559033-3729. "The Company" or "ExpreS^{2}ion" refers to the group, i.e. ExpreS^{2}ion Biotech Holding AB and its fully owned operational subsidiary ExpreS^{2}ion Biotechnologies ApS, Denmark.

A word from our CEO

"For ExpreS^{2}ion, the COVID-19 vaccine program progress in 2021 has once again demonstrated that our ExpreS2 platform is an excellent choice for rapid development of powerful protein-based vaccines."

In 2021, ExpreS^{2}ion was able to deliver strong progress in key areas related to our ongoing transition into a stronger and much more pipeline-driven biotechnology company with high-value assets based on our novel ExpreS2 technology platform for the development and production of protein-based vaccines.

Our most high-profile program, the ABNCoV2 COVID-19 vaccine licensed to Bavarian Nordic, progressed rapidly throughout the year. A clinical Phase I/II trial was initiated in the first quarter, with excellent topline results reported in August. This was followed by the exciting news later in August that the program will receive up to DKK 800 million in funding for a Phase III trial from the Danish Ministry of Health. The clinical program then progressed with a Phase II clinical trial to evaluate ABNCoV2 as a booster vaccine, with positive topline results for the first group presented near the end of the year. The data showed a 2-40-fold increase in SARS-CoV-2 neutralizing antibodies, with no serious adverse events reported, confirming the vaccine's excellent profile as a non-adjuvanted universal COVID-19 booster vaccine.

For ExpreS^{2}ion, the COVID-19 vaccine program progress in 2021 has once again demonstrated that our ExpreS2 platform is an excellent choice for rapid development of powerful protein-based vaccines, and also that the platform works well with VLP-based projects. This is important as the VLP technology is used also in our HER2 breast cancer vaccine program.

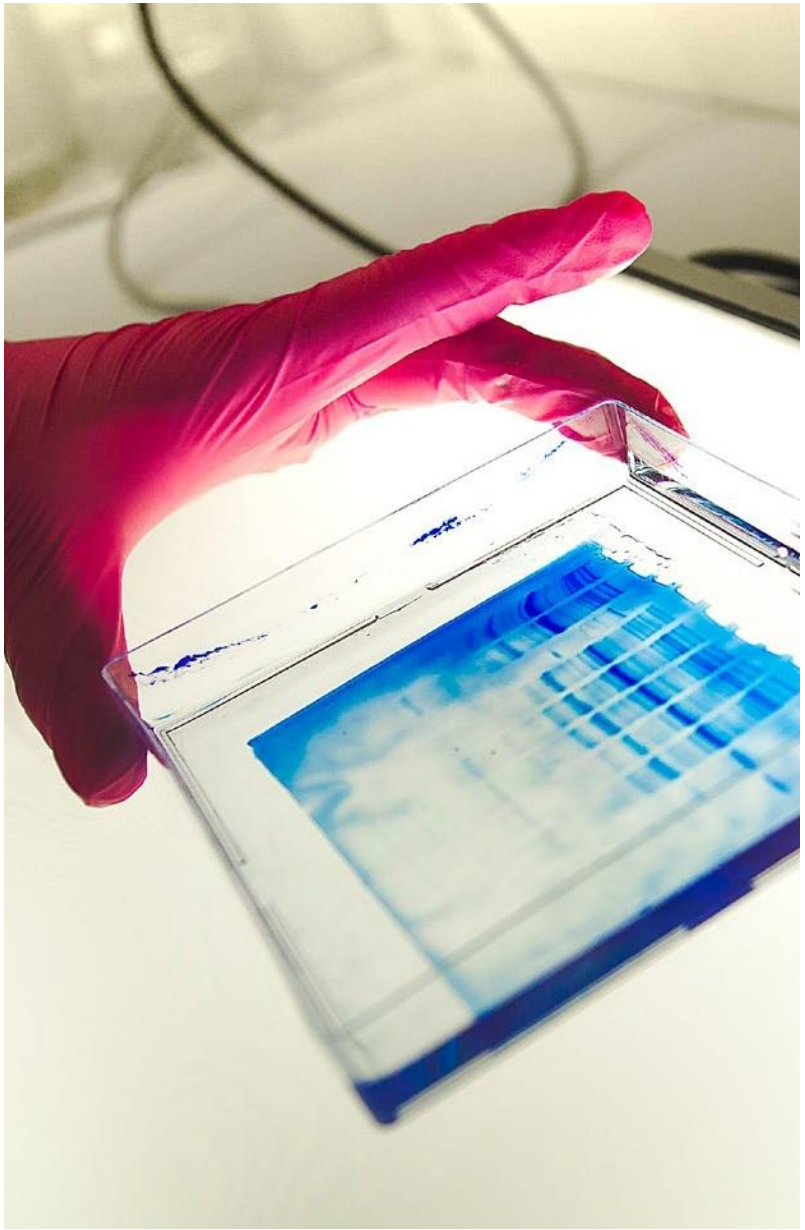
The progress in our HER2 breast cancer vaccine program was another key achievement for ExpreS^{2}ion in 2021. We licensed the program from AdaptVac in February, and got off to a strong start by initiating a research collaboration for animal studies in state-of-the-art breast cancer mice models with University of Bologna just weeks later. This collaboration led to the selection of our lead candidate ES2B-C001 in May, and subsequently the reporting of excellent animal proof of concept results in December 2021 and January 2022. These results demonstrated strong tumour-growth inhibiting effect in both in vivo mice models and in vitro studies with human breast cancer tumour cells, including tumour cells from patients resistant to the commonly used monoclonal antibody treatment trastuzumab. This is especially encouraging as this important patient group is currently lacking an efficient treatment option.

We were also able to report on encouraging progress in our Malaria projects together with the University of Oxford in 2021. Positive clinical Phase I/IIa data for the RH5 blood-stage malaria vaccine was presented by the University in April, and in July a Phase Ib clinical trial was initiated to evaluate the blood-stage malaria vaccine candidate RH5.1/Matrix-M in adults and infants living in Tanzania.

The excellent overall progress presented above would not have been possible without successful recruitments to our team, with the expansion of our capabilities when it comes to preclinical and clinical development of our pipeline assets as a key focus. This included welcoming Dr. Mette Thorn as Vice President of Preclinical Development, promoting Dr. Max M. Søgaard to the position of Vice President, R&D and Technology, and appointing Dr. Mattis F. Ranthe as the company's new Chief Medical Officer (CMO). I am proud to see that ExpreS^{2}ion continues to attract top-level talent to our team, which is necessary when having the ambition to grow substantially while advancing our pipeline in the coming years.

