EXPRES²ION
BIOTECHNOLOGIES

Annual report 2022

Innovative vaccines for a healthier world

ExpreS²ion Biotech Holding AB
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A word from our CEO

In 2022, ExpreS²ion continued its journey towards becoming a stronger and more pipeline-driven biotechnology company with several high-value assets. Excellent progress was achieved in our leading development projects for COVID-19 and breast cancer, and our ExpreS2™ platform for the development and production of protein-based vaccines was included in its first Phase III clinical trial.

The high-profile ABNCoV2 COVID-19 vaccine, licensed to Bavarian Nordic, continued to progress through its clinical program during the year. In February, full data from the Phase II clinical trial confirmed a 2-40-fold increase in SARS-CoV-2 neutralising antibodies in subjects receiving a booster dose with ABNCoV2, followed by the publication in May of equally strong data of the Omicron variant of concern, indicating a broader protection. Later during the year, it was also shown that levels associated with over 90% efficacy remained after six months. The encouraging Phase II clinical results enabled the initiation of a robust double-blind, controlled clinical Phase III study to demonstrate non-inferiority of ABNCoV2 to a licensed mRNA vaccine. The first subject received the first booster shot in the USA in early September, followed by the first Danish study participants in October. Denmark is among the first countries in line for the vaccine, due to the up to DKK 800 million in funding from the Danish Ministry of Health.

The initiation of the ABNCoV2 Phase III clinical study also meant that our ExpreS2 platform was included in a Phase III trial for the first time. This is an important validation for ExpreS²ion as a company, as well as all development projects using the platform. With this milestone achieved, we continued to work hard on further improving and future-proofing the platform.

ExpreS²ion made tremendous progress in the preclinical development of it therapeutic breast cancer vaccine candidate in 2022 and its moving rapidly towards the clinic. We are looking forward to near-term milestones for the COVID-19 vaccine candidate ABNCoV2 from Bavarian Nordic.

One of the main goals here is to establish the platform as a viable option also in commercial volume manufacturing settings. Important progress was achieved in this direction, including successful transfer of an improved and much more scalable production process to a manufacturing partner.

The improved production process described above was used during the year in the preclinical program for our leading fully owned pipeline project, the ES2B-C001 HER2-cVLP therapeutic breast cancer vaccine candidate. Here we presented further excellent proof-of-concept data in HER2-transgenic preventive and therapeutic tumour mice models in January. We also had a meeting with the Danish Medicines Agency during the first quarter to discuss our planned non-clinical safety and clinical program for ES2B-C001. Based on the feedback from this meeting, we amended the development program with an additional preclinical safety study. The progress for ES2B-C001 in 2022 significantly de-risked the project, as we demonstrated that our lead candidate efficiently prevents or inhibits tumour development in several relevant breast cancer models and at the same time has an acceptable safety profile judged from preliminary short-term studies in two different animal species.

To further strengthen our access to world-leading scientists in the oncology field, an Oncology Scientific Advisory Board (OSAB) was formed in November. This initiative was greeted with an even stronger degree of interest than we anticipated, and the OSAB now includes six members with a depth of knowledge in oncology, breast cancer, clinical trials and therapeutic HER2 vaccines. The OSAB will function as advisors, potential contributors to our planned clinical studies and participants in Key Opinion Leader events.

All in all, I could not be prouder of our impressive progress in all key areas in 2022, with excellent contributions from the whole ExpreS²ion team. We have a strong company culture encouraging creativity and innovation on all levels, and our new research collaboration with Evaxion, presented in December, is a great example of this. This project will allow us to combine our ExpreS2 platform with a powerful artificial intelligence (AI) platform for vaccine candidate discovery and optimisation, and thus increase our knowledge while we aim to identify a novel cytomegalovirus (CMV) vaccine candidate. It is also important to acknowledge the strong support from our shareholders, including all existing and new investors who participated in our 73 MSEK rights issue during the spring of 2022.

Looking ahead, we are aiming to achieve several exciting milestones in 2023, including the Phase III clinical study results for the ABNCoV2 COVID-19 vaccine and the completion of the preclinical program for our ES2B-C001 breast cancer vaccine and preparing the clinical trial application submission. Last, but not least, despite the headwinds caused by the war in Ukraine, high inflation, and a weakening SEK, I am confident that our unique development focus on novel vaccines against some of the most fatal diseases around, including COVID-19 and breast cancer, will bring important medical solutions that will save many lives in the future.

Bent U. Frandsen
CEO, ExpreS²ion Biotech Holding AB

2022 timeline of key events

4 JANUARY ExpreS²ion announces positive topline preclinical results for HER2-cVLP breast cancer vaccine

28 FEBRUARY Additional positive Phase II COVID-19 results presented for ABNCoV2 Vaccine

5 MAY Positive Omicron data from the COVID-19 Phase II trial reported for the ABNCoV2 Vaccine

5 MAY ExpreS²ion announces final outcome of fully guaranteed rights issue of approximately SEK 73 million

25 MAY Additional positive preclinical proof-of-concept results for the HER2-cVLP breast cancer vaccine

2 SEPTEMBER First subject vaccinated in COVID-19 Phase III clinical trial for ABNCoV2 as a booster vaccine

7 SEPTEMBER ExpreS²ion announces full exercise of 2019 warrant program

7 OCTOBER Phase III trial for the ABNCoV2 COVID-19 vaccine to start inclusion of Danish subjects

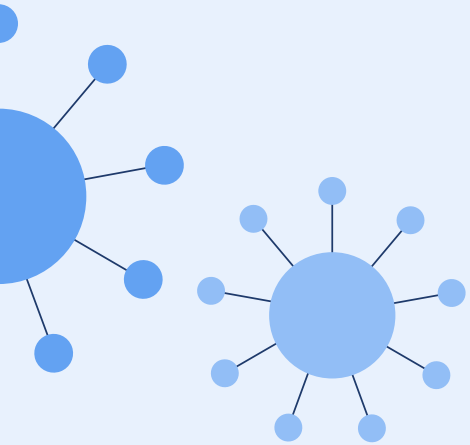
17 OCTOBER Durable antibody response reported for the ABNCoV2 COVID-19 vaccine six months after vaccination in the Phase II clinical trial.

24 OCTOBER Scientific article published about ExpreS²ion's human candidate HER-2 virus-like particle vaccine, ES2B-C001

3 NOVEMBER ExpreS²ion announces formation of Oncology Scientific Advisory Board

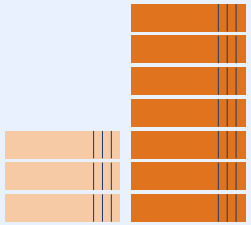
6 DECEMBER ExpreS²ion and Evaxion initiate research collaboration on a novel cytomegalovirus (CMV) vaccine candidate

2022 highlights



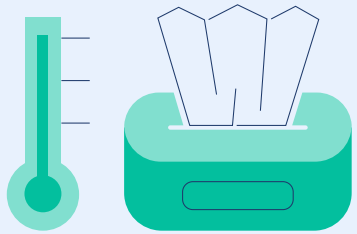
Corona Virus/ COVID-19 ABNCoV2

- Bavarian Nordic Phase II trial readout Q2
- Bavarian Nordic Phase III trial initiation Q3
- Bavarian Nordic Phase II trial six-months durability data Q4



SEK 73 Million

Raised through a rights issue which was approximately 85% subscribed



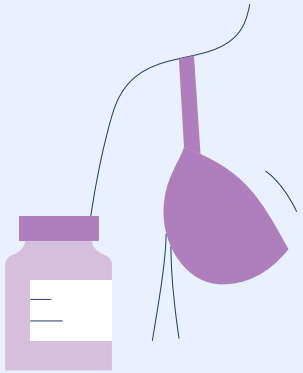
Influenza

- Advanced/supported further development of Indigo consortium influenza vaccine candidates

Breast Cancer

ES2B-C001

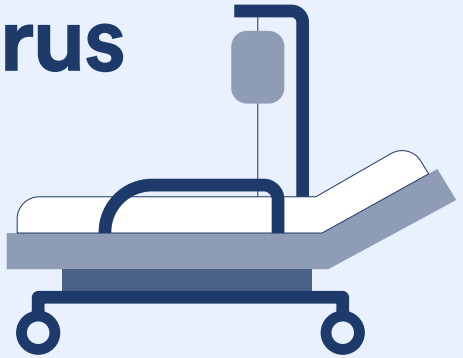
- Preclinical animal proof-of-concept results H1
- Preclinical safety studies initiated
- GMP manufacturing processing initiated



Cytomegalovirus

ES2B-I002

- Established 50/50% partnership on cytomegalovirus vaccine with Evaxion



Our business

ExpreS²ion's key assets

The ExpreS2 technology platform

The Company's ExpreS2 platform has been used successfully for the development and production of hard-to-express proteins for over a decade. It has a great track record, with over 500 proteins expressed and a success rate above 90 percent. Additional advantages include a rapid delivery process of 3-6 months, and a high batch-to-batch consistency. The platform is used in ExpreS²ion's two most valuable development programs, the ABNCoV2 COVID-19 vaccine and the Company's own ES2B-C001 HER2 breast cancer vaccine programme, as well as in several Malaria vaccine partner projects and the influenza vaccine project developed within the INDIGO consortium. The platform is also used in ExpreS²ion's CRO services, which will be increasingly used to drive value generation in the company's pipeline development projects going forward. In addition to its current advantages, the ExpreS2 platform is also in the process of being upgraded with unique and genetically engineered cell lines, such as the HighMan-S2™. With these cell lines, the proteins expressed are given improved characteristics such as the facilitation of higher immunization levels compared to regular versions of the same proteins.

ExpreS2 – Platform Strengths

1.

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.

2.

Generates higher yields, i.e. amount of protein per manufacturing batch, compared to competing systems.

3.

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.

4.

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.

The ABNCoV2 COVID-19 Vaccine

ExpreS²ion has been engaged in the development of a unique capsid virus-like particle (cVLP) COVID-19 vaccine using ExpreS2-produced SARS-CoV-2 antigens. The vaccine has been licensed exclusively to Bavarian Nordics, which has completed Phase II studies with excellent results. In these studies, the vaccine was demonstrated to create a 2-40-fold increase in neutralizing antibodies compared to mRNA vaccines, for all variants tested so far, with no severe adverse effect. The vaccine also has the advantage of not requireing extremely cold storage and shipping temperatures (such as mRNA vaccines), which makes it suitable for global usage, including in development regions. The preclinical development of the vaccine was partly sponsored through a Horizon 2020 EU grant awared to the PREVENT-nCoV-consortium, with ExpreS²ion as one of its members. As announced by the exclusive licensee Bavarian Nordic on August 23, 2021, the clinical program will receive up to DKK 800 million funding from the Danish Ministry of Health. ExpreS²ions main source of potential future license revenues from this vaccine is the company's 34% ownership in the Danish company AdaptVac, which is providing the cVLP technology for the vaccine. The Phase III studies, fully sponsored by Bavarian Nordic, begun in 2022 and included both international and Danish subjects. While the main goal of the clinical program is to evaluateA-BNCoV2 as a booster vaccine, the excellent Phase II clinical results indicate that it will provide very strong protection on its own.

The ES2B-C001 HER2 Breast Cancer Vaccine

The high-value asset was licensed from the Danish Company AdaptVac in February 2021, and it is the first development program fully controlled by ExpreS²ion. The vaccine is being developed for therapeutic treatment of HER2 positive breast cancer, with the patient group developing resistance to the commonly used monoclonal antibody treatment trastuzamab as one key focus. The vaccine is using a capsid virus-like particle (cVLP) approach combined with ExpreS2-produced antigens. In December 2021 and January 2022, prositive preclinical data constituting preclinical proof of concept for the project was announced. In both *in vivo* and *in vitro* studies with human breat cancer tumours cells, the vaccine was shown to inhibit tumour growth, development and metastatic spreading. These positive results were demonstrated also in trastuzumab resistant human cancer cells, which is very promising. ExpreS²ion is now conducting preclinical safety studies, followed by first in human clinical studies in 2024 with topline Phase I results expected in 2024-2025.

The in-licensed cVLP platform

In some of ExpreS²ion's development projects, including the ABNCoV2 COVID-19 vaccine and the ES2B-C001 HER2 breast cancer vaccine, a capsid virus-like particle (cVLP) technology platform is used to create the full vaccine. This is done by attaching the proteins developed by ExpreS²ion to the surface of a capsid, which is a protein protective shell of a virus. By doing so, the vaccine is minicking a virus to elicit an immune response in the patient. VLP-based vaccines have a strong commercial track record in the cancer fields from its successful use to prevent HPV cancer. This is promising for ExpreS²ion's HER2 breast cancer vaccine project, which has alreadt achieved excellent preclinical *in vivo* and *in vitro* results. The VLP platform in-licensed and used by ExpreS²ion was developed by Copenhagen University and then spun out into the Danish company AdaptVac ApS, of which ExpreS²ion owns 34%. This VLP platform has a high immunogenic potential due to its ability to hold full length proteins (compared to fragments in other systems), which are attached with a high density on the capsid surface. The platform can also use directional attachment compared to random orientation for other systems.

ExpreS²ion & Evaxion Collaboration on CMV Candidate

ExpreS²ion Biotechnologies and Evaxion has in December 2022 engaged in a Vacine Discovery Collaboration got a joint development of a novel cytomegalovirus (CMV) vaccine candidate. The collaboration combines ExpreS²ion's ExpreS2 platform and resources for vaccine development and production with Evaxion's RAVEN artificial intelligence (AI) platform for vaccine candidate discovery, and preclinical models for establishing proof of concept. The aim of the collaboration is to, before the end of 2025, develop a novel CMV lead vaccine candidate, which ExpreS²ion has the exclusive right to license under a potential Development and Commercialization Agreement. The research costs and IP licensing for the collaboration project will be divided 50/50 between the parties until 2025, with all costs expected to be covered by each party's existing budget. The discovery phase of the collaboration will be driven by Evaxions proprietary AI platform, RAVEN, to design a next-generation vaccine candidate that elicits both cellular and humoral/antibody responses. The antigen constructs derived from Evaxion's AI platform will be produced by ExpreS²ion in the company's ExpreS2 platform, followed by assessments in Evaxion's state-of-the-art *in vivo* vaccine models. A potential future Development and Commercialisation Agreement for the jointly discovered CMV lead vaccine candidate is expected to include an upfront payment and future milestone payments to Evaxion from ExpreS²ion not exceeding a six-digit USD amount, as well as sub-licensing royalty to Evaxion from ExpreS²ion based on mid to lower two-digit percentage range of third-party licensee income depending on the clinical development stage of the CMV asset at the time of sublicensing.

Update on strategic objectives

In 2020, with the initiation of the transformation from a CRO- to a pipeline-driven business, the Company embarked on an ambitious project to build a world-class vaccine development business. In 2021, ExpreS²ion committed to four core strategic objectives to take the company and its platforms to the next level by 2026:

Pipeline development

Technology platform improvement

Pipeline expansion

CRO services transformation

The Company made tremendous progress in 2022, best demonstrated by building momentum in its development pipeline, in particular with the HER2 breast cancer vaccine project. The Company also validated and created awareness of the ExpreS2 platform through the COVID-19 vaccine ABNCoV2. Finally, the Company expanded the pipeline through a novel CMV vaccine discovery project, in collaboration with Evaxion Biotech A/S.

Looking forward, we aim to increase the value of the pipeline by selecting new projects with high time- and probability of success-weighted financial value, diversify pipeline projects across development stages in order optimize utilization of our technology, nonclinical and clinical expertise, and invest in ongoing technology platform improvements, since our technology platform serves as the foundation for all future pipeline activities. We continue to offer CRO services, but only when the financial and/or strategic incentives are strong, and there is personnel and facility capacity.

Bent U. Frandsen
CEO

Strong progress towards clinical studies for the HER2 breast cancer vaccine project

DEEP DIVE

With additional positive preclinical proof-of-concept results announced in January and May, encouraging feedback from the Danish Medicines Agency (DKMA) in February, and the initiation of a world-class Oncology Scientific Advisory Board (OSAB) in November, ExpreS²ion achieved excellent progress and de-risking of its HER2 breast cancer vaccine project in 2022. The preclinical package is set to be completed in 2023, followed by the first clinical studies in 2024 with topline Phase I results expected in 2024-25.

In 2021, ExpreS²ion was granted an exclusive global right to the HER2-cVLP breast cancer vaccine project from the Danish company AdaptVac, of which ExpreS²ion owns 34%. The project quickly progressed to preclinical studies in collaboration with Prof. Pier Luigi Lollini and his team at the University of Bologna, and the ES2B-C001 was selected as the lead candidate in May 2021.

