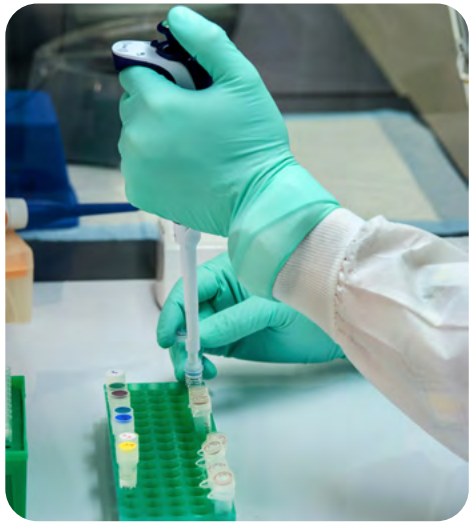
expreS2ion BIOTECH

Annual report 2023

Innovative vaccines for a healthier world

ExpreS2ion Biotech Holding AB
Org. Nr. 559033-3729

Contents



About ExpreS2ion

Our mission

Develop innovative vaccines for a healthier world.

Our approach
We leverage our proprietary ExpreS2™ protein expression system, employing insect cells to synthesise complex proteins essential for vaccine development. Through years of expertise, we have developed a process to customise cell factories to efficiently produce intricate antigen proteins with high yield and quality. Additionally, we engineer advanced industrial processes for manufacturing these proteins as active pharmaceutical ingredients in state-of-the-art vaccines. Through this process, we are committed to delivering vaccines of exceptional quality, contributing substantively to advancements in healthcare and disease prevention.

Team
Our team is committed to developing innovative vaccines for the world's worst infectious diseases and cancer, channeling their expertise and passion into pioneering advancements in vaccine development.

Our company vision

We want to transform healthcare by developing novel vaccines that are lifesaving and improving quality of life around the world.

The management promise

Looking into a future in which healthcare undergoes a profound transformation – we strive to lead the change in pioneering revolutionary vaccines. Through our dedication to innovation, we aim to catalyze breakthroughs in life-saving solutions or far better prevention of disease.

2010
Founded in Hørsholm, Denmark

2016
Listed on Nasdaq First North Growth Market in Sweden

>500
Different proteins expressed by our ExpreS2 platform

>90%
Protein production success rate

>€53m
Raised in non-dilutive funding in projects leveraging the ExpreS2 platform

2023 highlights

Breast Cancer

ES2B-C001

Progression through safety studies and manufacturing, and evaluation of Phase I clinical study plan

Cytomegalovirus

ES2B-I002

Advancing through AI-driven accelerated candidate selection process

Nipah

ExpreS2ion directly awarded over €4 million in grant funding as part of VICI-Disease consortium to develop vaccines to protect from viruses with epidemic and pandemic outbreak potential

Corona Virus/ COVID-19 ABNCoV2

Demonstration of 12-month durability in Phase II trial and non-inferiority to market-leading mRNA vaccine in Phase III trial, however the exclusive licensee sees no commercial opportunity in its present form

Malaria

Using antigens produced by our ExpreS2 platform, Oxford University is advancing two candidates through a Phase II trial and four candidates through Phase I clinical trials, with the intention to start three new trials in the next year

Influenza

Grant awarded for development of mucosal influenza vaccine and discovery initiated

SEK 58 Million

Cash and equivalents as of 31 December 2023

SEK 57.9 million

Raised via rights issue and associated warrants

A word from our CEO

As we close the year 2023, I am pleased to share with you the achievements and progress of ExpreS2ion Biotechnologies, an innovator in developing novel vaccines for a healthier world.

Bent U. Frandsen
CEO, ExpreS2ion Biotech Holding AB

Dear shareholders,

The year 2023 was marked by the completion of the Phase III clinical trial for the ABNCoV2 capsid virus-like particle (cVLP) based COVID-19 booster vaccine, which was developed by Bavarian Nordic under an exclusive license collaboration. This vaccine showed a good safety profile and efficacy, which was impressive since it was based on the original strain of the virus, but unfortunately did not meet the predefined criteria for protection against the circulating variant at the time of the clinical Phase III trial (XBB.1.5). Therefore, Bavarian Nordic decided not to pursue regulatory approval for this vaccine in 2024, and instead focus on their other pipeline candidates. We are proud of the scientific and clinical achievements that was made with this vaccine, and we thank Bavarian Nordic for their collaboration and support. Importantly, this vaccine provided a clinical Phase III validation of our platform technology, ExpreS2, which enables the expression of complex and multimeric proteins in insect cells. This technology has proven to be versatile, scalable, and cost-effective, and has the potential to address a wide range of unmet medical needs.

We continued to advance our pipeline of innovative vaccines based on our ExpreS2 platform. We are especially excited about our lead asset, ES2B-C001, a therapeutic vaccine for breast cancer that targets the HER2 receptor. This vaccine has shown promising preclinical results in terms of safety, immunogenicity, and anti-tumor activity, and we are considering the initiation of a Phase I clinical trial in 2024, subject to securing the necessary funding. We believe that this vaccine has the potential to offer a new treatment option for patients with HER2-positive breast cancer, a major unmet medical need.

We also made significant progress with our malaria vaccine candidates, which are being developed by the University of Oxford based on our ExpreS2 protein expression platform. These candidates target both the blood stage and the transmission-blocking malaria, and have the potential to prevent clinical malaria and reduce transmission. The Phase I/II clinical trial for these candidates is ongoing, and we expect to report the results in 2024.

Furthermore, we expanded our portfolio of vaccine candidates for other infectious diseases, for example as part of the VICI consortium seeking to develop vaccines for diseases with endemic and pandemic potential, which we added to our pipeline in 2023. We also initiated discovery research for a mucosal influenza vaccine candidate, which is designed to elicit a broad and durable immune response at the site of infection.

To support our growth and development, we successfully completed a rights issue in April 2023, raising SEK 54.5 million in gross proceeds, with an additional SEK 3.4 million raised from associated warrants in September. We also enhanced our communication and engagement with our stakeholders, through various channels such as our website, social media, press releases, and investor events.

Looking ahead, we have a strong technology platform and a clear strategy to achieve our vision of transforming healthcare by developing novel vaccines that are life-saving and improving quality of life around the world. We are grateful for the trust and support of our shareholders, partners, customers, and employees, who are essential to our success. We are excited about the opportunities and challenges that lie ahead, and we are committed to delivering value and innovation to our stakeholders.

Thank you for your continued interest in ExpreS2ion Biotechnologies.

Our business

Strategic objectives

In August, we initiated a review of ExpreS2ion's strategy, pipeline, and organisation, aimed at extending our financial runway. This strategic review led to the evaluation of the ES2B-C001 breast cancer program due to financial limitations. In October of 2023, we concluded this review and established four strategic goals, all underpinning our overall vision to transform healthcare by developing novel vaccines that are lifesaving and improving quality of life across the world.

01

Advancing our proprietary pipeline

Our breast cancer vaccine demonstrates promising pre-clinical results. In 2023, we achieved significant milestones, including safety studies and the initiation of GMP manufacturing. Our next steps involve completing the manufacturing process, preparing the Phase I clinical trial plan, and submitting a clinical trial application. Additionally, ExpreS2ion collaborates with Evaxion A/S on a cytomegalovirus vaccine, utilising a proprietary AI-driven technology platform.

02

Actively drive and intensify collaborative initiatives in the development of vaccines

ExpreS2ion is committed to advancing global health through collaborative vaccine development. Our strategic partnerships drive innovation and impact. Notably, we collaborate with Evaxion on a promising CMV vaccine, contribute to the University of Oxford's malaria projects in clinical development, and actively participate in the VICI-Disease consortium targeting endemic and pandemic diseases. Additionally, our recent exploratory research with the University of Copenhagen focuses on a mucosal influenza vaccine candidate. Together, we strive for breakthroughs that benefit humanity.

03

Achieve proof-of-concept for new vaccine candidates and enhance our platform technology

The Phase III clinical outcomes of the COVID-19 program, along with compelling preclinical safety and efficacy data from the breast cancer project, robustly affirm the efficacy of our ExpreS2 antigen production system in conjunction with AdaptVac's VLP technology. Capitalising on this successful combination, which is characterised by safety, immunogenicity, durability, versatility, scalability, and cost-efficiency, we aim to leverage this technology to address a diverse range of unmet healthcare needs. This approach is geared towards accelerating the development of assets with shorter timelines and cost-effective paths to value creation.

04

Advance contract research (CRO) activities, subject to resource availability

Until 2020, our primary focus was on the Contract Research Organisation (CRO) business, which has played a pivotal role in demonstrating the proof-of-concept of our platform technology across a diverse spectrum of applications. By strategically harnessing the varied portfolios of our CRO clients, this business has the potential to yield valuable licensing opportunities spanning therapeutic areas, ultimately culminating in proof-of-concept achievements and potential royalties in the future.