I finally want to thank all of our shareholders for their support during the year, including the participation in our TO4 and TO5 warrant programs, which secured 83.3 MSEK in total additional funding to the company in 2021. ExpreS^{2}ion's management team and board are fully committed to combining important progress in the fight against global health challenges with building strong shareholder value in the company over time, and we see excellent opportunities to continue to do so when looking ahead towards the rest of 2022 and beyond.

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



About ExpreS²ion

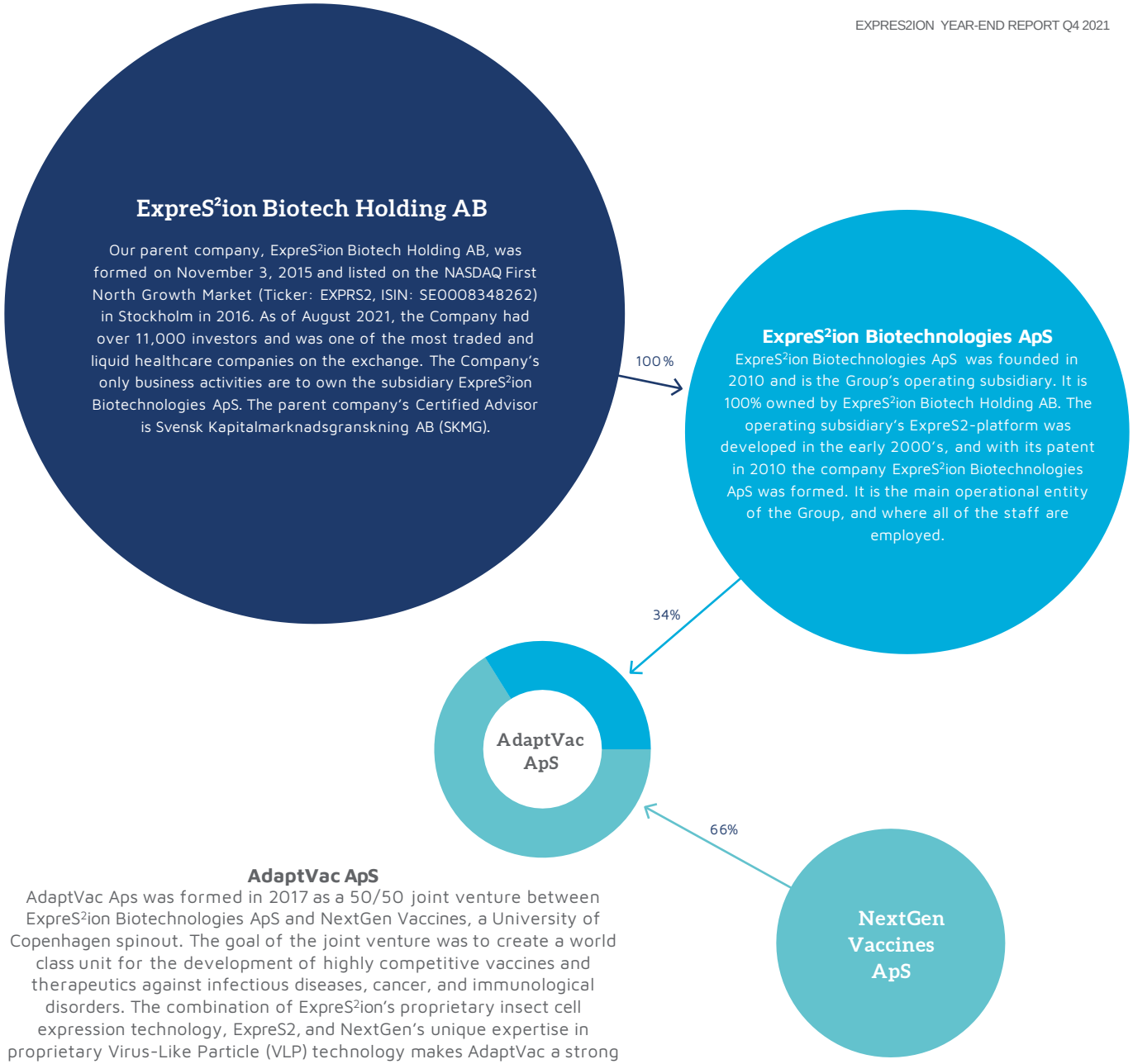
ExpreS²ion was founded in 2010 on the realisation that to produce the complex proteins needed for the biological drugs and vaccines of the future, in a safer and more efficient manner, a new protein expression system would be needed.

The ExpreS2 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.

Company structure

ExpreS²ion has a streamlined company structure. ExpreS²ion Biotech Holding AB is the Swedish entity listed on Nasdaq First North Growth Market since 2016. ExpreS²ion Biotechnologies ApS is the operational entity, with offices and labs in the Scion DTU Science park 20 km north of Copenhagen, Denmark, and was established in 2010. AdaptVac ApS is an associated company established in 2017 as a joint venture with a group of scientists from the Institute of Immunology and Microbiology at the University of Copenhagen. The scientists own their share of AdaptVac through a joint holding company named NextGen Vaccines ApS.



AdaptVac ApS

AdaptVac Aps was formed in 2017 as a 50/50 joint venture between ExpreS²ion Biotechnologies ApS and NextGen Vaccines, a University of Copenhagen spinout. The goal of the joint venture was to create a world class unit for the development of highly competitive vaccines and therapeutics against infectious diseases, cancer, and immunological disorders. The combination of ExpreS²ion's proprietary insect cell expression technology, ExpreS2, and NextGen's unique expertise in proprietary Virus-Like Particle (VLP) technology makes AdaptVac a strong and versatile player in the field of new vaccines and immune therapy. The Company's ownership stake in and control of AdaptVac was reduced from 50 percent to 34 percent in February of 2021 upon exercise of the option to in-license the breast cancer vaccine candidate AV001/Her2-cVLP.

