

EXPRES²ION

BIOTECHNOLOGIES

Invitation to subscribe for shares Preferential rights issue of approximately MSEK 19.2

ExpreS²ion Biotech Holding AB | 559033-3729

ExpreS²ion Biotechnologies has developed a platform technology that enables cost-effective and robust production of complex proteins, which constitute the active substance in new vaccines and are therefore fundamental in diagnostics, research and development of these new vaccines. Since 2010, the Company has collaborated with research institutions and biopharmaceutical companies and has through its patented ExpreS² platform produced over 250 different proteins with an efficiency and success rate surpassing competing technologies. Since the Company's IPO and listing, a number of important milestones have been reached related to, for example, new agreements, commercial licenses to the ExpreS² platform, and most recently the formation of the joint venture AdaptVac ApS in the autumn of 2017.

Due to the fact that the Company wishes to increase its development pace, partly by investments in several key areas of its operations, and partly through increasing the working capital to enable future investments in new business opportunities for ExpreS²ion as well as AdaptVac, the Company is now conducting a preferential rights issue of approximately SEK 19.2 million. In summary, the Board estimates that an increased working capital can significantly accelerate the overall development of the Company towards becoming an independent, profitable low risk/high potential company, and at the same time provide the basis for a greater value creation for ExpreS²ion's shareholders.

The memorandum

Definitions

In this memorandum, the following definitions and references apply, unless stated otherwise: "Expres²ion Biotech" refers to the issuer, i.e., Expres²ion Biotech Holding AB (559033-3729). "The subsidiary" refers to the wholly-owned subsidiary Expres²ion Biotechnologies ApS (32 77 04 87). "Expres²ion Biotechnologies", "Expres²ion" or "the Company" refers to the group, i.e., the parent company Expres²ion Biotech Holding AB and the wholly-owned subsidiary Expres²ion Biotechnologies ApS. Expres²ion Biotech Holding AB's only operational activity is owning the subsidiary Expres²ion Biotechnologies ApS. The activities described in this memorandum thereby reflects the activities of the subsidiary Expres²ion Biotechnologies ApS. "AdaptVac" refers to the joint venture AdaptVac ApS with CVR number 38 73 27 30.

"First North" refers to Nasdaq Stockholm First North.

Financial advisor and issuing agent

In connection with the preferential share issue described in this memorandum, Sedermera Fondkommission is acting as financial advisor to Expres²ion. Sedermera Fondkommission is also acting as issuing agent in connection with the share issue. Sedermera Fondkommission is a secondary DBA name for ATS Finans AB. Sedermera Fondkommission has assisted Expres²ion in the preparation of this document. The Board of Directors of Expres²ion is responsible for the content, whereupon Sedermera Fondkommission and ATS Finans AB disclaims all liability in relation to the shareholders of the Company and in respect of other direct or indirect consequences resulting from investment decisions or other decisions completely or partially based on the information in the memorandum.

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Exemption from the requirement to produce a prospectus

This memorandum has not been audited and approved by Finansinspektionen (Sweden's financial supervisory authority) and is exempt from the requirement to produce a prospectus under Chapter 2, Section 4 of the Act on Trade with Financial Instruments (1991:980), taken into account that the total amount paid over a 12-month period corresponds to no more than EUR 2.5 million.

The area of distribution for the memorandum

The shares are not the subject for trading, or an application in that regard, in any country other than Sweden. The invitation according to this memorandum is not addressed to persons whose participation would require a further prospectus, registration measures, or additional measures other than those required by Swedish law. The memorandum may not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where the distribution or this invitation requires further measures under the preceding sentence or is in contravention of the rules in such country. The memorandum is governed by and subject to Swedish law. Any disputes that may arise relating to the contents or related legal matters are to be heard and settled exclusively by the Swedish courts.

Acquiring the memorandum

The memorandum is available at Expres²ion Biotechnologies' head office as well as on the Company's website (www.expres2ionbio.com) and can also be accessed via Sedermera Fondkommission's website (www.sedermera.se).

Statements about the environment the Company operates in and the future

The statements regarding the environment the Company operates in and future circumstances and relationships in this document reflect the Board of Directors' current view with respect to future events and financial developments. Prospective statements only express assessments and assumptions by the Board of Directors at the time of the preparation of the memorandum. These statements are well considered, but the reader should note that, as with all prospective assessments, they are associated with uncertainty.

Examination by the auditor

Except as described in the audit report and the reports incorporated by reference, no information in the memorandum has been reviewed or audited by the Company's auditor.

References and citations

The Board of Directors certifies that the information derived from references and citations has been described and reproduced accurately and that – as far as the Board is aware of and is able to ascertain from information published by that particular party – no facts or information have been omitted which would render the reproduced information inaccurate or misleading.

Nasdaq Stockholm First North

Expres²ion Biotech Holding AB is listed on Nasdaq Stockholm First North ("First North"). First North is a multilateral trading facility operated by the different exchanges that are part of NASDAQ OMX. Companies on First North are not subject to the same rules as companies listed on the regulated main market, but to less extensive rules and regulations preferably adapted for smaller growth companies. An investment in a company traded on First North may therefore imply more risk than an investment in a company listed on the regulated main market. All companies whose shares are traded on Nasdaq First North Stockholm have a Certified Adviser to monitor compliance with rules and regulations. The Board of Directors of the Company currently does not intend to work towards affiliating the Company with any other trading facility. Information and price development regarding the share is available on First North's website (www.nasdaqomxnordic.com/firstnorth).

Certified Adviser

Sedermera Fondkommission is appointed as Certified Adviser for Expres²ion Biotech Holding AB.

Language

This is an English translation of a memorandum originally drafted in Swedish. In the case of any discrepancies between the two documents, the Swedish original version shall prevail.

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Dates for financial information

Current fiscal period:	2018-01-01 – 2018-12-31
January – March 2018	2018-05-17
January – June 2018	2018-08-24
January - September 2018:	2018-11-22
Year End Report 2018:	2019-02-28

Risk factors

A number of risk factors may have an adverse impact on the operations in ExpreS²ion Biotech Holding AB and its subsidiary ExpreS²ion Biotechnologies ApS. It is therefore very important to consider the relevant risks alongside the Company's possibilities of growth. Other risks are associated with the shares that are offered for sale by means of this Memorandum. The risk factors described below are not listed in any order of priority, nor with any claim of being comprehensive. For obvious reasons, not all risk factors can be assessed, but rather a collective evaluation of other information in the Memorandum has been done together with a general assessment of the general environment the Company operates in.

Risk related to the Company

A brief history

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

No released pharmaceuticals

A key part of the Company's business model includes milestone payments and royalties from approved pharmaceuticals that have been developed with the ExpreS² platform. The operating subsidiary ExpreS²ion Biotechnologies ApS was established in 2010, and so far its platform technology has neither individually or via partners resulted in any pharmaceuticals that have gained market approval. The Company has conducted limited sales activities and generated revenues. It can therefore be difficult to evaluate the Company's sales potential, and there is a risk that future substantial revenues will be adversely affected or that no revenues will be received at all.

Financing needs and capital

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

Suppliers/Manufacturers

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

Clinical trials

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

Registration and licensing at agencies/governmental authorities

In order to market and sell pharmaceuticals and diagnostics, authorisation must be obtained, and registration take place at the appropriate agency/governmental authority in their respective markets, such as the Food and Drug Administration (FDA) in the U.S. and the European Medicines Agency (EMA) in Europe. In the event the Company, directly or through collaboration partners, fails to obtain the requisite authorisations and registrations from the agencies/governmental authorities, there is a risk that the Company's ability to generate revenues may be significantly impeded. There is also a risk that the views concerning the Company's proposed approach to planned collaborations regarding clinical trials result in delays and/or higher costs for the Company. The current rules and interpretations are subject to change, and there is therefore a risk that the Company's preconditions for fulfilling regulatory requirements is adversely affected. There is a risk that the Company, directly

or through collaboration partners, does not obtain the necessary authorisations and registrations with the governmental authorities. In the event this occurs, there is a risk that the Company's earnings potential and financial position are affected in a negative manner.

Key individuals and employees

ExpreS²ion Biotechnologies' key employees have extensive expertise along with considerable experience in the Company's area of operations. There is a risk that a loss of one or more key employees would have adverse consequences for the Company's business operations and financial results.

Unauthorised disclosure of information

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

Competitors

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

Clients

ExpreS²ion Biotechnologies' operating revenues have so far been generated from a limited number of clients. Certain clients may account for a large proportion of the Company's total operating revenues for limited periods of time. There is a risk that a loss of a major customer could adversely affect the Company's sales in the short term.

Grant funding

Grant funding is a part of ExpreS²ion Biotechnologies' business model where the Company receives parts of different types of research grants and funding for pharmaceutical development in collaboration with clients. There is a risk that these contributions for various reasons, which may be outside the Company's control, will not be received. This may adversely affect the Company's revenues and earnings.

Business cycles and exchange rate risk

There is a risk that external factors such as inflation, exchange and interest rate fluctuations, supply and demand and phases of economic growth and decline, will have an impact on operating costs and selling prices and share prices. There is a risk that ExpreS²ion Biotechnologies' future revenues and share price will be adversely affected by these factors, which are outside of the Company's control. A portion of the sales revenues may be received in international currencies. Exchange rates can change substantially.

Political risk

In various ways, ExpreS²ion Biotechnologies is active in and through a large number of different countries. Risks can arise from changes in laws, taxes, customs duties, exchange rates and other conditions for foreign companies. The Company is also affected by political and economic uncertainties in these countries. There is a risk that the Company will be adversely affected by possible domestic policy decisions. There is a risk that the above results in negative consequences for the Company's business operations and its financial results.

Market growth

ExpreS²ion Biotechnologies plans to expand extensively in the coming years, partly by increasing the market share in the countries and regions where the Company is already established, and partly by establishing the Company in additional countries and regions. An establishment in new countries and regions can entail problems and risks that are difficult to predict. Additionally, establishments may be delayed and thereby result in loss of revenue. Rapid growth can also entail that the Company acquires other companies. Lost synergy effects and less successful integration processes can adversely affect the Company's operations and financial result. Rapid growth can cause organisational problems. It may be difficult to recruit the right employees, and there may be difficulties in successfully integrating new employees into the organisation.

Product Liability

Considering that ExpreS²ion Biotechnologies operates in the pharmaceutical industry, risks associated with product liability are relevant and present. There is also a risk that ExpreS²ion Biotechnologies can be held responsible for any incidents occurring during clinical trials, even if the clinical trials are carried out by an external party. If an incident does occur during a clinical trial, and if ExpreS²ion Biotechnologies is held liable for this, there is a risk that the Company's insurance coverage may not be sufficiently adequate to fully cover any future legal claims. There is a risk that this can negatively affect ExpreS²ion Biotechnologies, both in terms of reputation as well as financially.

Patents and intellectual property rights

ExpreS²ion Biotechnologies has filed a patent application for the method and process for the ExpreS² platform. There is a risk that the existing and/or future patent portfolio and other intellectual property rights held by the Company and AdaptVac will not provide an adequate commercial protection. There is also a risk that the Company's or AdaptVac's potential future patent applications will not be approved. There is also no guarantee that approved patents will provide a long-term protection, as objections or other invalidity claims on issued patents can be made after the patent has been approved. The outcome of such procedures may be a limitation of already approved patents, for example a limitation of the scope of the application area or rejection of the patent. The outcome may also be that the patent is rejected. The rejection of a patent means that no one is granted exclusive rights, which means that no one can be hindered by the rejected patent from practising the invention defined therein. The outcome of an opposition process can be appealed, which means that the final result of an opposition is difficult to predict.

Development costs

ExpreS²ion Biotechnologies will continue to develop and further develop products within its area of operations. Aspects of time and costs connected with the product development can be difficult to determine beforehand. There is therefore a risk that the planned product development will be costlier than planned.

Pricing

ExpreS²ion Biotechnologies' business model includes milestone payments and royalties from approved pharmaceuticals that have been developed with the Company's platform technology. General pricing of pharmaceuticals is outside of the Company's control. In the event of a general decline in the prices for pharmaceuticals, there is a risk that this could negatively impact the Company's revenue opportunities. Pricing of pharmaceuticals is in some cases determined at the regulatory level. This is outside of the Company's control. A lower pricing means less favourable revenue possibilities for the Company. There is a risk that the pricing of pharmaceuticals will be lower than what the Board of the Company expects.