Strong proof-of-concept results in 2021-22 – preclinical phase to be completed in 2023

In the proof-of-concept studies, two different mouse strains were used: a transgenic type with an aggressive HER2 slice variant expression predisposing for cancer, which is also found in breast cancer patients, and another mouse strain on the same genetic background without the HER2 transgene. The mouse strains were used in three test systems: one mimicking local tumour growth, another mimicking metastasis tumour outgrowth, and a third where transgenic mice only were treated before spontaneous tumour development in a preventive setting. The HER2-VLP vaccine candidate, ES2B-C001, was administered every second week with or without. Furthermore, *in vitro* data were presented from studies with cultivated human HER2 breast cancer cells. Cells were included from patients who responded to the standard-of-care monoclonal antibody treatment trastuzumab, as well as cells from patients who developed trastuzumab resistance, which is a not uncommon and unavoidable side effect upon continuous trastuzumab treatment.

In non-transgenic mice, adjuvanted ES2B-C001 was able to totally block the tumour growth, whereas ES2B-C001 without adjuvant partly blocked tumour development. In the metastasis tumour model, ES2B-C001 with and without adjuvant almost completely blocked lung tumour nodule development independent of the mouse strains. In the preventive model, all control mice developed tumours, whereas 95% of the treated mice did not develop tumours.

In cultured non-trastuzumab resistant human breast cancer tumour cells, blood serum from vaccinated mice inhibited HER2-dependent tumour growth to the same extent as trastuzumab applied in the same concentration. Also, in cultured trastuzumab-resistant human tumour cells, blood serum from vaccinated mice inhibited the HER2-dependent growth. This indicates that the vaccine-induced polyclonal (more diversified) antibody approach of ExpreS²ion's vaccine could enable it to function as a treatment also for trastuzumab resistant patients, who are lacking satisfactory treatment options today.

In February 2022, following encouraging feedback from a meeting with the DKMA, ExpreS²ion decided to conduct an additional preclinical safety study in a second species during 2023. This will enable the company to create an even more robust preclinical data package for the project, which is expected to be completed before the end of the year. A follow-up meeting with the DKMA in Q1 2023 confirmed that the company is on the right track and should be able to start a first-in-human study based on the non-clinical safety studies planned.

Progress towards human clinical studies in 2024

With the positive feedback from the DKMA, ExpreS²ion has continued to plan for the initiation of the first clinical studies in 2024, with topline Phase I results in 2024-25. In November 2022, the formation of an OSAB was announced, which grants the company access to a depth of knowledge in oncology, breast cancer, clinical trials and therapeutic HER2 vaccines. The OSAB will serve as advisors, potential contributors to the planned clinical studies and participants in Key Opinion Leader events for the scientific community and investors. ExpreS²ion is also planning to involve a group of women who have experienced breast cancer treatment first hand in order to receive valuable feedback from the all-important patient community.

Encouraging progress was also achieved in 2022 when it comes to GMP manufacturing of ES2B-C001 for the upcoming clinical studies. By developing a cutting-edge method for recombinant protein binding/purification, the production process is now much more efficient and scalable, and the new process has been successfully transferred to an external manufacturing partner. This is highly promising for the upcoming ES2B-C001 clinical program, as well as for other future clinical programs.

The next step, if positive clinical data can be presented for ES2B-C001 in 2024-25, is to find a suitable partner for the later clinical phases and the commercialization of the project. ExpreS²ion expects strong interest from potential partners if the clinical studies can confirm the encouraging preclinical results presented in 2021-22.

With additional strong animal proof of concept data announced, promising safety data from preliminary immunogenicity and safety studies in two species, and progress in scaling up the manufacturing process, 2022 was a successful year for our HER2-cVLP breast cancer vaccine. It is really exciting to work with a unique polyclonal antibody response approach that holds great promise as an effective treatment for trastuzumab-resistant HER2 breast cancer, and potentially also as a general treatment for HER2 breast cancer and other HER2-expressing tumours.

Dr. Mette Thorn
Senior Vice President of Preclinical Development

Pipeline

Focus programs

Disease	Project / Target	Discovery	Pre-clinical Pharmacology	cGMP / Tox	Phase 1	Phase 2	Phase 3	Market potential
COVID-19 	ABNCoV2/SARS-CoV-2 cVLP							> 30 billion EUR
BREAST CANCER 	ES2B-C001/Her2 cVLP							> 10 billion EUR
INFLUENZA 	MucoVax							> 7 billion EUR
CMV 	ES2B-I002							> 2 billion EUR
Exploratory	Undisclosed							

COVID-19: 2024 estimate from Evaluate Pharma for top 10 products and other, as of 9 June 2022 · Breast Cancer: Global Data, 2022, for HER2+ breast cancer ·
Influenza: Fortune Business Insight, Influenza Vaccine market size 2022-2029, 2022 · CMV: Market estimate from Moderna, 41st Annual J.P. Morgan Healthcare Conference (Presentation)

Pipeline

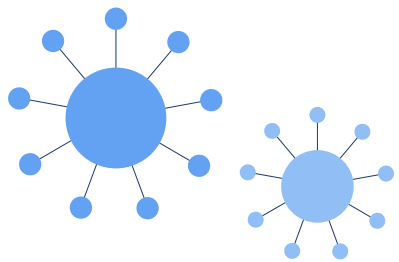
Legacy programs

Disease	Project / Target	Discovery	Pre-clinical Pharmacology	cGMP / Tox	Phase 1	Phase 2	Phase 3	Market potential
MALARIA 								>1.8 billion EUR
1: Blood-Stage	RH5							
2: Blood-Stage	RH5-VLP							
3: Transmission	Pfs 48/45							
4: Placenta-Borne	VAR2CSA							
5: Blood-Stage	CYRPA complex							
INFLUENZA 	INDIGO							> 7 billion EUR

Note: Legacy programs were set up prior to the Company's transition into a pipeline-driven biotech company in 2020, and are driven primarily by academic consortia.
Malaria: Data bridge market research, Global Malaria Vaccines Market – Industry trends and Forecast to 2029, 2022 · Influenza: Fortune Business Insight, Influenza Vaccine market size 2022-2029, 2022

Pipeline description

Focus programs

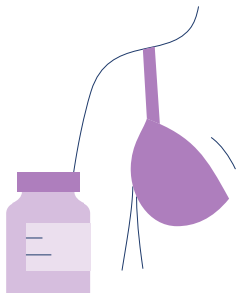


CORONAVIRUS/COVID-19

ExpreS²ion and its 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, entered into a license agreement providing 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.

Additional positive Phase II results were presented in February 2022. The full study data confirms that 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. Based on this excellent outcome, Bavarian Nordic initiated a Phase III study in the third quarter of 2022. In October 2022, Bavarian Nordic announced that ABNCoV2 demonstrated durable antibody response six months after vaccination, reflecting a less sharp decline in peak neutralizing titers compared to data published for mRNA vaccines, indicating a potentially longer duration of protection across variants of concern.

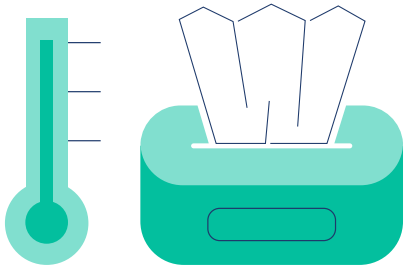


BREAST CANCER

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 anti-bodies, 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 final patent license agreement with AdaptVac whereby ExpreS²ion exclusively licensed in AV001 (renamed ES2B-C001). This gives ExpreS²ion full control over and responsibility for driving this valuable asset forward, hereby realising the very significant value of this project. At the end of 2021, ExpreS²ion's candidate demonstrated strong tumor-growth inhibiting effect in a mice models, 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.

Based on feedback from the Danish Medicines Agency (DKMA), ExpreS²ion will conduct additional preclinical safety studying, 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 towards the end of 2023, with the aim of dosing first in human in the first half of 2024.

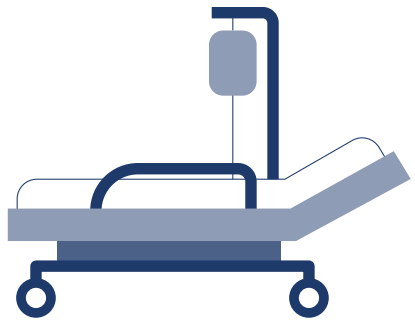


INFLUENZA

The MucoVax consortium, a collaboration between ExpreS²ion and University of Copenhagen, has been awarded an Innovation Fund Denmark (IFD) Grand Solutions grant for the development of new platforms for universal mucosal vaccines in a 5-year research project. The award funding covers 71% of the research project and amounts to 29 MDKK (approx. 43 MSEK), of which ExpreS²ion directly is funded with 9.6 MDKK (approx. 14 MSEK). The IFD investment funds 67% of ExpreS²ion's share of the research project budget.

The aim of the grant is to support the MucoVax consortium in the development of new platforms for universal mucosal vaccines, including performing animal models to test *in vivo* novel influenza vaccines delivered intranasally. The ambitious aim is to combine ExpreS²ion's unique ExpreS2™ protein production system with the fundamental knowledge in immunology and microbiology of the University of Copenhagen including novel and advanced vaccine platforms.

The MucoVax consortium members are world-leading experts in their respective fields, covering all relevant areas of viral research and vaccine development required for preclinical development of a universal mucosal influenza vaccine. This includes pre-clinical and clinically validated experience from working with malaria pathogens and the SARS-CoV2 coronavirus, applying ExpreS²ion's Drosophila S2 insect cell expression system, and unique know-how in exploration of adjuvants and virus-like particle (VLP) technologies.



CYTOMEGALOVIRUS

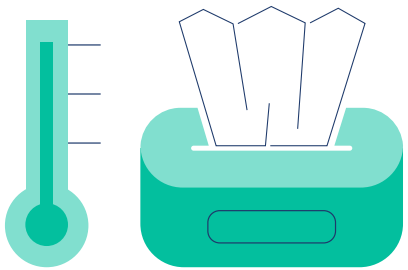
The company has signed a Vaccine Discovery Collaboration Agreement with Evaxion Biotech A/S (NASDAQ: EVAX) for the joint development of a novel cytomegalovirus (CMV) vaccine candidate. The collaboration will combine ExpreS²ion's ExpreS2 platform and resources for vaccine development and production with Evaxion's RAVEN artificial intelligence (AI) platform for vaccine candidate discovery and state-of-the-art preclinical models. The aim of the collaboration is to, before the end of 2025, develop a novel CMV lead vaccine candidate, which ExpreS²ion has the exclusive right to license under a potential Development and Commercialization Agreement. The research costs and IP licensing for the collaboration project will be divided 50/50 between the parties until 2025, with all costs expected to be covered by each party's existing budget.

During the discovery phase of the collaboration, Evaxion will use its proprietary AI platform, RAVEN, to design a next-generation vaccine candidate that elicits both cellular and humoral/antibody responses. The antigen constructs derived from Evaxion's AI platform will be produced by ExpreS²ion in the company's ExpreS2 platform, followed by assessments in Evaxion's state-of-the-art *in vivo* vaccine models. The joint discovery project will be included in ExpreS²ion's development pipeline under the name ES2B-I002.

A potential future Development and Commercialisation Agreement for the jointly discovered CMV lead vaccine candidate is expected to include an upfront payment and future milestone payments to Evaxion from ExpreS²ion not exceeding a six-digit USD amount, as well as sub-licensing royalty to Evaxion from ExpreS²ion based on mid to lower two-digit percentage range of third-party licensee income depending on the clinical development stage of the CMV asset at the time of sublicensing.

Pipeline description

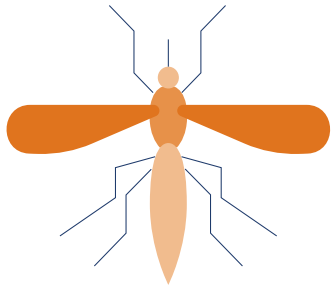
Legacy programs



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 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, the 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 funded 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 combination vaccine, including this transmission vaccine.

Malaria IV

Placental (VAR2CSA)

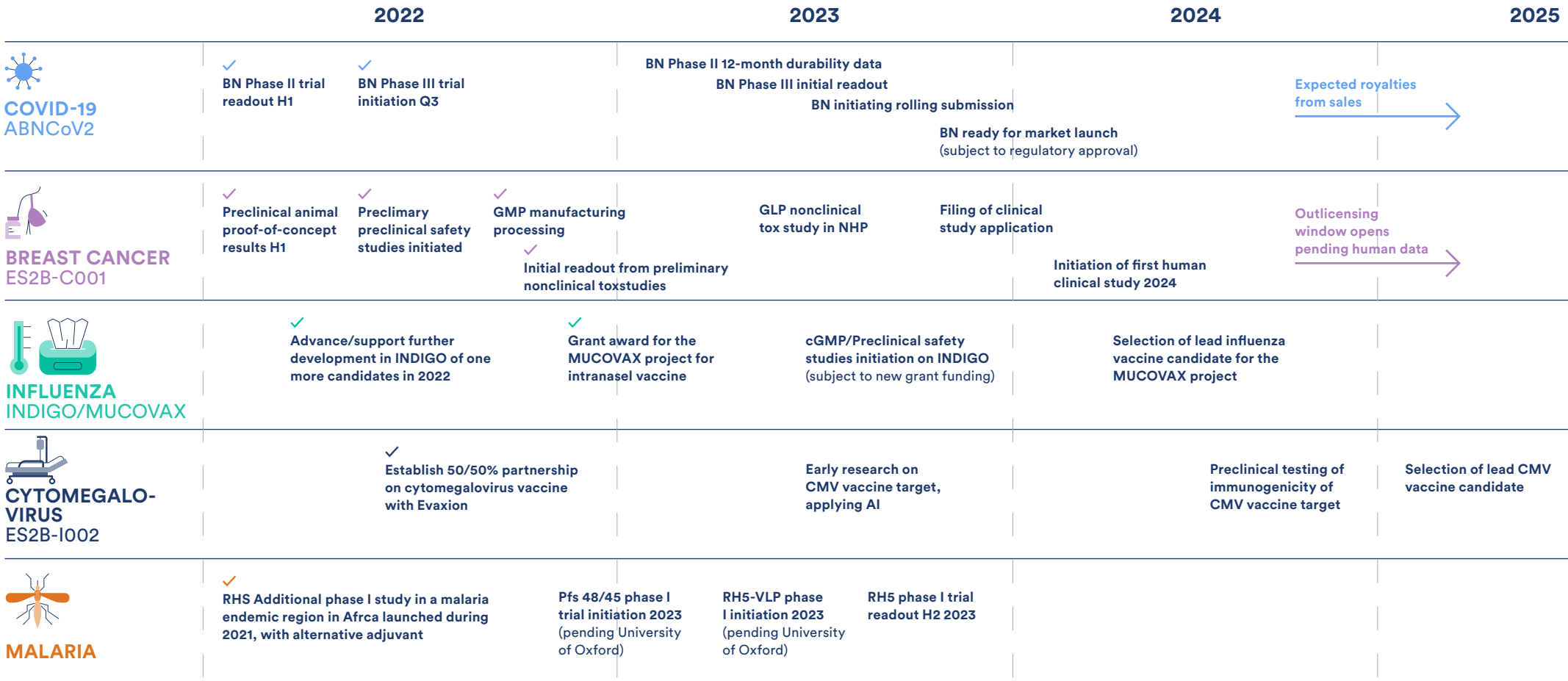
ExpreS²ion is a part of the PlacMalVac project that started in 2013 as an international consortium project with the aim to develop a vaccine against placental malaria. The project is based on the antigen VAR2CSA, which enable parasite accumulation in the placenta and was discovered by Professor Ali Salanti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

Malaria V

Blood-stage (PfRipr complex)

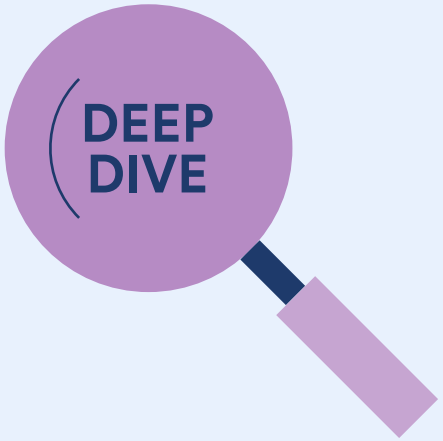
An international research team, including scientists from ExpreS²ion and led by the Walter and Eliza Hall Institute of Medical Research (WEHI), is developing a next generation malaria vaccine that is targeting a recently discovered molecular 'key' that the deadly malaria parasite uses to enter human 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.

Advancing towards key catalysts

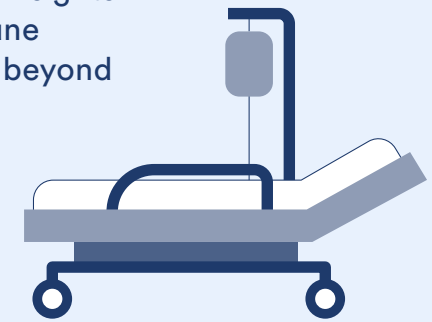


Note: Timeline for ABNCoV2 is based on Bavarian Nordic's communicated timeline and is subject to potential revision.