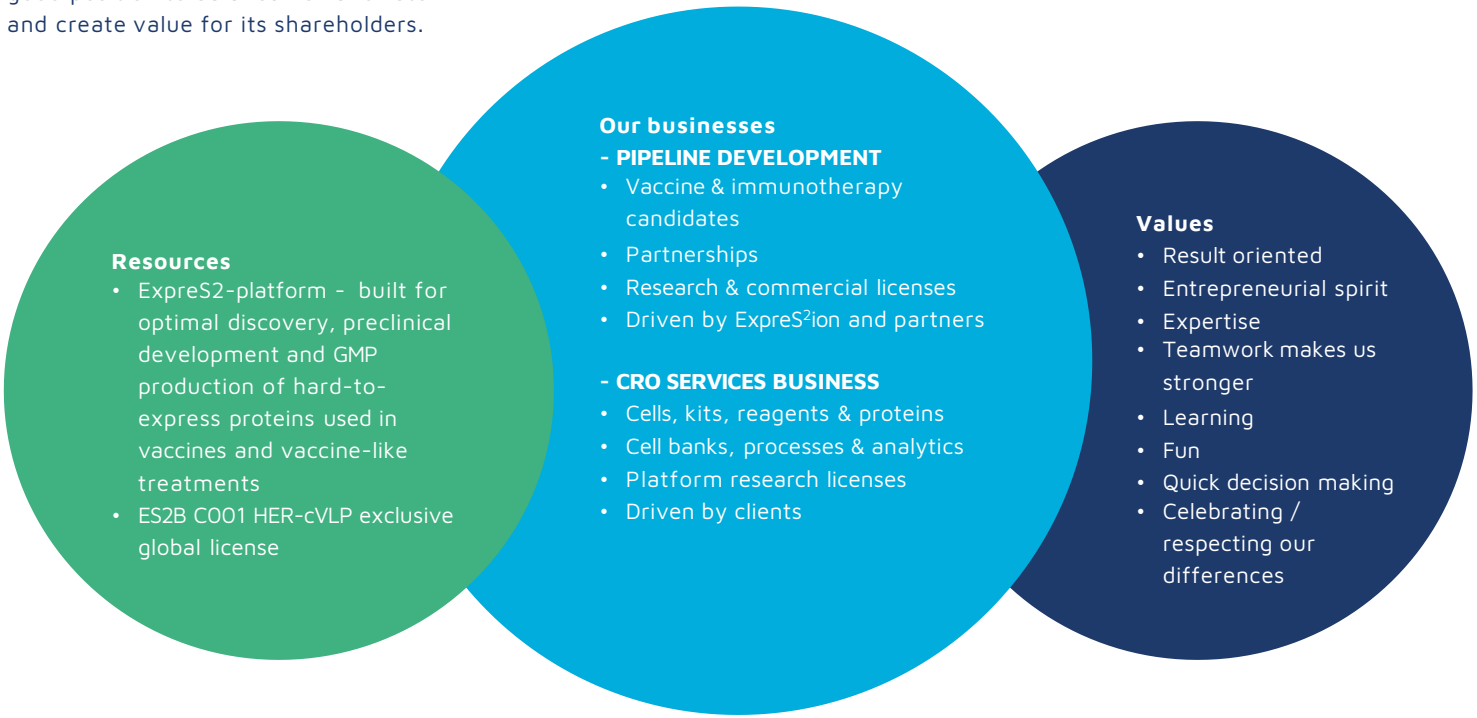
Business model

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 ExpreS2 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 strategy the service model is complemented by the Company increasingly building its own pipeline of preclinical and later clinical biopharmaceutical drug and vaccine candidates. Under this model, the Company carries out its own initial research, preclinical and early clinical development work prior to out-licensing. The 2020 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.

A biotech company creating value through pipeline development and service offerings



Sources of income

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 ExpreS2 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 ExpreS2 test kits and reagents for application as research tools or diagnostics. The Company may also enter into agreements in which the client accepts a quotation and is charged for the development, production and delivery of research grade proteins, using the ExpreS2 platform.

The Company services both pharmaceutical companies and research institutions. The ExpreS2 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 ExpreS2 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.

Pipeline

DISEASE	Project / Target	Discovery	Pre-clinical Pharmacology	cGMP / Tox	Phase 1	Phase 2	Phase 3	Market potential
Corona virus 	ABNCoV2/SARS-CoV-2 cVLP				I / IIa	BN: II		> 100 billion EUR
Breast cancer 	ES2B-C001/Her2 cVLP							> 15 billion EUR
Influenza 	Hemagglutinin							> 4 billion EUR
Malaria 								> 0.6 billion EUR
I: Blood	RH5					Ib / IIa		
II: Blood	RH5-VLP							
III: Transmission	Pfs 48/45							
IV: Placenta	VAR2CSA				Ia / Ib			
V: Blood	CYRPA complex							

As of December 2021

Pipeline

CORONAVIRUS/COVID-19

ExpreS²ion and its joint associated company AdaptVac have been engaged in the development of a unique capsid virus-like particle (cVLP) COVID-19 vaccine, partly sponsored through a Horizon 2020 EU grant award to the PREVENT-nCoV consortium to rapidly advance the vaccine candidate against COVID-19 into the clinical stage. The candidate vaccine is a cVLP applying ExpreS2-produced SARS-CoV-2 antigens, thereby creating a powerful immunogenic vaccine.

In July 2020, AdaptVac and Bavarian Nordic, a fully integrated biotechnology company focused on the development, manufacture and commercialization of life-saving vaccines, have entered into a license agreement which provides Bavarian Nordic the global commercialization rights to the proprietary capsid virus like particle based SARS-CoV-2 subunit vaccine, designated ABNCoV2. For application of our proprietary protein production system ExpreS2, ExpreS²ion and AdaptVac have also entered into a license agreement for this project.

In addition to ExpreS²ion and AdaptVac, the PREVENT-nCoV consortium members are Leiden University Medical Center (LUMC), Institute for Tropical Medicine (ITM) at University of Tübingen, The Department of Immunology and Microbiology (ISIM) at University of Copenhagen, the Laboratory of Virology at Wageningen University, and Radboud University Medical Center. We announced the first headline results of the clinical Phase I/IIa in August 2021 and demonstrated positive safety and efficacy outcomes. Bavarian Nordic is currently running a Phase II study to determine the vaccine's potential as a universal booster. Preliminary results in December 2021 demonstrated a strong boosting effect for all variants tested and confirmed the vaccine's excellent profile as a non-adjuvanted universal COVID-19 booster vaccine.

BREAST CANCER

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 therapies Herceptin (trastuzumab) and Perjeta (pertuzumab) generate annual global sales of USD 7 billion. The target product profile of our lead breast cancer project, ES2B-C001 (HER2-cVLP), is tailored to be highly competitive both in terms of cost and efficacy, thus aiming at a significant market share.

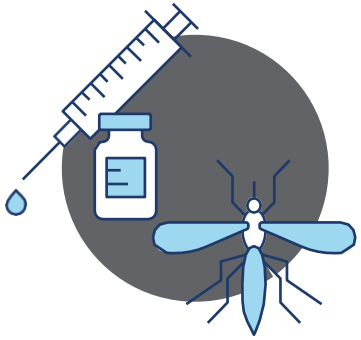
In February 2021, ExpreS²ion signed a patent license agreement with AdaptVac whereby ExpreS²ion exclusively licensed in ES2B-C001. This gives ExpreS²ion full control over and responsibility for driving this valuable asset forward, hereby realising the significant value of this project.

At the end of 2021, ExpreS²ion's candidate demonstrated strong tumor-growth inhibiting effect in a mice model, thus reaching an important pre-clinical milestone ahead of schedule. Additionally, anti-HER2 antibodies from these studies were found to effectively inhibit tumor growth in human cancer cells. The candidate also demonstrated proof-of-concept in HER2-transgenic preventive as well as therapeutic tumor mice models, thus reaching a further important pre-clinical milestone.