An initial word from CEO Dr. Steen Klysner

Since ExpreS²ion Biotechnologies was listed on First North in the middle of 2016, the Company has had a strong development. Through targeted sales and marketing activities, we have been able to out-license the Company's ExpreS² platform, which enables effective development of protein based development projects and candidate drugs, to research projects run by for example Hoffman–La Roche, Imperial College London and Francis Crick Institute as well as to clinical projects developed by the University of Copenhagen, Abivax and the Jenner Institute of the University of Oxford among others. Through these achievements we have reached a strong position within the vaccine development segment, with international clients and partners in Europe, the United States, Australia and a number of Asian countries, with projects including high-profile indications such as malaria, Ebola and Zika. Our goal is to achieve a significant global expansion of the Company's business operations during the coming years.



In addition to our collaboration projects with partners, we have also established our own development projects by the establishment of the joint venture AdaptVac together with a spinout from the University of Copenhagen. AdaptVac owns a technology with significant potential that enables the use of vaccine-like treatments within completely new areas such as cancer and allergies. Our development platform is perfectly suited to take advantage of this great potential. AdaptVac recently published promising proof of concept data (POCA) related to its first project, the breast cancer vaccine candidate AV001, based on studies in an advanced animal model for cancer. Their pipeline also includes another, not yet published, project and in addition to this, AdaptVac has access to a large number of possible candidates to choose from. Our share in AV001 alone is currently valued at over SEK 100 million, which gives an indication of the value creating opportunities now presented to us. The previously announced advances in the development of AV001 have also had positive effects on the value of ExpreS²ion, and it should be emphasised that AV001 as well as AdaptVac's other projects have not yet reached the most value creating phase in the development process.

The development of our core activities has demonstrated the value of the Company's risk-minimising business model, which combines revenue generating client activities and partner related development activities. The establishment of AdaptVac demonstrates that ExpreS²ion also has the capability and capacity to identify and acquire highly valued assets that can be refined with our platform. We have thus built a solid foundation for the business and are well prepared to take the next step in the Company's development. The Company's management assess that ExpreS²ion, despite increased revenue streams from core activities, does currently not have the financial strength to fully utilise the significant income and business opportunities that we constantly encounter in the market. Additionally, an infusion of liquid funds would increase the pace of our process towards achieving critical mass for the Company's core activities, thus ensuring a strong value development for existing as well as future vaccine and pharmaceutical assets. In light of this, we are now conducting a preferential share issue of approximately SEK 19.2 million.

In addition to the development of ExpreS²ion's core business in order to handle existing and additional expected projects, the proceeds from the issue is estimated to be sufficient to broaden the Company's own development in two areas. We expect to be able to include the not yet published candidate drug – and then at least one other project – in AdaptVac's pipeline. We also expect to be able to acquire at least one additional early development project or technology platform on the market, that we can develop ourselves. Additionally, we also have the possibility to increase our ownership in the AdaptVac projects that we will include in their pipeline, in addition to the 50 percent share in AV001. Our assessment is that all of these development projects have a very strong value potential.

In summary, a higher working capital would significantly accelerate the overall development of the Company towards becoming an independent, profitable low risk/high potential company, and it would at the same time provide the basis for a greater value creation for our shareholders. We see a very strong development potential for ExpreS²ion as well as AdaptVac in the coming years, and we are convinced that the share issue we are now conducting will play an important part in taking advantage of this potential. I hereby invite all our existing shareholders, as well as new investors, to participate in our continued journey towards new goals, business opportunities and a promising future.

Dr. Steen Klysner
CEO, ExpreS²ion Biotechnologies

Significant events in ExpreS²ion since the preferential share issue in August 2017

- In August, ExpreS²ion Biotech Holding AB completed a minor rights issue. The share issue was subscribed at approximately SEK 6 million, corresponding to a subscription rate of approximately 153 percent. Through the share issue, ExpreS²ion received approximately SEK 3.5 million after issuance costs.
- On October 2, ExpreS²ion Biotech Holding AB announced that the fully owned subsidiary ExpreS²ion Biotechnologies ApS and NextGen Vaccines ApS had finalised all agreements for the AdaptVac ApS (“AdaptVac”) joint venture.
- On October 18, ExpreS²ion Biotech Holding AB announced that its joint venture, AdaptVac ApS (“AdaptVac”), reached proof of concept in advanced animal models (POCA) for AV-001, its novel vaccine treatment against breast cancer tumours. This is a significant milestone for AdaptVac in the progress towards clinical development. AdaptVac will now initiate discussions with large pharmaceutical companies regarding a license or collaboration agreement for the clinical development of the project.
- On November 8, ExpreS²ion Biotech Holding AB announced that its fully owned subsidiary ExpreS²ion Biotechnologies ApS (“ExpreS²ion”), had signed a Research License Agreement with University of Pennsylvania, granting it the right to conduct research using ExpreS²ion’s proprietary protein expression system, ExpreS².
- On November 28, ExpreS²ion Biotech Holding AB announced that AdaptVac’s scientific paper presenting proof of concept in animals (POCA) for its novel breast cancer vaccine candidate, AV001, would be published in the peer reviewed scientific journal ‘OncoImmunology’. The results demonstrate that AV001 is effective for both prevention and therapy of breast cancer in an advanced mouse model.
- On December 4, ExpreS²ion Biotech Holding AB announced that it has signed two collaboration agreements with the Germany based Institut Virion\Serion GmbH (“Virion”). Virion is granted access to evaluate a number of new *in vitro* diagnostic product candidates, as well as commercial rights to promote, sell and distribute protein antigens produced using ExpreS². The Board expects that the annual revenues as a result of these agreements will be in excess of 250,000 EUR, when the collaboration is implemented.
- On December 11, ExpreS²ion Biotech Holding AB and the Institute for Translational Vaccinology (“Intravacc”) announced the signing of a collaboration agreement. This agreement strengthens ExpreS²ion’s ability to service customers and partners across the full value chain of vaccine development and expands the commercial opportunities for both organisations. Under the agreement, Intravacc will serve as a preferred GMP (Good Manufacturing Practice) partner for ExpreS²ion.
- On December 28, ExpreS²ion Biotech Holding AB announced that the company’s patent application “Improved Protein Expression System”, that covers the entire ExpreS² platform, has been approved in India and will be granted with expiry June 12, 2029.
- On January 16, the Board of Directors of ExpreS²ion Biotech Holding AB decided to conduct a preferential share issue raising approximately MSEK 19.2, aiming to accelerate the Company’s development.

Present situation and the way forward

After ExpreS²ion's share issue in connection with the listing on First North during 2016, the issuance amount was used to significantly scale up the Company's sales and marketing activities with the aim to expand the Company's central commercial business activities and to increase the revenue. This has resulted in significant increases in the number of ongoing projects (about 15 projects as of the date of this document's publication) and in revenues during the last 12 months. The Company's revenue increased from about MSEK 3.4 during the period Q4 2015-Q3 2016 to about MSEK 10.4 during the period Q4 2016-Q3 2017, corresponding to an increase of over 200 percent for the period. In addition, according to the Board, sales and marketing activities contributed to increasing the market's knowledge about ExpreS²ion and to consolidate the Company's position within the vaccine development industry. Today ExpreS²ion collaborates with several leading international research teams, which drives innovation and creates new opportunities within the Company's field. One of these opportunities arose during 2017 in connection with the University of Copenhagen, which resulted in the forming of the joint venture company AdaptVac together with NextGen Vaccines ApS, a spinoff from the university. AdaptVac has a synergistic and, according to the Board's assessment, revolutionary platform technology for vaccines and a pipeline of early, high value drug development projects. To utilise this opportunity, the Company conducted a share issue of MSEK 3.9 during August 2017, that was used to finance the development of AdaptVac. AdaptVac recently published promising proof of concept data in advanced animal models (POCA) regarding its first project, the breast cancer vaccine candidate AV001. This product targets an existing market valued at several billion dollars and has a so-called risk adjusted Net Present Value (rNPV) of over MSEK 100. This has according to the Board created great value for ExpreS²ion and its shareholders.

Background to the share issue

The development of ExpreS²ion's core business has demonstrated the value of the Company's risk minimising business model based on revenue generating client and collaboration attributable development activities. The forming of and progress with AdaptVac shows, according to the Board, that ExpreS²ion is also in a position and has the capacity to identify, acquire and establish high value assets based on the Company's ExpreS² platform. Despite the success with the applied development strategy, the Board makes the assessment that the existing business model, which is mainly based on financing business development by increasing the revenue from the core business, is not sufficient for an optimal development of the Company. If the Company only relies on ongoing revenue going forward, it would in the Board's assessment lead to lost revenue and business opportunities in situations where a higher working capital could have made it possible for the Company to benefit from existing market needs and to follow up on additional opportunities for value creation. An infusion of liquid funds would in the Board's assessment enable the Company to more quickly reach critical mass (i.e. a quick increase in both activities and revenue) in its core business. That would also secure the development of existing pharmaceutical assets and enable the Company to sign new agreements regarding pharmaceutical assets and other similar opportunities. In summary, an increase of the working capital would, according to the Board, be able to significantly accelerate the overall development of the Company towards becoming a strong, independent and profitable entity while simultaneously enabling greater value creation for its shareholders.

Overall capital need

An injection of working capital would in the Board's opinion enable an optimal and accelerated development of the Company, including enabling and securing the development of existing and future assets. To be able to develop the Company's business at maximum pace, a share issue of about MSEK 19.2 before issue costs is now conducted. A summary of the different parts that are deemed to be crucial for a concerted and accelerated development of the Company's business, assets and shareholder value follows below.

Asset and value creation in AdaptVac

The establishment of AdaptVac's overall structure involved a limited investment from ExpreS²ion that was financed through a share issue in August 2017. This issuance amount covers ExpreS²ion's financial commitment in AdaptVac during the first two to three years. However, the structure also means that AdaptVac will need external capital injections and/or partners to develop individual projects, and AdaptVac's management is working diligently on this issue. In this situation, a strengthening of ExpreS²ion's ability to support AdaptVac would improve its position and optimise the value creation in this phase of the joint venture project. Increased support from ExpreS²ion could for instance be in the form of flexible bridge loans or investments that increases ExpreS²ion's share in selected individual projects. With AdaptVac ExpreS²ion has, according to the Board, demonstrated the Company's potential to develop and produce the specific active part of vaccines and other biological substances in combination with synergistic platforms or projects. This potential is however not limited to AdaptVac –

ExpreS²ion regularly comes across technology and platforms that in the Board's opinion offers high value creation in conjunction with the Company's platform and competences. Earlier, the Company has not been able to take advantage of most opportunities that has arisen due to a lack of capital during the very short time frame that is usually available, which has meant lost opportunities. The amount of capital required to exploit these type of opportunities is according to the Board difficult to assess, but available working capital of around MSEK 6-8 should be enough to be able to identify, acquire and establish at least one high value development project or technology platform in the Company's own right. This is in the Board's opinion a relatively modest amount of capital compared to the considerable potential for value creation that it offers. Over time, this capital will successively be maintained and increased with revenues from the core business. The potential support for AdaptVac will be both short and long term, but the need for financial support already exists and the Company has started to contact potential partners since the proof of concept in the animal model for the breast cancer project was achieved during the fall of 2017. Moreover, AdaptVac has another yet to be published development project in the pipeline and access to a large number of additional potential candidates to choose from. With the issuance amount the Company expects to facilitate that at least one additional project, in addition to the breast cancer project and the yet to be published project, is added to AdaptVac's pipeline. New opportunities for value creation continually arises through collaborators and projects that the Company has a connection to. With working capital available, active evaluation and pursuance of such opportunities would commence immediately.

Core business: expansion and consolidation

ExpreS²ion's core business, including the technology platform ExpreS² and the Company's development resources, constitutes the foundation of the Company's development of the assets mentioned above as well as for a sustainable business model going forward. The following investments in the core business using the issuance amount will shorten the time required to achieve critical mass and to thereby establish a strong, independent and profitable business.

Sales and marketing

During the last 12 months ExpreS²ion has seen a positive linear correlation between market activities and realised sales. The Board therefore has the intention to further increase the Company's marketing and sales activities and to benefit from the solid market exposure that ExpreS²ion has established. The capital increase required for such an operation is according to the Board about 2.5 MSEK per year, including hiring full time employees to the sales team to further drive and support the Company's growth. According to the experience from the listing on First North in 2016, it takes at least about three to six months to see results in the form of the sales increase expected from the extra marketing and sales resources. These activities are fundamental to increase project revenues and should commence as soon as possible for an expected initial effect within three to six months and full effect within nine to twelve months.