ExpreS²ion to use AI platform in new CMV vaccine research collaboration



By using the Danish company Evaxion's Artificial Intelligence (AI) platform to discover and optimise antigen constructs, and then producing the possible vaccine candidates in ExpreS²ion's platform, both companies hope to gain insights in early vaccine development and immune response optimisation that could reach beyond the CMV vaccine field.



The research collaboration between the two companies, both based in Denmark, was announced in December 2022. It will initially last for two years, with the core objective to find new vaccine candidates for cytomegalovirus (CMV), which causes a very common and life-long infection found in about half of all 40-year-olds in the USA. The CMV infection can cause severe symptoms in persons with weakened immune systems, including transplant patients, in for example the eyes, lungs, and liver, and congenitally infected babies may suffer from intellectual disability and loss of vision and hearing.

Developing a CMV vaccine is very challenging, with one of the hurdles being in preclinical development. Since CMV is species specific, the virus that infects animals and humans is not the same. This makes early-stage testing harder as animal models can only provide limited data on how a human would respond, but Evaxion has a very suitable toolkit to handle this task using its AI prediction technology.

Combining AI optimisation with ExpreS²ion's glycomodified cell lines

One of the benefits of using an AI platform is that it can potentially find completely new and never-before tried targets to create a diversified and strong immune response, as it is able to screen many more variants than a human researcher could go through using traditional methods. A vaccine for CMV has been pursued before, and some well know antigens exist, but the AI platform may also allow for new editions

of these well know antigens, potentially yielding novel ground-breaking results. The platform can also be used to further optimise the potential vaccine candidates found and tested in animal models, and *in vitro* cultures of human cells targeted by human CMV variants, which is of course still needed to verify the AI predictions.

ExpreS²ion is no stranger to using cutting-edge tools to elicit a stronger immune response, with the company developing its own novel glycomodified cell lines (including the HighMan-S2™) for this very purpose. In addition to using Evaxion's AI platform, this type of novel cell lines will also be used within the scope of the project.

By combining these two methods, this research project will hopefully push the boundaries when it comes to creating strong and diversified immune responses in humans. In projects such as the ABNCoV2 COVID-19 vaccine and the ES2B-C001 breast cancer vaccine, a virus-like particle (VLP) technology is used to further boost the effect of each vaccine. VLP technology will be used in this project as well, while also exploring the possibility of just using the AI platform and glycomodified cell lines to elicit the necessary immune response. Regardless of the actual outcome of this project, ExpreS²ion will surely gain new knowledge and understanding that can be used throughout its vaccine development activities going forward.

The recently announced CMV vaccine research collaboration with Evaxion allows us to tackle a very hard specific challenge, while at the same time deepening our knowledge in areas such as AI discovery and optimisation. It will be most interesting to see what we can achieve when combining their tools and models with our own platform and our novel glycomodified cell lines. This is the kind of projects that enables ExpreS²ion to stay at the forefront as an innovative vaccine developer.

Max M. Søgaard
Senior Vice President, R&D and Technology

Developing our most important assets

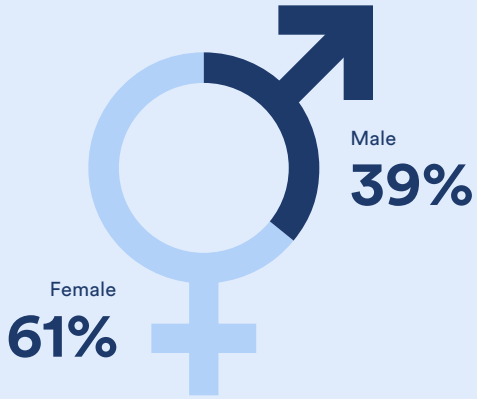
Employees

Diversity is key to understanding ExpreS²ion's culture. Not only do we hold a high level of diversity in the nationalities of our team, but our team also comes from various academic and professional backgrounds. This combination of mindsets fosters an environment where the boundaries for problem solving are continuously challenged with scientific exploration being the main driver and soul of our team. We believe that one of the main factors in our ability to maintain an entrepreneurial culture is that we have experts with decades of experience, newly educated scientists and students working side by side, benefitting from their different perspectives and experience.

We strive to maintain this working culture in which each individual has the flexibility to grow and develop by wearing several hats, while adding specialised competencies to support our key strategic objectives. Consequently, in 2022, we have further strengthened our resources by hiring more specialists, including the establishment of our internal Clinical Development Department, to support the execution of the strategy.

During our continued growth in 2022 we have, in addition to the optimisation of our HR and payroll systems, automated large parts of our operational activities by implementing IT-solutions that have allowed us to centralize procurement activities and optimise efficiency.

Gender distribution

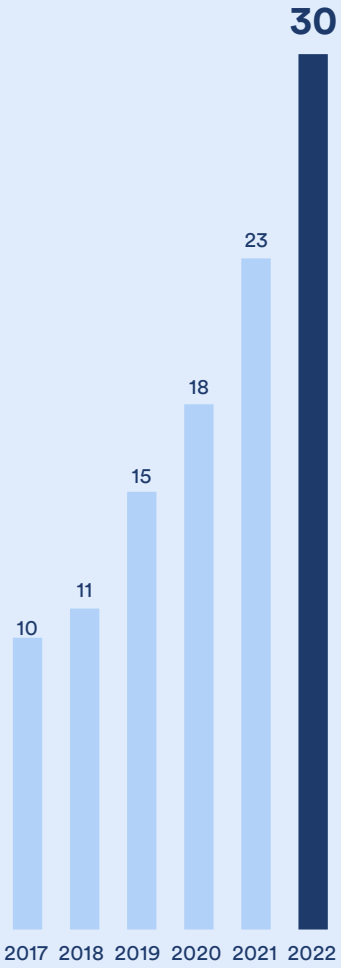


End of 2022:

26 full-time employees

3 part time
(29 in total)

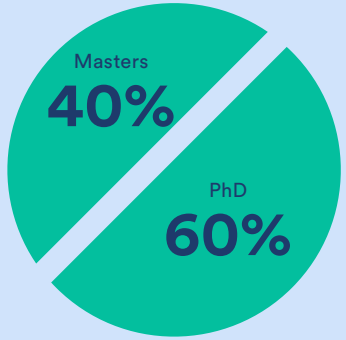
Average number of employees



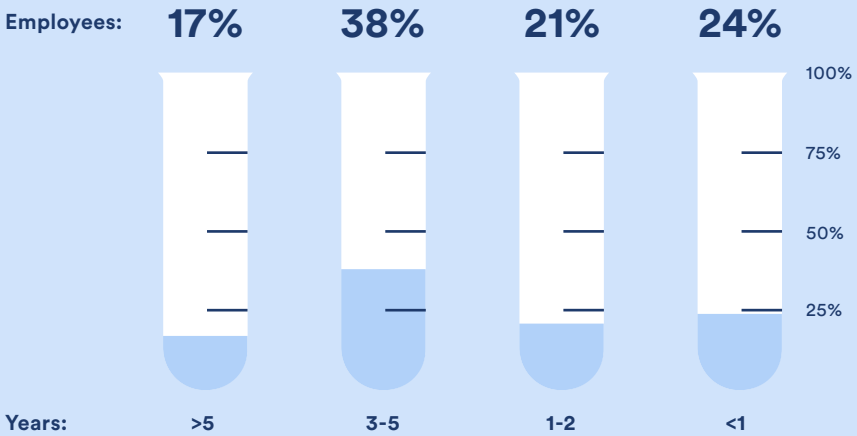
Age distribution

>55
45-55
35-45
<35

Management, highest degree achieved



Years with company



Country of origin

At ExpreS²ion, we believe that diversity is a key ingredient in building a strong and successful team, and we are proud to employ individuals from different races, cultures, genders, and abilities. In particular, our employees have come from many countries, including Denmark, France, Germany, Iran, Italy, the Netherlands, Poland, the UK, Ukraine, and USA.

I am still inclined to think of us as a start-up although we were founded in 2010 and are now 13 years old

Bent U. Frandsen
CEO

The ExpreS²ion team


Laura Fabricius Andersson


Mélanie Buffel


Klaas Buijs


Michele Cacciapuoti


Janni Christensen


Stine Clemmensen


Tanja Domeyer


Bahram Daneshvar


Jerzy Dorosz


Greta Kaselyte


Cecilie Hallwass Kofod


Ida Busch Nielsen


David Plesner


Christina Rasmussen


Josefine Rahbek


Magdalena Skrzypczak


Vladislav Soroka


Anette Strøbæk


Kiri Thorup-Smith


Sandra Urioste

ExpreS²ion strengthens its research team by successfully supervising second PhD graduate focused on glycoengineering

In 2019, Dr. Stine Clemmensen was added to the company's research team after completing her PhD thesis on glycoengineered S2 cells, with a focus on improved immunogenicity of subunit antigens. In recent months, Dr. Magdalena Skrzypczak completed a similar journey after completing a PhD thesis building upon Dr. Clemmensen's research, with Dr. Clemmensen's as her technical co-supervisor.

HighMan-S2™ was presented as ExpreS²ion's first novel glyco-modified cell line in 2019, and we have made steady progress in this area since then. Scientific articles on our additional functionally modified cell lines that we are working on will have to wait until patent applications have been filed and published, but I feel optimistic about our work. This includes the contributions made by Magdalena, as she is a skilled and driven researcher that has proven herself to be an excellent contribution to our team.

Dr. Stine Clemmensen
Cell Culture Manager

It is inspiring to be a part of the ExpreS²ion team and contribute to important vaccine development projects with my research. As can be read in the summary of my PhD thesis, we are working on new cell lines with potential to significantly improve the immunogenicity of vaccines, which would of course be of interest in our future development projects.

Dr. Magdalena Skrzypczak
Scientist

Building upon its technology platform for developing and producing vaccines, including the creation of novel glyco-modified cell lines that can be used to increase immunogenicity of vaccine candidates, is an important focus for ExpreS²ion. Finding highly skilled individuals with the right research mindset is essential when adding new members who can contribute to these efforts, and by supervising PhD students the company can increase its knowledge base while further educating potential employees at the same time. This is also beneficial for the academic partner, in Dr. Skrzypczak's case the Technical University of Denmark, as it allows it to provide attractive PhD positions with a clear path to a full-time role as a researcher after completion of the thesis.

Writing a PhD thesis in collaboration with a fast-growing, innovative biotechnology company such as ExpreS²ion is of course different compared to doing it with a larger company, or solely at a university for that matter. Dr. Clemmensen highlights several advantages that she experienced:

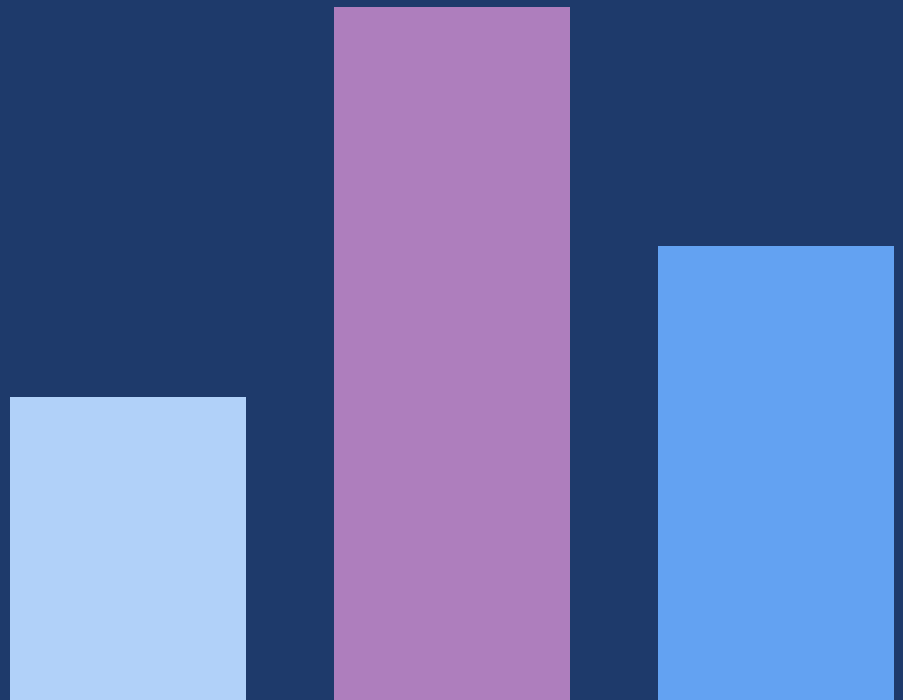
"I really liked the amount of freedom and responsibility I was given, with the ability to continuously take my PhD project into the most exciting and promising directions. It is also great that the full research team, and even the company management, is very accessible so that it is possible to gain input and share ideas in a very straight-forward manner."

Dr. Skrzypczak had a similar experience, even though she believes that it would have been beneficial to have a larger group of PhD students with a similar focus to discuss and share ideas with as she completed her thesis.

Promising new cell lines with strong potential for ExpreS²ion

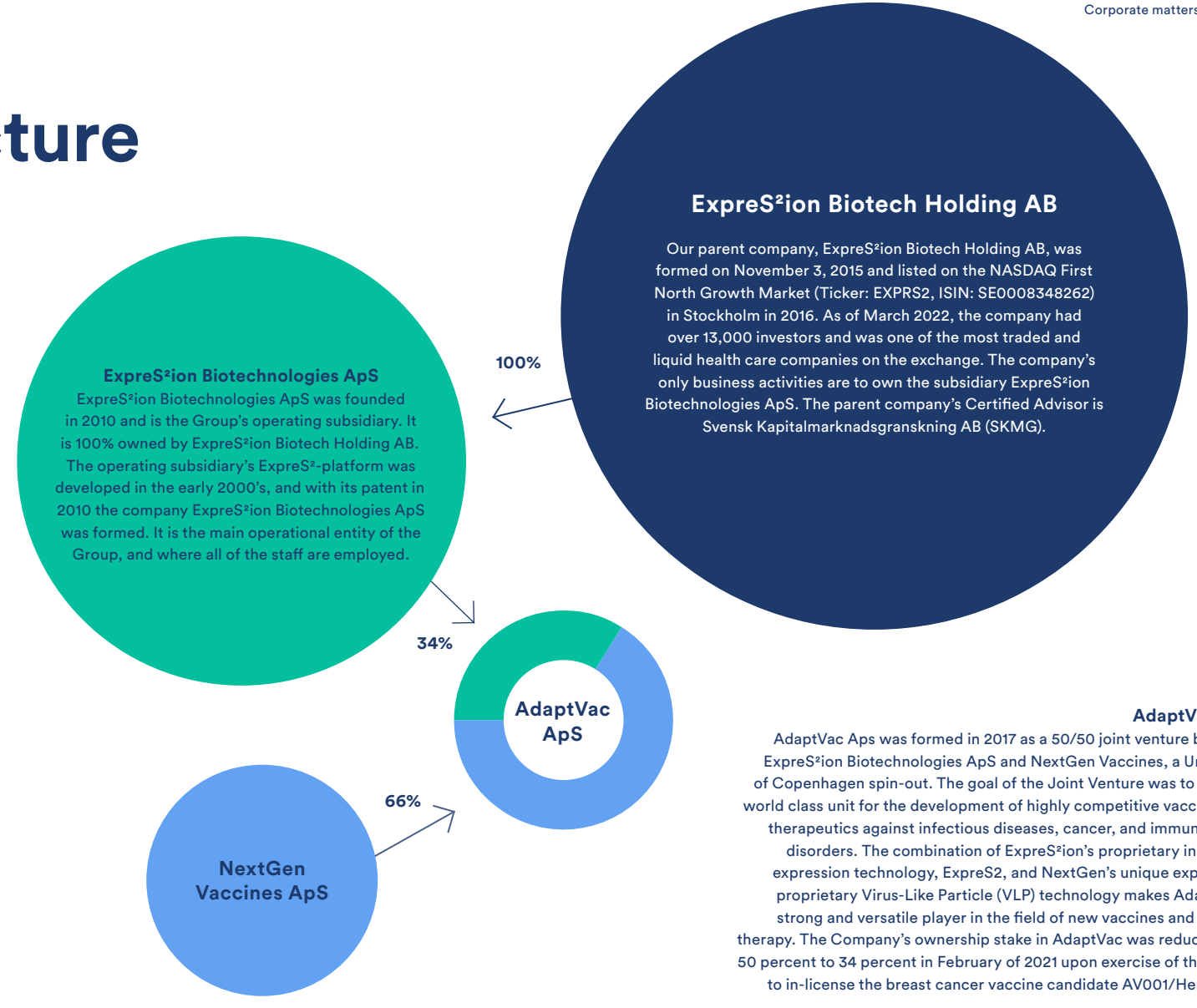
Dr. Clemmensen and Dr. Skrzypczak both agree that their research field is an area of high importance for ExpreS²ion, as the novel glyco-modified cell lines they are working on could become an important part of the company's vaccine development projects in the future.