INFLUENZA

The international next-generation influenza vaccine consortium INDIGO, led by the University of Amsterdam with ExpreS²ion as a participating member, is developing a next-generation influenza vaccine in a large collaboration between public and private R&D organisations from the EU, India, and the United States. The project has been awarded a 10.0 MEUR Horizon 2020 grant from the EU, of which ExpreS²ion's participation was directly awarded 0.6 MEUR.

The INDIGO consortium plans to carry out the preclinical and clinical development of the project, which contains two novel influenza vaccine concepts, including the application of a novel potent adjuvant by LiteVax BV, the Netherlands, as well as the use of the ExpreS2 platform for antigen production by ExpreS²ion. The aim is to create an influenza vaccine that meets the requirements of global vaccination, i.e. to achieve <10% instead of 60% non-responders, combined with a lower manufacturing cost and better accessibility.



MALARIA PROJECTS

Malaria I

Blood stage (RH5-1)

Jenner Institute of the University of Oxford is developing the blood-stage Plasmodium falciparum malaria antigen RH5.1 with ExpreS²ion as a collaboration partner. The RH5.1 antigen is produced in ExpreS²ion's ExpreS2 platform.

Malaria II

Blood stage (RH5-2)

With the aim to further improve efficacy, Jenner Institute of the University of Oxford is developing a second-generation RH5 vaccine, RH5.2, in the ExpreS2 platform. RH5.2 has been engineered to retain regions important for red blood cell recognition, which are targeted by neutralising antibodies. Additionally, the RH5.2 protein will be displayed on the surface of a hepatitis B derived virus-like particle (VLP) in order to maximise the induction of high titre antibodies. The project is founded by the Wellcome Trust.

Malaria III

Transmission (Pfs48/45)

The goal for a transmission-blocking vaccine is to prevent the transfer to mosquitos feeding on persons infected with malaria, thus effectively hindering further spread of the disease. Thereby a transmission-blocking vaccine does not give direct protection from the disease, but it stops the disease from spreading and could therefore lead to eradication of malaria. During the last decade, the inability to produce the full- length Pfs48/45 antigen has been a major roadblock for researchers aiming to create a transmission-blocking malaria vaccine. However, this challenge was overcome by ExpreS²ion and Jenner Institute at the University of Oxford.

This vaccine is developed by the Horizon 2020-funded OptiMalVax grant consortium, led by Jenner Institute at the University of Oxford with ExpreS²ion as a member. The objective of the consortium is to create a combination malaria vaccine, and its clinical program will include trials to assess the pre-erythrocytic, blood-stage and mosquito-stage components of the combi- nation vaccine, including this transmission vaccine.

Malaria IV

Placenta borne (VAR2CSA)

ExpreS²ion is a part of the PlacMalVac project that started in 2013 as an international consortium project with the aim to develop a vaccine against placental malaria. The project is based on the antigen VAR2CSA, which enable parasite accumulation in the placenta and was discovered by Professor Ali Salanti and others at the University of Copenhagen.

Malaria V

Blood-stage (PfRipr complex)

An international research team, including scientists from ExpreS²ion and led by the Walter and Eliza Hall Institute of Medical Research (WEHI), is developing a next generation malaria vaccine that is targeting a recently discovered molecular 'key' that the deadly malaria parasite uses to enter human blood cells. The malaria 'key' was first described in a Nature article, published December 2018 from the group. It is a complex of three parasite proteins called Rh5, CyRPA and Ripr, where the three proteins work together to unlock and enter the cell. This central role in the infection of human blood cells makes the complex a new and promising target for vaccine development. The vaccine is based on a patent co-owned by WEHI and ExpreS²ion.

Significant events

Fourth quarter of 2021

On November 12, ExpreS^{2}ion announced that the remaining virus neutralization data, for the two highest dose ranges of 50 µg and 70 µg, have now been published from the COUGH-1 COVID-19 Phase I/II clinical trial to evaluate the ABNCoV2 vaccine. The headline results met its safety and efficacy endpoints also for these dose ranges, and thus for the study in its entirety.

On November 15, ExpreS^{2}ion announced its third quarter financial results for 2021.

On December 5, ExpreS^{2}ion announced that the ABNCoV2 vaccine demonstrated a strong boosting effect in the clinical Phase II trial conducted by Bavarian Nordic. The existing levels of SARS-CoV-2 neutralizing antibodies increased by 2-40-fold, depending on the initial levels of antibodies, with no serious adverse events reported. Furthermore, this strong increase was observed to be similar for all variants tested (Wuhan, Alpha, Beta and Delta). The topline results confirm the vaccine's excellent profile as a non-adjuvanted universal COVID-19 booster vaccine.

On December 21, ExpreS^{2}ion announced the appointment of Dr. Mattis F. Ranthe as the Company's new Chief Medical Officer (CMO). Dr. Ranthe brings a decade of broad clinical experience, and he will be responsible for ensuring the progression of ExpreS^{2}ion's development pipeline activities, including clinical safety and efficacy trials. Dr. Ranthe will begin his employment on February 1, 2022 at ExpreS^{2}ion's headquarters in Hørsholm, Denmark.

On December 22, ExpreS^{2}ion announced that its capsid virus-like particle (cVLP) breast cancer vaccine candidate ES2B-C001 demonstrated strong tumor-growth inhibiting effect in a mice model, thus reaching an important pre-clinical milestone ahead of schedule. Additionally, anti-HER2 antibodies from these studies were found to effectively inhibit tumor growth in human cancer cells.

Subsequent events

On January 4, ExpreS^{2}ion announced that the capsid virus-like particle (cVLP) HER2-breast cancer vaccine candidate ES2B-C001 has demonstrated proof-of-concept also in HER2-transgenic preventive as well as therapeutic tumor mice models. The vaccine has thus reached a further important pre-clinical milestone.

On February 8, ExpreS^{2}ion announced constructive feedback from its scientific advice meeting pertaining to the therapeutic breast cancer vaccine candidate, ES2B-C001, with the Danish Medicines Agency ("DKMA"). Based on this feedback, ExpreS^{2}ion plans to conduct an additional preclinical safety study in the first half of 2023, which will increase the robustness of the project's preclinical data. Consequently, the Company is now aiming to file the clinical trial application for the Phase I trial in the second half of 2023, with the aim of dosing first in human in the first half of 2024.