Proprietary pipeline

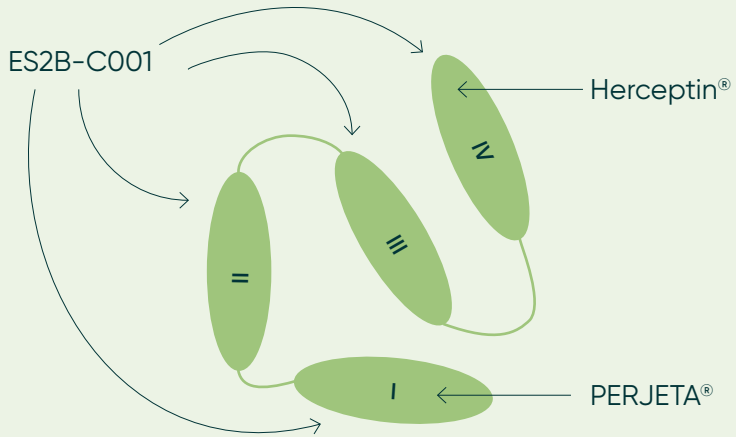
1) Global Data, 2022, for HER2+ breast cancer, 2) Market estimate from Moderna, 41st Annual J.P. Morgan Healthcare Conference (Presentation) 3) Based on data for global market for existing therapies from Future Market Insights

ES2B-C001

Therapeutic HER2+ breast cancer vaccine

Breast cancer: Disease background
Breast cancer, a disease characterised by the uncontrolled growth of breast cells, is a significant global health concern. It is estimated that 1 in 8 women will be diagnosed with invasive breast cancer during their lifetime. In 2020 alone, this disease led to approximately 685,000 deaths worldwide[1]. A crucial aspect of breast cancer is the overexpression of the Human Epidermal growth factor Receptor 2 (HER2), which is observed in approximately 25% of breast cancer tumors[2]. HER2 overexpression is associated with a more aggressive disease, a higher recurrence rate, and increased mortality, making it a critical factor in the prognosis and treatment of breast cancer. The ongoing efforts and investments in combating this disease are reflected in the expected global market size for breast cancer treatments, which is projected to reach $32 billion by 2026[3]. This underscores the importance of continued research and innovation in the fight against breast cancer.

ExpreS2ion's vaccine target is aimed at generating a broader immune response by targeting the entire HER2 extracellular domain



[1] Breast Cancer Research Foundation (https://www.bcrf.org/breast-cancer-statistics-and-resources) [2] Mitri Z et al. The HER2 Receptor in Breast Cancer: Pathophysiology, Clinical Use, and New Advances in Therapy (Chemother Res Pract. 2012; 2012: 743193)
[3] Mordor Intelligence, breast cancer therapeutics market, 2021.

Standard of care

Current standard of care limitations

In the current landscape of breast cancer treatment, monoclonal antibodies (mAbs) and Antibody-Drug Conjugates (ADCs) have emerged as dominant therapies. However, these treatments are not without their limitations, and there is a clear need for continued innovation in this field.

1. **Resistance to monoclonal antibodies**
   A significant challenge with mAbs is the development of resistance over time. This resistance can render the treatment ineffective, leading to disease progression and limiting the therapeutic options available to patients.

2. **Repeated intravenous infusions required**
   The administration of these therapies often requires repeated intravenous infusions. This process is not only time-consuming for patients but also places a substantial resource burden on healthcare facilities. The need for frequent hospital visits can also impact the quality of life for patients.

3. **Potential for a range of toxicities**
   Treatment can cause a range of toxicities, some of which can be severe. These side effects can negatively impact patient health and well-being, and in some cases, may lead to discontinuation of therapy.

4. **High cost**
   The high cost of these therapies can pose a significant barrier to access and burden on health care systems.

Potential ES2B-C001 advantages

ES2B-C001, our novel HER2 breast cancer vaccine, holds significant promise for improving patient treatment outcomes.

1. **Efficacy in resistant cells**
   In vitro testing has demonstrated that ES2B-C001 is effective against HER2+ human breast cancer cells, even those that have developed tolerance to prevailing monoclonal antibody therapies. This suggests that ES2B-C001 could provide a viable treatment option for patients who have become resistant to current therapies.

2. **Improved dosing schedule and process**
   The dosing schedule and process for ES2B-C001 are expected to be less time-consuming and expensive compared to existing treatments. This would not only reduce the burden on healthcare systems but also improve patient compliance and quality of life.

3. **Favourable safety profile**
   ES2B-C001 utilises a virus-like particle delivery vehicle, which has a favourable safety profile compared to other vaccine types. This could potentially lead to fewer side effects and improved patient tolerance.

ES2B-C001

Progress in 2023

In 2023, we made significant progress in the development and manufacturing of the ES2B-C001 breast cancer vaccine. Throughout the year, we focused on testing and optimising the manufacturing process, including conducting an engineering run. This phase of manufacturing is crucial as it includes steps like process validation and optimisation, and quality control testing. In parallel, we also conducted toxicology studies to evaluate the safety of the drug in the closest human homologue available.

In August, our Board decided to assess strategic options for the ES2B-C001 project. This decision was made with the aim of conserving capital resources to further advance our exploratory vaccine pipeline and technology platforms. We published our Q3 '23 results in November and announced the outcome of our strategic review, including a two-pronged approach of continuing to develop ES2B-C001 with the intention of entering the clinic, while initiating the evaluation of partnership and divestment opportunities for ES2B-C001.

Looking forward

By the end of the year, we were making preparations to produce the final drug substance, which is the manufacturing of the active pharmaceutical ingredient. The remaining steps include assembly into the final drug product, which includes inactive ingredients as well as placement in the final form - a vial - with all appropriate packaging, labeling and quality control tests. Moreover, the final report for the toxicology studies were completed in April 2024.

We are proud of the progress we have made with ES2B-C001 and look forward to continuing our work in the coming year.

Key achievements in 2023

Platform validation

Validated ES2B-C001 technology through conclusion of ABNCoV2 Phase III clinical trial and Phase II durability study

Proof-of-concept studies

Conducted by University of Bologna on ExpreS2ion's behalf

Building awareness

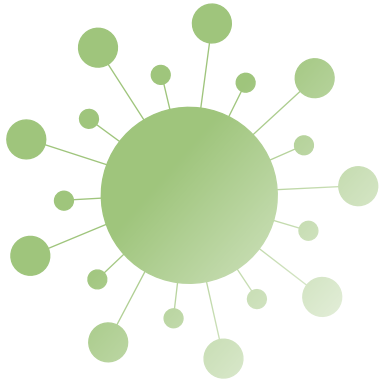
Presented promising data from the proof-of-concept studies at the American Association for Cancer Research meeting in Orlando, Florida

Manufacturing

Completed process transfer, analytical method development, engineering run, and viral clearance study

Preclinical pharmacology

Initiated safety studies in two species, completing the studies in one species



Advancing our proprietary pipeline

ES2B-I002 cytomegalovirus vaccine candidate

Cytomegalovirus: Disease background

Cytomegalovirus (CMV) is a member of the herpesvirus family, and it is a very common infection, with half of the US population being infected by the age of 40[1]. The virus is transmitted in body fluids, and once infected, the virus stays for life. In a healthy person, the body's immune system is able to control the viral infection. People with weakened immune systems, including organ transplant patients, can develop severe symptoms affecting, for example, eyes, lungs, and liver, and congenitally infected babies may suffer from intellectual disability and loss of vision and hearing.

ES2B-I002

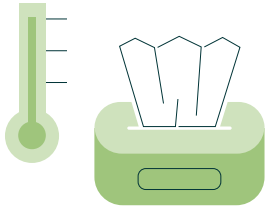
ES2B-I002 is a collaboration between ExpreS2ion and Evaxion Biotech A/S. The collaboration combines ExpreS2ion's ExpreS2 platform and resources for vaccine development and production with Evaxion's artificial intelligence (AI) platform for vaccine candidate discovery and state-of-the-art preclinical 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 are divided 50/50 between the parties until 2025.

2023 progress

In 2023, our progress was marked by significant achievements across various key milestones. First and foremost, we successfully established a Standard Operating Procedure (SOP) for High Throughput Method Analysis, streamlining the selection of antigens. This milestone ensures a systematic and efficient approach to our antigen identification process. Additionally, our team has made considerable advancements in platform optimisation. Notably, the valuable learnings accumulated have been integrated into the design of the CMV vaccine construct, a pivotal step towards ensuring the effectiveness of our vaccine. Furthermore, the selection of antigens, achieved through a combination of Evaxion's cutting-edge EDEN AI platform and extensive literature review, represents a crucial advancement in our vaccine development strategy.

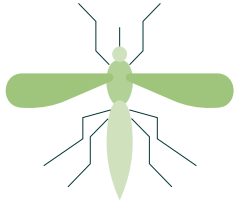
[1] Centers for Disease Control & Prevention (https://www.cdc.gov/cmv/index.html).

Collaboration project updates



MucoVax mucosal influenza vaccine

In 2023, ExpreS2ion made significant progress in the development of the MucoVax mucosal influenza vaccine. Notably, in March, the MucoVax consortium, comprised of ExpreS2ion and the University of Copenhagen, secured an Innovation Fund Denmark (IFD) Grand Solutions grant, marking the initiation of a 5-year research collaboration between ExpreS2ion and the University of Copenhagen. The grant, which covers 71% of the research project, amounting to 29 MDKK (approx. 43 MSEK), supports the development of novel platforms for universal mucosal vaccines. Subsequently, ExpreS2ion commenced the project, focusing on the design of antigens, mucosal delivery platforms, and constructs.