Corporate matters



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 a joint venture established in 2017 together with a group of scientists from the Institute of Immunology and Microbiology at the University of Copenhagen. The scientists own their part 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 spin-out. 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 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.

Management team

Management team

Bent U. Frandsen
Chief Executive Officer

Education: Bent U. Frandsen holds a Master's degree in Finance and Strategic Planning from Copenhagen Business School, Denmark.

Previous assignments/engagements: Bent U. Frandsen has about 30 years of professional experience in management, finance, and business development positions in multinational companies, including more than 25 years life science experience at public listed companies such as Lundbeck, ALK-Abelló, Coloplast, and private companies such as NsGene, CMC Biologics, and Amphidex. Bent U. Frandsen was a board member in AdaptVac Aps.

Other material ongoing positions: CEO of ExpreS²ion Biotechnologies ApS.

Keith Alexander
Chief Financial Officer

Education: Keith Alexander holds an MBA from The Wharton School of the University of Pennsylvania, and a B.Sc. in Industrial Management, with a minor in Biological Sciences, from Purdue University.

Previous assignments/engagements: Keith Alexander has over 20 years of professional experience in investment markets, investor communications, corporate strategy, and business development from American and Danish banks. Over his career, he has served in leadership, analytical and commercial functions at J.P. Morgan Securities and J.P. Morgan Asset Management in NY, the US, Danske Bank Asset Management (formerly Danske Capital) in Kongens Lyngby, Denmark and Accenture (formerly Andersen Consulting) in Chicago, IL, the US.

Dr. Mattis Flyvholm Ranthe
Chief Medical Officer

Education: Dr. Mattis F. Ranthe holds a Doctor of Medicine and a PhD in cardiovascular epidemiology from the Univerity of Copenhagen Denmark and a MSc in drug development from Kings´ College, London.

Previous assignments/engagements: Dr. Mattis F. Ranthe has extensive experience with drug development from headquarter positions in global pharma, backed up by broad clinical experience. He has in total of more than ten years´ combined research experience from academia/pharma, from, among other things, his time as Medical Director at ALK and Senior clinical research & development lead at GSK Vaccines. Dr. Mattis F. Ranthe has experience in drug development from preclinical/FTiH transition, and all the way to approval/LCM.

Management team

Dr. Farshad Guirakhoo

Chief Scientific Officer

Education: Dr. Guirakhoo holds a PhD in Virology from the Medical University of Vienna, Austria, and an M.Sc. in Genetics from the International Institute for Biophysics and Biochemistry at the University of Tehran.

Previous assignments/engagements: Dr. Guirakhoo has 30+ years of broad translational research experience in the vaccine development field. He joins from his recent positions as Senior Advisor Vaccine Research and Development and CSO of Vaxxinity, Inc. (NASDAQ: VAXX), headquartered in Dallas, Texas. In 2014, Dr. Guirakhoo was named as no. 22 in The Most Influential People in Vaccines. He is the co-inventor of the ChimeriVax™-technology platform, the world's first recombinant viral vector platform that was approved for any human vaccine. Dr. Guirakhoo has broad experience in the application of genetics, gene expression technologies and molecular virology for the construction and production of recombinant proteins, human antibodies and attenuated viral vectored vaccines for prevention and treatment of infectious diseases and cancers. He is the author of over 100 peer-reviewed publications and holds dozens of issued patents.

Dr. Max M. Søgaard

Senior Vice President of Research & Development and Technology

Education: Dr. Søgaard holds a PhD in Biochemistry from University College London, UK, and a MSc in Molecular Biology from Aarhus University, Denmark.

Previous assignments/engagements: Dr. Søgaard has 20 years of scientific research and process development experience, having served the last eight years at ExpreS²ion in roles ranging from Senior Scientist (Downstream) to Vice President, and prior to that 12 years of academic research focused on structural biology and molecular biophysics with an emphasis on infectious disease applications. Max heads internal R&D in order to extend ExpreS²ion's capabilities and know-how in applying ExpreS2™ technology for customers and the company's own vaccine development.

Dr. Mette Thorn

Senior Vice President of Preclinical Development

Education: Dr. Thorn holds a PhD in Immunology and a MSc in Chemical Engineering from the Technical University of Denmark.

Previous assignments/engagements: Dr. Thorn has 20 years of preclinical development and management experience in vaccine development within cancer and infectious diseases, amongst other fields. Mette Thorn has extensive research science experience from Biotech and Pharma, including from roles with Astion Pharma, the SSI, Symphogen, Novo Nordisk, Bioneer, Biocare, and CBio. In all of her roles she has been instrumental in progressing preclinical pipeline assets from early stage research into clinical development phases. Mette Thorn was previously CSO for Biocare Copenhagen and Associate Manager of Novo Nordisk Pharmatech.

Other material ongoing positions: Owner of STABIL.solutions.

Board of directors

Dr. Martin Roland Jensen
Chairman of the Board

Education: Dr. Martin Roland Jensen holds a Master of Science, and PhD. Molecular and Cellular biology from University of Copenhagen, Denmark.

Previous assignments/engagements: Dr. Martin Roland Jensen has extensive leadership experience from the biopharmaceutical industry and has as serial entrepreneur founded and co-founded several biotech companies. He also has extensive experience with scientific work, mainly in immunology, cell biology and development of cancer vaccines. Dr. Martin Roland Jensen is one of the co-founders of the Company.

Other material ongoing positions: Founder and CEO of Medic-Advice ApS and Martin Roland Holding ApS. Co-founder, Chairman of the Board and CBO in Cell2Cure ApS, and Co-founder in Unikum Therapeutics ApS. Martin is also Chairman of the Board in ExpreS²ion Biotechnologies ApS.

Dr. Karin Garre
Board Member

Education: Karin Garre holds a Doctor of Medicine from Copenhagen University, Denmark.

Previous assignments/engagements: Karin Garre has extensive leadership, change management and drug development experience from over 30 years in life science, both in the pharmaceutical and biotech industries such as Astra A/S, Novo Nordisk A/S, and Genmab, where she served in either line or corporate functions. Karin Garre also was Executive Head of Center of Capital Region of Copenhagen.

Other material ongoing positions: General Manager and Head of Symphogen A/S. Karin is a Board Member in Cervello A/S and ExpreS²ion Biotechnologies ApS.

Jakob Knudsen
Board Member

Education: Jakob Knudsen holds a Master of Law from the University of Copenhagen, DK, and an MBA from Imperial College, UK.

Previous assignments/engagements: 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, he has held positions as CCO and CFO at the Danish pharmaceutical company Egalet Ltd.

Other material ongoing positions: CEO and Member of the Board of Management of ViroGates A/S (Nasdaq First North Growth Market CPH "VIRO") an in-vitro diagnostic commercial company. Jakob is a Board Member in ExpreS²ion Biotechnologies ApS, Ingeniørsystem A/S and PV Fonden.

Sara Sande
Board Member

Education: Sara Sande holds a Master of Science in Economics from University of Copenhagen, Denmark.

Prior positions/experience: Sara Sande has extensive leadership and top management experience from high-tech B2B companies. Sara Sande was Vice President of Cooper Surgical and Head of Grain & Beverages Sales, Europe of Novozymes.

Other material ongoing positions: Sara is a Board Member in Agreena ApS, Biosyntia ApS, Cirqle ApS, ExpreS²ion Biotechnologies ApS, Hydract A/S and Reduce ApS, and board observer in Cellugy ApS and Chromologics ApS. Furthermore, Sara is Investment Director of Danmarks Eksport og Investeringsfond.

Shareholder information

ExpreS²ion 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 31 December 2022, the number of shares in ExpreS²ion Biotech Holding AB amounted to 37,606,796. The average amount of shares in the fourth quarter of 2022 amounted to 37,606,796. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

Certified Advisor
Svensk Kapitalmarknadsgranskning AB
Email: ca@skmg.se
Phone: +46 11 32 30 732
Web: www.skmg.se

List of largest shareholders

Name	Number of shares held	Share of votes and capital
Saxo Bank A/S Client Assets	1,937,187	5.15%
Summary, shareholders over 5%	1,937,187	5.15%
Remaining shareholders under 5%	35,669,609	94.85%
Total 31 December 2022	**37,606,796**	**100.00%**

Share price development in 2022

Source: Nasdaq

Warrants

As of 31 December 2022, the Company had two active series of warrants issued, all of which are part of incentive programs. These series are identified as T06 and T07.

T06 (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 ExpreS2 ion Biotechnologies ApS. As of the publication of this report 955,333 warrants have been transferred to selected employees.

T07 (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 797,780 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.

Risk factors

An investment in securities is associated with various risks. This section describes the risk factors and significant circumstances considered to be material to ExpreS²ion's business and future development. The risk factors described in this section are limited to such risks which are deemed specific to the Company and/or to the Company's shares and which are deemed material in order for an investor to be able to make a well-informed investment decision.

ExpreS²ion has assessed the materiality of the risks based on the probability of the risks occurring and the expected extent of their negative effects. The risk factors are presented in a limited number of categories that include risks attributable to ExpreS²ion's operations and industry, financial risks, legal and regulatory risks, and risks related to ExpreS²ion's shares and the Rights Issue. The risk factors presented below are based on the Company's assessment and information available as of the date of the Annual Report. The risk factors considered most significant as of the date of the Annual Report are presented first within each category, while subsequent risk factors are presented without any particular ranking.

1

Risks related to the Company's operations and industry

Clinical trials may prove to be unsuccessful

Bavarian Nordic has through its exclusive license to and committed sponsorship of development of ABNCoV2, has initiated a regulatory validated Phase III trial and thus increasing further the likelihood of approval for the COVID-19 vaccine. That said, the clinical development process is inherently uncertain. The Company cannot assure that clinical trials produce the data required to support approval or that the candidate drugs developed with ExpreS²ion's platform technology results in a commercially viable product. For the financial year 2022, the Company's total R&D expenses amounted to SEK 71,324 thousand. Should clinical trials prove to be unsuccessful, it may lead to possible regulatory approvals awarding labelling that includes distribution restrictions and/or be subject to post-marketing testing requirements. Unsuccessful clinical trials may also affect market acceptance and the possibility of successful commercialization and thus the Company's earnings and sales volumes. There is a risk that time and capital invested in research projects may not yield corresponding benefits to the Company, which could affect the Company's prospects. If any of the above risks were to materialize, it would have a material adverse effect on the Company's financial position and results. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as high.

Profitability of the Company and its ability to manage growth

The Company has generated losses since listing on the Nasdaq First North Growth Market in 2016. For the financial year 2022, the Company recorded a net loss of SEK -118,605 thousand. These losses mainly arose as a result of expenses for research and development activities related to the Company's external pre-clinical activities and studies and the related personnel costs. The Company recorded expenses in research and development activities in the amount of SEK -71,324 thousand for the financial year 2022. There is a risk that such research and development do not yield the expected results and there is a risk that the Company will never be profitable, which will likely adversely affect the valuation of the Company and thus also the share price.

Given the Company's current strong focus on research and development activities, which by itself require important skills and experience, the Company may overlook important aspects related to e.g., internal control, human resources, and other internal processes, or preparation of commercialization strategies of its products if and when this becomes relevant. If such processes/strategies are not adequately designed and implemented, and/or are not in place in advance of commercialisation activities or expansion, it could adversely affect the Company's operations and its possibilities to successful commercialisation. Furthermore, in order to design and implement the aforementioned processes, the Company may need to hire additional employees, which could increase the Company's costs for employees. As of the date of the Annual

Report, the Company assesses the probability that the risk will occur in whole or in part as high.

The Company aims to develop products that are subject to competition from bigger players

The industry in which the Company operates is competitive, subject to rapid change and highly sensitive to the introduction of new products or other market activities of industry participants. The Company's competitors are companies with substantially greater financial, technical and marketing resources, and they may succeed in discovering, developing, receiving approval for and/or commercializing products that could render ExpreS²ion's products non-competitive and/or limit their potential. Even if competitors' products, in a clinical sense, may not be superior to those of the Company, the competitors may have greater resources and better-established contacts with relevant parties on the market (Key Opinion Leaders, etc.), which could lead to that the competitors' products are shown greater interest from relevant market participants and decision makers. In November 2022 and March 2023 ExpreS²ion announced establishment of a Scientific Advisory Board, Oncology, and a Scientific Advisory Board, Infectious Diseases, respectively, which aim to prevent this. As for COVID-19 vaccines, there are to the Company's knowledge over a hundred COVID-19 vaccines in development, many of which are already commercialized. Several of these vaccines are being developed by significantly larger companies. However, the risk that the approval of competing or complementary vaccines would impact Bavarian Nordic's plan to develop the COVID-19 vaccine is by the Company considered low because of the competitive advantages demonstrated during the Phase I and II trials of the vaccine, including, but not limited to, better duration of elevated levels of neutralizing antibodies than exhibited by the leading products on the market. If the Company successfully develops a HER2 breast cancer vaccine, the Company and its potential future partner would enter a market currently dominated by global pharmaceutical companies Roche and Genentech. The breast cancer vaccine must demonstrate that it is safe and at least as clinically effective as the therapies currently available. This includes not just other immunotherapies but also conventional breast cancer drugs such as well-known hormone and chemotherapy drugs. The Company believes that the risk that the HER2 breast cancer vaccine will turn out not to be able to demonstrate superior clinical efficacy in clinical trials is medium-to-high. If so, the entire investment in the program, amounting to tens of millions could be lost, which would adversely affect the Company's financial value and prospects.

The Company is highly dependent on its current and future partners

Out-licensing to larger pharma or vaccine companies is an integral part of the Company's strategy. The Company focuses on research, pre-clinical and clinical development where it believes it has the technology, competencies and experiences to be competitive. Larger scale international multicentre trials, registration, marketing and sales of final drugs and vaccines is outside the Company's scope. As such, the Company will inevitably be dependent on third parties. This dependency is further accentuated by the Company's bandwidth of internal resources. The Company is for example an important partner

with AdaptVac in the out-licensing of the COVID-19 vaccine to Bavarian Nordic. Once an out-licensing agreement has been made, the Company and/or its partners generally loses direct control of the further development and eventual marketing of the product. In these instances, the Company will instead rely on the terms of the out-licensing agreement regarding development which, in various degrees, may also give the Company insights on how development progresses and how to define further development processes. Notwithstanding the foregoing, the Company is in these cases generally dependent on the partner's competence and continued interest in subject matter of the out-licensing agreement. Ambitious development programs are extremely costly, and could amount to several hundred million Swedish krona, which may adversely impact the Company's partners' willingness to seek funding for, and their interests in, certain development programs. Further, if the Company's partners fail to obtain regulatory approval for the vaccines, or if they are unable to effectively commercialise the vaccines, it will have a direct impact on the Company's future milestone and royalty streams, which could adversely affect the Company's prospects. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as medium.

Obstacles in obtaining registration and licensing at agencies and/or governmental authorities

ExpreS²ion's pipeline, as of the date of the Annual Report, consists of the vaccine against covid-19 (ABNCoV2) that is in clinical phase III, the breast cancer vaccine (ES2B-C001) in preparation for clinical phase I, Cytomegalovirus (CMV) vaccine (ES2B-I002) in discovery phase, the malaria vaccine RH5 in clinical phase Ib and RH5-VLP and Pfs48/45 in preclinical phase, two influenza vaccines in preclinical phase, and two additional malaria vaccines in preclinical development. The malaria and influenza vaccines are being developed via consortiums, through which ExpreS²ion may not be in first line to be granted commercialisation rights. Only ABNCoV2 and ES2B-C001 use AdaptVac's cVLP technology. Authorisation must be obtained in order for the Company to market and sell pharmaceuticals and diagnostics in the future, and such registration needs to take place at the appropriate agency or governmental authority in the respective market, such as the Food and Drug Administration (FDA) in the United States and the European Medicines Agency (EMA) in Europe. Should the Company, directly or through collaboration partners, fail in obtaining the required authorisations and registration from such agencies or governmental authorises, the Company's ability to generate revenues may be significantly impeded. The cost and workload for the Company associated with obtaining clearance/approval from agencies and governmental authorities will depend upon the type of clearance/approval sought, including the laws of the country in which such clearance is sought. Should the aforementioned events materialize, it could have a material adverse effect on the Company's financial position and prospects. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as medium.