2022 – 2024+ outlook

	2022	2023	2024+
CORONAVIRUS (ABNCoV2)	**BN Phase II trial readout H1 2022** **BN Phase III trial initiation H1 2022** **BN Phase III initial readout H2 2022**	**BN ready for market launch** (subject to regulatory approval)	
BREAST CANCER (ES2B-C001)	✓ Preclinical animal studies initiated Q2 2021 **Preclinical animal proof-of-concept results H1 2022** GMP manufacturing batch	Preclinical safety studies readout Filing of clinical trial application H2 2023	**Initiation of first human clinical trial 2024** **Outlicensing window opens pending human data**
INFLUENZA	Advance/support further development of one or more candidates in 2022		
MALARIA	✓ RH5 Additional phase I trial in a malaria endemic region in Africa launched during 2021, with alternative adjuvant **Pfs 48/45 phase I trial initiation 2022**	**RH5-VLP phase I initiation 2023** **RH5 phase I trial readout H2 2023**	

Note: Timeline for ABNCoV2 is based on Bavarian Nordic's communicated timeline and is subject to potential revision.

Summary of Q4 interim results

Fourth quarter (October – December 2021)

- Operating income amounted to 4,430 (5,277) KSEK.
- Profit/loss after financial items amounted to -14,944 (-18,491) KSEK.
- Profit/loss for the period amounted to -14,320 (-17,353) KSEK.
- Net income per share* amounted to -0.46 (-0.75) SEK.

Full-year (January – December 2021)

- Operating income amounted to 13,730 (15,263) KSEK.
- Profit/loss after financial items amounted to -47,516 (-34,923) KSEK.
- Profit/loss for the period amounted to -43,925 (-31,713) KSEK.
- Net income per share* amounted to -1.50 (-1.83) SEK.

Key financials

SEK '000s	Q4 2021	Q4 2020	% Change	2021	2020	% Change
Operating income	4,430	5,277	-16%	13,730	15,263	-10%
Profit/loss after financial items	-14,944	-18,491	-19%	-47,516	-34,923	36%
Profit/loss for the period	-14,320	-17,353	-17%	-43,925	-31,713	39%
Earnings per share*	-0.46	-0.75	-38%	-1.50	-1.83	-18%
Cash balance, end of period	37,111	106,832	-65%	37,111	106,832	-65%
Cash balance including SKAT balance, end of period**	138,880	106,832	30%	138,880	106,832	30%
Total assets	151,956	118,858	28%	151,956	118,858	28%
Equity/asset ratio (%)***	92%	80%	13%	92%	80%	13%

Figures in parenthesis are the numbers from the same period in 2020.

**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 January to December 2021, the average number of shares amounted to 29,240,981. As of 31/12/2021, the total number of shares in ExpreS^{2}ion Biotech Holding AB was 31,153,456.*

***In Q4 2021 the Company decided to store cash in its account with the Danish tax authority (SKAT), where no interest is charged. See callout on next page for more information.*

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

Financial overview

Development in figures for Q4 2021

Operating income

Total operating income during the fourth quarter of 2021 amounted to KSEK 4,430 (5,277), which was 16% lower compared to the same period last year. During 2021, there has been a significant shift in the mix of revenues coming from grant projects, which were very strong in 2020, to client driven projects. These projects have more than recovered from the 2020 decline related to COVID-19. The key drivers of operating income are split between client projects and grant income.

Profit/loss for the period

The net loss for the fourth quarter of 2021 amounted to KSEK -14,320 (-17,353). The improved result is primarily due to lower other external costs, which in 2020's fourth quarter included significant expenses from the COVID-19 vaccine project, and lower interest expense. Partially offsetting are (1) increases in non-cash incentive-based compensation including the introduction of the new TO7 warrant program approved in the May 2021 Annual General Meeting, (2) higher R&D related to the transition to a pipeline driven strategy, and specifically the Company's expenses from the ES2B-C001 breast cancer therapeutic vaccine candidate, and (3) lower net sales.

Cash and cash equivalents

As of December 31, 2021, ExpreS^{2}ion's cash and cash equivalents amounted to KSEK 37,111 (106,832). Including the SEK 101.8 million in the Company's account with the Danish tax authority (SKAT), the Company had SEK 138.9 million available to fund its ongoing operations. During the quarter, cash (including the SKAT balance) decreased by SEK 3.1 million, primarily reflecting an operating loss of SEK 16 million, which was mostly offset by adjustments for non-cash items (SEK 8.9 million), specifically vesting of non-cash incentive-based compensation, an income tax credit (SEK 2.8 million), and an increase in current receivables (SEK 1.8 million).

This report has been prepared using the same accounting principles as used for the 2020 Annual report, that was published 5 May 2021. All figures refer to group results. Figures in parenthesis are from the same period in 2020.

Development in figures full-year 2021

Operating income

Total operating income for the full year of 2021 amounted to KSEK 13,730 (15,263), a 10% decrease compared to the same period last year. As mentioned to the left, net sales from client projects have recovered significantly from the significant headwinds faced in 2020 when COVID-19 resulted in project delays. However, much lower grant income more than offset the recovery in client projects. Key contributors included over 30 clients and the COVID-19 related project.

Profit/loss for the period

The net result for the full year of 2021 amounted to KSEK -43,925 (-31,713). The decline is primarily driven by pipeline project related costs, notably the pre-clinical development of the ES2B-C001 breast cancer therapeutic vaccine candidate, increases in non-cash incentive-based compensation, lower grant income, and the non-cash grant change in estimate explained in our Q3 2021 report. These were partially offset by a corresponding opposite entry to the grant adjustment in other external costs, higher net sales, lower interest expense due to the termination of bridge loans, lower depreciation, a one-time dividend payment from AdaptVac Aps and a larger income tax deduction.

Cash and the Danish tax authority's payout limit

On May 7, 2020, the Danish tax authority (SKAT) increased the payout limit for SKAT accounts to DKK 100 billion due to the extraordinary COVID-19 situation. On February 1, 2022, this limit changed to DKK 350 million. SKAT allows companies to store up to that limit in their SKAT account where the balance does not incur negative interest. After consultation with SKAT, the Company's bank and the Company's advisors, ExpreS^{2}ion decided to store a portion of its cash in its SKAT account, thereby significantly reducing interest expense. At the end of 2021, the Company had SEK 101.8 million in its SKAT account. Each month the company considers its cash need in the coming months and adjusts the payout limit. Any amount in the account beyond the limit is transferred to the Company's bank account in less than two weeks. The balance with SKAT is recorded within the Company's other short-term investments.