Production capacity

To meet the current demand, and to be able to handle more and larger projects, the Board assesses that additional lab employees needs to be added with the aim of doubling the capacity, which could increase yearly revenues from the current MSEK 10-12 to MSEK 20-24. According to the Company's assessment, two researchers and two to three lab technicians are required to double the capacity. The yearly cost is calculated to about MSEK 3 including operating costs at full implementation. Two to three of these positions should be filled as soon as possible and the rest will be filled "ad hoc" according to project needs. ExpreS²ion has access to highly qualified candidates who are trained in the Company's system and who already works for the Company on hourly contracts. That makes it possible to fill the first positions immediately, which is both time and cost efficient.

Quality and efficiency: equipment

To ensure continued delivery of quality products the Board advocates investments in new equipment. The investments could enable improved operational processes, reduced risks in process optimisation (speed and capacity), an expansion of the services offered (e.g. analysis) and improved quality (risk minimisation and certification). The overall investment required for optimal effect is calculated to be about MSEK 3.5. The investments will be spread out over about 12 months to ensure a controlled implementation of the Company's processes and quality system. The actual costs are planned to be distributed over three years through leasing contracts, which however still requires liquidity corresponding to the whole investment.

Development of the ExpreS² platform and new products

The Company's internal development projects, with focus on new products with high sales potential, has not been prioritised to the desired extent due to a lack of financial resources. An investment of about MSEK 2-3 would, according to the Board, be enough to greatly increase the pace in these projects and thereby deliver new products and intellectual property to the

Company. In addition to increased short-term revenue, this has the potential to promote access to larger long-term client programs with increased revenues and shared project ownership as a result. After financing, the time frame for these projects are expected to be about one to two years, including outsourcing, licensing and submission of new patents. The internal requirements are 1-1.5 full time employees, in the form of time limited project employees, and a PhD candidate. The products planned are expected to generate significant revenues and value for the Company.

Purpose of the share issue

The preferential share issue and use of the issue amount

ExpreS²ion Biotech Holding AB is now conducting a preferential share issue, in which the public is also invited to subscribe for shares, of approx. MSEK 19.2 in total. The issue amount is raised primarily to finance an acceleration of the Company's development plan, in accordance with the section titled "Current status and the way forward" in this memorandum. This includes the following main activities:

- Approximately 35 percent of the issue amount will be used to pursue additional projects that will be developed by the Company, regarding vaccines and candidate drugs that the Company regularly encounter on the market.
- Resources equivalent to approx. 20 percent of the issue amount to create more value in the joint venture AdaptVac and its development projects.
- Capital amounting to approx. 45 percent of the issue amount to further development of the Company's platform with new products that is expected to strengthen the Company's position in new market segments, generate new clients and increase the production capacity and thereby the Company's short-term and long-term project opportunities and earnings.

Future Financing Needs

In case of full subscription of the share issue described in this document, the Board of Directors of ExpreS²ion estimates that there remains no further financing need for the foreseeable future. In case of changes in market conditions, or if there is a decision by the Board of Directors to further expand, or accelerate, the Company's operations, a need for further financing may arise.

Share price

The subscription price is based on the weighted average price for the ExpreS²ion Biotech Holding AB share during the last five (5) trading days prior to the decision of the preferential share issue, with a discount equivalent to 29 percent compared to the weighted average share price during this period.

Nasdaq Stockholm First North

ExpreS²ion Biotech Holding AB is listed on Nasdaq Stockholm First North ("First North"). First North Stockholm is a multilateral trading facility operated by the different exchanges that are part of Nasdaq OMX. Companies on Nasdaq First North are not subject to the same rules as companies listed on the regulated main market, but to less extensive rules and regulations preferably adapted for smaller growth companies. An investment in a company traded on Nasdaq First North may therefore imply more risk than an investment in a company listed on the regulated main market. All companies whose shares are traded on Nasdaq First North have a Certified Adviser to monitor compliance with rules and regulations. The Board of ExpreS²ion Biotech Holding AB has, at present, no intention to actively seek to list the company at a different marketplace. Information and share price can be found on First North's website (www.nasdaqomxnordic.com/firstnorth).

Invitation to subscribe for shares

Decision of new share issue

On January 15, the ExpreS²ion Biotech Holding AB ("ExpreS²ion") announced that the Board had decided, pursuant to the authorisation granted by an Extraordinary General Meeting, to increase the share capital through a preferential share issue of maximum 2,400,403 shares.

Issue amount

Upon full subscription of the rights issue, ExpreS²ion will raise approximately SEK 19,203,224 before issuance costs, which are estimated to approximately MSEK 1.2. Existing share owners have preferential right to subscribe for shares. It should be noted that the public is invited to subscribe for shares in the share issue.

Invitation

Investors are hereby invited to subscribe for shares, at a price of SEK 8.00 per share, in ExpreS²ion Biotech Holding AB in accordance with the terms and conditions of this memorandum. Upon full subscription, the share capital will increase with SEK 266,711.69444, from SEK 1,066,845.777778 SEK to SEK 1,333,558.4722 and the number of shares will increase with 2,400,403 shares, from 9,601,612 shares to 12,002,015 shares.

Responsibility

The Board of Directors of ExpreS²ion Biotech Holding AB is responsible for the contents of this memorandum. The persons listed below hereby jointly assure as the Board of Directors, that all reasonable precautionary measures have been taken to ensure that the information contained in this memorandum, as far as the Board of Directors is aware, corresponds to factual circumstances and that nothing has been omitted that would affect the assessment of the Company.

Hørsholm, Denmark
 February 7th 2018

The Board of Directors of ExpreS²ion Biotech Holding AB

Martin Roland Jensen
Allan Rosetzsky
Jakob Knudsen
Gitte Pedersen

Chairman
Board Member
Board Member
Board Member

Summary of the offer

For more information, see the section "Terms and instructions" in this memorandum.

Subscription period:	February 8 to February 27, 2018.
Subscription price:	SEK 8.00 per share.
Volume of issuance:	The offer comprises a maximum of 2,400,403 shares, corresponding to approximately SEK 19.2 million.
Record date:	February 2, 2018. The last day of trading in the share including the right to receive subscription rights was January 31, 2018 and the first day of trading excluding the right to receive subscription rights was February 1, 2018.
Preferential right:	Those registered as shareholders in ExpreS ² ion Biotech Holding AB on the record date February 2, 2018 have preferential right to subscribe for shares in the share issue. For each held share, one (1) subscription right is received. Four (4) subscription rights entitle to the subscription of one (1) new share. Please note that the public is also invited to subscribe for shares in the share issue.
Number of shares prior to the share issue:	9,601,612 shares.
Trading period of subscription rights:	Trading with subscription rights will be conducted through Nasdaq Stockholm First North from February 8 until February 23, 2018.
Valuation:	Approximately SEK 76,8 million (pre-money).
Trading period of BTAs:	Trading with BTAs will be conducted on Nasdaq Stockholm First North from February 8, 2018 until the share issue is registered at the Swedish Company Authority ("Bolagsverket"). The registration is expected to be finished in the middle of March 2018.
Subscription commitments:	The Company has received subscription commitments of approximately SEK 10.9 million, corresponding to approximately 57 percent of the share issue's total volume.
Trading platform:	ExpreS ² ion Biotech Holding AB's shares are listed on Nasdaq Stockholm First North.
ISIN-code for the share:	SE0008348262.

Subscription commitments

ExpreS²ion Biotech Holding AB is hereby conducting a preferential share issue in which the general public is also offered the opportunity to subscribe for shares. Upon full subscription of the share issue, the Company will raise approximately SEK 19.2 million before issue expenses. The Company has received subscription commitments of approximately SEK 10.9 million, corresponding to approximately 57 percent of the share issue's total volume. See below for more detailed information regarding subscription commitments. All parties that has agreed on a subscription commitment can be reached via the Company's address. All of the subscription commitments have been signed in January 2018.

No premium compensation has been given for the subscription commitments. The subscription commitments have not been confirmed or ensured via prior transactions, bank guarantees or similar measures. Note that parties that have submitted a subscription commitment will be prioritised in the allotment of shares, in accordance with their respective subscription undertaking.

Subscription commitments	Amount (SEK)
Swedish Growth Fund AB	1,500,000.00
Anders Ericsson	1,308,308.00
John Andersson Moll	1,101,340.00
Ejendommene Norgesvej	1,000,000.00
AR Consult ApS*	990,000.00
Georg M. Kuhnke	983,496.00
Rolf R. Kuhnke	983,496.00
Paginera Invest AB	902,408.00
Peter Nilsson	781,108.00
Konservesgaarden A/S	593,248.00
Kjell Nilsson	431,592.00
Stefan Lundgren	189,252.00
Torna Kapital	179,008.00
Total amount of subscription commitments	10,943,256.00

*AR Consult ApS is 100 % owned by Dr. Allan Rosetzsky who is a member of the Board of Directors of ExpreS²ion Biotech Holding AB.

Expres²ion Biotech Holding AB

Operations

A key part in the development of modern biopharmaceuticals is the complex proteins that constitutes the active substance. These proteins are produced using technology platforms based on genetic modification of cells. This method is for instance used when developing human insulin, antibodies and a large number of new vaccines. However, these proteins are difficult to develop and produce in a safe and cost-effective manner, as well



as with the level of quality required by authorities for use in human medicine. The most common methods for producing proteins today are based on different bacteria, yeast, insect cells or different types of mammalian cells. Many of the existing platform technologies are well established, but they also have a number of basic problems. Platforms based on bacteria and yeast are relatively cheap, but they cannot produce all of the complex proteins that are required for pharmaceutical development. For this purpose, insect or mammalian cells are required. However, several of the existing systems in this category are time-consuming, which delays the entire development process of the candidate drug. Other platforms do not deliver sufficiently large quantities of protein in each manufacturing batch or are unstable, which leads to costly, failed manufacturing batches. Finally, there are some proteins that simply cannot be produced with the traditional production systems.

Because of this, there is a need to be able to produce complex proteins for biological drugs and vaccines in a safer and more efficient manner. Expres²ion Biotechnologies has developed a technology platform which is especially suited for production of the proteins required for the development and production of vaccines. The platform is named Expres² and is based on particularly suitable insect cells, so called *Drosophila* S2 cells from fruit flies.

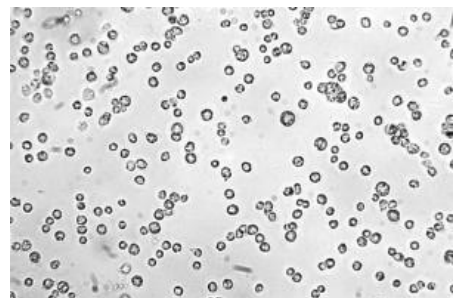
Since Expres²ion Biotechnologies was founded in 2010, the Company has gained a strong market position, thanks to the high success rate of the Expres² platform regarding the proteins that the Company has agreed to develop. For the more than 250 different proteins that have been produced with the Expres² platform, the success rate is over 90 % for the projects where the system has been used, which is market-leading according to the Board's assessment. The success rate is especially worth noting since it exclusively refers to complex proteins for the development of biopharmaceuticals, that in many cases cannot be produced using other platform technologies.

The Company's product - the Expres² platform

The Company's operations are based on the patent protected Expres² platform and its ability to produce complex proteins. The platform has a number of features that, according to the Board's assessment, distinguish it from competing technologies:

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

The main component of the Expres² platform is S2 cells that can produce proteins, as well as the Company's patented expression vectors that are the part of the platform that, among other things, makes it possible for the cells to generate a high yield. In addition to this, the platform includes reagents and culture agents adapted to these cells, as well as access to the Company's research protocols and expertise. The platform is marketed and sold in several different ways depending on the customers' requests:

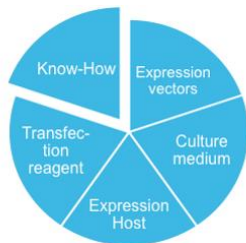


- It can be licensed to companies that themselves, or in collaboration with ExpreS²ion Biotechnologies, develop candidate drugs.
- It can also be used by ExpreS²ion Biotechnologies to develop a particular protein for a client, which the Company then supplies as a purified product for further development work by the client.
- ExpreS²ion can use the platform to develop its own products, either on its own or in collaboration with partners.

If the client then wishes to continue the development work towards the market, a commercial license agreement is usually signed. This allows the Company to acquire an ownership share in the products developed using the ExpreS² platform, which in the future is expected to lead to significant revenue through milestone payments and royalties if the pharmaceutical development is successful. This business model allows the Company to generate revenue from many products and in a variety of ways which, according to the Board's assessment, is one of the Company's essential strengths.