University of Oxford malaria vaccine candidates

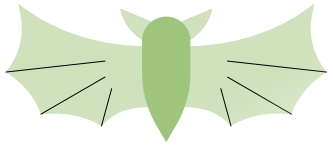
Our ExpreS2 technology continues to play a pivotal role in the success of four clinical-stage malaria vaccine projects led by the University of Oxford, each demonstrating significant progress.

These advancements represent a significant stride forward in malaria vaccine development, with ExpreS2ion's technology contributing to the manufacturing process based on Drosophila S2 insect cells. Importantly, these initiatives are financed by grants awarded to the University of Oxford and its collaborative partners. Ongoing efforts aim to facilitate further development and clinical testing in developing countries, underscoring ExpreS2ion's dedication to advancing accessible healthcare solutions worldwide.

University of Oxford malaria vaccine candidates

Trial abbreviation	Phase	Sites	Vaccines in trial	Trial status	Year started
VAC089	Ia	Oxford, UK	RH5.1 in Matrix-M R78C in Matrix-M	Vaccinations on-going	2023
VAC086	Ib	MRC Unit, The Gambia	RH5.2 VLP in Matrix-M R21 VLP in Matrix-M	Vaccinations on-going	2023
VAC091	IIb	IRSS CRUN Burkina Faso	RH5.1 in Matrix-M RH5.2-VLP in Matrix-M	Vaccinations on-going	2023
BIO-001	I/IIa	Oxford, UK	RH5.2 VLP in Matrix-M RH5.1 in Matrix-M	Screening & vaccinations on-going	2023
BIO-002	I	Sheffield, UK	RH5.1 in Matrix-M	Vaccinations on-going	2023
BIO-003	I	IHI Bagamoyo Tanzania	RH5.1 and R78C with Matrix-M	In set-up	N/A

Collaboration project updates



VICI-Disease consortium

ExpreS2ion is pleased to have secured an 8 million EUR Horizon Europe grant for the VICI-Disease consortium, aimed at developing a vaccine against the Nipah virus. The grant, where ExpreS2ion's direct contribution constitutes 53% of the project costs, aligns strategically with our goal of advancing assets efficiently using the ExpreS2 platform. This non-dilutive funding is of significant importance, dovetailing seamlessly with ExpreS2ion's new strategic direction, which prioritises shorter development timelines and cost-effective approaches to value creation.

The collaborative effort involves leading experts within the VICI-Disease consortium, including ExpreS2ion, AdaptVac, Friedrich-Loeffler-Institut, Radboud University Medical Center, and University of Copenhagen, where the latter serves as the project coordinator. The consortium's collective expertise spans critical areas of viral vaccine research and development, incorporating validated experience in manufacturing a Nipah virus vaccine. Noteworthy partners such as NIH/NIAID, PSG Institute of Medical Sciences and Research, and Centre de Recherches Médicales de Lambaréné further contribute to the success of this grant-sponsored development project.

ExpreS2 platform

We create the antigen, so the body creates the antibody to fight infection.

ExpreS2ion Biotechnologies has developed a proprietary protein expression platform, ExpreS2, based on engineered *Drosophila* Schneider-2 (S2) cells. This platform serves recombinant protein production needs in the biopharmaceutical industry as well as in academia.

The ExpreS2 platform has been used successfully for the development and production of hard-to-express proteins for over a decade. It boasts a success rate above 90 percent, with over 500 proteins expressed. The platform offers additional advantages such as a rapid delivery process of 3-6 months, and a high batch-to-batch consistency.

Core to our vaccine pipeline

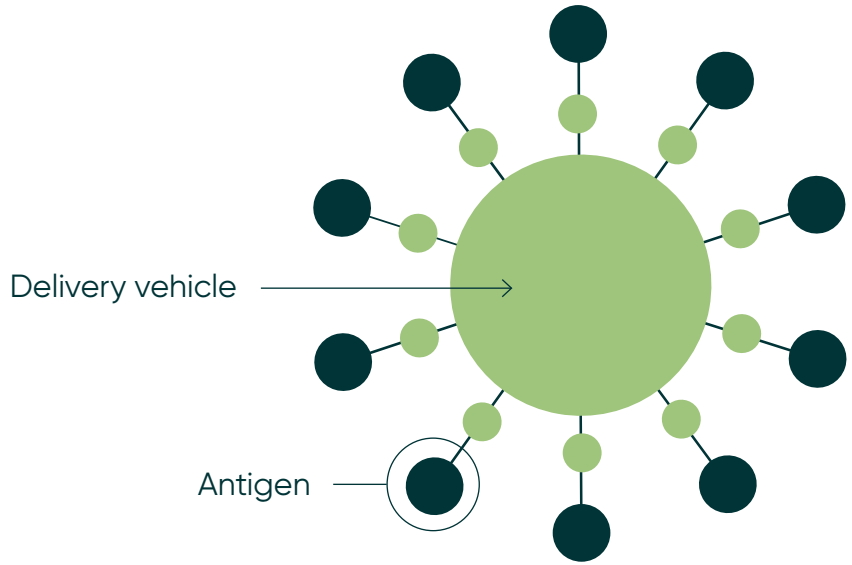
The ExpreS2 platform is used in ExpreS2ion's most valuable development programs, including the Company's own ES2B-C001 HER2 breast cancer vaccine programme, as well as in several malaria vaccine partner projects and the influenza vaccine project developed within the INDIGO consortium. The platform is also used in ExpreS2ion's CRO services.

Competitive advantages

The synthesis of complex antigens necessitates the use of either insects or mammalian cells. The ExpreS2 system, however, merges the benefits of both, optimising both the effort involved and the quality of the resulting product. Our template method for vaccine production has been thoroughly vetted through a multitude of projects, proving its efficacy particularly in epidemic situations. This approach offers significant advantages in responding to such health crises.

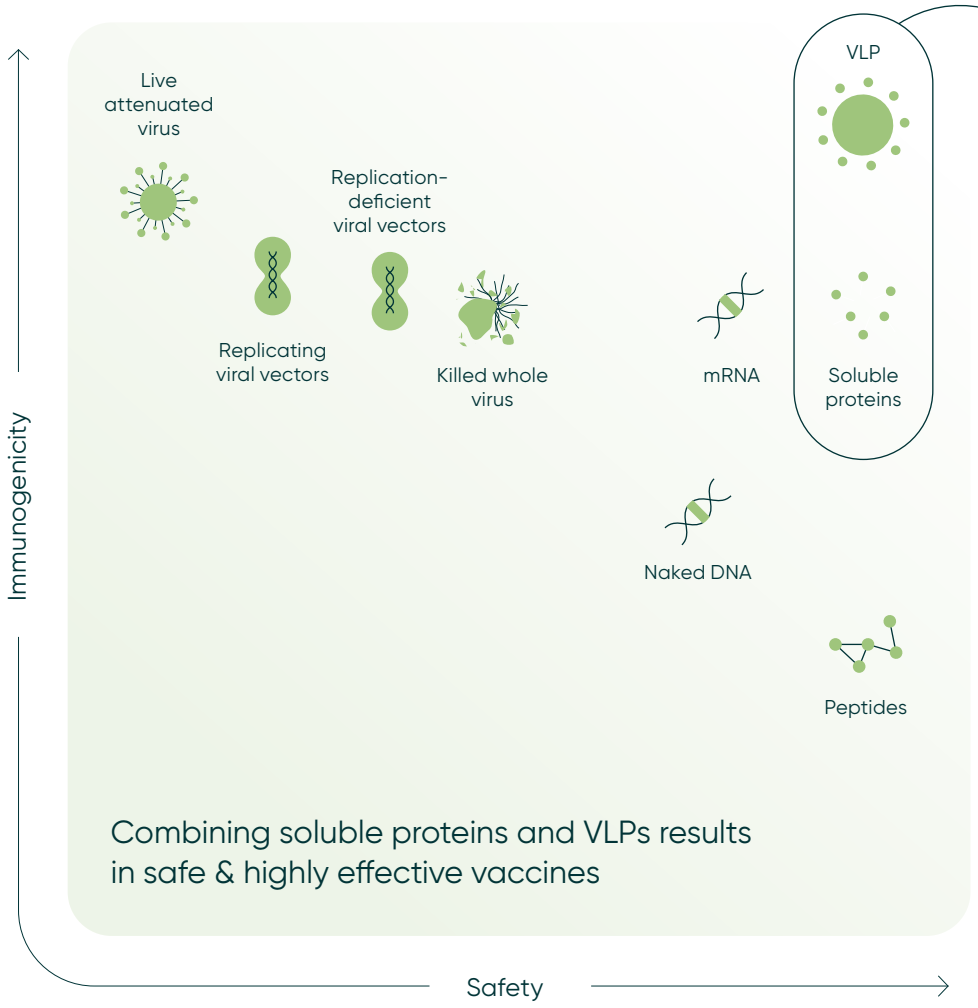
The system provides homogeneous manufacturing batches, a requirement in pharmaceutical development. The platform includes our patented expression vectors, which were developed, among other things, to make it possible for the cells to generate higher yields.

Since 2019, our offering to the biopharma sector has included glyco-engineered S2 cell lines under the GlycoX-S2™ brand. This allows for functional modification, e.g., by enhancing immunogenicity or improving pharmacokinetics.