Dependence on key employees

As of the date of the Annual Report, ExpreS²ion employs 31 people, the majority of whom work in R&D and of which twelve hold PhD degrees. Biotech companies rely on attracting and retaining key employees, but a Company as small as ExpreS²ion becomes even more dependent on its employees. The work in which the Company is predominantly involved (protein expression) requires a unique combination of scientific insight and hands-on experience in a lab environment, which can be difficult and time-consuming to replace should the Company lose one or more of its key scientists or lab technicians. The loss of management members or other key personnel could also have an adverse effect on the Company's ability to conduct and improve its business and operations. The Company must be successful in attracting and retaining qualified scientific and clinical personnel. In the last quarter of 2022, the Company experienced some sickness among its personnel. Nevertheless, should sickness or other cause result in a significant number of employees, or certain key employees, not being able to complete their responsibilities, it could have an impact on the Company's ability to meet key milestones. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as medium.

ExpreS²ion may not overcome the risk corresponding to the development of new biopharmaceutical products

The Company has worked with the development of vaccines, however none of which are yet on market as they are currently under clinical evaluation or preclinical qualification. As of the date of the Annual Report, no drug or vaccine marketed by someone else employs the Company's ExpreS2 technology or AdaptVac's cVLP technology. However, there are blockbuster VLP / insect cell vaccines on the market, including Gardasil and Cervarix for HPV, and a protein subunit vaccine from Novavax for COVID-19. The COVID-19 vaccine from Novavax goes under the trade name NUVAXOVID as approved by EMA in Europe, and trade name COVOVAX as approved by India and other Asian countries. It is also known as "Novavax COVID-19 Vaccine, Adjuvanted" as approved under the emergency use authorization by FDA in USA. Any new drug or vaccine candidate developed by the Company will need to undergo a number of pre-clinical and clinical trial stages, some of which take several years to complete and may cost tens of millions of SEK.

Notwithstanding the above, each stage is unpredictable and there is a high risk of failure, even after initially promising results have been seen. Vaccines have in the past been notorious for their prolonged development times. Therapeutic cancer vaccines, such as the HER2 breast cancer vaccine, which the Company has exclusively in-licensed from AdaptVac, have historically shown high failure rates. No active immunotherapy product against HER2 has ever completed human phase III trials. The Company believes there is a risk that it may never bring a biopharmaceutical product to the commercial stage, but, as of the date of the Annual Report, and due to the recent advancement regarding the COVID-19 vaccine candidate ABNCoV2 (clinical Phase III), the Company assesses the probability that the risk will occur in whole or in part as medium.

The Company is exposed to risks related to its premises

The Company depends on being able to carry out tests and research in its premises and needs continuous access to the laboratories housed therein. As of the date of the Annual Report, the Company runs its operation activities in 387 sqm. office premises and 855 sqm. laboratories and depots, which are all located in the DTU Science Park in Hørsholm, Denmark, 20 km North of the capital Copenhagen. Further, the Company has partnerships where the Company's partners carries out the research activities in its premises, e.g. at The University of Bologna for the functional preclinical studies, and at Charles River Laboratories in the UK and France for the preclinical safety studies. The Company is therefore exposed to the risk that its, or its partners', premises may be damaged to the extent that certain studies and/or laboratories cannot be carried out/used. Depending on the type of damage, access to such premises could be limited for an undetermined duration, and could occur due to, for example, fires, explosions, natural disasters, or sabotages. In addition, pandemics, such as the COVID-19 pandemic, may result in these premises/laboratories being shut down due to staff illness or other restrictions imposed by authorities. As of the date of the Annual Report, no such shutdowns have been forced due to the COVID-19 pandemic, but it cannot be excluded that this will happen in the future. Any disruption or other unanticipated events affecting ExpreS²ion's or its partners' premises/laboratories, and therefore the Company's operations, would adversely affect the Company's operations, results, and the timing of ongoing studies. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

2

Financial risks

ExpreS²ion may not be able to fund its new strategy

ExpreS²ion's business model requires it to finance own research and early clinical development activities which is increasingly costly. During the financial years 2021 and 2022, the Company generated revenue from its service business and government grants of approximately SEK 13.7 million and approximately SEK 6.2 million, respectively, but these revenue sources were not, and will not in all likelihood in the future, be sufficient to cover the Company's expanding activities, particularly those related to clinical development as envisioned for the HER2 breast cancer vaccine.

The Company's annual burn rate – the yearly amount of cash needed to operate the Company's business model – is expected to increase over the coming years, both as a result of the anticipated progress in the Company's pipeline and as a result of an increased number of employees. The Company may have to rely on repeated capital increases until such time where it is able to out-license one or more of its programs to a third party and through such arrangement(s) be able to finance the operations with cash generated by the business. This will particularly be the case if the COVID-19 vaccine which has been out-licensed to Bavarian Nordic, and for which the Company may in the future receive milestone and royalty payments, fails in the Phase III trial or fails to receive regulatory approval. If new funding is not available when needed, ExpreS²ion could be forced to delay or terminate its product development efforts and in the worst instance the Company could be forced to terminate its entire operations, which could adversely affect the Company's financial position and prospects. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as high.

The Company may not be able to obtain government grants

Government grants is one important element for ExpreS²ion regarding financing of drug discovery and technology development. The Company receives various types of research grants and funding for pharmaceutical developments and has in the past been successful in applying for and receiving non-dilutive grant funding, both from the Danish government, the EU and other sources and has thus been able to finance a significant part of its early exploratory research through such grants. As of the date of the Annual Report, the Company is recipient of combined grants in a variety of international vaccine and immunotherapy research programs. These grants have allowed the Company to participate in research activities it would not otherwise have had the financial means to partake in. The Company's lead program, the COVID-19 vaccine was initially developed on a public grant, and the Company's influenza and malaria activities have likewise been almost entirely funded by such grants. During the financial year 2022, the Company's revenue from government grants amounted to approximately SEK 1.1 million in total. In March 2023 the Company announced the award of a grant to ExpreS²ion and University of Copenhagen from Innovation Fund Denmark for the MucoVax mucosal influenza vaccine project. In addition to funding, public grants have also given the Company access to large international networks of universities and other public or semi-public research institutions. The application process for research grants is labour intensive and time-consuming, and the competition for them is intense. There is no assurance the Company will be successful when applying for grant funding, and if the Company is unsuccessfull with its applications for government grants, this funding would have to be provided from the Company's equity, which in turn could mean that the Company would have to raise additional cash from its shareholders. Alternatively, the Company would have to scale back on its exploratory and early research, which in turn would adversely impact the Company's ability to add new exploratory vaccine candidates into its pipeline. Failure to obtain government grants will therefore have a material adverse effect on the Company's operations and financial position. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

3

Legal and regulatory risks

The Company may not control the intellectual property needed to commercialise its products

The Company is the sole owner of the ExpreS2 and the GlycoX-S2TM technology platforms. However, the cVLP platform is owned by AdaptVac, an entity in which ExpreS²ion owns 34 percent of the shares and voting rights. The Company can therefore exert limited control over AdaptVac, which means that access to the cVLP platform is not guaranteed. Furthermore, the Company participates in research consortia in which other parties also contribute intellectual property, for instance in the form of vaccine adjuvants which become an integral part of the product. ExpreS²ion seeks to always enter written agreements with collaborators about the ownership of intellectual property arising from the collaborations. For example, in February 2020, the Company announced that it had entered into a patent license agreement with AdapVac granting the aCompany an option to exclusive global license rights to AV-001, a preclinical-stage breast cancer vaccine candidate. The Company exercised the option in February 2021, and the project code was simultaneously changed to ES2B-C001. Collaboration agreements may provide that the parties at a later stage negotiate the commercial rights to joint inventions or inventions made by individual collaborators arising from the collaboration. Such negotiations may not be successful. In other instances, the research consortium agreements (which are often based on templates provided by the grant authority) may have inadequate regulations regarding intellectual property arising from the collaboration. These uncertainties can make the commercial potential of the Company's early research and development activities difficult to evaluate and may lead to some of them having limited commercial potential for the Company. Should the intellectual property rights around a particular vaccine or immunotherapy candidate be unclear, the Company's ability to find a development partner for such a product could be seriously adversely affected, which could have a material adverse effect on the Company's operations and prospects. Moreover, if the Company would become involved in a dispute over the rights to certain intellectual property, this could adversely affect various stakeholders' (partners, governments, banks etc.) view of the Company and its prospects, including the perceived value of the Company among capital markets participants. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as medium.

ExpreS²ion collects, stores and processes sensitive personal data

As part of ExpreS²ion's business, the Company collects, stores and processes personal data relating to employees, customers and patients (e.g. before conducting a study and during the study). Health-related information is typically of a very sensitive nature as it could pertain to sensitive health information on the persons participating in the Company's studies. There is a risk that the Company's precautions to protect patient data in accordance with the privacy requirements under applicable laws may prove to be ineffective or insufficient. There is a risk

that such data may be transferred, moved, inappropriately shared, or leaked as a result of human error or technological failure or otherwise be used inappropriately. Violation of data protection laws, either from the Company, its partners, employees or suppliers, may result in high penalty fines for the Company.

According to Regulation (EU) 2016/679 ("GDPR"), incidents may result in the imposition of fines amounting up to EUR 20 million or up to 4 percent of ExpreS²ion's total worldwide annual turnover for the preceding financial year (in relation to an incident), whichever is higher, for each case of non-compliance with the GDPR. In addition, non-compliance with GDPR or other applicable data protection laws regulations in other jurisdictions may in addition lead to reputational harm and customer losses and which could have a material adverse effect on the Company's operations, liquidity, financial position and results. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

The Company may not have Freedom to Operate and may have to obtain licenses from third parties

Even if ExpreS²ion retains, and continuously obtains, patents covering its product candidates or compositions, it may still be barred from commercialising its product candidates or technologies because of the patent rights of others. Extensive Freedom to Operate searches are expensive and provide no guarantees. As of the date of the Annual Report, the Company has never carried one out. Others may already have filed patent applications covering compositions or products that are similar or identical to ExpreS²ion's or dominate the Company's patents. Furthermore, the Company may find that others have patented the molecular targets or pathways the Company means to address with its technologies. If so, the Company may be barred from commercial exploitation or may have to pay a royalty to do so. There is a risk that the Company may not have Freedom to Operate in all its programs and that it may have to obtain licenses from third parties, which could have a material adverse effect on the Company's business. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

Inadequate protection of intellectual property rights

The Company's most important patent is its patent regarding "Virus-like particle with efficient epitope display" which has been granted in U.S by USPTO. However, ExpreS²ion has several patent applications that are pending for which the outcome is uncertain. Also, AdaptVac, whose cVLP technology is instrumental in the ABNCoV2 and ES2B-C001 vaccine candidates, has several patent applications pending. The Company's patents covering new technologies on the glycosylation of protein antigens (essentially the HighMan™ and GlycoX-S2™ technologies) were submitted on 10 January 2020, and the Xylose-modified S2 cell line patent was submitted on 17 November 2022. The Company and AdaptVac may in the future have to limit the claims in patents or may not be able to obtain patenting. If so, the Company may have to rely on other protections, such as the patents covering vaccine antigens expressed with the ExpreS2 platform, trade secrets and others. Obtaining strong patent protection is important, particularly for a small Company like ExpreS²ion which has limited resources in case of a patent dispute. If the Company fails to obtain patents or if the Company is granted patents with significantly reduced claims, it may be possible for other companies to develop and commercialise similar products in competition with ExpreS²ion and its partners, which could adversely affect the Company's operations, financial position and prospects. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

Risks relating to potential product liability claims

Considering that ExpreS²ion operates in the biotechnology industry, the Company is exposed to product liability risks which may arise e.g., during clinical trials. For instance, patients participating in clinical studies may suffer unwanted side effects or be harmed in other ways. Furthermore, there is a risk that the Company may not be able to accurately predict the possible side effects. The Company faces the risk of substantial liability for damages if its products or product candidates were to cause damages to patients who participate in clinical studies. This risk is also apparent for any approved and launched products. As of the date of the Annual Report, the Company has insurances that it considers to be customary in the industry. However, the Company does not yet have a clinical trial insurance in place. A clinical trial policy will be put in place when initiating clinical trials. However, if the Company is held liable for any incidents, there is a risk that the Company's insurance coverage may not be sufficiently adequate to cover product liability claims. There is also a risk that the Company fails to obtain or maintain adequate insurance coverage over time and on acceptable terms.

Defending against product liability can be costly and time-consuming, diverting management's focus from its day-to-day tasks. Litigations and claims related to such events could therefore have an adverse effect on ExpreS²ion's business, financial position and results. In addition, market acceptance of the Company's products may be adversely affected by product liability disputes and the Company's reputation may be harmed. As of the date of the Annual Report, the Company assesses the probability that the risk will occur in whole or in part as low.

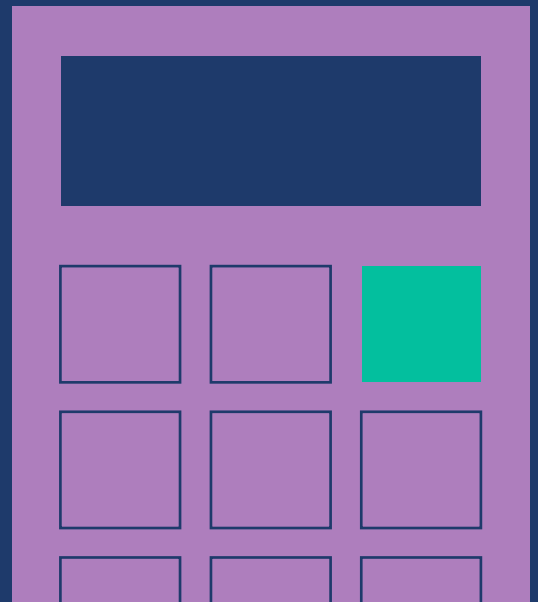
4

Risks related to the Company's shares

Trading in the Company's shares has been, and may in the future be, inactive and illiquid and the price of the share may be volatile

ExpreS²ion's shares are subject to trading on Nasdaq First North Growth Market in Stockholm, which is a multilateral trading facility and growth market for small and medium-sized enterprises. The price at which the shares in ExpreS²ion have been traded has historically been characterized by high volatility. In addition, the turnover in the Company's shares has at times been low. The highest and the lowest price at which the share in ExpreS²ion have been traded during the twelve months ending 31 December 2022 amounts to approximately SEK 38 per share and approximately SEK 9 per share, respectively. The share has also from time to time been subject to limited trading with low daily turnover and the difference between asking and selling prices can from time to time be large. The liquidity in the Company's share is affected by a number of internal and external factors. The internal factors include quarterly variations. The external factors include general economic conditions, industry factors, and additional external factors such as the outbreak of COVID-19 and Russia's invasion of Ukraine, which has led to higher volatility in global stock markets and which are not related to the Company's business. There is a risk that investors will lose all or part of their investment. There is also a risk that shareholders will not have the opportunity to sell their holdings at any given time as trading may in the future be subject to inactivity or be illiquid.

Director's report and Financial statements



Director's report

Business model

Vision and mission of the Company
ExpreS²ion is a biotechnology company that develops complex proteins into new vaccines, aims to become a leader within infectious diseases and cancer, and strives to deliver new preventive and therapeutic products within these areas. The Company aims to achieve this through scientific research, a continued focus on academic and industrial collaborations and through further development of the Company's core skills in protein expression and vaccine development.

Business model
The Company's business model is first and foremost to develop a unique and competitive pipeline of preventive and therapeutic vaccine products. In parallel herewith, the Company generates revenue by providing fee-for-service contract research and products within recombinant protein expression, which is a way of producing proteins, as well as outlicensing the ExpreS2 platform to research institutes and pharmaceutical companies which develop biopharmaceutical drugs and vaccines on their own, or in cooperation with the Company. The Company also sells ExpreS2 test kits and reagents (substances intended to detect or determine other substances) for application as research tools or diagnostics. This model generates short term revenue from the contract research organization (CRO) business, meaning to offer clinical trial services within medical research development, while the pharmaceutical products developed using the Company's technology carry potential future royalties, license fees, and milestone payments. The Company is active in the development of pharmaceuticals, and thus has no sales of pharmaceuticals or pharmaceuticals that have been approved by a regulatory body. Nor has the Company approved or sold any medicines that they developed together with a development partner.

The Company is building a pipeline of preclinical and later-stage clinical biopharmaceutical drug and vaccine candidates. ExpreS²ion will carry out its own initial research, preclinical and early clinical development work (proof-of-concept) prior to out-licensing. An example of this is the agreement with Bavarian Nordic in 2020, under which Bavarian Nordic assumes all future development costs for the COVID-19 vaccine program and will potentially pay certain milestones and royalties. Another example of collaboration is the research collaboration agreement with Evaxion Biotech A/S on a novel CMV vaccine candidate, where research cost and IP licensing is divided 50/50 between the parties.

The Company believes that the prioritisation of an in-house pipeline of biopharmaceutical drug and vaccine candidates, with a focus on development collaborations, while maintaining CRO business, puts the Company in a good position to, in the long-run, with successful development, generate revenue and create value for the Company and its shareholders.