About the Company and its business model

ExpreS²ion Biotechnologies was formed in 2010 as a spinout from the Danish pharmaceutical company Affitech A/S. The company was founded by the doctors Charlotte Dyring, Wian de Jongh and Martin Roland Jensen, with the business idea to provide proteins to research institutions and vaccine producing companies using a new platform technology. The Company's platform is based on technology derived from a scientific breakthrough by Imogen Schneider in 1972, when she managed to create cell lines from *Drosophila melanogaster* (fruit flies) that could be used as a basis for creating new complex proteins.



This scientific discovery provided the basis for the development of the Company's patented ExpreS² platform, which began in Pharmexa A/S in 2000 and later in Affitech A/S by the Company's founders. Although the Company's platform technology is constantly in development, it is currently a complete commercialised product. Since the Company was founded, the platform has been used by over 90 different clients and partners, such as Hoffman La-Roche and Novartis Pharma. It has been a part in the development of over 250 different proteins, of which two are currently in clinical development.

The ExpreS² platform is a very beneficial method for developing new vaccines. Additionally, the capacity for development and production is scalable. The Company already has clients and partners in Europe, the United States, Australia and in several Asian countries, and the goal is a significant global expansion of the operations in the coming years.

Business model, clients and potential market

ExpreS²ion Biotechnologies' business model is structured in a way that allows the Company to not only market licenses to use the ExpreS² platform as a whole, but also parts of it, thus allowing the client to participate in or be entirely responsible for the development of the required proteins. The company can also sell reagents and kits, including diagnostics. The Company may also charge clients for the production and delivery of proteins as finished products, using the ExpreS² platform. The Company has two main categories of clients; pharmaceutical companies and research institutions. The Company can address both types of organisations since the ExpreS² platform can be adapted to both basic academic research and commercial drug development. The Company's clients are not limited to any geographic area and are located in several different parts of the world. ExpreS²ion Biotechnologies has since its establishment in 2010 worked with more than 90 different clients and partners. The agreements with these clients, which in many cases are world-leading universities, research institutions and pharmaceutical companies, have already generated significant revenue for the Company.



Figure 1. Selection of partners and clients

The agreements governing the collaboration between ExpreS²ion Biotechnologies and its clients are individually adapted for each client but can generally be categorised as follows:

- **MTA (Material Transfer Agreement):** The client is granted the right to use the ExpreS² platform, usually for six months, and purchases the materials needed to use the platform.
- **RLA (Research License Agreement):** The client is granted the right to conduct basic research based on the cells contained in the ExpreS² platform. The client purchases both the materials needed to use the platform and pay annual fees for the license.
- **CLA (Commercial License Agreement):** The client is granted the right to conduct clinical development of vaccines and other biopharmaceuticals using the ExpreS² platform and to commercialise these. In addition to purchasing the materials needed to use the platform, the client also pays milestone payments based on predefined phases of the clinical development, and royalties of 2-5 % of net sales if the pharmaceutical reaches the market.

The Company currently has more than ten major clients. Within the framework of these agreements, the Company has out-licensed the ExpreS² platform for research to Hoffman-La Roche, Imperial College London, ABIVAX and Francis Crick Institute among others, as well as out-licensed the platform for clinical development to the University of Copenhagen and the Jenner Institute of the University of Oxford among others.

Due to the potential of the ExpreS² platform as a potential basis for the research and development of many different vaccines, there are no limits regarding which diseases the platform may be used for. The market potential of the ExpreS² platform is therefore difficult to estimate, but according to the Board's assessment, it is very large. For example, the Company has ongoing collaboration projects to provide proteins, and thereby the opportunity to obtain ownership interest in, vaccines and pharmaceuticals for malaria. In 2013, the treatments for this disease had a global economic value of about USD 2.7 billion¹. The company also has planned as well as ongoing vaccine projects within several types of indications such as cancer diseases, Dengue fever, Ebola and the Zika virus. The total global vaccine market is growing, and it is estimated to reach a total value of approximately USD 58 billion in 2019² from being valued at around USD 30 billion in 2016. This makes the segment very attractive according to the board.

Revenue model

ExpreS²ion Biotechnologies has, based on its business model, created a revenue model for the Company consisting of four integrated parts.

- Milestone payments and royalties through commercial license agreements regarding the products developed using the Company's platform technology.
- Service fees, where the Company itself or in collaboration with the client develops proteins according to the client's specifications, after which the Company can charge the clients for the provided service or product. This part also includes reagents and other materials for the ExpreS² platform.
- License fees, where the Company through the out-licensing of the ExpreS² platform is able to regularly charge clients for the right to use the platform in their research and development work.
- Grant funding, where the Company receives parts of different types of research grants and funding for pharmaceutical development in collaboration with clients.
- Project sales, milestone payments and royalties from AdaptVac, (see below).

So far, the Company has received about SEK 25 million through various types of research grants. According to the Board, this kind of funding is interesting as it does not entail any repayment obligation or dilution of ownership in the Company, but at the same time it has the potential to generate license fees as well as milestone payments and royalties in the future. The four components of the revenue model complement each other and contribute individually to immediate and long-term revenue. In addition, all parts are directly attributable to activities that in the future may lead to the development of approved products based on the Company's technology. The Board estimates that milestone payments and royalties through the vaccine candidates developed using the Company's platform technology have a particularly strong potential for several reasons. Firstly, the companies that are responsible for the development of the candidate drugs takes the risk, and secondly, as license owners, ExpreS²ion Biotechnologies can participate in many development projects at the same time. In view of this, the Board estimates that the Company has the potential to generate very good financial results in the future.

The Joint Venture AdaptVac ApS

In addition to ExpreS²ion's core business activities described above, the Company initiated the Joint Venture AdaptVac ApS ("AdaptVac") in 2017 together with NextGen Vaccines ApS ("NextGen"), a company established by researchers from the

¹ http://www.who.int/malaria/publications/world_malaria_report_2014/wmr-2014-no-profiles.pdf

² <http://www.marketsandmarkets.com/Market-Reports/vaccine-technologies-market-1155.html>

University of Copenhagen. AdaptVac is the exclusive, global license holder of a new “Plug-and-Play Virus Like Particle” (VLP) technology, which enables accelerated development of effective therapeutic and prophylactic vaccines within high-value market segments in oncology, infectious diseases and immunological diseases. The aim of AdaptVac is to establish a world class company for the development of competitive vaccines and therapeutic treatments in this segment. The combination of ExpreS²ion’s technology and know-how and NextGen’s unique expertise within the VLP technology has the potential to create a robust and versatile company within the field of new vaccines and immunotherapies. The value of ExpreS²ion’s share in AdaptVac’s initial pipeline of the first announced project, calculated using rNPV (risk-adjusted net present value), is estimated to be SEK 100 million. AdaptVac creates a new market focus for ExpreS²ion and a powerful possibility to reposition the Company from primarily being a service provider to also become a developer of vaccines. AdaptVac will operate as a separate company with a 50:50 percent ownership shared between ExpreS²ion and NextGen, and equal allocation of costs and revenue. Initially, AdaptVac will focus on two main projects; one project within oncology and one project within infectious diseases. The projects are based on already completed studies with the licensed VLP technology, where the results indicate safety and effect in established animal models for cancer. Based on this, AdaptVac has developed a prototype for a breast cancer vaccine. The second indication is not yet disclosed due to patent reasons, but the indication has an estimated market value that is comparable with the market value of breast cancer. In the autumn of 2017, AdaptVac reached proof-of-concept in advanced animal models (POCA) for AV-001, its novel vaccine treatment for breast cancer tumours.

Goals regarding future milestones in the business

The Company's overall objective for the ExpreS² platform is to consolidate it as a preferred method for protein production within research and development of vaccines and immunotherapy, as well as utilising the platform for the development of its own and partly owned products. ExpreS²ion Biotechnologies is to be the obvious partner when clients or partners need rapid development and advanced proteins during the process of developing new vaccines and immunotherapy. In addition, the Company is actively working with developing new products within its core technology, as well as to identify and include new valuable technology platforms and products with synergy effects to ExpreS²ion's platform, similar to the recently established joint venture AdaptVac. Finally, the Company aims to position itself through the development of new, highly effective vaccines and immunotherapy via AdaptVac (described in the section "*Joint Venture AdaptVac ApS*" in this memorandum).

Following below is a selection of milestones and goals for the projects that ExpreS²ion Biotechnologies conducts, with its partners and through AdaptVac, regarding research and development work that will be carried out using the ExpreS² and the VLP platform in the coming months and years. Several of the projects described are of the type that can also generate, in addition to direct sales and licensing and service fees, royalties and milestone payments to the Company if the results are successful.

Within 6 months after the preferential rights issue

- The ongoing phase Ia/b study on placental malaria is scheduled to be completed.
- The first product in the partner Integrated BioTherapeutics’ portfolio of research tools is to be delivered and marketed in the United States.
- One or more publications in scientifically reviewed journals that support ExpreS²ion's platform technology.
- Initiation of the extension of the Company's production capacity.
- The ongoing phase IIa study in Oxford on malaria in the blood phase is scheduled to be completed.

Within 12 months after the preferential rights issue

- First partner agreement signed by AdaptVac for the development of its own product based on the VLP technology.
- Initiation of ExpreS²ion's first client project based on the VLP technology.
- Publication of a second pipeline project based on the VLP technology.
- Proof-of-concept in animal model reached for AdaptVac's second project based on the VLP technology.
- Launch of a modified version of S2 cells, specifically designed for research purposes.
- First research grant based on AdaptVac's and ExpreS²ion's combination of platform technologies.
- Implemented investments in the expansion of the Company's production capacity.

Within 2 years after the preferential rights issue

- Second partner agreement signed by AdaptVac for the development of its own product based on the VLP technology.

- Initiation of new clinical phase I studies for a number of vaccines.
- Launch of a cGMP version of the Company's optimised S2 cell line.
- Preclinical development completed for two products based on the VLP technology.
- Research grants received of more than 2 MSEK.
- Further development of the Company's platform technology including a new, unique product.
- Obtaining a new external platform/technology.

Within 3 years after the preferential rights issue

- The first product based on the VLP technology enters clinical studies.
- Another new external platform/technology is obtained.
- Publication of a third pipeline product from AdaptVac.

Financial goals and expansion of the client base

Based on the Company's current activities, and the development and expansion of operations that the Company considers possible with the capital from the planned rights issue, the Company has set the following financial goals and objectives for the expansion of the client base, projects and licenses for the core business during the fiscal years 2017-2020. Please note that the list does not include revenue from projects and agreements in AdaptVac and other possible new value creating projects.

	2017	2018	2019	2020
Turnover compared with previous year (%) ¹	> 200 %	140 - 160 %	140 - 160 %	120 - 130 %
Number of revenue generating projects and collaborations	+15	+20	+20	+20
Number of preclinical research projects ²	+10	+15	+15	+15
Number of commercial licenses ²	2	3	4	6

¹Does not include potential royalties and milestone payments from future successful pharmaceutical projects.

²Regarding goals for the number of projects and licenses, the figures refer to the annual average.

- In the long term, the Board also expects milestone payments and royalties from future successful vaccine and pharmaceutical projects developed by partners and clients using Expres²ion's platform when these projects progress to clinical phases and potential market approval (see model for Expres²ion's platform below).

Research licenses/collaborations →

Preclinical research projects →

Clinical development projects →

Commercial licenses → milestone payments and royalties

- In addition, the Board also expects long-term upfront payments, milestone payments and royalties from future successful vaccine and pharmaceutical projects developed by AdaptVac.
- The Board estimates that the Company will have an annual increase in turnover of at least 40-60% during the fiscal years 2018 - 2019, then 20-30% based on increased business and marketing activities and an increased consolidated client base in 2018. Worth mentioning is that this increase is based on the Company's core business; i.e. revenues from service charges, license fees and grant funding. The core business has also been strengthened through the addition of the VLP technology, which enables new types of projects as well as larger projects.
- The Company's strategy is to optimise the number of high quality preclinical projects where the Expres² platform is used with the overall goal for the client base to have a dynamic portfolio of over 15 ongoing preclinical projects. This increases the probability over time that several of the Company's pharmaceutical projects will reach clinical phases and ultimately achieve successful market approvals.
- In addition to the above, the Board expects that the first direct revenue from project sales and collaborations within AdaptVac will come within one to two years from the date of this memorandum.
- Sales growth will slow down towards the end of 2019 when the Company is expected to have achieved critical mass and thus a stable positive cash flow. After that, the Board believes that Expres²ion Biotechnologies should prioritise to acquire increased ownership interest in the vaccine and pharmaceutical projects in which the Company is

involved. In successful projects, royalties and milestone payments will thus lead to a greater future earnings potential.