Higher immunogenicity

In addition to its current advantages, the ExpreS2 platform can also be 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 immunisation levels compared to regular versions of the same proteins.



ExpreS2-produced antigens have been combined with VLPs and used on their own

ExpreS2 platform proofs-of-concept

+ numerous additional pharmaceutical and biotech company protein projects.

The ExpreS2 platform has been validated through Phase III clinical development, providing a testament to its potential. With its versatility and efficacy, it has become a pivotal player in various stages of clinical trials for diseases like influenza, cytomegalovirus, HER2+ breast cancer, malaria, and COVID-19. Collaborations with renowned institutions underscore its impact, making it a powerful tool in the pursuit of innovative treatments.

Discovery	Lead optimisation	CTA-enabling	Phase I	Phase II	Phase III – *Validated*
 **Influenza** Through partnership with Copenhagen University	 **Cytomegalovirus** ExpreS2ion has first right to license	 **HER2+ Breast Cancer** Wholly-owned by ExpreS2ion	 **4 x malaria** Under development by Oxford University	 **2 x malaria** Under development by Oxford University	 **COVID-19** Licensed to Bavarian Nordic; met Phase III primary endpoint
 **Nipah** Through participation in VICI consortium	 **Influenza** Through participation in INDIGO consortium				

Contract research organisation (CRO)

Since our founding in 2010, ExpreS2ion has been successfully developing and producing hard-to-express proteins. Our track record speaks for itself - over 500 different proteins expressed and a success rate above 90 percent.

Until 2020, the CRO business was our primary focus and it has provided crucial proof-of-concept of our platform technology across a broad range of applications.

In 2023, net sales from the CRO business increased 39%, driven by growth in large projects with both profitability and strategic value.

By leveraging the diverse businesses of our CRO clients, this business can create valuable licensing opportunities across therapeutic areas that lead to proof-of-concept and royalties in the future.

CRO business income increased

39%

in 2023

ExpreS2ion generates revenue through its CRO in several ways:

- Fee-for-service contract research and products related to recombinant protein expression.
- Outlicensing the ExpreS2 platform to research institutes and pharmaceutical companies engaged in biopharmaceutical drug and vaccine development, either independently or in partnership with the Company.
- Selling ExpreS2 test kits and reagents for research purposes or diagnostic applications

Environmental, social and governance considerations

ExpreS2ion considers environmental, social, and governance principles in several of its activities. The areas most relevant to ExpreS2ion are prioritising animal welfare, protecting biodiversity, conducting business ethically, improving employee well-being, developing our employees, and reducing environmental impact.

Contribution to U.N. Sustainable Development Goals

ExpreS2ion, a company driven by a mission to enhance global health, is dedicated to advancing the United Nations' Sustainable Development Goal 3: 'Good Health and Wellbeing.' This goal seeks to ensure healthy lives and promote well-being for all individuals, regardless of age. ExpreS2ion's strategy involves a multi-disease approach, focusing on the development and deployment of effective, safe, cost-efficient, and scalable vaccines. These vaccines are designed to combat a wide range of disorders, from various types of cancer to infectious diseases, including pandemics such as COVID-19, influenza, and Nipah virus, as well as tropical diseases prevalent in developing countries, like malaria. In doing so, ExpreS2ion is actively addressing several targets of Goal 3, including ending the epidemics of diseases like malaria by 2030 (Target 3.3), supporting the research and development of vaccines and medicines for diseases primarily affecting developing countries (Target 3.11), and striving to achieve universal health coverage, including access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all (Target 3.8).

Animal welfare

The vendors selected for animal testing of ES2B-C001 exemplify excellence in animal testing principles, adhering to various globally recognised standards. The company conducting toxicology studies adheres to Global Animal Welfare (GAW), the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC), and the French Ministry of Agriculture (DDPP). The University of Bologna, which conducted preventative and therapeutic studies, has an ethics committee whose duty is to ensure that research projects which involve animal testing are ethically and scientifically acceptable, in accordance with the applicable legislation, and follows EU legislative decree 26/2014 of the European Parliament and of the Council on the Protection of Animals Used for Scientific Purposes.

Diving deeper into the animal welfare practices at the company conducting the toxicology studies, they not only comply with regulatory requirements but also foster a "culture of care" within their facilities. With dedicated animal welfare specialists on staff, they provide support and guidance, ensuring the well-being of animals throughout the testing process. A commitment to ongoing education is evident, with annual animal welfare training requirements for all personnel at their sites.

In addition to these proactive measures, the vendor implements a comprehensive animal enrichment program tailored to each species. This program includes species-dependent group activities, exposure to music, regular exercise, and the provision of treats, contributing to the overall well-being of the animals involved. Rigorous monitoring of animal behavior for signs of distress further exemplifies the commitment to their care.

Our vendor's ethics committee operates in accordance with Directive 2010/63/EU of the European Parliament and of the Council on the protection of animals used for scientific purposes, as well as the French Décret of 1st February 2013. By selecting vendors which adhere to these robust ethical guidelines, we affirm our dedication to the responsible and humane treatment of animals in scientific research, fostering a culture of integrity and compassion within our organisation.

Biodiversity
ExpreS2ion underscores its commitment to biodiversity conservation by conscientiously avoiding testing on at-risk species. Our ethical stance towards research and development is firmly rooted in a profound respect for the diverse ecosystems and the species that inhabit them. Recognising the crucial role biodiversity plays in sustaining a healthy planet, we adhere to stringent practices that safeguard at-risk species from unnecessary testing procedures.

By consciously excluding such species from our testing protocols, we contribute to the preservation of biodiversity and underscore our dedication to responsible and ethical scientific practices. This approach aligns with industry best practices and reflects our ongoing efforts to foster a harmonious balance between scientific innovation and environmental conservation. At ExpreS2ion, we take pride in conducting our research with utmost consideration for the intricate web of life, affirming our commitment to a sustainable and ethically sound biotech industry.

Business ethics
As a publicly traded company on the Nasdaq First North exchange, we adhere to corporate governance requirements, ensuring transparency, accountability, and responsible conduct in our operations.

Compliance with the Nasdaq First North Growth Market listing requirements, adherence to K3 accounting standards, and the conduct of an annual audit by a professional Auditor are integral components of our commitment to robust corporate governance. These practices not only bolster the reliability of our financial reporting but also underscore our dedication to maintaining the trust of our stakeholders.

In addition to the regulatory requirements, ExpreS2ion has implemented a comprehensive set of governance policies covering various aspects, including Board rules of procedures, CEO instructions, information and communications, confidentiality, Board minutes, and registration of insider transactions. These policies serve as a proactive framework, fostering a culture of integrity, accountability, and ethical conduct within the organisation.

Employee well-being
Striving for employee well-being, ExpreS2ion prioritises adhering to guidelines set by Arbejdstilsynet, the Danish Working Environment Authority. From routine safety inspections and comprehensive training on hazard handling to fostering open communication with inspectors, they cultivate a proactive approach to occupational health. This dedication translates to a work environment that empowers employees, minimises risks, and ultimately fosters a productive and thriving team.

People development

We prioritise the comprehensive growth of our workforce, emphasising their overall development. Our dedication to nurturing talent is evident through accessible training opportunities that we fund. This not only equips our team with vital skills but also fosters a culture of continual learning and advancement.

With a flat organisational structure, we create an environment where employees can assume significant responsibilities early in their careers. This proactive approach not only encourages individual development but also instills a sense of ownership and responsibility.

Moreover, by integrating early career professionals with seasoned experts, we underscore our commitment to knowledge sharing and fostering a collaborative learning atmosphere. Through close collaboration with experienced mentors, we offer invaluable learning experiences that greatly enhance the professional growth of our team members.

Environmental impact

Our commitment to reducing environmental footprint is evident in our practice of autoclaving and pyrolysing all glassware, reducing the need for disposable plastics in the R&D phase. Furthermore, over the past two years, we have undertaken efforts to diminish our use of single-use plastics in cell line development. This involved a significant shift towards plate-based processes, thereby mitigating reliance on traditional and resource-intensive shake flasks.

Furthermore, ExpreS2ion operates in a low-emissions segment of the industry and is therefore not a company with inherently high emissions relative to many others. While mindful of sustainability, ExpreS2ion acknowledges the ongoing journey towards environmental stewardship.

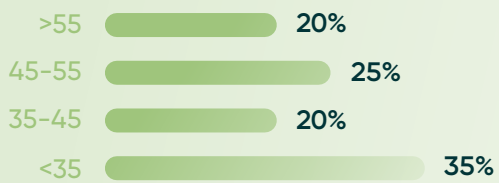
Employees focus
ExpreS2ion is characterised as having a diverse and inclusive team, where individuals from various backgrounds contribute their unique perspectives and talents. Employees thrive in an environment that fosters continuous learning, personal growth, and professional development, creating a collaborative culture that values innovation and creativity. A sense of mutual respect, open communication, and shared values forms the foundation, nurturing a positive and supportive atmosphere conducive to collective success. At the end of 2023, ExpreS2ion had 21 employees.

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 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 the USA.