Strategy and growth
ExpreS²ion aims to develop the pipeline of pharmaceutical candidates further by adding additional vaccine projects while continuing preclinical and early clinical development work on existing projects. The Company targets human Proof-of-Concept since successful studies according to the Company can maximize opportunities for qualitative partnerships and collaborations for further development. Partnering early in the process is also an option for progressing pipeline projects, by using a partner's resources, which among others can be technology, knowledge, or financing. The Company also aims to improve the technology platform further to ensure competitiveness. This is done by improving the ExpreS2 system, potentially adding relevant compatible technologies, and continuing to sell licenses for the use of the ExpreS2 platform.

See Business model on next page →

ExpreS2 Platform for Protein Expression
+500 different proteins have been produced with the ExpreS2 platform, while posting a success rate exceeding 90% across +100 clients and partners.

Novel Pipeline Development

Independent

Fully-owned development of novel protein therapeutics and vaccines

After human PoC, targeting partner externally for further development

Collaboration

Partner with leading research organizations to source and develop novel programs

Potential to fully acquire programs for independent development

Significant upside potential: intermediate/long-term

Contract Research Organization (CRO)

Services

Early-stage R&D for leading academic, research, and biotech organizations

Protein feasibility, delivery, and transfer to GMP production

Licensing & Kit Sales

Fully out-license rights to ExpreS2 technology

Sell test kits and reagents for research or diagnostic applications

Revenue-generating business: current and long-term payments

The business in brief

Financial overview

Operating income

Total operating income for the year 2022 amounted to KSEK 6,150 (13,730), which was 55% lower compared to the same period last year. Net sales from client projects, licenses and purchases from our web store of SEK 5.1 million reflects a decrease of 58% year-over-year, whereas grant income of SEK 1.1 million reflects a year-over-year decrease of 29%.

Profit/loss for the period

The net loss for the year 2022 amounted to KSEK -118,605 (-43,925). The lower result is primarily driven by a SEK 61.5 million increase in R&D costs, which related to the CMC and preclinical development of the breast cancer vaccine candidate ES2B-C001. Other significant drivers include higher personnel costs (SEK 8.9million) due to a higher headcount and non-cash incentive compensation charges that are reversed in the cash flow statement, and the lower operating income (SEK 8 million) mentioned above. Partially offsetting is and an increase in the accrued R&D tax credit (SEK 4.4 million) and a reduction in costs attributed to raw materials (SEK 2.4 million). The full-year comparatives are similarly impacted by the 3Q 2021 grant income reversal mentioned in the 3Q 2022 interim report. After adjusting for the reversal, other external costs increased by approximately SEK 4.2 million, reflecting an increase in premises, insurance and other costs partially offset by income from financial investments.

Financial position

The Company monitors its liquidity position and forecasts rolling twelve-month cash requirements monthly to identify liquidity risks and enable the Board of Directors and Executive Management to prepare for new financing transactions and/or take relevant tactical or strategic actions to allow the company to continue its research and development activities as planned as a going concern. As mentioned in Note 2 to the financial statements, the Company plans to obtain additional sources of funding in 2023. This could be in the form of issuance of new shares, non-dilutive financing, entering license and research and development collaboration agreements, expense management activities, renegotiating terms for current outstanding debt instruments or a combination of such.

Major changes to the business operations during the year

Continued transition to pipeline business increased burn rate

In 2022, the Company continued its transition towards becoming a pipeline-driven company, further diverting activities to focus on the development of ES2B-C001. Consequently, in 2022 the Company's revenue decreased by 55% due to decreased CRO revenues, and operating costs increased by 115% due primarily to higher R&D and personnel costs. The net impact was a 170% increase in the net loss in 2022 to (118,605) from (43,925) in 2021. Looking forward, the Company will continue to focus its efforts on pipeline development, including looking at ways to expand the pipeline, while focusing our CRO business on higher value projects.

Fully guaranteed rights issue of approximately SEK 73 million

In May, ExpreS²ion Biotech Holding AB announced it had completed a fully guaranteed new share issue of a maximum of 5,841,256 shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price in the Rights Issue was set at SEK 12.50. ExpreS²ion announced the final outcome of the Rights Issue which showed that a total of 4,966,355 new shares were subscribed for, corresponding to approximately 85 percent. The remaining 874,901 new shares, approximately 15.0 percent, were subscribed for through guarantee undertakings. The Company received proceeds of approximately SEK 73 million before deduction of costs attributable to the Rights Issue.

Warrant subscription

In July, August and September of 2022, ExpreS²ion Biotech Holding AB announced that a total of 612,084 warrants held by employees under the 2019 Warrant Program ("TO2") had been fully exercised, providing ExpreS²ion SEK 2,944,124. The exercise increased the number of shares by 612,084 from 36,994,712 to 37,606,796.

Initiated research collaboration on a novel cytomegalovirus (CMV) vaccine candidate
In December 2022, the Company announced that it had signed a Vaccine Discovery Collaboration Agreement with Evaxion Biotech A/S (NASDAQ: EVAX) for the joint development of a novel cytomegalovirus (CMV) vaccine candidate. The collaboration will combine ExpreS²ion's ExpreS2 platform and resources for vaccine development and production with Evaxion's RAVEN artificial intelligence (AI) platform for vaccine candidate discovery and state-of-the-art preclinical models. The aim of the collaboration is to, before the end of 2025, develop a novel CMV lead vaccine candidate, which ExpreS²ion has the exclusive right to license under a potential Development and Commercialisation Agreement. The research costs and IP licensing for the collaboration project will be divided 50/50 between the parties until 2025, with all costs expected to be covered by each party's existing budget.

Major external factors that impacted the financial position and results of the year

COVID-19
In 2022, the COVID-19 pandemic continued to impact countries worldwide. Several new variants of the virus emerged, including the Omicron variant, which was highly transmissible and caused concern among health officials. Vaccines continued to be rolled out, but disparities in access and uptake, as well as limited durability of protection, remained a challenge. Moving into 2023, the Omicron variant remained a dominant strain, and efforts to control its spread continued. Vaccination campaigns continued to be a critical tool in combating the pandemic, but challenges remained, including vaccine hesitancy, vaccine durability of protection, and equitable access to vaccines.

ExpreS²ion has not yet received any income related to the COVID-19 vaccine candidate ABNCoV2, which is out-licensed to Bavarian Nordic via ExpreS²ion's associated company AdaptVac ApS. If ABNCoV2 reaches certain development and sales milestones and starts to generate sales, ExpreS²ion will benefit both directly, through milestone payments and royalties, and indirectly, through its 34% ownership of AdaptVac ApS. Inversely, if Bavarian Nordic were to decide to cease development and potential distribution of ABNCoV2, ExpreS²ion would lose access to some or all of that value.

Currency risk
The Company is listed in Sweden and reports in SEK. Operations are based in Denmark and many suppliers are in the Eurozone, thus most costs are incurred in EUR or DKK, which is closely pegged to the EUR. The Company aims to have a majority of its cash and equivalents DKK-denominated to reduce currency risk. If our cash and equivalents are not DKK-denominated, exchange rate fluctuations between SEK and DKK would have a much greater impact on the Company's cash runway. The disadvantage of converting the majority of cash to DKK is that since the company reports in SEK our financials will exhibit a greater level of currency-related volatility. Another major risk related to currency is that a weaker SEK related to DKK / EUR reduces the amount of capital we can raise in the currency we use to drive our operations.

Throughout 2022, the SEK fell versus the DKK due to differences in expectations for monetary policy in Sweden versus the rest of Europe and the Russian invasion of Ukraine which resulted in investors moving from SEK into "safer" currencies including the USD, EUR, and JPY. A weaker Swedish Krona resulted in a greater loss for the year than had exchange rates remained unchanged.

Increasingly, as we make progress in the development of ES2B-C001, the Company may increase currency risk through its operations as its contracts are increasingly denominated in currencies that are not linked to either the Swedish Krona or Danish Krone. For example, should the Company choose to partner with a Clinical Research Organization that is based in the US or UK and the contract is based in USD or GBP, there will be currency risk associated with that contract. Sometimes it is possible to have the contract terms denominated in Swedish Krona to reduce currency risk relative to the currency in which the Company raises capital and is listed, though it may come with a higher cost in the partner's home currency. It is an important consideration that is under evaluation in all new contracts.

Inflation
In 2022, prices and wages continued to rise in Denmark, Europe and more broadly, resulting in higher price levels for materials used in our R&D processes as well as higher labour prices.

It is not uncommon for contracts to include an inflation clause which allows for some level of price increase on an annual basis in order to cover more expensive input costs due to inflation. Furthermore, some contracts include estimates for raw material and consumable costs that are passed on to ExpreS²ion. Should a supplier underestimate these costs, ExpreS²ion may have to bear the cost, or evaluate alternative providers that are better at estimating such costs. In either case, it can result in realised costs that exceed those budgeted at the beginning of a project. It is an important consideration that is under evaluation in all new contracts.

Management and the Board monitor price and wage levels to forecast more accurately to reduce the risk of actual costs exceeding our budget and ensure that employees are competitively compensated.

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 allowed 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, ExpreS²ion decided to store a portion of its cash in its SKAT account, thereby significantly reducing interest expense. Each month the company considered its cash need in the coming months and adjusted the payout limit. Any amount in the account beyond the limit was transferred to the Company's bank account in less than two weeks. The balance with SKAT was recorded within the Company's other short-term investments.

On June 15, 2022, SKAT lowered the payout limit to DKK 200,000, resulting in a transfer of the Company's assets in its SKAT account back to the Company's bank account. Consequently, at the end of Q2 2022 the Company no longer stored cash in its SKAT account.

Share-based compensation
In 2022, the Company incurred greater personnel costs than in previous years, driven partially by share-based compensation costs. Share-based compensation charges reflect the fair value of vesting warrants, which the Company calculates on a graded basis and adjusts for expected attrition. These charges impact the Company's loss for the year but not their cash, as there is an equal offsetting entry contained within "adjustments for items not included in the cashflow" on the cashflow statement.

Supply chain
Over the last three years, the COVID-19 pandemic has impacted supply chains globally, including the supply of plastics. ExpreS²ion consumes a large supply of plastic materials, including flasks, pipettes, and other items, in both our Contract Research and Pipeline businesses. The Company was proactive in pre-ordering materials in 2020, 2021 and 2022 to avoid potential disruptions and believe our inventory management approach will prevent disruptions in the future.

Significant changes to the ownership structure during the year
Throughout 2022, ExpreS²ion Biotech Holdings AB remained a publicly traded company listed on the Nasdaq First North exchange. Most investors, weighted by shares held, are based in Sweden and Denmark. Through the year the Company experienced an increase in the percentage of shares held by Swedish investors (+2.4%), partially offset by a decrease in the percentage of shares held by Danish investors (-0.6%) and investors outside of those two countries (-1.8%).

Material uncertainty related to going concern
ExpreS²ion monitors its liquidity position and forecasts rolling twelve-month cash requirements on a continuous basis to identify liquidity risks and enable the Board of Directors and Executive Management to prepare for new financing transactions and/or take relevant tactical or strategic actions to allow the Company to continue its research and development activities as planned as a going concern.

ExpreS²ion, considering its net current assets and forecasted cash requirements, has liquidity to fund its operations as planned through December 2023, assuming relevant expense management measures have been implemented in the event that managements plans, as described below, do not materialise.

ExpreS²ion plans to obtain additional long-term sources of funding in 2023. This will be in the form of warrant subscription for shares in September 2023. Additional sources of long-term funding, if needed, could be in the form of issuance of new shares, entering license and research and development collaboration agreements, expense management activities or a combination of such.

The Board of Directors and Executive Management believe it is probable that sufficient liquidity resources can be obtained in due time during 2023 to enable the Company to continue its activities as planned through 2023 and beyond. Based on these assumptions, the Board of Directors and the Executive Management have prepared the Financial Statements based on a going concern assumption.

Since such new source of funding is not obtained as of the date of these Financial Statements, material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists, and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Our breast cancer vaccine candidate exhibited promising results in preclinical studies in 2022, including the demonstration of efficacy against tumor growth and Herceptin-resistant tumors in preclinical models. In 2023, we look forward to completing preclinical safety studies for the breast cancer vaccine, which is a crucial step in the path towards clinical trials. We will also, through the clinical trials sponsored by Bavarian Nordic, gather additional data on the ABNCoV2 COVID-19 vaccine candidate, including 12-month durability data and the Phase III results. Furthermore, we are excited to continue developing treatments for other indications such as CMV, Influenza, and Malaria.

Keith Alexander
Chief Financial Officer

Significant events

First quarter of 2022

- On January 4, ExpreS²ion 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 tumour mice models. The vaccine has thus reached a further important pre-clinical milestone.

- On February 8, ExpreS²ion announced constructive feedback from its scientific advice meeting pertaining to the therapeutic breast cancer vaccine candidate, ES2B- C001, with the Danish Medicines Agency. Based on this feedback, ExpreS²ion 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.

- On February 24, ExpreS²ion announced its financial results for the fourth quarter and full-year 2021.

- On February 28, ExpreS²ion announced that additional positive results for the ABNCoV2 vaccine, that is being developed as a universal booster vaccine, has been presented from the Phase II clinical trial conducted by Bavarian Nordic. The full study data confirmed that 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. Based on this excellent outcome, Bavarian Nordic plans to initiate a Phase III study in the first half of 2022.

Second quarter of 2022

- On April 6, ExpreS²ion announced a new share issue with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Rights Issue encompasses 5,841,273 shares at a subscription price of SEK 12.50. The Rights Issue is fully covered by subscription undertakings made by certain existing shareholders and guarantee commitments from existing shareholders and new investors. The Company will upon full subscription of the Rights Issue receive gross proceeds of approximately SEK 73 million. The expected net proceeds from the Rights Issue will be used as to advance the breast cancer vaccine candidate ES2B-C001 to completion of the preclinical safety studies, advance other pipeline development projects, including within Influenza and Malaria, and support the strategic CRO business and invest in core technologies and IP to strengthen competitive edge.

- On April 13, ExpreS²ion announced that the prospectus related to the Rights Issue announced on April 6 had been published on the Company's website and was available in Swedish and English.

- On May 4, ExpreS²ion announced the publication of the 2021 Annual Report.

- On May 5, ExpreS²ion announced that additional positive results for the ABNCoV2 vaccine, that is being developed as a universal booster vaccine, had been reported from the Phase II clinical trial conducted by Bavarian Nordic. The new study data demonstrated a significant boost to the neutralizing antibodies against the Omicron variant in the majority of subjects with a fold increase in the same range as previously reported for the original Wuhan SARS-CoV2 variant. Bavarian Nordic continued to plan for rapid initiation of a Phase III study.

- On May 5, ExpreS²ion announced the final outcome of the Rights Issue which showed that a total of 4,966,355 new shares had been subscribed for, corresponding to approximately 85 percent. The remaining 874,901 new shares, approximately 15.0 percent, had been subscribed for through guarantee undertakings. The Company received proceeds of approximately SEK 73 million before deduction of costs attributable to the Rights Issue.

- On May 25, ExpreS²ion announced that that the capsid virus-like particle (cVLP) HER2-breast cancer vaccine candidate ES2B-C001 has demonstrated additional positive proof-of-concept also in a metastatic outgrowth therapeutic tumour mice model. These data support the already established preclinical proof-of-concept results announced in December 2021 and January 2022.

- On May 25, ExpreS²ion held the 2022 Annual General Meeting (AGM), during which resolutions were passed related to the adoption of the income statement and balance sheet, allocation of profit, discharge from liability, election of the Board of Directors, Auditor and remuneration, security issuance authorization, and incentive programs. The AGM was carried out through advance voting (postal voting) pursuant to temporary legislation.

- On May 31, ExpreS²ion announced the publication of the financial results for the first quarter of 2022.

- On June 16, ExpreS²ion announced that that Bavarian Nordic's upcoming Phase III clinical trial to evaluate the ABNCoV2 capsid virus-like particle (cVLP) based COVID-19 vaccine has been redesigned due to a licensed mRNA vaccine now being available as a comparator vaccine. This enables the design of a more robust double-blind, controlled study to demonstrate non-inferiority of ABNCoV2 to a licensed mRNA vaccine. The trial will be initiated in August, with data readout still expected in late 2022 followed by a possible approval in 2023.

Third quarter of 2022

- On July 11, ExpreS²ion Biotech Holding AB announced that 167,394 warrants held by employees under the 2019 Warrant Program ("TO2") have been fully exercised, providing ExpreS²ion SEK 805,165. The exercise has increased the number of shares by 167,394 from 36,994,712 to 37,162,106.