Income statement – group

KSEK	Q4 2021	Q4 2020	% change	YTD 2021	YTD 2020	% change
Operating income						
Net sales	3,398	794	328%	12,234	5,259	133%
Other operating income	1,032	4,483	-77%	1,496	10,004	-85%
Total operating income	**4,430**	**5,277**	**-16%**	**13,730**	**15,263**	**-10%**
Operating costs						
Raw materials & consumables	-1,172	-1,602	-27%	-7,513	-6,102	23%
Research & development costs	-1,985	-216	819%	-9,815	-216	4444%
Other external costs	-2,796	-13,699	-80%	-3,516	-21,234	-83%
Personnel costs	-14,351	-6,201	131%	-32,374	-15,990	102%
Depreciation of tangible & intangible fixed assets	-319	-731	-56%	-1,809	-2,917	-38%
Other operating expenses	0	0	n/a	-7,099	0	n/a
Total operating costs	**-20,623**	**-22,449**	**-8%**	**-62,126**	**-46,459**	**34%**
Operating profit/loss	**-16,193**	**-17,172**	**-6%**	**-48,396**	**-31,196**	**55%**
Result from financial investments						
Result in jointly governed companies	0	1	-100%	0	-194	-446%
Result in associated companies	0	0	n/a	671	0	n/a
Interest expense & similar items	1,249	-1,320	-195%	209	-3,533	-106%
Total result from financial investments	**1,249**	**-1,319**	**-195%**	**880**	**-3,727**	**-124%**
Profit/loss after financial items	**-14,944**	**-18,491**	**-19%**	**-47,516**	**-34,923**	**36%**
Income tax on the result for the period	624	1,138	-45%	3,591	3,210	12%
Profit/loss for the period	**-14,320**	**-17,353**	**-17%**	**-43,925**	**-31,713**	**39%**

Note: Investment in AdaptVac
The reduction in percentage ownership of AdaptVac, from 50% to 34% in February 2021, is reflected by recording the investment in an associated company, a change from 2020 where it was recorded as an investment in jointly governed companies.

Balance sheet – group

KSEK	YE 2021	YE 2020	% change
Assets			
Concessions, patents, licenses, trademarkets and similar intellectual rights	3,141	3,907	-20%
Goodwill	0	194	-100%
Total non-current intangible assets	**3,141**	**4,101**	**-23%**
Plants and machinery	1,209	1,294	-7%
Total non-current tangible assets	**1,209**	**1,294**	**-7%**
Interest in jointly governed companies	0	34	-101%
Interest in associated companies	23	0	n/a
Other long-term receivables	1,119	966	16%
Total non-current financial assets	**1,142**	**1,000**	**14%**
Total non-current assets	**5,492**	**6,395**	**-14%**
Accounts receivable	1,623	525	209%
Tax receivables	3,470	2,788	24%
Other receivables	2,012	1,791	12%
Prepaid expenses and accrued income	479	527	-9%
Total receivables	**7,584**	**5,631**	**35%**
Other short-term investments	101,769	0	n/a
Total short-term investments	**101,769**	**0**	**0%**
Cash and bank	37,111	106,832	-65%
Total current assets	**146,464**	**112,463**	**30%**
TOTAL ASSETS	**151,956**	**118,858**	**28%**

KSEK	YE 2021	YE 2020	% change
Equity and liabilities			
Share capital	3,461	3,067	13%
Other capital contributions	266,243	178,042	50%
Other equity including net loss for the period	-129,358	-86,561	49%
Total equity	**140,347**	**94,548**	**48%**
Provision for taxes	671	827	-19%
Total provisions	**671**	**827**	**-19%**
Other long-term liabilities	3,477	5,272	-34%
Total long-term liabilities	**3,477**	**5,272**	**-34%**
Liabilities to credit institutions	1,918	1,889	2%
Accounts payable	1,685	2,078	-19%
Other liabilities	3,858	14,244	-73%
Total short-term liabilities	**7,461**	**18,211**	**-59%**
TOTAL EQUITY AND LIABILITIES	**151,956**	**118,858**	**28%**

Note: Cash and bank
At the end of 2021, the Company had SEK 101.8 million in its SKAT account, shown in other short-term investments. When combined with cash and bank, the company had SEK 138.9 million available to fund operations.

See callout on page 14 for more information.

Changes in equity – group

FY 2021

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of January 1st, 2021	**3,067**	**178,042**	**-86,561**	**94,548**
Issuance of new shares	394	82,910		83,304
Issuing expenses		-6,778		-6,778
Vesting of share-based compensation		11,756		11,756
Exchange difference for the period			1,442	1,442
Profit-loss for the period			-43,925	-43,925
Total equity as of December 31st, 2021	**3,461**	**265,931**	**-129,045**	**140,347**

FY 2020

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of January 1st, 2020	**1,512**	**50,100**	**-52,691**	**-1,079**
Issuance of new shares	1,212	129,715		130,927
Payments for warrants	226	12,030		12,256
Issuing expenses		-22,558		-22,558
Conversion of debt	117	8,471		8,588
Vesting of share-based compensation		284		284
Exchange difference for the period			-2,157	-2,157
Profit-loss for the period			-31,713	-31,713
Total equity as of December 31st, 2020	**3,067**	**178,042**	**-86,561**	**94,548**

Cash flow statement – group

KSEK	Q4 2021	Q4 2020	% change	YTD 2021	YTD 2020	% change
Operating profit/loss	-16,193	-17,172	-6%	-48,396	-31,196	55%
Adjustments for items not included in the cash flow	8,874	1,015	775%	13,486	3,201	321%
Received interest	0	6	-108%	0	0	n/a
Interest paid	-323	-1,205	-73%	-1,194	-3,137	-62%
Income tax received	2,807	1	n/a	2,795	2,046	37%
Cash flow from operating activities before changes in working capital	**-4,834**	**-17,355**	**-72%**	**-33,309**	**-29,086**	**15%**
Decrease(+)/increase(-) of current receivables	1,837	562	227%	-1,350	-336	302%
Decrease(+)/increase(-) of current liabilities	-1,318	6,924	-119%	-10,988	11,247	-198%
Cash flow from operating activities	**-4,315**	**-9,869**	**-56%**	**-45,646**	**-18,175**	**151%**
Investments in jointly governed companies	0	0	n/a	0	-194	-100%
Investments in associated companies	0	0	n/a	682	0	n/a
Investments in intangible non-current assets	0	0	n/a	45	0	n/a
Investments in tangible non-current assets	0	-348	-100%	-715	-885	-19%
Other investing activities	-100,933	0	n/a	-100,933	0	n/a
Cash flow from investing activities	**-100,933**	**-348**	**n/a**	**-100,921**	**-1,079**	**n/a**
Leasing agreement	-156	-166	-6%	-621	-415	50%
Bridge loan	-347	-19,998	-98%	-1,361	3,172	-143%
Payment for warrants	0	0	n/a	0	2,656	-100%
Issuance of new shares	0	130,927	-100%	83,304	140,527	-41%
Costs of issuing shares	0	-21,752	-100%	-6,778	-22,558	-70%
Cash flow from financing activities	**-503**	**89,011**	**-101%**	**74,545**	**123,382**	**-40%**
Cash flow for the period	**-105,751**	**78,794**	**-234%**	**-72,023**	**104,128**	**-169%**
Cash and cash equivalents at the beginning of the period	141,998	30,399	367%	106,832	5,418	1872%
Exchange difference cash and cash equivalents	864	-2,360	-137%	2,302	-2,714	-185%
Cash and cash equivalents at the end of the period	**37,111**	**106,832**	**-65%**	**37,111**	**106,832**	**-65%**

Note: Cash and cash equivalents at the end of the period

At the end of 2021, the Company had SEK 101.8 million in its SKAT account. When combined with cash, the company had SEK 138.9 million available to fund operations. The transfer to SKAT occurred in December 2021 and is presented in "Other investment activities."