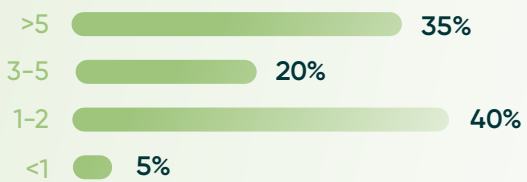
Gender distribution

Management, highest degree achieved

Age distribution

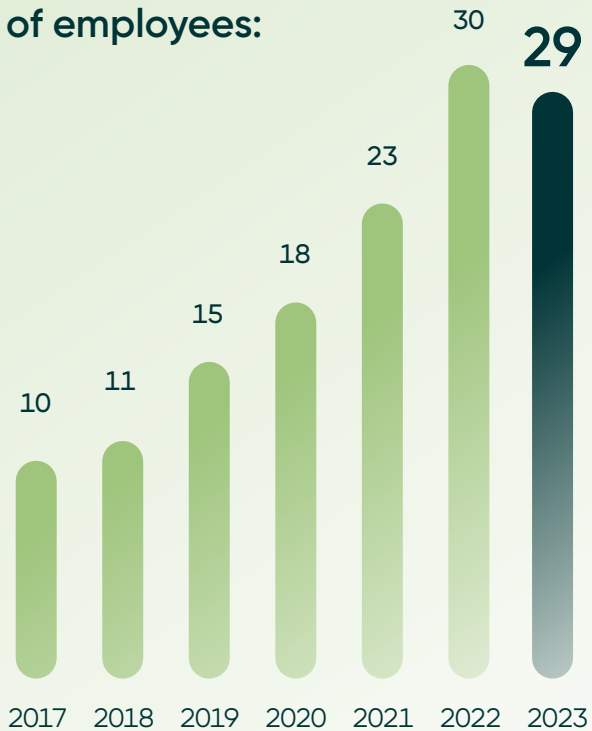


Years with company



29 employees
26 full-time employees
3 part time

Average number of employees:



Our people

Management team

Bent U. Frandsen
Chief Executive Officer

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

Previous assignments/engagements: Mr. 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: Mr. 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: Mr. 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. Farshad Guirakhoo
Chief Scientific Officer

Education: Dr. Guirakhoo earned 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: With 30+ years of experience in vaccine development, Dr. Guirakhoo recently served as Senior Advisor Vaccine Research and Development and CSO at Vaxxinity, Inc., Dallas, Texas. Ranked no. 22 in The Most Influential People in Vaccines in 2014, he co-invented the ChimeriVax™-technology platform, the first recombinant viral vector platform approved for any human vaccine. Dr. Guirakhoo has extensive expertise in genetics, gene expression technologies, and molecular virology, contributing to the production of recombinant proteins, human antibodies, and viral vectored vaccines for preventing and treating infectious diseases and cancers. He authored over 100 peer-reviewed publications and holds numerous 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 11 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.

Board of Directors

Dr. Martin Roland Jensen
Chairman of the Board

Education: Dr. Jensen holds a Master of Science and a PhD in Molecular and Cellular Biology from the University of Copenhagen, Denmark.

Previous assignments/engagements: Dr. Jensen possesses extensive leadership experience in the biopharmaceutical industry and has founded and co-founded several biotech companies as a serial entrepreneur. He has substantial scientific expertise, particularly in immunology, cell biology, and the development of cancer vaccines. Dr. 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 of Cell2Cure ApS, and Co-founder of Unikum Therapeutics ApS. He also serves as Chairman of the Board at ExpreS2ion Biotechnologies ApS.

Dr. Karin Garre
Board Member

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

Previous assignments/engagements: Dr. Garre brings extensive leadership, change management, and drug development experience from over 30 years in the life sciences industry, encompassing roles in pharmaceutical and biotech companies such as Symphogen A/S, Astra A/S, Novo Nordisk A/S, and Genmab A/S. She also served as the Executive Head of the Center of the Capital Region of Copenhagen.

Other material ongoing positions: Associate Partner at Unique Human Capital A/S. She serves as Chair of Bioneer A/S and a Board Member at Cervello A/S and ExpreS2ion Biotechnologies ApS.

Jakob Knudsen
Board Member

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

Previous assignments/engagements: Mr. Knudsen has 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 notably led Corporate Business Development. Furthermore, he has served as CCO and CFO at the Danish pharmaceutical company Egalet Ltd.

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

Sara Sande
Board Member

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

Prior positions/experience: Ms. Sande possesses extensive leadership and top management experience in high-tech B2B companies. She served as Vice President of Cooper Surgical and Head of Grain & Beverages Sales, Europe, at Novozymes.

Other material ongoing positions: Ms. Sande serves as a Board Member at Agreena ApS, Monta ApS, Biosyntia ApS, ExpreS2ion Biotechnologies ApS, and Reduce ApS, and as a board observer at Cellugy ApS and Chromologics ApS. Furthermore, Sara holds the position of Investment Partner at the Export and Investment Fund of Denmark.

Director's report

Directors report

Group structure

ExpreS2ion Biotech Holding AB, a Swedish limited company, has been listed on the Nasdaq First North Growth Market since 2016 (ticker: EXPRS2), with Svensk Kapitalmarknadsgranskning AB (SKMG) serving as its Certified Advisor. The company's sole business activity is to own the subsidiary ExpreS2ion Biotechnologies ApS. Operating as the main entity, ExpreS2ion Biotechnologies ApS is situated in the Scion DTU Science Park, located 20 km north of Copenhagen, Denmark, and was established in 2010. Additionally, ExpreS2ion Biotechnologies ApS holds a 34% ownership stake in AdaptVac ApS, a joint venture formed in 2017 with a group of scientists from the Institute of Immunology and Microbiology at the University of Copenhagen, operating under the entity NextGen Vaccines ApS. AdaptVac owns a virus-like particle (VLP) platform, which is utilised in two of ExpreS2ion's vaccines.

Business description

ExpreS2ion is a biotechnology company that develops innovative vaccines for a healthier world. We want to transform healthcare by developing novel vaccines, that are life-saving and improving quality of life across the world. ExpreS2ion has developed the unique human clinical Phase III-validated technology platform, ExpreS2, for fast and efficient development and production of the active material in vaccines. The platform, under the brand GlycoX-S2™, includes functionally modified glycosylation variants for enhanced immunogenicity and pharmacokinetics. Since 2010, ExpreS2ion has produced more than 500 proteins and virus-like particles (VLPs) in collaboration with leading research institutions and companies. ExpreS2ion develops novel VLP based vaccines in association with AdaptVac ApS, of which ExpreS2ion owns 34%.

Shares

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 ISINcode is SE0008348262. As of 31 December 2023, the number of shares in ExpreS2ion Biotech Holding AB amounted to 51,404,958. The average amount of shares in 2023 amounted to 46,135,024. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

Warrants

As of 31 December 2023, the Company had three active series of warrants issued, all of which are part of incentive programs. These series are identified as TO6, TO7 and TO9. All warrants are subscribed for by the Company's subsidiary ExpreS2ion Biotechnologies ApS.

Main shareholders

List of largest shareholders

Name	Number of shares held	Share of votes and capital
Saxo Bank A/S Client Assets	4,733,611	9.21%
BNY Mellon SA/NV for Jyske Bank	2,866,619	5.58%
The Bank of New York Mellon SA/NV	2,684,947	5.22%
Summary, shareholders over 5%	10,285,177	20.01%
Remaining shareholders under 5%	41,119,781	79.99%
Total 31 December 2023	**51,404,958**	**100.00%**

TO6 (2020/2024)

The TO6 program covers a maximum of 1,000,000 warrants and 906,999 warrants have been transferred to selected employees. Granted and vested warrants can be exercised for the subscription of one (1) share per warrant in the Company in the period from 1 October 2024 up to and including 31 December 2024.

TO7 (2021/2024)

The TO7 program covers a maximum of 1,050,000 warrants and 674,459 warrants have been transferred to selected employees. Granted and vested warrants can be exercised for the subscription of one (1) share per warrant in the Company from 1 June 2024 up to and including 31 August 2024.

TO9 (2023/2026)

The TO9 program covers a maximum of 2,000,000 warrants and 1,660,000 warrants have been transferred to selected employees. Granted and vested warrants can be exercised for the subscription of one (1) share per warrant in the Company in the period from 15 November 2026 up to and including 15 December 2026.