- On August 10, ExpreS²ion announced that 136,422 warrants held by employees under the 2019 Warrant Program ("TO2") have been fully exercised, providing ExpreS²ion SEK 656,190. The exercise has increased the number of shares by 136,422 from 37,162,106 to 37,298,528.

- On August 18, ExpreS²ion Biotech Holding AB announced its second quarter financial results for 2022.

- On September 2, ExpreS²ion announced that a Phase III clinical trial to evaluate the ABNCoV2 capsid virus-like particle (cVLP) based COVID-19 vaccine had been initiated by Bavarian Nordic, including the vaccination of the first subject. The trial aims to demonstrate non-inferiority of ABNCoV2 as a booster vaccine for individuals with previous COVID-19 disease or vaccination compared to the licensed mRNA vaccine Comirnaty®. Initial trial results are expected towards the end of 2022.

- On September 7, ExpreS²ion Biotech Holding AB announced that 308,268 warrants held by employees under the 2019 Warrant Program ("TO2") have been fully exercised, providing ExpreS²ion SEK 1,482,769. The exercise has increased the number of shares by 308,268 from 37,298,528 to 37,606,796. All 612,084 TO2 warrants have now been exercised, providing ExpreS²ion in total SEK 2,944,124.

Fourth quarter of 2022

- On October 6, ExpreS²ion Biotech Holding AB announced that Allan Rosetzsky, with immediate effect, had decided to resign from ExpreS²ion's board of directors. Hereafter the board of directors will consist of Martin Roland Jensen (Chair), Jakob Knudsen, Karin Garre, and Sara Sande.

- On October 17, ExpreS²ion announced that follow-up results from Bavarian Nordic's Phase II clinical trial for the ABNCoV2 capsid virus-like particle (cVLP) based COVID-19 booster vaccine show that antibody titers remained high at levels associated with greater than 90% efficacy six months after vaccination for both the Wuhan and the Omicron variant.

- On October 24, ExpreS²ion announced that the journal Biomedicines published an article about the breast cancer vaccine candidate ES2B-C001 titled "Prevention and therapy of metastatic HER-2+ mammary carcinoma with a human candidate HER-2 virus-like particle vaccine".

- On November 3, ExpreS²ion announced the establishment of an Oncology Scientific Advisory Board (OSAB). The six initial members of the ExpreS²ion OSAB bring a depth of knowledge in oncology, breast cancer, clinical trials and therapeutic HER2 vaccines, and will contribute to the development of ExpreS²ion's proprietary HER2-cVLP breast cancer vaccine, ES2B-C001. The OSAB will serve as advisors, potential contributors to the planned clinical studies and participants in Key Opinion Leader events for the scientific community and investors.

- On November 17, ExpreS²ion Biotech Holding AB announced its third quarter financial results for 2022.

- On December 6, ExpreS²ion announced that the company has signed a Vaccine Discovery Collaboration Agreement with Evaxion Biotech A/S (NASDAQ: EVAX) ("Evaxion") for the joint development of a novel cytomegalovirus (CMV) vaccine candidate. The collaboration will combine ExpreS²ion's ExpreS2 platform and resources for vaccine development and production with Evaxion's RAVEN artificial intelligence (AI) platform for vaccine candidate discovery and state-of-the-art preclinical models. The aim of the collaboration is to, before the end of 2025, develop a novel CMV lead vaccine candidate, which ExpreS²ion has the exclusive right to license under a potential Development and Commercialization Agreement. The research costs and IP licensing for the collaboration project will be divided 50/50 between the parties until 2025, with all costs expected to be covered by each party's existing budget.

Subsequent events

- On January 3, 2023, ExpreS²ion announced the appointment of Dr. Farshad Guirakhoo as the Company's new Chief Scientific Officer (CSO). Dr. Guirakhoo has more than 30 years of broad translational research experience in the vaccine development field, and will be responsible for directing the development of the discovery and preclinical strategies and plans that support ExpreS²ion's development pipeline of unique vaccine assets, including managing the

progression of ExpreS²ion's vaccine technology platform. Dr. Guirakhoo starts his employment on January 16, 2023 at ExpreS²ion's headquarters in Hørsholm, Denmark.

- On January 20, 2023, ExpreS²ion announced that the journal The Lancet Microbe published an article about the COVID-19 vaccine candidate ABNCoV2 titled "First-in-human use of a modular capsid virus-like vaccine platform: an open-label, non-randomised, phase 1 clinical trial of the SARS-CoV-2 vaccine ABNCoV2" co-authored by ExpreS²ion scientists.

- On February 9, 2023, ExpreS²ion Biotech Holding AB announced its fourth quarter and full-year 2022 financial results.

- On February 15, 2023, the Company provided an update on Bavarian Nordic's Phase III clinical trial for the ABNCoV2 capsid virus-like particle (cVLP) based COVID-19 booster vaccine. Bavarian Nordic announced that the top-line results were anticipated around mid-2023 due to longer than expected recruitment times.

- On March 3, 2023, ExpreS²ion announced that the MucoVax consortium had been awarded an Innovation Fund Denmark (IFD) Grand Solutions grant for the development of new platforms for universal mucosal vaccines in a 5-year research project in a collaboration between ExpreS²ion and University of Copenhagen. The award funding covers 71% of the research project and amounts to 29 MDKK (approx. 43 MSEK), of which ExpreS²ion directly is funded with 9.6 MDKK (approx. 14 MSEK). The IFD investment funds 67% of ExpreS²ion's share of the research project budget.

- On March 3, 2023, the Board of Directors of ExpreS²ion Biotech Holding AB had, subject to a subsequent approval at an extraordinary general meeting in the Company on 23 March 2023, resolved on a rights issue of units consisting of shares and warrants of series TO 8 ("Units") with preferential rights for existing shareholders amounting to approximately SEK 102.4 million (the "Rights Issue"). The subscription price has been set to SEK 4.90 per Unit, corresponding to a subscription price of SEK 4.90 per share. The Company obtained subscription and guarantee commitments of up to a total of approximately SEK 51.3 million, corresponding to approximately 50 percent of the Rights Issue. Upon full subscription in the Rights Issue, the net proceeds from the Rights Issue will be used to (i) advance the breast cancer vaccine candidate ES2B-C001, (ii) internal technology development and (iii) pipeline expansion, incl. exploration of value-added vaccine partnerships.

- On March 9, 203, the Company announced the establishment of an Infectious Diseases Scientific Advisory Board (ISAB). The four initial members of the ExpreS²ion ISAB bring a depth of knowledge in infectious diseases, clinical trials and preventive vaccines, and will contribute to the development of ExpreS²ion's proprietary pipeline efforts in the infectious diseases field. The ISAB will serve as advisors and participants in key opinion leader events for the scientific community and investors.

- On April 14, 2023, ExpreS²ion Biotech Holding AB announced the final outcome of the rights issue of a maximum of 20,892,660 units, consisting of shares and warrants of series TO 8 ("Units"), with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price in the Rights Issue was SEK 4.90, corresponding to a subscription price of SEK 4.90 per share. In total, 9,824,575 Units were subscribed for with the support of unit rights, representing approximately 47.0 percent of the Rights Issue, and 1,290,823 Units were subscribed for without the support of unit rights, representing approximately 6.2 percent of the Rights Issue. No issue guarantees were thus needed to be used. Through the Rights Issue, the Company will initially receive proceeds of approximately SEK 54.5 million before deduction of costs. If all warrants of series TO 8 issued in the Rights Issue are exercised for the subscription of shares at an exercise price corresponding to the subscription price in the Rights Issue, the Company will receive additional proceeds of approximately SEK 54.5 million before deduction of issue costs.

- On April 21, 2023, The Board of Directors of ExpreS²ion Biotech Holding AB, based on the authorisation from the Annual General Meeting on 25 May 2022, resolved on a directed new issue of 527,573 units to guarantors in the rights issue of units resolved upon by the Board of Directors on 3 March 2023 and approved by the Extraordinary General Meeting on 23 March 2023 who have chosen to receive their guarantee commission in the form of newly issued units in ExpreS²ion. The subscription price in the Remuneration Issue, SEK 5.44 per unit, corresponds to the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during the subscription period for the Rights Issue. Payment is made by set-off of claims. Each unit consists of one (1) share and one (1) warrant of series TO 8.

Key figures

Group

Overview (KSEK)	2022	2021	2020	2019	2018
Operating Income	6,150	13,730	15,263	13,829	8,868
Profit/Loss after financial items	-126,581	-47,516	-34,923	-19,641	-18,853
Total assets	137,363	151,956	118,858	18,707	20,954
Equity/assets ratio	75.2%	92.4%	79.5%	-5.8%	39.6%
Average number of employees	30	23	15	15	15

Parent company

Overview (KSEK)	2022	2021	2020	2019	2018
Operating Income	508	368	335	335	335
Profit/Loss after financial items	-5,213	-5,969	-4,897	-2,181	-1,605
Total assets	321,521	253,066	171,445	49,989	39,193
Equity/assets ratio	99.5%	99.4%	98.8%	89.5%	98.6%
Average number of employees	0	0	0	0	0

Distribution of dividends

(Amounts in SEK)	
Proposed appropriation of retained earnings	
Retained earnings at the disposal of the Annual General Meeting:	
Share premium fund and retained earnings	320,930,354
Loss for the year	-5,213,353
	315,717,002

The Board proposes that:

The loss for the year is settled against the share premium fund and that the share premium fund is carried forward	315,717,002

Income statement – group

KSEK	Note	2022-01-01 - 2022-12-31	2021-01-01 - 2021-12-31
Operating income			
Net sales	4	5,086	12,234
Other operating income	5	1,064	1,496
Total operating income		**6,150**	**13,730**
Operating costs			
Raw materials & consumables		-5,081	-7,513
Research & development costs		-71,324	-9,815
Other external costs	6	-14,826	-3,516
Personnel costs	7	-41,309	-32,374
Depreciation of tangible & intangible fixed assets		-1,216	-1,809
Other operating expenses		0	-7,099
Total operating costs		**-133,756**	**-62,126**
Operating profit/loss		**-127,606**	**-48,396**
Result from financial investments			
Result in associated companies		0	671
Other interest income & similar items	8	1,896	0
Interest expense & similar items	9	-871	209
Total result from financial investments		**1,025**	**880**
Profit/loss after financial items		**-126,581**	**-47,516**
Income tax on the result for the period	10	7,976	3,591
Profit/loss for the period		**-118,605**	**-43,925**

Balance sheet – group

KSEK	Note	2022-12-31	2021-12-31
Assets			
Concessions, patents, licenses, trademarkets and similar intellectual rights	11	2,953	3,141
Total non-current intangible assets		**2,953**	**3,141**
Plants and machinery	13	910	1,209
Total non-current tangible assets		**910**	**1,209**
Interest in associated companies	14	25	23
Other long-term receivables	15	1,532	1,119
Total non-current financial assets		**1,557**	**1,142**
Total non-current assets		**5,420**	**5,492**
Accounts receivable		826	1,623
Tax receivables		8,249	3,470
Other receivables		1,719	2,012
Prepaid expenses and accrued income	16	10,175	479
Total receivables		**20,969**	**7,584**
Other short-term investments		0	101,769
Total short-term investments		**0**	**101,769**
Cash and bank		110,974	37,111
Total current assets		**131,943**	**146,464**
Total assets		**137,363**	**151,956**

KSEK	Note	2022-12-31	2021-12-31
Equity and liabilities			
Share capital		4,179	3,461
Other capital contributions		338,651	266,243
Other equity including net loss for the period		-239,503	-129,358
Total equity	17	**103,327**	**140,347**
Provision for taxes	18	608	671
Total provisions		**608**	**671**
Other long-term liabilities	19	2,002	3,477
Total long-term liabilities		**2,002**	**3,477**
Liabilities to credit institutions		1,763	1,918
Accounts payable		12,152	1,685
Other liabilities		17,511	3,858
Total short-term liabilities		**31,426**	**7,461**
Total equity and liabilities		**137,363**	**151,956**

Changes in equity – group

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2022-01-01	**3,461**	**265,931**	**-129,045**	**140,347**
Issuance of new shares	718	75,242		75,960
Issuing expenses		-12,185		-12,185
Vesting of share-based compensation		9,663		9,663
Exchange difference for the period			8,147	8,147
Profit-loss for the period			-118,605	-118,605
Total equity as of 2022-12-31	**4,179**	**338,651**	**-239,503**	**103,327**

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2021-01-01	**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 2021-12-31	**3,461**	**265,931**	**-129,045**	**140,347**

As of December 31, 2022, the number of shares outstanding was 37,606,796 (31,153,456), with a quota value of SEK 0.1111 per share.

Cash flow statement – group

KSEK	Note	2022-01-01 - 2022-12-31	2021-01-01 - 2021-12-31
Operating profit/loss		-127,606	-48,396
Adjustments for items not included in the cash flow	20	10,816	13,486
Received interest		1,896	0
Interest paid		-2,720	-1,194
Income tax received		3,589	2,795
Cash flow from operating activities before changes in working capital		**-114,025**	**-33,309**
Decrease(+)/increase(-) of current receivables		-8,187	-1,350
Decrease(+)/increase(-) of current liabilities		22,598	-10,988
Cash flow from operating activities		**-99,614**	**-45,646**
Investments in associated companies		0	682
Investments in intangible non-current assets		0	45
Investments in tangible non-current assets		-383	-715
Other investing activities		105,708	-100,933
Cash flow from investing activities		**105,325**	**-100,921**
Leasing agreement		-524	-621
Loans		-1,791	-1,361
Issuance of new shares		75,960	83,304
Costs of issuing shares		-12,185	-6,778
Cash flow from financing activities		**61,460**	**74,545**
Cash flow for the period		**67,171**	**-72,023**
Cash and cash equivalents at the beginning of the period		37,111	106,832
Exchange difference cash and cash equivalents		6,692	2,302
Cash and cash equivalents at the end of the period		**110,974**	**37,111**

Income statement – parent company

KSEK	Note	2022-01-01 - 2022-12-31	2021-01-01 - 2021-12-31
Operating income			
Net sales	4	508	368
Total operating income		**508**	**368**
Operating costs			
Other external costs	6	-4,901	-4,501
Personnel costs	7	-2,325	-2,670
Total operating costs		**-7,226**	**-7,171**
Operating profit/loss		**-6,718**	**-6,803**
Result from financial investments			
Other interest income & similar items	8	1,543	1,015
Interest expense & similar items	9	-38	-181
Total result from financial investments		**1,505**	**834**
Profit/loss after financial items		**-5,213**	**-5,969**
Income tax on the result for the period	10	0	0
Profit/loss for the period		**-5,213**	**-5,969**

Balance sheet – parent company

KSEK	Note	2022-12-31	2021-12-31
Assets			
Shares in group companies	14	321,472	247,563
Total financial non-current assets		**321,472**	**247,563**
Total non-current assets		**321,472**	**247,563**
Tax receivables		14	18
Other receivables		110	179
Prepaid expenses and accrued income	16	101	86
Total receivables		**225**	**283**
Cash and bank		-176	5,220
Total current assets		**49**	**5,503**
Total assets		**321,521**	**253,066**

KSEK	Note	2022-12-31	2021-12-31
Equity and liabilities			
Share capital		4,179	3,461
Restricted equity		**4,179**	**3,461**
Share premium fund and retained earnings		320,931	254,180
Profit/loss for the period		-5,213	-5,969
Unrestricted equity		**315,718**	**248,211**
Total equity		**319,897**	**251,672**
Payables to group companies		1,141	790
Other liabilities		483	604
Total short-term liabilities		**1,624**	**1,394**
Total equity and liabilities		**321,521**	**253,066**

Changes in equity – parent company

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2022-01-01	**3,461**	**259,390**	**-11,179**	**251,672**
Issuance of new shares	718	75,242		75,960
Issuing expenses		-12,185		-12,185
Vesting of share-based compensation		9,663		9,663
Profit-loss for the period			-5,213	-5,213
Total equity as of 2022-12-31	**4,179**	**332,110**	**-16,392**	**319,897**

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 2021-01-01	**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 2021-12-31	**3,461**	**259,390**	**-11,179**	**251,672**

As of December 31, 2022, the number of shares outstanding was 37,606,796 (31,153,456), with a quota value of SEK 0.1111 per share.

Additional information / Notes

Note 1. Accounting policies

Accounting principles and valuation principles
The Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BF- NAR 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 thousand SEK (KSEK) unless stated otherwise.

Comparatives
For all written notes following this statement the numbers quoted always relate to the current year with the prior year comparatives provided in brackets, except in cases where it is 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 20.6% (20.6%).

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 sharehold- ers' contributions are added to the acquisition cost. Should the recoverable value be lower than the carrying amount, the shares are written down to the recoverable value if the decline in recoverable value can be assumed to be permanent.