See callout on page 14 for more information.

Income statement – parent

KSEK	Q4 2021	Q4 2020	% change	YTD 2021	YTD 2020	% change
Operating income						
Net sales	201	168	20%	368	335	10%
Total operating income	**201**	**168**	**20%**	**368**	**335**	**10%**
Operating costs						
Other external costs	-1,471	-1,184	24%	-4,501	-2,675	68%
Personnel costs	-1,663	-157	961%	-2,670	-363	636%
Total operating costs	**-3,134**	**-1,341**	**134%**	**-7,171**	**-3,038**	**136%**
Operating profit/loss	**-2,933**	**-1,173**	**150%**	**-6,803**	**-2,703**	**152%**
Result from financial investments						
Other interest income & similar items	1,015	97	946%	1,015	390	160%
Interest expense & similar items	-329	-957	-66%	-181	-2,584	-93%
Total result from financial investments	**686**	**-860**	**-180%**	**834**	**-2,194**	**-138%**
Profit/loss after financial items	**-2,247**	**-2,033**	**11%**	**-5,969**	**-4,897**	**22%**
Income tax on the result for the period	0	0	n/a	0	0	n/a
Profit/loss for the period	**-2,247**	**-2,033**	**11%**	**-5,969**	**-4,897**	**22%**

Balance sheet – parent

KSEK	YE 2021	YE 2020	% change
Assets			
Shares in group companies	247,563	165,887	49%
Total financial non-current assets	**247,563**	**165,887**	**49%**
Total non-current assets	247,563	165,887	49%
Tax receivables	18	32	-44%
Other receivables	179	397	-55%
Prepaid expenses and accrued income	86	60	43%
Total receivables	**283**	**489**	**-42%**
Cash and bank	5,220	5,069	3%
Total current assets	**5,503**	**5,558**	**-1%**
TOTAL ASSETS	**253,066**	**171,445**	**48%**

KSEK	YE 2021	YE 2020	% change
Equity and liabilities			
Share capital	3,461	3,067	13%
Restricted equity	**3,461**	**3,067**	**13%**
Share premium fund and retained earnings	254,180	171,189	48%
Profit/loss for the period	-5,969	-4,897	22%
Unrestricted equity	**248,211**	**166,292**	**49%**
Total equity	**251,672**	**169,359**	**49%**
Payables to group companies	790	1,801	-56%
Other liabilities	604	285	112%
Total short-term liabilities	**1,394**	**2,086**	**-33%**
TOTAL EQUITY AND LIABILITIES	**253,066**	**171,445**	**48%**

Changes in equity – parent

FY 2021

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of January 1st, 2021	**3,067**	**171,502**	**-5,210**	**169,359**
Issuance of new shares	394	82,910		83,304
Issuing expenses		-6,778		-6,778
Vesting of share-based compensation		11,756		11,756
Profit-loss for the period			-5,969	-5,969
Total equity as of December 31st, 2021	**3,461**	**259,390**	**-11,179**	**251,672**

FY 2020

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of January 1st, 2020	**1,512**	**45,615**	**-2,368**	**44,759**
Appropriation of retained earnings according to the AGM		-2,055	2,055	0
Issuance of new shares	1,212	129,715		130,927
Payments for warrants	226	12,030		12,256
Issuing expenses		-22,558		-22,558
Conversion of debt	117	8,471		8,588
Vesting of share-based compensation		284		284
Profit-loss for the period			-4,897	-4,897
Total equity as of December 31st, 2020	**3,067**	**171,502**	**-5,210**	**169,359**

Shareholder information

ExpreS^{2}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 December 31, 2021, the number of shares in ExpreS^{2}ion Biotech Holding AB amounted to 31,153,456. The average amount of shares in the fourth quarter of 2021 amounted to 31,153,456, and the average amount of shares for the full-year 2021 amounted to 29,240,981. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

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List of largest shareholders

Name	Number of shares held	Share of votes and capital
Summary, shareholders over 5%	0	0.00%
Remaining shareholders under 5%	31,153,456	100.00%
Total December 31, 2021	31,153,456	100.00%

Warrants

As of December 31st, 2021, the Company had three series of warrants issued, all of which are part of incentive programs. These series are identified as TO2, TO6 and TO7.

TO2 (2019/2022)