Key figures

Group

KSEK	2023	2022	2021	2020	2019
Operating Income	8,799	6,150	13,730	15,263	13,829
Profit/Loss after financial items	-99,967	-126,581	-47,516	-34,923	-19,641
Total assets	78,692	137,363	151,956	118,858	18,707
Equity/assets ratio	83.1%	75.2%	92.4%	79.5%	-5.8%
Average number of employees	29	30	23	15	15

Parent company

KSEK	2023	2022	2021	2020	2019
Operating Income	558	508	368	335	335
Profit/Loss after financial items	-263,180	-5,213	-5,969	-4,897	-2,181
Total assets	111,924	321,521	253,066	171,445	49,989
Equity/assets ratio	97.7%	99.5%	99.4%	98.8%	89.5%
Average number of employees	0	0	0	0	0

Distribution of dividends

SEK	
Proposed appropriation of earnings	
Retained earnings at the disposal of the Annual General Meeting:	
Share premium fund and retained earnings	366,811,619
Loss for the year	-263,180,010
	103,631,609

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	103,631,609

Risk factors

Risks related to the Company's operations and industry

Key risks	Potential impact	Mitigating factors
Profitability and growth	Persistent losses affect valuation and share price	– Diversify the development pipeline to increase the likelihood of a successful product – Prioritise cost-effective R&D projects
Resource constraints	Internal bandwidth limitations for large-scale activities	– Optimise resource allocation – Prioritise critical development areas – Collaborate strategically with partners and service providors
Costly development	Ambitious programs with high financial burden	– Efficiently manage development costs – Explore funding options and grants – Diversify product portfolio for stability
Clinical trials may prove unsuccessful	Regulatory approvals may not be awarded, affecting market acceptance and commercialisation	– Robust trial design – Collaboration with regulatory agencies – Diversify candidate portfolio – Post-trial data analysis – Transparency and communication
Competition from larger players	Risk of non-competitiveness and limited potential	– Leverage unique technology platform (ExpreS2 and cVLP) – Foster strong relationships with Key Opinion Leaders and seek their advice on product design and strategy – Continuously monitor competitor activities
Regulatory hurdles	Partner failures in obtaining approvals or commercialisation	– Stay informed about regulatory landscape through external experts – Plan contingencies for potential setbacks – Collaborate closely with agencies and authorities
Development of new biopharmaceutical products	High risk of failure, prolonged development times	– Rigorous pre-clinical Evaluation and clinical trials – Diversify product pipeline to spread risk – Collaborate with research partners for expertise
Dependence on key employees	Loss of critical expertise and productivity	– Offer retention incentives, such as an attractive working environment, competitive compensation including share-based incentive compensation, and opportunities to take significant responsibilities early in the career – Implement mentoring and cross-training programs
Partner dependency	Loss of direct control over development and marketing	– Foster strong relationships with partners – Clearly define terms in out-licensing agreements – Monitor development progress closely
Technology dependency	Reliance on AdaptVac's cVLP technology for ABNCoV2 and ES2B-C001	– Ensure robust technology transfer processes – Invest in internal R&D capabilities – Explore partnerships for technology diversification

Financial risks

Key risks	Potential impact	Mitigating factors
Funding shortfall	Inability to finance research and clinical development	– Diversify funding sources beyond equity into grants – Seek to out-license assets at an earlier stage
Increasing burn rate	Financial strain due to operational costs	– Optimise operations to reduce expenses – Closely monitor costs
Equity dependency	Reliance on equity for funding	– Prepare contingency plans if equity funding is not available – Maintain transparent communication with shareholders
Grant funding uncertainty	Inability to secure government grants	– Explore multiple funding sources beyond grants, including but not limited to equity and debt

Legal and regulatory risks

Key risks	Potential impact	Mitigating factors
Limited cVLP platform control	Uncertain access to cVLP platform	– Collaborate closely with AdaptVac to secure cVLP access – Explore alternative platforms
Collection, storage, and processing of sensitive personal data	Risk of data breaches, privacy violations, and reputational damage	– Implement robust encryption, access controls, and regular security audits – Educate staff on data protection protocols
Freedom to operate (FTO)	Risk of patent infringement, legal penalties, and market access limitations	– Conduct thorough searches to identify existing IP rights that could be infringed – Patent landscape analysis – Early Assessment: Evaluate FTO risks before significant investment in product development – Seek legal advice on potential conflicts and licensing terms
Unwanted side effects or harm to patients during clinical trials	Substantial liability for damages	– Accurate risk assessment during product development – Obtain comprehensive clinical trial insurance

Risks related to the Company's shares

Key risks	Potential impact	Mitigating factors
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	Limited opportunity for shareholders to sell holdings	– Enhance Market Visibility: Actively engage with investors, analysts, and media to increase awareness about ExpreS2ion. Regularly communicate company updates, achievements, and milestones to maintain investor interest. – Liquidity Management: Monitor trading volumes and liquidity trends. Implement strategies to enhance liquidity, such as collaborating with market makers or exploring additional trading platforms. – Risk Communication: Clearly disclose the risks associated with share trading in company reports, prospectuses, and investor presentations. Educate shareholders about the potential impact of illiquidity and volatility. – Insurance Coverage: Evaluate the need for specialised insurance coverage related to share trading. Consider obtaining a policy that addresses market-specific risks and potential legal liabilities. – Geopolitical Risk Assessment: Stay informed about external factors (e.g., global events, economic conditions) that may impact share liquidity. Assess geopolitical risks and adapt risk management strategies accordingly.

Financial highlights

Financial Overview

Operating income

Total operating income in 2023 amounted to SEK 8.8 million, representing a 43% increase from the previous year. This growth was primarily driven by a 39% increase in net sales from client projects, licenses, and web store purchases compared to 2022. Other operating income, mainly grants, also increased by 64%, although it constituted a smaller proportion of the total operating income.

Profit/Loss for the Period

The net loss for 2023 was SEK -91.4 million, compared to SEK -118.6 million in 2022. The reduction in losses was attributed to a SEK 19.9 million decrease in R&D costs, primarily related to preclinical development and manufacturing of the breast cancer vaccine candidate ES2B-C001, as well as a SEK +2.5 million increase in total operating income. However, this positive trend was partially offset by a SEK +2 million increase in personnel costs. Additionally, income from financial investments increased by SEK 5 million, driven by a SEK +4.6 million reversal of impairment in associated companies.

Financial position

The Company 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 develop- ment 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 2024. This will be in the form of the company's issuance of new shares. Additional potential sources of long-term funding include grants, entering license and research and development collaboration agreements, expense management activities, and some combination of those sources.

Major changes to the business operations during the year

Evaluation of strategic options for breast cancer vaccine candidate

In August, the Company announced that the Board decided to assess strategic options for the ES2B-C001 breast cancer project, aimed at conserving capital resources to further advance the company's exploratory vaccine pipeline and technology platforms.

The decision followed initial considerations taking into account limited funding options in challenging capital markets, an expected delay in the clinical trial application (CTA) due to the need for further GMP manufacturing preparations, and anticipated clinical development costs that cannot be committed without the company having secured sufficient funding to complete patient treatments in the ES2B-C001 first-in-human study. ExpreS2ion then started to investigate its strategic options for the ES2B-C001 project and initiated a cost reduction program. Certain activities to advance the breast cancer program towards CTA readiness continued, including the ongoing GLP preclinical safety toxicology study.

Partially guaranteed rights issue of approximately SEK 54.5 million

In April, the Company announced it had completed the 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 used. Through the Rights Issue, the Company initially received proceeds of approximately SEK 54.5 million before deduction of costs. If all warrants of series TO 8 issued in the Rights Issue had been exercised for the subscription of shares at an exercise price corresponding to the subscription price in the Rights Issue, the Company would have received additional proceeds of approximately SEK 54.5 million before deduction of issue costs.

Warrant subscription

In September, the Company announced the outcome of the exercise of warrants of series TO 8 , which were issued in connection with the Company's rights issue of units in April 2023. In total, 2,155,191 Warrants were exercised, corresponding to approximately 18.5 percent of the total number of outstanding Warrants, for subscription of 2,155,191 shares at an exercise price of SEK 1.57 per share. ExpreS2ion received approximately SEK 3.4 million before issuing costs through the exercise of the Warrants.

Initiation of MucoVax mucosal influenza vaccine project

In March, the Company announced that the MucoVax consortium was 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. The project was initiated in the first half of 2023.

Initiation of VICI epidemic and pandemic disease vaccine project

In December, the Company announced the award of a Horizon Europe grant amounting to 8 million EUR, approximately 90 million SEK, to the VICI-Disease consortium, of which 53% is direct contribution for ExpreS2ion's part of the project costs. The aim is to obtain clinical proof-of-concept of a Nipah virus (NiV) vaccine candidate within four years. The project will commence in early 2024.

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

COVID-19

In 2023, the COVID-19 pandemic waned in terms of impact worldwide, and countries started to reduce their pandemic response efforts. Regulators became more focused on polyvalent vaccines developed specifically with the latest variants targeted. Governments reduced the amount of vaccine they were stockpiling. Some countires continued to offer vaccination for all citizens while others focused on at-risk groups.

ExpreS2ion's associated company AdaptVac ApS outlicensed the COVID-19 vaccine candidate ABNCoV2 to Bavarian Nordic. In April of 2024, ExpreS2ion announced that it has been notified by the Board of Directors of AdaptVac of the resolution to pay a dividend of DKK 42.5 million to its owners. As a result of ExpreS2ion Biotechnologies ApS holding a 34% stake in AdaptVac ApS, ExpreS2ion will receive approximately DKK 14.5 million. Bavarian Nordic has decided not to commercialise the product, despite strong durability, safety and efficacy results, albeit against older variants.

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.

In the fiscal year of 2023, the exchange rate between the Swedish Krona (SEK) and the Danish Krone (DKK) experienced some fluctuations. The highest recorded exchange rate was 0.6759 DKK/SEK on December 22, 2023. On the other hand, the lowest point was reached on August 21, 2023, with an exchange rate of 0.6243 DKK/SEK. The average exchange rate over the year was 0.6496 DKK/SEK. Overall, the Swedish Krona increased in value compared to the Danish Krone by 0.61% in 2023. It's important to note that exchange rates can fluctuate due to a variety of factors including inflation rates, interest rates, government debt, and political stability.

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 conduct a clinical trial 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 2023, 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.