Intellectual property rights and patents

ExpreS²ion Biotechnologies ApS owns the "*Improved protein expression system*" patent family that includes the ExpreS² platform in its entirety. The original patent application was made in 2009 in 15 different countries. The patent is registered in India, Australia, China and Japan. It is also approved by the European Patent Office and is therefore undergoing final evaluation in several European countries, including Germany, Switzerland, Great Britain and France. The subsidiary ExpreS²ion Biotechnologies ApS has applied for a joint patent with The Walter and Eliza Hall Institute of Medical Research, Melbourne, Australia, for an improved malaria vaccine that acts during the disease's blood phase. With this patent, ExpreS²ion and The Walter and Eliza Hall Institute have good prerequisites for the future development of the promising vaccine that addresses a large market with unmet needs. In the collaboration between ExpreS²ion and The Walter and Eliza Hall Institute regarding the patent, the parties own an equally large share of the patent. The Company also has an active strategy for expanding its patent base in the long term to further strengthen its intellectual property rights. In addition to the legal protection that the Company holds due to its patent portfolio, it is also the Board's assessment that the Company possesses a large number of business secrets and a strong know-how that is difficult for competitors to reproduce, thanks to the expertise of the Company's employees. Several of the Company's Board members and employees are world leading and have strong academic merits within the area of expertise in which the Company operates, as well as numerous years of experience within this field. The ongoing development work as well as the Company's know-how are continuously evaluated for opportunities to apply for new patents.

Competitors and similar technology

The method of using different types of cells as a platform for protein production has been known for a long time and is well established, which means that ExpreS²ion Biotechnologies and its platform technology ExpreS² have a number of competitors. However, the Board assess that no existing technology, apart from the Company's, is based on the same *Drosophila* S2 platform and that there is thus no direct competitor in terms of business model and method for the development of complex proteins for vaccines. The most commonly used competing methods involve cell lines extracted from various mammals, *E. coli* bacteria, yeast, fungi and various plant species. Many of these technologies are well established within the production of proteins for research, development and production of pharmaceuticals. However, it is the Board's assessment that the Company's technology platform is superior to the competing technologies within its business area, both in terms of probability of success in each new project and quality of the proteins that are produced, as well as in time efficiency, cost of production and yield. There are also other types of protein production systems that are not targeted at the pharmaceutical industry. These systems, which produce what are collectively called bulk proteins, are often based on bacteria. They are focused on creating very large quantities and are used mainly in food production, manufacturing of various types of detergents and other similar industrial processes. ExpreS²ion Biotechnologies does not focus on this market, and consequently the Board does not consider the bulk protein production systems as competitors to the Company.

Significant agreements

- The Company has an agreement with NextGen Vaccines ApS ("NextGen") under which the joint venture AdaptVac ApS ("AdaptVac") was formed. AdaptVac operates as a separate company constructed with a 50/50% ownership between ExpreS²ion and NextGen, with an equal distribution of both costs and revenues.
- The Company has a collaboration agreement with Institut Virion\Serion GmbH ("Virion"), under which the two parties have entered into an MTA agreement and an RCLA agreement. The MTA agreement gives Virion access to a number of unpublished protein antigens produced by ExpreS²ion. Under the terms of the MTA agreement, Virion has the right to evaluate these antigens in their laboratories for the purpose of producing commercially available protein antigens. ExpreS²ion and Virion will discuss an agreement to ensure availability and terms for commercialisation of the antigens. The RCLA agreement gives Virion research and commercialisation rights to develop and market proteins produced using the ExpreS² technology. The RCLA agreement includes an annual fee for the research license as well as a royalty equivalent to a double-digit percentage of net sales, which is to be paid by Virion to ExpreS²ion.
- The Company has an agreement with the Institute for Translational Vaccinology ("Intravacc"). In accordance with the agreement, Intravacc will be ExpreS²ion's preferred GMP (Good Manufacturing Practice) partner. The

agreement contains no financial exchange between ExpreS²ion and Intravacc. However, it expands the commercial opportunities in the vaccine field for both parties.

- The Company has a Master Services agreement and a Research & Commercial License Agreement with American Integrated BioTherapeutics, Inc. ("IBT"). The agreements allow for a standardised activation of a range of services and products from ExpreS²ion. This primarily concerns the development and production of proteins based on the ExpreS² platform, as well as the commercial right of IBT to market, sell and distribute the proteins they produce with ExpreS². IBT expects to annually expand its unique portfolio of research proteins with up to five protein antigens manufactured using ExpreS². The financial terms are not disclosed, but ExpreS²ion's Board expects that the collaboration, when fully implemented, will generate up to SEK 1 million in annual revenues for the Company.
- The subsidiary ExpreS²ion Biotechnologies ApS has a non-exclusive license agreement with Abivax S.A. ("ABIVAX") for commercial use of ExpreS²ion's platform technology ExpreS² in Abivax's Ebola program ABX544. At present, the parties await a decision to initiate a clinical study with Abivax's prophylactic and therapeutic Ebola antiserum.

In addition, the Company does not have an individual agreement, either with clients, suppliers, board members, senior executives in the Company or other parties, that individually are of significant importance for the Company.

Trends

There are, as far as the Board is aware of, no known trends, uncertainties, potential claims or other demands, commitments or events that are expected to have a significant impact on the Company's prospects, at least not during the current fiscal year.

Board of Directors and CEO

Dr. Martin Roland Jensen – Chairman

Dr. Martin Roland Jensen (born 1960) has extensive leadership experience from the biopharmaceutical industry, and he has also founded and co-founded several biotech companies. He also has extensive experience with scientific work, mainly in immunology, cell biology and development of cancer vaccines. Dr. Jensen has a PhD in Cell and Molecular Biology from the University of Copenhagen. Dr. Jensen is a co-founder of the Company.

Holdings in the company

Dr. Martin Roland Jensen privately owns approximately 1.76 % of the votes and capital in ExpreS²ion Biotech Holding AB. Dr. Jensen also owns 32.2 % of the votes and capital in ExpreS²ion Holding ApS, which owns approximately 18.2 % of the votes and capital in ExpreS²ion Biotech Holding AB.

Assignments during the past five years

Company	Position	Time period
ExpreS ² ion Holding ApS	Management	Current
ExpreS ² ion Biotechnologies ApS	Chairman of the Board	Current
VD, ExpreS ² ion Biotech Holding AB	Chairman of the Board	Current
Medic Advice ApS	Management	Current
Cytovac A/S	CEO	Resigned during this period

Ownership share of over 10% during the past five years

Company	Capital (%)	Votes (%)	Time period
Medic Advice ApS	100 %	100 %	Current
ExpreS ² ion Holding ApS	32.2 %	32.2 %	Current

Compulsory liquidation or bankruptcy

Dr. Martin Roland Jensen has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Dr. Allan Rosetzsky – Board Member

Dr. Allan Rosetzsky (born in 1948) graduated as a Doctor of Medicine from the University of Copenhagen in 1973, after which he worked in the Danish health care system for several years. Dr. Rosetzsky also held several leading positions within the drug development of the Rhone-Poulenc Group. In addition, he founded, developed and managed his own company, KLIFO, that had international assignments within with contract research. Dr. Rosetzsky is furthermore active in Business Angels Öresund.

Holdings in the Company

Dr. Allan Rosetzsky owns 12,5 % of the votes and capital in ExpreS²ion Biotech Holding AB through his fully owned company AR Consult ApS.

Assignments during the last five years

Company	Position	Time period
ExpreS ² ion Biotech Holding AB	Member of the board	Current
ExpreS ² ion Biotechnologies ApS	Member of the board	Current
AR Consult ApS	Chairman of the Board, CEO	Current

Ownership share of over 10% during the past five years

Company	Capital (%)	Votes (%)	Time period
AR Consult ApS	100 %	100 %	Current

Compulsory liquidation or bankruptcy

Dr. Allan Rosetzsky has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Jakob Knudsen – Board Member

Jakob Knudsen (born 1968) is the CEO of ViroGates A/S, an international biotechnology company located in Denmark. He has a Law Degree from the University of Copenhagen, DK, and an MBA from Imperial College, UK. Following his graduation in 1994, Jakob Knudsen has built up extensive experience in commercial operations, including IP, marketing and finance. He has held various positions at ALK-Abelló A/S, a listed mid-sized biotechnology company, including the manager of its Corporate Business Development. Furthermore, he has held positions as CCO and CFO at the pharmaceutical company Egalet Ltd.

Holdings in the company

Jakob Knudsen does not own any shares in ExpreS²ion Biotech Holding AB.

Assignments during the last five years

Company	Position	Time period
ExpreS ² ion Biotech Holding AB	Member of the board	Current
ViroGates A/S	CEO	Current
P.V. The fund	Member of the board	Current

Ownership share of over 10% during the past five years

No ownership share over 10 % during the past five years.

Compulsory liquidation or bankruptcy

Jakob Knudsen has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Gitte Pedersen – Board Member

Gitte Pedersen (born 1963) holds a Master’s degree in Chemical Engineering and a Graduate diploma in business science. Gitte Pedersen has over 20 years’ experience from the biotech and pharma industry. She has worked at Novo Nordisk R&D, production and marketing, as well as in charge of marketing with global responsibility for a large product portfolio. Gitte Pedersen has also acted as a business advisor to biotech and pharma companies, in both early and later stages, in North America. In this role, she also acted as advisor to the Danish Foreign Ministry and has secured business contracts worth several billion USD for companies in the Danish biotech industry. Gitte Pedersen has founded the companies Genomic Expression and Legomics.

Holdings in the Company

Gitte Pedersen does not own any shares in ExpreS²ion Biotech Holding AB.

Assignments during the last five years

Company	Position	Time period
ExpreS ² ion Biotech Holding AB	Member of the board	Current
Genomic Expression Inc.	Chairman of the Board & Management	Current
Genomic Expression ApS	Chairman of the Board	Current
Legomics ApS	Chairman of the Board	Current
Legomics Inc.	Chairman of the Board	Current
MPL Holding ApS	Chairman of the Board	Current
Proximity Venture LCC	Chairman of the Board & Management	Current

Ownership share of over 10% during the past five years

Company	Capital (%)	Votes (%)	Time period
Genomic Expression Inc.	47.5 %	47.5 %	Current
MPL Holding ApS	50 %	50 %	Current
Legomics Inc.	40 %	40 %	Current
Proximity Venture LCC	100 %	100 %	Current

Compulsory liquidation or bankruptcy

Gitte Pedersen has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Dr. Steen Klysner – CEO

Dr. Steen Klysner (Born 1961) holds a Master’s degree in Biochemistry from the University of Copenhagen, followed by a PhD from the Danish Technical University and an Industrial Research degree. Dr. Klysner has more than 25 years of experience from Danish as well as international biotech and biopharmaceutical companies within research and development management, most recently from managing a business unit for Merck KGaA in Germany. Dr. Klysner also has experience from a number of Board assignments and extensive expertise in business strategy and business development, for example related to due diligence activities, strategy and partnering. Thanks to his scientific experience, Dr. Klysner also has a good understanding of the technical part of the Company's activities.

- Family ties: Dr. Steen Klysner is married to Dr. Charlotte Dyring, the COO of ExpreS²ion.

Holdings in the Company

Dr. Steen Klysner does not own any shares in ExpreS²ion Biotech Holding AB. Dr. Charlotte Dyring who is closely associated to Dr. Klysner owns 39.2 % of the votes and capital in ExpreS²ion Holding ApS, which owns approximately 18.2 % of the votes and capital in ExpreS²ion Biotech Holding AB. Dr. Klysner and Dr. Dyring have joint property ownership and are therefore invested together in the Company.

Assignments during the last five years

Company	Position	Time period
ExpreS ² ion Biotechnologies ApS	CEO	Current
ExpreS ² ion Biotech Holding AB	CEO	Current
Scientific Innovation Management	Owner and founder	Current
AdaptVac ApS	Chairman of the Board	Current
Allergopharma Merck KGmbH	Vice President	Resigned during this period

Ownership share of over 10% during the past five years

Company	Capital (%)	Votes (%)	Time period
Scientific Innovation Management	100 %	100 %	Current

Compulsory liquidation or bankruptcy

Dr. Steen Klysner has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Dr. Charlotte Dyring – COO

Dr. Charlotte Dyring (born 1968) has a Master’s degree in Chemical Engineering, a PhD from the Danish Technical University and an Industrial Research degree. Dr. Dyring has extensive experience in the field of protein expression in animal cells and is a recognised, world leading expert of the *Drosophila* S2 expression technology. From 2000, Dr. Dyring was responsible for the establishment and optimisation of the ExpreS² platform at Pharmexa A/S (later Affitech A/S). Dr. Dyring also has extensive experience from the pharmaceutical industry from several scientific positions in pharmaceutical companies, for example Pharmacia & Upjohn in Stockholm. Dr. Dyring is one of the co-founders of the Company and has previously held the position as CEO and board member of the Company.