Cash flow statement
The cash flow statement has been prepared in accordance with the indirect method whereby adjust- ments are made for transactions that do not entail payments in or out. Assets that are classified as cash and cash

Additional information / Notes

Note 1. Accounting policies (continued)

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 recognized 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. Fixed-price service assignments are recognised as the work is completed. 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 years
- Equipment: 3 years

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.

Translation of items in foreign currency
At each balance sheet date, monetary items denominated in foreign currencies are translated at the closing date. Non-monetary items, which are valued at historical cost in a foreign currency, are not recalculated. Exchange rate differences are reported in operating income or as financial items based on the underlying business event, in the period they arise, except for hedging transactions that meet the terms of hedge accounting for cash flows or net investments.

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 recov- erable value is defined as the highest of either the fair value less costs to sell or the value in use. The value in use is defined as the risk-adjusted present value of the estimated future net earnings 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.

The benefit is comprised primarily of refundable tax credits for costs incurred in connection with research and development activities under the Danish Tax Credit Regime.

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 20.6% in Sweden for the year ended 31 December 2022.

Additional information / Notes

Note 1. Accounting policies (continued)

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 recognise any deferred tax assets.

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.

Share-based payments to employees which are regulated by equity instruments
Share-based incentive plans in which Management and employees can only buy shares in the parent company (equity-based plans) are measured at the equity instruments' fair value at the grant date and recognized in the income statement over the vesting period. The balancing item is recognized directly in equity. The fair value of the equity instruments is determined using the Black & Scholes model.

Governmental grants
Government grants comprise research funding from various government institutions, including the European Union. The grants received by ExpreS²ion provide reimbursement for certain project-specific research and development expenses, including wages and salaries.

Income under these grants is recognized in the Income Statement as Other Operating Income concurrently with the resources spend on the project. The earned income from the grant is recognized under Other Receivables in the Balance sheet, in the case the Company has received lower payment at the balance sheet date compared to the resources spent. In case the Company has received a higher payment at the balance sheet date compared to the resources spend, the amount is recognized in the balance sheet under Other Payables.

All the grants received are subject to repayment clauses upon breach of conditions to maintain the terms under which the grant was awarded. ExpreS²ion has complied with, and anticipates continuing to fully comply with, all such terms.

Note 2. Material uncertainty related to going concern

ExpreS²ion monitors its liquidity position and forecasts rolling twelve-month cash requirements on a continuous basis to identify liquidity risks and enable the Board of Directors and Executive Management to prepare for new financing transactions and/or take relevant tactical or strategic actions to allow the Company to continue its research and development activities as planned as a going concern.

ExpreS²ion, considering its net current assets and forecasted cash requirements, has liquidity to fund its operations as planned through December 2023, assuming relevant expense management measures have been implemented in the event that managements plans, as described below, do not materialise.

ExpreS²ion plans to obtain additional long-term sources of funding in 2023. This will be in the form of warrant subscription for shares in September 2023. Additional sources of long-term funding, if needed, could be in the form of issuance of new shares, entering license and research and development collaboration agreements, expense management activities or a combination of such.

The Board of Directors and Executive Management believe it is probable that sufficient liquidity resources can be obtained in due time during 2023 to enable the Company to continue its activities as planned through 2023 and beyond. Based on these assumptions, the Board of Directors and the Executive Management have prepared the Financial Statements based on a going concern assumption.

Since such new source of funding is not obtained as of the date of these Financial Statements, material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists, and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Note 3. Estimates

Estimates and assessments
Management makes estimates and assumptions about the future. These estimates rarely match the actual 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 intangible assets and fair value of warrants.

Additional information / Notes

Note 4. Net sales per geographic market

	Group		Parent company	
KSEK	2022	2021	2022	2021
The Nordics	582	4,013	508	368
Other countries	4,504	8,220	0	0
Total	**5,086**	**12,234**	**508**	**368**

Note 5. Other operating income

	Group		Parent company	
KSEK	2022	2021	2022	2021
Grant Income	1,064	1,496	0	0
Total	**1,064**	**1,496**	**0**	**0**

Note 6. Remuneration of auditors

	Group		Parent company	
KSEK	2022	2021	2022	2021
Remuneration and reimbursements				
Audit assignment	726	400	483	195
Other audit related fees	0	0	0	0
Other services	0	0	0	0
Total	**726**	**400**	**483**	**195**

Note 7. Average number of employees

Parent and subsidiary

	2022		2021	
	Number of employees	Of which men	Number of employees	Of which men
Parent				
Sweden	0	0	0	0
Subsidiary				
Denmark	30	11	23	8
Total subsidiaries	30	11	23	8
Group Total	**30**	**11**	**23**	**8**

Board and management

	2022		2021	
	Women	Men	Women	Men
Board and management				
Board	2	3	2	3
CEO and rest of management	0	1	0	1

Additional information / Notes

Note 7. Average number of employees (continued)

Personnel costs

	2022			2021		
KSEK	Salaries & remunerations	Social expenses	Share based compensation	Salaries & remunerations	Social expenses	Share based compensation
Parent						
Board of Directors and CEO	569	0	307	413	0	520
Other employees	0	0	1,448	0	0	1,738
Parent	**569**	**0**	**1,756**	**413**	**0**	**2,257**
Subsidiary						
Board of Directors and CEO	2,958	5	428	2,119	5	525
Other employees	27,855	323	7,415	17,932	227	8,896
Subsidiary	**30,813**	**328**	**7,844**	**20,051**	**232**	**9,421**
Group Total	**31,381**	**328**	**9,599**	**20,464**	**232**	**11,678**

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 12 months applies.

Share based compensation of other employees in the parent company relates to warrant costs for subsidiary employees allocated to the parent company.

Note 8. Other interest income and similar profit/loss items

	Group		Parent company	
KSEK	2022	2021	2022	2021
Interest income, group companies	0	0	1,543	1,015
Interest income, others	1,896	0	0	0
Total	**1,896**	**0**	**1,543**	**1,015**

Note 9. Other interest expense and similar profit/loss items

	Group		Parent company	
KSEK	2022	2021	2022	2021
Interest expense, group companies	0	0	28	74
Interest expense, others	-871	209	10	106
Total	**-871**	**209**	**38**	**181**

Additional information / Notes

Note 10. Tax

	Group		Parent company	
KSEK	2022	2021	2022	2021
Current tax	7,857	3,422	0	0
Deferred tax	119	169	0	0
Total	**7,976**	**3591**	**0**	**0**
Theoretical Tax				
Pre-tax profit	-126,581	-47,516	-5,213	-5,969
Tax at current rate, 20.6%/22% (21.4%/22%)	26,076	9,788	1,074	1,230
Reconcilliation of reported tax				
Effect of foreign tax rate	1,699	581	0	0
Effect of non-deductible income/costs	-1,906	-2,137	0	-1
Effect of deductible costs	5,833	1,263	0	0
Effect of amortisation of group goodwill	-125	-138	0	0
Effect of deductible issue costs directly against equity	2,510	1,397	2,510	1,396
Effect of unregonised losses carried forward	-26,111	-7,163	-3,584	-2,625
Total	**7,976**	**3,591**	**0**	**0**

Note 11. Concessions, patents, licenses, trademarks and similar intellectual rights

	Group		Parent company	
KSEK	2022	2021	2022	2021
Opening cost	11,139	10,973	0	0
Exchange differences for the year	982	166	0	0
Closing accumulated cost	**12,121**	**11,139**	**0**	**0**
Opening amortization	-7,998	-7,066	0	0
Amortization for the year	-445	-791	0	0
Exchange rate differences for the year	-725	-140	0	0
Closing accumulated amortization	**-9,168**	**-7,997**	**0**	**0**
Closing carrying amount	**2,953**	**3,141**	**0**	**0**

Note 12. Goodwill

	Group		Parent company	
KSEK	2022	2021	2022	2021
Opening cost	2,962	2,906	0	0
Exchange differences for the year	261	56	0	0
Closing accumulated cost	**3,223**	**2,962**	**0**	**0**
Opening amortization	-2,962	-2,712	0	0
Amortization for the year	0	-197	0	0
Exchange rate differences for the year	-261	-53	0	0
Closing accumulated amortization	**-3,223**	**-2,962**	**0**	**0**
Closing carrying amount	**0**	**0**	**0**	**0**

Additional information / Notes

Note 13. Plant and machinery

	Group		Parent company	
KSEK	**2022**	**2021**	**2022**	**2021**
Opening cost	5,362	4,868	0	0
Additions	402	720	0	0
Disposals	0	-320	0	0
Exchange differences for the year	473	94	0	0
Closing accumulated cost	**6,236**	**5,362**	**0**	**0**
Opening depreciation	-4,153	-3,574	0	0
Depreciation for the year	-807	-510	0	0
Exchange rate differences for the year	-366	-69	0	0
Closing accumulated amortization	**-5,326**	**-4,153**	**0**	**0**
Closing carrying amount	**910**	**1,209**	**0**	**0**

Plant and machinery include capitalised leased assets ammounting to KSEK 33 (246).

Note 14. Investments

Parent

Company	**Corporate ID**	**Registered Office**	**Capital share**	**Closing carrying amount 2022**	**2021**
ExpreS²ion Biotechnologies ApS	32 77 04 87	Hørsholm, Denmark	100%	321,472	247,563
				321,472	**247,563**

	Parent company	
	2022	**2021**
Opening cost	247,563	165,887
Shareholder contribution	73,909	81,677
Closing carrying amount	**321,472**	**247,563**

Group

Company	**Corporate ID**	**Registered Office**	**Capital share**	**Closing carrying amount 2022**	**2021**
AdaptVac ApS	38 73 27 30	Hørsholm, Denmark	34%	25	23
				25	**23**

	Group company	
	2022	**2021**
Opening cost	23	34
Disposal	0	-11
Revaluations	2	0
Closing carrying amount	**25**	**23**

Additional information / Notes

Note 15. Long-term receivables

	Group		Parent company	
KSEK	2022	2021	2022	2021
Non-current other receivables	1,532	1,119	0	0
Total	**1,532**	**1,119**	**0**	**0**

Note 16. Prepaid expenses and accrued income

	Group		Parent company	
KSEK	2022	2021	2022	2021
Prepaid insurance	146	17	0	0
Prepaid consultants	225	268	101	60
Prepaid pre-clinical costs	9,322	0	0	0
Other prepaid costs	482	194	0	26
Total	**10,175**	**479**	**101**	**86**

Note 17. Equity

As of December 31, 2022, the number of shares outstanding was 37,606,796 (31,153,456), with a quota value of SEK 0.1111 per share.

Note 18. Provision for taxes

Provision for taxes refer to tax on step-up values in connection with the acquisition of (issue for non-cash consideration) subsidiary, amounting to 608 (673) KSEK. The reductions during the year are due to depreciation of the surplus values.

The accumulated tax losses carried forward in the parent company amounts to 39 (28) MSEK and in the danish subsidiary to 119 (47) MDKK. None of these losses carried forward have been recorded at any value in the balance sheet. They run without a time limit.

Additional information / Notes

Note 19. Long-term liabilities

	Group		Parent company	
KSEK	2022	2021	2022	2021
Maturity date, 1 to 5 years from the balance sheet date				
Long-term leasing commitments	88	191	0	0
Other long-term liabilities	1,914	3,285	0	0
Total	**2,002**	**3,477**	**0**	**0**

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

Note 20. Items not affecting cash flow

	Group	
KSEK	2022	2021
Depreciation and amortization	1,216	1,809
Other adjustments not affecting cashflow	9,600	11,677
Total	**10,816**	**13,486**

Note 21. Contingent liabilities

	Group		Parent company	
KSEK	2022	2021	2022	2021
Rent commitment, Hørsholm, Denmark	2,407	1,696	0	0
Total	**2,407**	**1,696**	**0**	**0**

Note 22. Distribution of dividends

(Amounts in SEK)	
Proposed appropriation of earnings	
Retained earnings at the disposal of the Annual General Meeting:	
Share premium fund and retained earnings	320,930,354
Loss for the year	-5,213,353
	315,717,002
The Board proposes that:	
The loss for the year is settled against the share premium fund and that the share premium fund is carried forward	315,717,002

Statement by the Board of Directors and Managing Director on the 2022 Annual report

Today, the Board of Directors and Managing Director approved the Annual Report of ExpreS²ion Biotech Holding AB for the year 2022. The Board of Directors and the Managing Director are jointly responsible for ensuring the integrity and quality of the report. The Consolidated Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BFNAR 2012:1 (K3).

In our opinion, the Consolidated Financial Statements and the Financial statements of the Parent Company give a true and fair view of the financial position at 31 December 2022, the results of the Group's and Parent Company's operations, and consolidated cash flows for the financial year 2022. Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Helsingborg 2 May 2023

Dr Martin Roland Jensen
Chairman of the Board

Karin Garre
Member of the Board

Jakob Knudsen
Member of the Board

Sara Sande
Member of the Board

Bent U. Frandsen
Chief Executive Officer

Our auditor's report has been issued on 2 May 2023

Ernst & Young AB

Daniel Åkeborg
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of ExpreS²ion Biotech Holding AB, corporate identity number 559033-3729

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of ExpreS²ion Biotech Holding AB for the year 2022-01-01 - 2022-12-31.

In our opinion, the annual accounts 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 parent company and the group as of December 31, 2022 and their 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 and consolidated 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.

Material uncertainty relating to going concern
The financial statements have been prepared on a going concern assumption. We draw attention to note 2 in the financial statements, which describes that the Company has continuing losses and has stated that material uncertainty exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in note 2. The Financial Statement do not include any adjustments that might result from the outcome of this uncertainty.

We have not modified our opinion in respect of this matter.

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 error.

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 and the group'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 intend 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 error, 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 error 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 and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 error, 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 error, 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 and the group'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 a company and a group 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 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 and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ExpreS²ion Biotech Holding AB for the year 2022-01-01 - 2022-12-31 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 parent 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 matters 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.

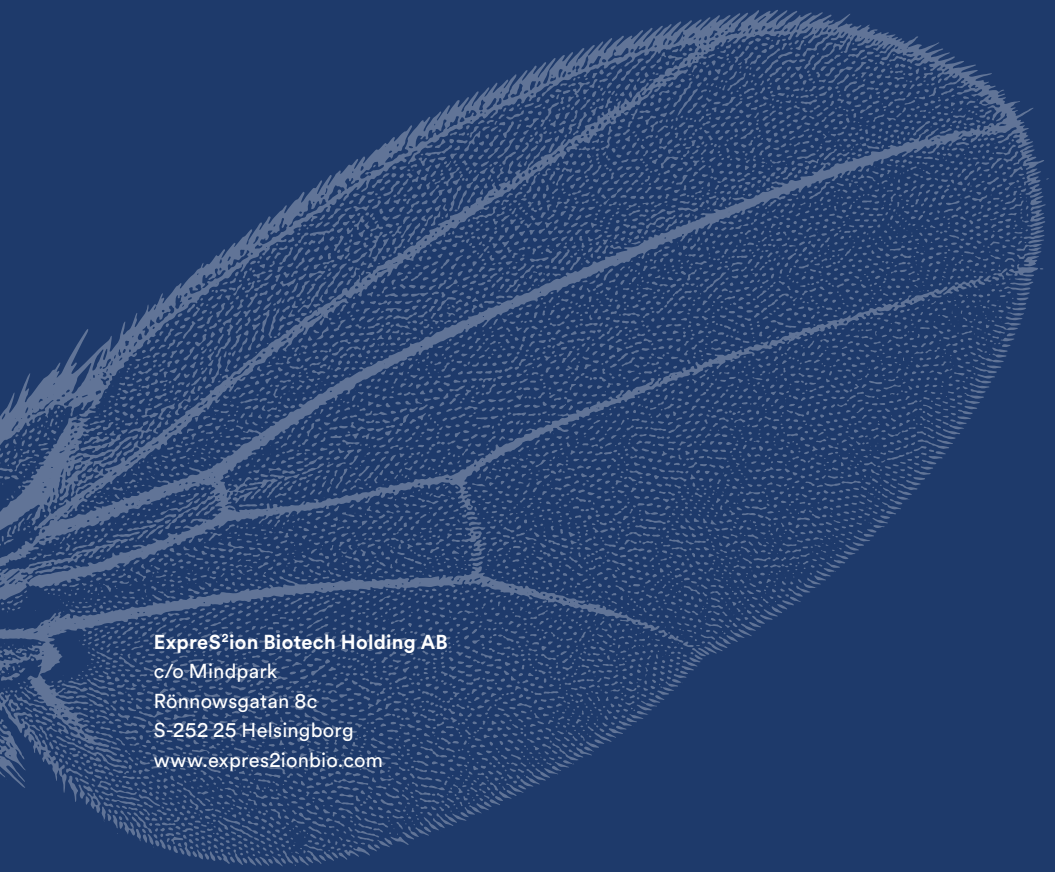
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's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

Halmstad May 2, 2023

Ernst & Young AB

Daniel Åkeborg
Authorized Public Accountant



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