Share-based compensation

In 2023, 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. 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.

Significant changes to the ownership structure during the year

Throughout 2023, 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 Danish investors (+3.4%) and investors outside of Denmark and Sweden (+0.8%), offset by a decrease in the percentage of shares held by Swedish investors (-4.1%).

Financial position and liquidity resources

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, to prepare for new financing transactions and/or enable the Executive Management to take relevant tactical or strategic actions to allow the Group and the Company to continue its research and development activities as planned as a going concern.

ExpreS2ion, considering its net current assets, forecasted cash requirements and dividend from investment in participating interests to be received, has sound liquidity to fund its operations as planned through 2024.

In addition, the company plans to obtain additional long-term sources of funding in 2024. This will be in the form of the company's issuance of new shares. As announced on 2 May 2024, ExpreS2ion's Board of Directors has, subject to subsequent approval by the Annual General Meeting to be held on 5 June 2024, resolved on a rights issue of units consisting of shares and warrants of series TO 10 and warrants of series TO 11, with preferential rights for existing shareholders, amounting to approximately SEK 60 million. The Company has received subscription intentions and guarantee commitments to an approximate amount of SEK 30 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 for (i) ES2B-C001 clinical phase initiation and progression, (ii) early preclinical development of a cytomegalovirus vaccine candidate, (iii) internal costs related to grant-sponsored projects and (iv) working capital including discovery pipeline and platform development.

Additional potential sources of long-term funding include grants, entering license and research and development collaboration agreements, expense management activities, and some combination of those sources. The Board of Directors and Executive Management believe it is probable that liquidity resources can be obtained to enable the Group and the Company to continue its activities as planned beyond 2024.

Financial statements

Contents

Group

Income statement

KSEK	Note	2023	2022
Operating income			
Net sales	4	7,050	5,086
Other operating income	5	1,749	1,064
Total operating income		**8,799**	**6,150**
Operating costs			
Raw materials & consumables		-3,647	-5,081
Research & development costs		-51,419	-71,324
Other external costs	6	-14,808	-14,826
Personnel costs	7	-43,289	-41,309
Depreciation of tangible & intangible fixed assets		-1,601	-1,216
Total operating costs		**-114,764**	**-133,756**
Operating profit/loss		**-105,965**	**-127,606**
Result from financial investments			
Results in associated companies	8	4,588	0
Other interest income & similar items	9	1,911	1,896
Interest expense & similar items	10	-501	-871
Total result from financial investments		**5,998**	**1,025**
Profit/loss after financial items		**-99,967**	**-126,581**
Income tax on the result for the period	11	8,566	7,976
Profit/loss for the period		**-91,401**	**-118,605**

Balance sheet

KSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Concessions, patents, licenses, trademarkets and similar intellectual rights	12	2,473	2,953
Total non-current intangible assets		**2,473**	**2,953**
Plants and machinery	14	1,769	910
Total non-current tangible assets		**1,769**	**910**
Interest in associated companies	15	4,462	25
Other long-term receivables	16	1,321	1,532
Total non-current financial assets		**5,783**	**1,557**
Total non-current assets		**10,025**	**5,420**
Accounts receivable		950	826
Tax receivables		8,203	8,249
Other receivables		1,402	1,719
Prepaid expenses and accrued income	17	515	10,175
Total receivables		**11,070**	**20,969**
Cash and bank		57,597	110,974
Total current assets		**68,667**	**131,943**
Total assets		**78,692**	**137,363**

KSEK	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Share capital		5,712	4,179
Other capital contributions		529,752	338,651
Other equity including net loss for the period		-470,100	-239,503
Total equity	18	**65,364**	**103,327**
Provision for taxes	19	510	608
Total provisions		**510**	**608**
Other long-term liabilities	20	1,436	2,002
Total long-term liabilities		**1,436**	**2,002**
Liabilities to credit institutions		275	1,763
Accounts payable		1,837	12,152
Other liabilities		9,270	17,511
Total short-term liabilities		**11,382**	**31,426**
Total equity and liabilities		**78,692**	**137,363**

Changes in equity

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 1 Jan 2023	**4,179**	**338,651**	**-239,503**	**103,327**
Issuance of new shares	1,533	59,186		60,719
Issuing expenses		-10,484		-10,484
Vesting of share-based compensation		2,393		2,393
Exchange difference for the period			810	810
Profit-loss for the period			-91,401	-91,401
Total equity as of 31 Dec 2023	**5,712**	**389,746**	**-330,094**	**65,364**

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 1 Jan 2022	**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 31 Dec 2022	**4,179**	**338,651**	**-239,503**	**103,327**

As of December 31, 2023, the number of shares outstanding was 51,404,958 (37,606,796), with a quota value of SEK 0.1111 per share.

Cash flow statement

KSEK	Note	2023	2022
Operating profit/loss		-105,965	-127,606
Adjustments for items not included in the cash flow	21	4,030	10,816
Received interest		1,911	1,896
Interest paid		-631	-2,720
Income tax received		8,466	3,589
Cash flow from operating activities before changes in working capital		**-92,189**	**-114,025**
Decrease(+)/increase(-) of current receivables		8,625	-8,187
Decrease(+)/increase(-) of current liabilities		-17,323	22,598
Cash flow from operating activities		**-100,887**	**-99,614**
Investments in tangible non-current assets		-2,015	-383
Other investing activities		0	105,708
Cash flow from investing activities		**-2,015**	**105,325**
Leasing agreement		1,465	-524
Loans		-3,864	-1,791
Issuance of new shares		60,719	75,960
Costs of issuing shares		-10,484	-12,185
Cash flow from financing activities		**47,836**	**61,460**
Cash flow for the period		**-55,066**	**67,171**
Cash and cash equivalents at the beginning of the period		110,974	37,111
Exchange difference cash and cash equivalents		1,689	6,692
Cash and cash equivalents at the end of the period		**57,597**	**110,974**

Parent

Income statement

KSEK	Note	2023	2022
Operating income			
Net sales	4	558	508
Total operating income		**558**	**508**
Operating costs			
Other external costs	6	-5,447	-4,901
Personnel costs	7	-1,181	-2,325
Total operating costs		**-6,628**	**-7,226**
Operating profit/loss		**-6,070**	**-6,718**
Result from financial investments			
Result in group companies		-257,800	0
Other interest income & similar items	8	836	1,543
Interest expense & similar items	9	-146	-38
Total result from financial investments		**-257,110**	**1,505**
Profit/loss after financial items		**-263,180**	**-5,213**
Income tax on the result for the period	10	0	0
Profit/loss for the period		**-263,180**	**-5,213**

Balance sheet

KSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Shares in group companies	14	108,373	321,472
Total financial non-current assets		**108,373**	**321,472**
Total non-current assets		**108,373**	**321,472**
Tax receivables		15	14
Other receivables		134	110
Prepaid expenses and accrued income	16	0	101
Total receivables		**149**	**225**
Cash and bank		3,402	-176
Total current assets		**3,551**	**49**
Total assets		**111,924**	**321,521**

KSEK	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Share capital		5,712	4,179
Restricted equity		**5,712**	**4,179**
Share premium fund and retained earnings		366,813	320,931
Profit/loss for the period		-263,180	-5,213
Unrestricted equity		**103,633**	**315,718**
Total equity		**109,345**	**319,897**
Payables to group companies		2,078	1,141
Other liabilities		501	483
Total short-term liabilities		**2,579**	**1,624**
Total equity and liabilities		**111,924**	**321,521**

Changes in equity

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 1 Jan 2023	**4,179**	**332,110**	**-16,392**	**319,897**
Issuance of new shares	1,533	59,186		60,719
Issuing expenses		-10,484		-10,484
Vesting of share-based compensation		2,393		2,393
Profit-loss for the period			-263,180	-263,180
Total equity as of 31 Dec 2023	**5,712**	**383,205**	**-279,572**	**109,345**

KSEK	Share capital	Other capital contributions	Other equity including net profit for the period	Total equity
Opening balance as of 1 Jan 2022	**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 31 Dec 2022	**4,179**	**332,110**	**-16,392**	**319,897**

As of December 31, 2023, the number of shares outstanding was 51,404,958 (37,606,796), with a quota value of SEK 0.1111 per share.

Notes

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% (21.4%).

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.

1. Accounting policies (continued)

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. Unrealised 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 recognised in the consolidated income statement. The fair value is used as the first reported value and forms the basis for the continued accounting.

Shares in group companies

Shares in group companies are reported at acquisition cost in the parent company and includes any transaction costs directly attributable to the acquisition of the shares. Issue payments and shareholders' contributions are added to the acquisition cost. Should the 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 adjustments are made for transactions that do not entail payments in or out. Assets that are classified as cash and cash equivalents are, apart from cash and bank balances, balances on group bank accounts and short-term liquid investments that can be converted to a known amount and that is exposed to an insignificant risk of value fluctuation.

Valuation principles, etc.

Assets, provisions, and liabilities are recognised 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 recognised in the balance sheet as a corresponding liability

1. Accounting policies (continued)

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 recognised 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 recoverable 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 2023.

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 recognised in the income statement over the vesting period. The balancing item is recognised 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 recognised in the Income Statement as Other Operating Income concurrently with the resources spent on the project. The earned income from the grant is recognised 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 recognised 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.