- Family ties: Dr. Charlotte Dyring is married to the Company's CEO, Dr. Steen Klysner.

Holdings in the company

Dr. Charlotte Dyring owns 39.2 % of the votes and capital in ExpreS²ion Holding ApS, which owns 18,2 % of the votes and capital in ExpreS²ion Biotech Holding AB.

Assignments during the last five years

Company	Position	Time period
ExpreS ² ion Biotech Holding AB	COO	Current
ExpreS ² ion Holding ApS	Management	Current
ExpreS ² ion Biotechnologies ApS	Management	Current
Caballus Biotech v/Charlotte Dyring	Owner and founder	Current
ExpreS ² ion Biotechnologies ApS	CEO	Resigned during this period
ExpreS ² ion Biotechnologies ApS	Member of the board	Resigned during this period

Ownership share of over 10% during the past five years

Company	Capital (%)	Votes (%)	Time period
ExpreS ² ion Holding ApS	39.2 %	39.2 %	Current

Compulsory liquidation or bankruptcy

Dr. Charlotte Dyring has not been involved with companies that have declared bankruptcy, been placed in compulsory liquidation or put under receivership, in the past five years.

Key persons in ExpreS²ion Biotechnologies

The following persons hold key positions in ExpreS²ion Biotechnologies.

Willem Adriaan (Wian) de Jongh – CSO and co-founder of the Company

Dr. de Jongh holds a Master's degree in Chemical Engineering from the University of Stellenbosch in South Africa. He also holds a PhD in biotechnology from the Technical University of Denmark, where he is also presently an affiliated associate professor. Dr. de Jongh is specialised in the development of advanced cell line genetic engineering tools and has a key role in the development of the Company's ExpreS² platform. Dr. de Jongh also has extensive experience in molecular biology, process development and project management in the pharmaceutical industry, and is responsible for the SEK 25 million that ExpreS²ion Biotechnologies has received until now in research grants. Dr. de Jongh is one of the co-founders of the Company and CEO of the joint venture AdaptVac.

Holdings in the Company

Dr. de Jongh owns 28,6 % of the votes and capital in ExpreS²ion Holding ApS, which owns 18.2 % of the votes and capital in ExpreS²ion Biotech Holding AB.

Bent U. Frandsen – VP Business Development

Bent U. Frandsen holds a Master's degree in Finance and Strategic Planning from Copenhagen Business School. Additionally, Bent Frandsen has 26 years of professional experience from senior positions in multinational companies, including 20 years in listed as well as private companies in the Life Science industry, for example H. Lundbeck A/S, ALK-Abelló A/S and CMC Biologics A/S. In these positions, Bent Frandsen has been responsible for license agreements, acquisitions, company transfers, collaboration agreements and capitalisations of over EUR 200 million. Bent Frandsen is a board member of AdaptVac ApS.

Holdings in the Company

Bent U. Frandsen owns 16 179 shares, corresponding to approximately 0.02 % of the votes and capital in ExpreS²ion Biotech Holding AB.

More about the business

Company history

Year	Event
2010	ExpreS ² ion Biotechnologies ApS is founded.
2010	The Company receives investment of 6.5 MDKK (approx. 8 MSEK).
2010	First contract with a client signed.
2011	The Company receives a HTF grant worth 3.5 MDKK (~4 MSEK) together with the University of Copenhagen and CMC Biologics for malaria research.
2012	The Company signs the first research licenses with two major pharmaceutical companies.
2012	The Company receives a Eurostars grant for the optimisation of the S2 cell line, in cooperation with the malaria research group at the University of Copenhagen and Mucosis.
2012	The Company receives a major EU grant (FP7) for the malaria vaccine together with EVI (European Vaccine Initiative, Heidelberg, IRD (Institut de Recherche pour le Développement, Paris) and UAC (Université d'Abomey-Calavi, Benin).
2013	The Company's application for trademark protection of "ExpreS ² ion" is approved.
2013	The Company's patent application in Japan is approved.
2013	Jenner Institute at the University of Oxford receives MRC (Medical Research Council) and EVI grants for the preclinical development of the RH5 vaccine, developed on the ExpreS ² platform together with the Company.
2013	ExpreS ² ion Biotechnologies appointed «Nordic Star» for Denmark at Nordic Life Science days.
2013	The Company receives first grant from PATH MVI (Malaria Vaccine Initiative) with the Jenner Institute for malaria research.
2014	First GMP (Good Manufacturing Practice) – production batch of proteins for P1 studies for malaria released.
2014	A production run for toxicity studies of a malaria vaccine produced at the Clinical BioManufacturing Facility at Oxford University, using a cell bank developed at the Company.
2014	Multiyear research license signed with a big pharma company.
2014	A scientific article, partly authored by researchers of the Company, published in the journal <i>Nature</i> .
2014	A second GMP-grade master cell bank is established for a client.
2015	The Company raises funding of a total of DKK 3.5 million (approximately SEK 4 million) from existing shareholders including the Company's founders and new Swedish investors through a share issue.
2015	The Swedish parent company ExpreS ² ion Biotech Holding AB is established.
2015	The Company's patent application in Denmark and China is approved, as well as approval by the European Patent Office.
2015	The malaria vaccine project that the company participates in receives final approval for a clinical phase Ia study in Germany.
2016	A client project for developing a Zika vaccine is established.
2016	Dr. Steen Klynsner is appointed as CEO and a new management group for the Company is presented.
2016	ExpreS ² ion conducts a share issue of approximately SEK 18 million.
2016	The Company's share is listed on Nasdaq Stockholm First North.
2016	The Jenner Institute in Oxford initiates a clinical phase I study with a vaccine developed with the ExpreS ² platform.
2016	ExpreS ² ion initiates a development collaboration with the French biotechnology company Abivax.
2017	ExpreS ² ion announces the final approval of the OptiFemVac Consortium's application for a Eurostars grant.
2017	ExpreS ² ion and Abivax sign a commercial license agreement for use of the ExpreS ² platform in an Ebola program.
2017	ExpreS ² ion conducts a preferential share issue of approximately SEK 3.9 million.
2017	ExpreS ² ion and NextGen Vaccines ApS create the joint venture AdaptVac ApS.
2017	The Jenner Institute in Oxford successfully completes a clinical phase I study and initiates a clinical phase II study with a vaccine produced in the ExpreS ² platform.
2017	AdaptVac ApS reaches proof-of-concept in advanced animal models (POCA) for the breast cancer vaccine AV-001.
2017	The Company signs two collaboration agreements with German Institut Virion\Serion GmbH.
2017	The Company and Dutch Intravacc sign a collaboration agreement regarding GMP production.
2017	The Company's patent application in India is approved.
2018	The Board of ExpreS ² ion Biotech Holding AB announces its decision to conduct a preferential share issue of approximately SEK 19.2 million.

Group structure and share holdings

Expres²ion Biotech Holding AB is the parent company of the Group, which also includes the fully owned Danish operating subsidiary Expres²ion Biotechnologies ApS. In addition to this, Expres²ion Biotech Holding AB does not own any shares in other companies. The fully owned subsidiary Expres²ion Biotechnologies ApS owns 50 percent of the joint venture AdaptVac ApS.

Company information

Company name	Expres ² ion Biotech Holding AB
Trading name (ticker symbol)	EXPRS2
Headquarters and legal domicile	Region Skåne, Municipality of Helsingborg
Corporate registration number	559033 – 3729
Date of formation of the Company	2015 – 11 – 03
Date of commencement of operations	2016 – 03 – 07
Country where the Company was established	Sweden
Legal form	Public limited company (<i>publikt aktiebolag</i>)
Relevant legislation	Swedish law and the Swedish Limited Companies Act (<i>Svenska Aktiebolagslagen</i>)
Address	c/o Mazars SET, Terminalgatan 1, 252 78 Helsingborg
Telephone	+45 2062 9908
Website	www.expres2ionbio.com
LEI code	549300FJK50P1ORYJC45

Subsidiary

Name of the subsidiary	Expres ² ion Biotechnologies ApS
Country where the Company was established	Denmark
Country where the Company is operating in	Denmark
Corporate registration number (CVR)	32770487
Share of the ownership	100 %

Auditors

Auditor of Expres²ion Biotech Holding AB	Auditor of Expres²ion Biotechnologies ApS
Bengt Ekenberg, Authorised Auditor	Dan Knudsen, State Authorised Auditor
Mazars SET	Beierholm
Terminalgatan 1	Gribskovvej 2
252 78 Helsingborg	DK 2100 Copenhagen
Sweden	Denmark

Employees

	2017	2016	2015
Women	5	4	5
Men	6	6	4
Total	11	10	9

Remuneration to the Board of Directors and senior executives (2017)

	Fee	Other benefits	Total
Martin Roland Jensen, Chairman of the Board	SEK 75,000	0	SEK 75,000
Allan Rosetzky, Member of the Board	SEK 50,000	0	SEK 50,000
Gitte Pedersen, Member of the Board	SEK 50,000	0	SEK 50,000
Jakob Knudsen, Member of the Board	SEK 37,500	0	SEK 37,500
Steen Klysner, CEO	DKK 1,033,334	0	DKK 1,033,334
Charlotte Dyring, COO	DKK 695,935	0	DKK 695,935
Willem Adriaan de Jongh, CSO	DKK 838,535	0	DKK 838,535
Bent U. Frandsen, VP Business Development	DKK 986,333	0	DKK 986,333

Procedures for the Board of Directors

- All Members of the board are elected until the end of the following Annual General Meeting.

- The Board of Directors' work follows the Board's established rules of procedure. The work and responsibilities of the Chief Executive Officer is governed via Instructions established for the CEO. The rules of Procedure as well as the Instructions are determined annually by the Company's Board of Directors.
- Issues related to audit and remuneration matters are determined directly by the Company's Board of Directors.
- The Company is not obligated to follow the Swedish Code of Corporate Governance and has not voluntarily pledged to follow this.

Available documents

The Company holds the following documents, and makes them available during the period of validity of this document:

- Memorandum of Association (Instrument of Incorporation)
- Articles of association
- Annual Report of ExpreS²ion Biotech Holding AB (2016) which by reference has been incorporated into this memorandum.

The documents are available at the Company's headquarters located at Agern Allé 1, 2970 Hørsholm, Denmark.

Transactions with related parties

During 2016 and 2017, no transactions have been made between the Company and related parties to the Company.

Distribution of earnings and voting rights, etc.

All of the Company's shares carry a right to participation in dividends. Distribution of dividends for shares that are newly issued in the new share issue as described in this memorandum shall be paid out commencing on the next following record date for dividends that occurs after the new shares have been registered in the share register, kept by Euroclear Sweden AB. The distribution of dividends is not of a cumulative nature. The entitlement to dividends accrues to investors who, on the record date for the distribution of dividends, are registered as shareholders of the Company. There are no restrictions on the distribution of dividends or any special procedures for shareholders residing outside of Sweden, and payment of any dividend is intended to take place via Euroclear Sweden AB in the same manner as for shareholders resident in Sweden. Any claims on dividends lapse and are barred after a period of ten years. Dividends accrue to the Company after the limitation period.

All shares carry equal rights to distribution of dividends as well as to any surplus in connection a winding-up of the Company by means of liquidation or bankruptcy. At the Annual General Meeting, each share of the Company provides one (1) vote and each person/entity is entitled to vote for the full number of shares without limitation. All shares provide shareholders the same preferential rights in the event of the issuance of subscription warrants and convertible bonds in relation to the number of shares they own.

According to of the Swedish Companies Act, a shareholder who directly or indirectly holds more than 90 percent of the share capital of a company has the right to redeem the remaining shares from other shareholders of the Company. Correspondingly, a shareholder whose shares are subject to redemption has the right to redemption by the majority shareholder. The shares that are newly issued in the new share issue as described in this memorandum are not the subject of an offer made as a result of a mandatory offer, redemption rights or redemption obligation.

The Company is subject to the Takeover Rules ("Rules concerning takeover bids for shares in Swedish limited liability companies whose shares are traded on certain trading platforms"). According to these rules, a shareholder is obligated to publicly offer to acquire all the remaining shares in a company in the event that the shareholder's holding of shares with voting rights reaches 30 percent.