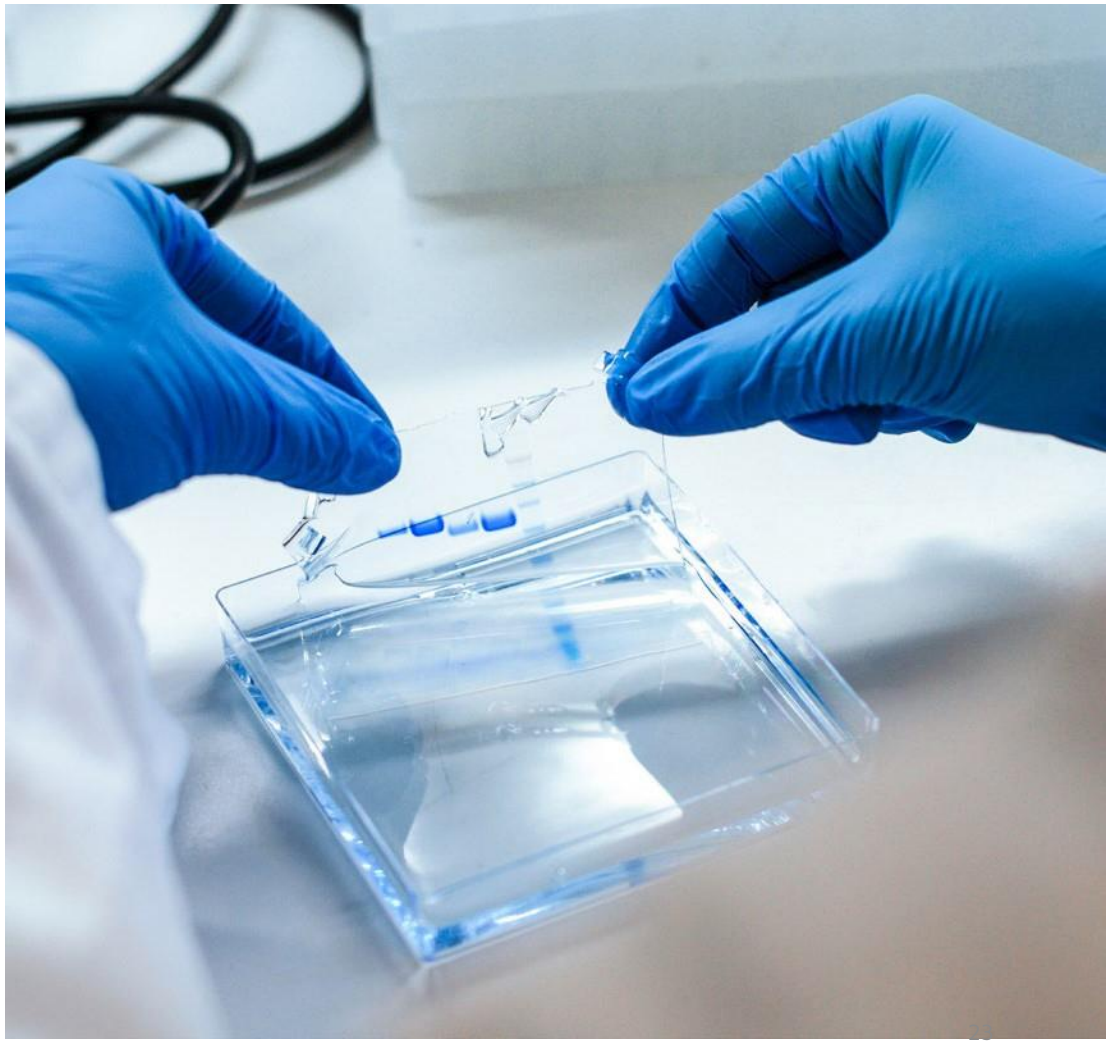
On May 23, 2019, the Annual General Meeting resolved to implement an incentive program for all employees and issue a maximum of 680,100 warrants, of which 612,084 were subscribed for and allocated to the employees.

TO6 (2020/2024)

On September 23, 2020, the Extraordinary General Meeting resolved to implement an incentive program for management and key persons and issue a maximum of 1,000,000 warrants. All warrants were subscribed for by the Company's subsidiary ExpreS²ion Biotechnologies ApS. 998,000 warrants have subsequently been transferred to selected employees and 2,000 warrants are still held by the subsidiary.

TO7 (2021/2024)

On May 26, 2021, the Annual General Meeting resolved to implement an incentive program for senior executives, employees and other key persons not included in the TO6 program, and issue a maximum of 1,050,000 warrants, of which 750,000 were subscribed for and allocated to the employees as of the publication of this report. All warrants will be subscribed for by the Company's subsidiary ExpreS²ion Biotechnologies ApS.



Other matters

Employees

As of December 31, 2021, there were a total of 28 employees, corresponding to 25 full-time equivalents (FTE's).

Operational risks and uncertainties

The risks and uncertainties that ExpreS^{2}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 2020.

Auditor review

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

Accounting principles

ExpreS^{2}ion Biotech Holding AB applies the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BFNAR 2012:1 (K3) when preparing its financial statements.

For more information, please contact

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Financial calendar

May 19, 2022	Q1 report, 2022
May 25, 2022	Annual General Meeting
August 18, 2022	Half-year report, 2022
November 17, 2022	Q3 report, 2022
February 9, 2023	Full-year report, 2022

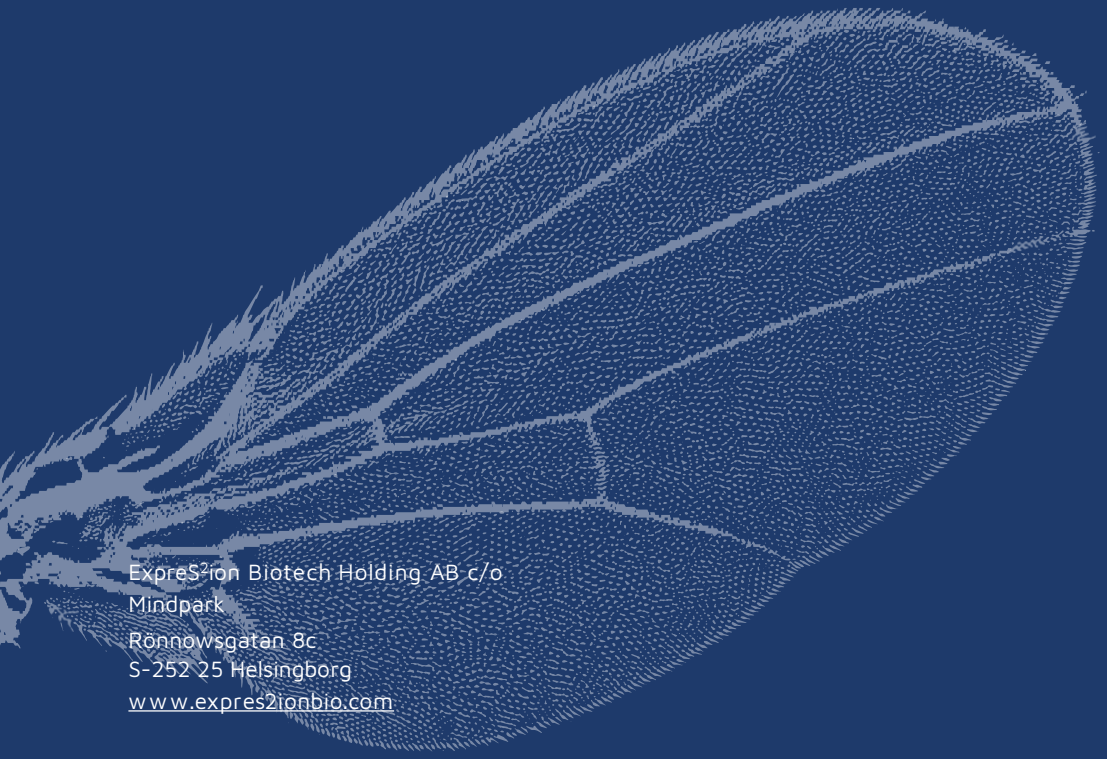
Declaration of The Board of Directors and CEO

The Board of Directors and CEO assure that the interim report presents a true and fair view of ExpreS^{2}ion Biotech Holding AB's business, operations, position and results.

Hørsholm, Denmark
February 24, 2021

ExpreS^{2}ion Biotech Holding AB
c/o Mindpark, Rönnowsgatan 8c, S-252 25 Helsingborg

Board of Directors and CEO



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