2. Financial position and liquidity resources

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, to prepare for new financing transactions and/or enable the Executive Management to take relevant tactical or strategic actions to allow the Group and the Company to continue its research and development activities as planned as a going concern.

ExpreS2ion, considering its net current assets, forecasted cash requirements and dividend from investment in participating interests to be received, has sound liquidity to fund its operations as planned through 2024.

In addition, the company plans to obtain additional long-term sources of funding in 2024. This will be in the form of the company's issuance of new shares. Additional potential sources of long-term funding include grants, entering license and research and development collaboration agreements, expense management activities, and some combination of those sources. The Board of Directors and Executive Management believe it is probable that liquidity resources can be obtained to enable the Group and the Company to continue its activities as planned beyond 2024.

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.

4. Net sales per geographic market

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
The Nordics	1,219	582	558	508
Other countries	5,831	4,501	0	0
Total	**7,050**	**5,083**	**558**	**508**

5. Other operating income

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Grant Income	1,749	1,064	0	0
Total	**1,749**	**1,064**	**0**	**0**

6. Remuneration of auditors

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Remuneration and reimbursements				
Audit assignment	911	726	567	483
Other services	37	0	0	0
Total	**947**	**726**	**567**	**483**

7. Average number of employees

Parent and subsidiary

	2023		2022	
	Number of employees	Of which men	Number of employees	Of which men
Parent				
Sweden	0	0	0	0
Subsidiary				
Denmark	29	11	30	11
Total subsidiaries	**29**	**11**	**30**	**11**
Group Total	**29**	**11**	**30**	**11**

Board and management

	2023		2022	
	Women	Men	Women	Men
Board and management				
Board	2	2	2	3
CEO and rest of management	0	1	0	1

Personnel costs

	2023			2022		
KSEK	Salaries & remunerations	Social expenses	Share based compensation	Salaries & remunerations	Social expenses	Share based compensation
Parent						
Board of Directors and CEO	625	0	147	569	0	307
Other employees	0	0	409	0	0	1,448
Parent	**625**	**0**	**556**	**569**	**0**	**1,756**
Subsidiary						
Board of Directors and CEO	3,540	5	150	2,958	5	428
Other employees	36,350	338	1,725	27,855	323	7,415
Subsidiary	**39,890**	**344**	**1,874**	**30,813**	**328**	**7,844**
Group Total	**40,515**	**344**	**2,430**	**31,381**	**328**	**9,599**

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.

8. Exceptional income

	Group		Parent company	
KSEK	2023	2022	2023	2022
Reversal of impairment in associated companies	4,588	0	0	0
Total	**4,588**	**0**	**0**	**0**

9. Other interest income and similar profit/loss items

	Group		Parent company	
KSEK	2023	2022	2023	2022
Interest income, group companies	0	0	802	1,543
Interest income, others	1,911	1,896	34	0
Total	**1,911**	**1,896**	**836**	**1,543**

10. Other interest expense and similar profit/loss items

	Group		Parent company	
KSEK	2023	2022	2023	2022
Interest expense, group companies	0	0	28	28
Interest expense, others	501	871	118	10
Total	**501**	**871**	**146**	**38**

11. Tax

	Group		Parent company	
KSEK	2023	2022	2023	2022
Current Tax	8,467	7,857	0	0
Deferred Tax	99	119	0	0
Total	**8,566**	**7,976**	**0**	**0**
Theoretical Tax				
Pre-tax profit	-99,967	-126,581	-263,180	-5,213
Tax at current rate, 20.6% / 22% (20.6% / 22%)	20,593	26,076	54,215	1,074
Reconcilliation of reported tax				
Effect of foreign tax rate	1,324	1,699		
Effect of non-deductible income/costs	350	-1,906	-53,107	
Effect of deductible costs	1,787	5,833		
Effect of amortisation of group goodwill	-105	-125		
Effect of deductible issue costs directly against equity	2,160	2,510	2,160	2,510
Effect of unregonised losses carried forward	-17,543	-26,111	-3,267	-3,584
Total	**8,566**	**7,976**	**0**	**0**

12. Concessions, patents, licenses, trademarks and similar intellectual rights

	Group		Parent company	
KSEK	2023	2022	2023	2022
Opening cost	12,121	11,139	0	0
Exchange differences for the year	-62	982	0	0
Closing accumulated cost	**12,059**	**12,121**	**0**	**0**
Opening amortisation	-9,168	-7,998	0	0
Amortisation for the year	-480	-445	0	0
Exchange rate differences for the year	46	-725	0	0
Closing accumulated amortisation	**-9,602**	**-9,168**	**0**	**0**
Closing carrying amount	**2,458**	**2,953**	**0**	**0**

13. Goodwill

	Group		Parent company	
KSEK	2023	2022	2023	2022
Opening cost	3,223	2,962	0	0
Exchange differences for the year	-17	261	0	0
Closing accumulated cost	**3,206**	**3,223**	**0**	**0**
Opening amortisation	-3,223	-2,962	0	0
Amortisation for the year	0	0	0	0
Exchange rate differences for the year	17	-261	0	0
Closing accumulated amortisation	**-3,206**	**-3,223**	**0**	**0**
Closing carrying amount	**0**	**0**	**0**	**0**

14. Plant and machinery

	Group		Parent company	
KSEK	2023	2022	2023	2022
Opening cost	6,236	5,362	0	0
Additions	1,948	402	0	0
Disposals	0	0	0	0
Exchange differences for the year	-31	473	0	0
Closing accumulated cost	**8,153**	**6,236**	**0**	**0**
Opening depreciation	-5,326	-4,153	0	0
Depreciation for the year	-1,121	-807	0	0
Exchange rate differences for the year	63	-366	0	0
Closing accumulated amortisation	**-6,384**	**-5,326**	**0**	**0**
Closing carrying amount	**1,769**	**910**	**0**	**0**

Plant and machinery include capitalised leased assets ammounting to 1,361 (33).

15. Investments

Parent

Company	Corporate ID	Registered Office	Capital share	Closing carrying amount 2023	2022
ExpreS2ion Biotechnologies ApS	32 77 04 87	Hørsholm, Denmark	100%	108,373	321,472
				108,373	**321,472**

	Parent company 2023	2022
Opening cost	321,472	247,563
Shareholder contribution	44,701	73,909
Impairment	-257,800	0
Closing carrying amount	**108,373**	**321,472**

Group

Company	Corporate ID	Registered Office	Capital share	Closing carrying amount 2023	2022
AdaptVac ApS	38 73 27 30	Hørsholm, Denmark	34%	4,462	25
				4,462	**25**

	Group company 2023	2022
Opening cost	25	23
Reversal of prior year impairment	4,437	0
Revaluations	0	2
Closing carrying amount	**4,462**	**25**

16. Long-term receivables

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Non-current other receivables	1,321	1,532	0	0
Total	**1,321**	**1,532**	**0**	**0**

17. Prepaid expenses and accrued income

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Prepaid insurance	91	146	0	0
Prepaid consultants	0	225	0	101
Prepaid pre-clinical costs	0	9,322	0	0
Other prepaid costs	424	482	0	0
Total	**515**	**10,175**	**0**	**101**

18. Equity

As of December 31, 2023, the number of shares outstanding was 51,404,958 (37,606,796), with a quota value of SEK 0.1111 per share.

19. 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 510 (608) 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 44 (39) MSEK and in the danish subsidiary to 161 (119) MDKK. None of these losses carried forward have been recorded at any value in the balance sheet. They run without a time limit.

20. Long-term liabilities

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Maturity date, 1 to 5 years from the balance sheet date				
Long-term leasing commitments	1,436	88	0	0
Other long-term liabilities	0	1,914	0	0
Total	**1,436**	**2,002**	**0**	**0**

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

21. Items not affecting cash flow

	Group	
KSEK	**2023**	**2022**
Depreciation and amortisation	1,599	1,216
Other adjustments not affecting cash-flow	2,431	9,600
Total	**4,030**	**10,816**

22. Contingent liabilities

	Group		Parent company	
KSEK	**2023**	**2022**	**2023**	**2022**
Rent commitment, Hørsholm, Denmark	1,898	2,407	0	0
Total	**1,898**	**2,407**	**0**	**0**

23. Distribution of dividends

SEK	
Proposed appropriation of earnings	
Retained earnings at the disposal of the Annual General Meeting:	
Share premium fund and retained earnings	366,811,619
Loss for the year	-263,180,010
	103,631,609

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	103,631,609

Statement by the Board of Directors and Managing Director on the 2023 Annual report

Today, the Board of Directors and Managing Director approved the Annual Report of ExpreS2ion Biotech Holding AB for the year 2023. 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 2023, the results of the Group's and Parent Company's operations, and consolidated cash flows for the financial year 2023. 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 8 May 2024

Dr Martin Roland Jensen
Chairman of the Board

Dr. 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 8 May 2024

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 2023-01-01 – 2023-12-31.

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 31 December 2023 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.

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. The going concern basis of accounting is not applied if the decision has been taken to discontinue the operations.

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 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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.

A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.

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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Remark
On a number of occasions during the financial year, the tax debited has not been paid on time.

Halmstad 8 May 2024

Ernst & Young AB

Daniel Åkeborg
Authorized Public Accountant

expreS2ion
BIOTECH

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Design and production: Noted