It may occur that the Company conducts a cash issue with or without preferential rights for existing shareholders. If the Company decides, through a cash issue with preferential rights for existing shareholders, to issue new shares, the holders of shares shall have preferential rights to subscribe for new shares in proportion to their existing shareholdings.

There are no rights, except the rights to dividends, to participate in the Company's profits. The Company has not paid any dividends to date. There is also no guarantee that, for a given year, a distribution of dividends of the Company will be proposed or adopted. The Company does not plan to distribute any dividends in the immediate future. Recommendations for possible future dividends will be determined by the Board of Directors of ExpreS²ion Biotech Holding AB and then submitted for adoption at the AGM. The Company does not have a dividend policy.

Interests in the Company

In connection with the new share issue described in this memorandum, Sedermera Fondkommission ("Sedermera") is acting as financial advisor to the Company. Sedermera does not own any shares in the Company but has the right to subscribe for shares in the rights issue as described in this memorandum under the same terms and conditions as other subscribers.

AR Consult ApS, which is owned to 100 % by the member of the Board, Dr. Allan Rosetzsky, has submitted subscription commitments in the new share issue. Submitted subscription commitments are described in more detail in the section "Subscription Commitments" in this memorandum. In addition, members of the Board own shares in the Company. The shareholdings for each individual is presented in more detail under the section "Board of Directors and senior executives" in this memorandum.

The Company's CEO Steen Klynsner and the Company's COO Charlotte Dyring are married.

In addition to this, there are no conflicts of interest within administrative, management or supervisory bodies or with other people in senior positions in ExpreS²ion Biotech, and there are also no other natural persons or legal entities involved in the new share issue that have financial or other relevant interests in the Company.

Miscellaneous

- There are no agreements between The Company and any member of the Board of Directors or senior executive providing them rights to any benefits after the completion of the assignment other than what is stated under the heading "Remuneration to the Board of Directors and senior executives".
- None of the members of the Board of Directors nor senior executives have been involved, during the past five years, in a bankruptcy, compulsory liquidation or been placed in receivership.
- None of the members of the Board of Directors nor senior executives have been convicted in fraud-related cases nor have been subject to any prohibition of engaging in commercial activities in the past five years. There exist no accusations or sanctions from the competent authorities (including approved professional bodies) against these persons and none of these persons has, in the past five years, been disqualified by a court from holding a position on an administrative, management or supervisory body or from holding an executive or senior position at a company.
- There are no special agreements with major shareholders, customers, suppliers, administrative, management and supervisory bodies or other parties in which Members of the Board or other senior executives are included.
- The Company has not been involved in any legal or arbitration proceedings (including pending cases or cases which the Board of Directors of the Company is aware may arise), during the last twelve months, and which have recently had or could in the future have a significant impact on the financial position or profitability of the Company.
- There are no arrangements or systems for the acquisition of shares, or acquisition of similar interests, by personnel.
- The Board of Directors has made the assessment that the Company's present insurance coverage is adequate, given the nature and scope of the activities of the Company.
- Please note that transactions in the Company's securities may result in tax consequences for the shareholder. Holders of securities in the Company are advised to consult a tax advisor regarding the tax consequences that may arise in each case.
- All of the shares offered in the new share issue will be newly issued. Therefore, there are no natural persons or legal entities who are offering to sell financial securities as a part of this issuance of new shares.
- During the last and current fiscal year, no official takeover bid has been submitted by any third party.

- There is an incentive program with subscription warrants for senior executives and employees of the Company. For more information, see the section "Incentive programs" in this document.
- If the new share issue is fully subscribed, the number of shares in ExpreS²ion Biotech Holding AB will increase by 2,400,403 shares, which corresponds to a dilution of approximately 20 percent for the existing shareholders who do not subscribe for new shares in the new share issue.

Share capital in ExpreS²ion Biotech Holding AB

- Under the Company's Articles of Association, share capital shall comprise a minimum of SEK 500,000 and a maximum of SEK 2,000,000.
- The number of shares shall be a minimum of 4,500,000 shares and a maximum of 18,000,000 shares.
- The registered share capital is SEK 1,066,845.7778. After the new share issue described in this document, the registered share capital will amount to a maximum of SEK 1,333,558.4722.
- The Quota Value (par value) is SEK 0.1111.
- The shares have been issued in compliance with the Swedish Companies Act and are issued in Swedish kronor.
- There is one single class of shares. All shares carry equal rights to a share of the Company's assets and earnings and entitles the holder to one vote at the General Meeting. One share equals one vote.
- The Company's share register is maintained by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. Shareholders in ExpreS²ion Biotech do not receive any physical share certificates. All transactions with ExpreS²ion Biotech's shares are made electronically via authorised banks, investment managers, and securities dealers. Newly issued shares will be registered in the name of the owner, in electronic format.
- The issuing agent and the institution holding the account is Sedermera Fondkommission, with the mailing address Norra Vallgatan 64, 211 22 Malmö.
- The ISIN code for the share is SE0008348262.
- The "ticker symbol" for the share is EXPRS2.

Share capital development

Year	Event	Quota Value	Increase in the number of shares	Increase of share capital	Total number of shares	Total share capital
2015	Company formation	1.00	630,971	630,971.00	630,971	630,971.00
2016	Split of shares 9:1	0.10	5,047,768	0.00	5,678,739	630,971.00
2016	Issuance of new shares	0.1111	3,050,000	338,888.89	8,728,739	969,859.89
2017	Issuance of new shares	0.1111	872,873	96,985.88889	9,601,612	1,066,845.7778
2018*	Issuance of new shares	0.1111	2,400,403	266,711.69444	12,002,015	1,333,558.4722

*Assuming a fully subscribed new share issue

Regulatory framework

The Company has the intention to comply with all statutes, regulations and recommendations that are applicable to companies listed on First North. In addition to First North Nordic - Rulebook, the following regulatory framework applies in relevant parts:

- The Swedish Companies Act (*Aktiebolagslagen*)
- Swedish Act on Trading in Financial Instruments (*Lagen om handel med finansiella instrument*)

Authorisation

At the Annual General Meeting of ExpreS²ion Biotech Holding AB on May 31, 2017, it was resolved to authorise the Board to, on one or more occasions, with or without deviation from the shareholders' preferential right, during the period until the following Annual General Meeting, decide on an issue of shares and/or warrants that entitles to subscription for, or involves issuance of, a maximum of a number of shares corresponding to an increase in the share capital of no more than ten (10) percent based on the total share capital of the Company at the time of the 2017 Annual General Meeting. This authorisation was used in full for the preferential rights issue that the Company carried out in August 2017 and is thereby fully utilised.

Ownership

Shareholder structure

The table below lists all shareholders who held more than 5% of the capital and voting shares in ExpreS²io Biotech Holding AB as of December 31st, 2017.

Name	Number of shares	Share of votes and capital
ExpreS ² ion Holding ApS ¹	1 744 370	18,17%
AR Consult ApS ²	1 204 626	12,55%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	806 136	8,40%
Ericsson, Anders	559 529	5,83%
Summary shareholders over 5 %	4 314 661	44,94%
Remaining shareholders (below 5 %)	5 286 951	55,06%
Total 2017-12-31	9 601 612	100,00%

- ¹ Chairman of the board Martin Roland Jensen holds 32.22% of the voting and capital shares in ExpreS²ion Holding ApS. COO Charlotte Dyring owns 39.23% of the voting and capital shares in ExpreS²ion Holding ApS. CSO Wian de Jongh owns 28.55% of the voting and capital shares in ExpreS²ion Holding ApS.
- ² Board member Allan Rosetzky owns 100% of the shares in AR Consult ApS.

Shareholder agreements

There are no contracts or other agreements regulating that shareholders cannot cooperate to jointly influence decisions in the Company. Therefore, there is no guarantee that such control, if arisen, will not be misused.

Incentive program

Subscription warrants program for employees of the Company

The extraordinary general meeting held on April 19th, 2017 decided to issue a maximum of 327 000 subscription warrants, each entitling the holder to subscribe to one share in the Company. With exemption from the shareholder's preferential rights, a subsidiary of the Company shall own the right within one week after the general meeting to subscribe gratuitously to all the issued subscription warrants. The subsidiary shall thereafter transfer the subscription warrants to current and future employees of the group according to the allocation the board decides based on the following principles:

- The CEO shall be offered a maximum of 56 507 subscription warrants,
- Other senior executives shall be offered a maximum of 43 600 subscription warrants each,
- Other senior/leading employees shall be offered a maximum of 31 143 subscription warrants each,
- Mid-level employees shall be offered a maximum of 24 914 subscription warrants each, and
- Other employees shall be offered a maximum of 17 129 subscription warrants each.

The time for exercising the subscription warrants shall be from June 1st, 2020 to August 31st, 2020. The transfer from the subsidiary to each employee shall be made on marketable terms based on a calculation according to the so called Black & Scholes model by Öhrlings PriceWaterhouseCoopers AB, who is considered independent in relation to the Company. Each subscription warrant entitles the holder to subscribe to one new share in the Company at an exercise price corresponding to an amount equal to the volume weighted average of the Company's share price on First North's official price list during the period of the ten trading days that ends the day before the general meeting. Upon full exercise of all warrants, the Company's share capital will increase by 36 333,33 SEK distributed among 327 000 shares, corresponding to a dilution of about 3.6 percent of capital and voting shares.

Subscription warrants program for board members

The extraordinary general meeting held on April 19th, 2017 decided to issue a maximum of 109 200 subscription warrants, each entitling the holder to subscribe to one share in the Company. With exemption from the shareholder's preferential rights, the members of the Company's board shall own the right to subscribe to subscription warrants, wherein the chairman shall be offered a maximum of 37 800 subscription warrants and other current board members a maximum of 25 200 subscription warrants. The time for exercising the subscription warrants shall be from June 1st, 2020 to August 31st, 2020. Each subscription warrant entitles the holder to subscribe to one new share in the Company at an exercise price corresponding to an amount equal to 120 percent of the volume weighted average of the Company's share price on First North's official price list during the period of the ten trading days that ends the day before the general meeting. Upon full exercise of all warrants, the Company's share capital will increase by 12 133,33 SEK distributed among 109 200 shares, corresponding to a dilution of about 1.3 percent of capital and voting shares.

Financial overview

About the financial overview

ExpreS²ion Biotechnologies ApS, the group's operating subsidiary, started its operations in 2010. ExpreS²ion Biotech Holding AB, the parent company of the group, was founded on November 3rd, 2015. The group relationship arose on May 2nd, 2016. For that reason, the comparison figures correspond to the period 2016-05-02 – 2016-12-31.

The accounts in the financial overview for 2016 have been collected from ExpreS²ion Biotech Holding AB's annual report and are thus audited. The accounts for 2017 are collected from the Company's year-end report for 2017. The accounts for 2017 have not been audited by the Company's auditor. To increase comparability, all accounts in the financial overview have been rounded off to KSEK.

Incorporated documents regarding full historical financial information

Full historical financial information is incorporated via reference. In the annual report incorporated via reference (see below) an audit report is included for the via reference incorporated financial information and accounting principles.

ExpreS²ion Biotech Holding AB applies the Årsredovisningslagen and Bokföringsnämndens allmänna råd BFNAR 2012.1 (K3) when preparing the financial accounts. The incorporated document should be read as a part of the memorandum. The via reference incorporated document is available at ExpreS²ion Biotech Holding AB's headquarters.

Incorporated via reference:

- ExpreS²ion Biotech Holding AB, annual report 2016
- ExpreS²ion Biotech Holding AB, Year End Report 2017

Key figures and selected financial items during the period 2017-01-01 to 2017-12-31

- Group turnover amounted to 9,795 (4,652) KSEK.
- Result after financial items amounted to -11,750 (-9,412) KSEK.
- Net income amounted to -9,835 (-8,538) KSEK.
- Net income per share* amounted to -1.10 (-1.17) SEK.
- Cash flow from operating activities amounted to -8,608 (-7,021) KSEK.
- Equity ratio** amounted to 39.1 (52.3) %.
- Cash and cash equivalents amounted to 1,508 (6,258) KSEK.

Numbers within brackets refer to the corresponding period last year.

** The group's net income per share: the net income for the period divided by 8,973,335, the average number of shares for the period. The total number of shares in ExpreS²ion Biotech Holding AB was 9 601 612 shares per 2017-12-31.*

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

Income statement in brief – group

KSEK	2017-10-01 – 2017-12-31 3 months	2016-10-01 – 2016-12-31 3 months	2017-01-01 – 2017-12-31 12 months	2016-05-02 – 2016-12-31 Approx. 8 months
Net sales	1,823	2,413	9,795	4,652
Raw materials and necessities	- 576	- 646	- 2,193	- 1,355
Gross result	1,247	1,767	7,602	3,297
Other external costs	- 1,089	- 2,299	- 5,928	- 4,169
Personnel costs	- 3,289	- 3,383	- 10,319	- 6,801
Result in jointly governed companies	- 477	0	- 509	0
Operating profit before depreciation	- 3,608	- 3,915	- 9,154	- 7,673
Depreciations	- 581	- 546	- 2,281	- 1,489
Operating profit	- 4,189	- 4,461	- 11,435	- 9,162
Other financial income	146	209	146	471
Other financial expenses	- 81	- 267	- 461	- 721
Profit from financial items	65	- 58	- 315	- 250
Profit before tax	- 4,124	- 4,519	- 11,750	- 9,412
Tax	989	369	1,915	874
Result for the period	- 3,135	- 4,150	- 9,835	- 8,538

Balance sheet in brief – group

KSEK	2017-12-31	2016-12-31
Assets		
Concessions, patents, licenses, trademarks and similar intellectual rights	8,241	9,461
Goodwill	1,900	2,403
Total intangible fixed assets	10,141	11,864
Other tangible fixed assets	632	679
Total tangible fixed assets	632	679
Interest in group companies	0	0
Other long-term receivables	408	279
Financial fixed assets	408	279
Total fixed assets	11,181	12,822
Accounts receivable	1,086	1,894
Tax receivables	1,478	1,300
Other receivables	1,331	2,112
Receivables from joint ventures	315	0
Prepaid expenses	336	229
Total receivables	4,546	5,535
Cash and cash equivalents	1,508	6,258
Total current assets	6,054	11,793
TOTAL ASSETS	17,235	24,615
Shareholder's equity and liabilities		
Share capital	1,067	970
Other capital contributions	23,815	20,307
Other equity including net profit for the period	-18,145	- 8 397
Total equity	6,737	12,880
Accrued tax liabilities	1,813	2,278
Total liabilities	1,813	2,278
Other long-term liabilities	6,324	5,872
Total long-term liabilities	6,324	5,872
Liabilities to credit institutions	75	0
Accounts payable	470	799
Other liabilities	1,816	2,786
Total contingent liabilities	2,361	3,585
Total liabilities	10,498	11,735
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	17,235	24,615

Cash flow statement in brief – group

KSEK	2017-10-01 – 2017-12-31 3 months	2016-10-01 – 2016-12-31 3 months	2017-01-01 – 2017-12-31 12 months	2016-05-02 – 2016-12-31 Approx. 8 months
Operating profit	- 4,189	- 4,463	- 11,435	- 9,165
Adjustments for depreciation	581	546	2,281	1,489
Received interest	52	0	91	0
Interest paid	- 218	- 113	- 581	- 489
Company tax paid	1,285	1,020	1,262	1,020
Cash flow from operating activities before changes in working capital	- 2,489	- 3,010	- 8,382	- 7,145
Increase / decrease in current receivables	171	- 1,419	1,446	- 2,116
Increase / decrease in current liabilities	- 300	2,414	- 1,672	2,240
Cash flow from operating activities	- 2,618	- 2,015	- 8,608	- 7,021
Investments in tangible fixed assets	- 77	- 447	- 206	- 720
Cash flow from investing activities	- 77	- 447	- 206	- 720
Repayment of loans	0	- 1,179	0	- 1,179
Borrowed capital	0	0	0	- 50
Leasing agreement	50	0	380	0
Redemption of options	79	0	79	0
Issuance of new shares	0	0	3,928	17,995
Costs of issuing shares	0	0	- 402	- 2,112
Cash flow from financing activities	129	- 1,179	3,985	14,654
Cash flow for the period	- 2,566	- 3,641	- 4,829	6,913
Cash and cash equivalents at the beginning of the period	3,972	10,034	6,236	317
Exchange difference cash and cash equivalents	102	- 135	101	- 972
Cash and cash equivalents at the end of the period	1,508	6,258	1,508	6,258

Change in shareholders equity – group

KSEK	2017-10-01 – 2017-12-31 3 months	2016-10-01 – 2016-12-31 3 months	2017-01-01 – 2017-12-31 12 months	2016-05-02 – 2016-12-31 Approx. 8 months
Shareholders' equity at the beginning of the period	9,738	17,285	12,880	- 43
Redemption of shares	0	0	0	- 50
Issuance of new shares	0	0	3,928	23,439
Redemption of warrants	79	0	79	0
Issuing expenses	0	0	- 402	- 2,112
Result for the period	- 3,135	- 4,150	- 9,835	- 8,538
Exchange difference	55	- 255	87	184
Shareholders' equity at the end of the period	6,737	12,880	6,737	12,880

Income statement in brief – parent company

KSEK	2017-10-01 – 2017-12-31 3 months	2016-10-01 – 2016-12-31 3 months	2017-01-01 – 2017-12-31 12 months	2016-01-01 – 2016-12-31 12 months
Net sales	189	34	305	34
Other external costs	- 572	- 852	- 1,859	- 1,290
Personnel costs	- 104	- 39	- 234	- 39
Operating profit before depreciation		- 557		
depreciation	- 487		- 1,788	- 1,295
Depreciation	0	0	0	0
Operating profit	- 487	- 857	- 1,788	- 1,295
Other financial income	55	115	81	349
Other financial expenses	- 2	- 28	- 3	- 223
Profit after financial items	53	87	78	126
Profit before tax	- 434	- 770	- 1,710	- 1 169
Tax	0	0	0	0
Result for the period	- 434	- 770	- 1,710	- 1,169

Balance sheet in brief – parent company

KSEK	2017-12-31	2016-12-31
Assets		
Deposits	50	50
Shares in group companies	17,496	17,496
Receivables group companies	4,099	45
Total financial fixed assets	21,645	17,591
Total fixed assets	21,645	17,591
Tax receivables	15	15
Other receivables	202	66
Prepaid expenses	71	71
Total receivables	288	152
Cash and cash equivalents	214	2,812
Total current assets	502	2,964
TOTAL ASSETS	22,147	20,555
Equity and Liabilities		
Share capital	1,067	970
Share premium account	22,645	20,306
Result for the period	- 1,710	- 1,169
Total equity	22,002	20,107
Loans within the group	0	0
Other liabilities	145	448
Total contingent liabilities	145	448
Total liabilities	145	448
TOTAL EQUITY AND LIABILITIES	22,147	20,555

Cash flow statement in brief – parent company

KSEK	2017-10-01 – 2017-12-31 3 months	2016-10-01 – 2016-12-31 3 months	2017-01-01 – 2017-12-31 12 months	2016-01-01 – 2016-12-31 12 months
Operating profit	- 487	- 857	- 1,788	- 1,295
Adjustments for depreciation	0	0	0	0
Received interest	0	0	0	0
Interest paid	- 2	- 4	- 5	- 199
Tax paid	26	- 14	3	- 14
Cash flow from operating activities before changes in working capital	- 463	- 875	- 1,790	- 1,508
Increase / decrease in current receivables	- 119	72	- 134	- 187
Increase / decrease in current liabilities	- 108	442	- 308	441
Cash flow from operating activities	- 690	- 361	- 2,232	- 1,254
Investments in subsidiaries	0	4,000	0	- 4,000
Increased loans group company	613	1,795	- 3,971	- 12,192
Cash flow from investment activities	613	- 5,795	- 3,971	- 16,192
issuance of new shares	0	0	3,928	21,799
Redemption of warrants	79	0	79	0
Costs of share issue	0	0	- 402	- 1,541
Cash flow from financing activities	79	0	3,605	20,258
Cash flow for the period	2	- 6,156	- 2,598	2,812
Cash and cash equivalents at the beginning of the period	212	8,968	2,812	0
Cash and cash equivalents at the end of the period	214	2,812	214	2,812

Change in share capital – parent company

KSEK	2017-10-01	2016-10-01	2017-01-01	2016-01-01
	– 2017-12-31	– 2016-12-31	– 2017-12-31	– 2016-12-31
	3 months	3 months	12 months	12 months
Share capital at the beginning of the period	22,357	20,877	20,107	50
Redemption of shares	0	0	0	- 50
Redemption of warrants	79	0	79	0
issuance of new shares	0	0	3,928	23,439
Non-registered share capital	0	0	0	0
Costs of issuing shares	0	0	- 402	- 2,163
Result for the period	- 434	- 770	- 1,710	- 1,169
Share capital at the end of the period	22,002	20,107	22,002	20,107

Comments on the financial development

Revenue and operating result

The turnover for the group during the period 2017-01-01 – 2017-12-31 amounted to 9,795 KSEK. The turnover for 2017 is primarily attributable to the increase in the development and production of reagents to customers as well as service, that stems from the increase in market and sales activities initiated after the Company's IPO. The group turnover for the previous fiscal year (2016) amounted to 4 652 KSEK. Revenues were primarily attributable to development and production of reagents for customers. The positive development of the turnover seen during 2016 continued under 2017.

The group result for the period 2017-01-01 – 2017-12-31 amounted to -9,835 KSEK. The result for the period was primarily affected by other external costs that amounted to -5,928 KSEK and personnel costs that amounted to -10,319 KSEK. The result for the period was also affected by depreciation and amortisation costs amounting to -2,281 KSEK.

Balance sheet

As of December 31st, 2017, the Company's receivables amounted to approx. 4,546 KSEK and debt payables to about 10,498 KSEK. The Company's intangible assets amounted to 10,141 KSEK and the Company's current assets amounted to 6,054 KSEK. Cash and cash equivalents amounted to 1,508 KSEK as of December 31st, 2017. Total assets amounted to 17,235 KSEK.

Loans

ExpreS²ion Biotechnologies ApS entered into a loan agreement in June 2015 with Danish Vækstfonden that as of the date of document amounts to 4.5 MDKK with an annual interest rate of 6.55 percent. According to the repayment schedule, the Subsidiary shall pay Vækstfonden 348,145.87 DKK per quarter from 2018-10-01 to 2022-01-14.

Limitations on the use of capital

There are, as far as the board is aware of, no limitations regarding the use of capital.

Working capital

The existing working capital is, in the Board's opinion, sufficient for the current needs during at least 12 months into the future from the date of this memorandum.

Tangible fixed assets

ExpreS²ion Biotech Holding AB and its subsidiary ExpreS²ion Biotechnologies ApS does not hold any material existing and/or planned tangible fixed assets. The Company does not have any mortgages or encumbrances on the group's assets.

Audit reports and qualifications

No negative qualifications.

Terms and instructions

THE OFFER

The Board of ExpreS²ion Biotech Holding AB decided on January 15th, 2018, conditioned by approval from the extraordinary general meeting, to conduct a share issue. The share issue may increase the Company's share capital by a maximum of 266 711.44 SEK through the issue of a maximum of 2 400 403 shares, each carrying a quota value of 0.1111 SEK, at a subscription price of 8.00 SEK per share. The total issue value amounts to a maximum of 19 203 224.00 SEK.

PREFERENTIAL RIGHT TO SUBSCRIBE

Those who on the record date of February 2nd, 2018 held shares in ExpreS²ion Biotech Holding AB has preferential right to subscribe to shares in the share issue in relation to the holding, wherein one (1) old share grants one (1) subscription right. Four (4) subscription rights grants the right to subscribe to one (1) new share.

SUBSCRIPTION RIGHTS ("TR")

Shareholders preference rights is exercised via subscription rights. For each existing share one (1) subscription right is granted. Four (4) subscription rights grants the right to subscribe to one (1) new share.

SUBSCRIPTION PRICE

The subscription price is 8.00 SEK. Brokerage commission will not be charged.

RECORD DATE

The record date at Euroclear Sweden AB (below "Euroclear") for the right to participate in the share issue was February 2nd, 2018. The last day for trading ExpreS²ion Biotech Holding AB's shares with the right to participate in the share issue was January 31st, 2018. The first day of trading ExpreS²ion Biotech Holding AB's shares without participation rights was February 1st, 2018.

SUBSCRIPTION PERIOD

Subscription of shares shall be made during the period from February 8th, 2018 to 3 pm February 27th, 2018. After the expiration of the subscription period, all subscription rights not exercised will be void and thus lose their value. Unexercised subscription rights will be removed from each shareholders securities account without notice from Euroclear.

TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Nasdaq Stockholm First North during the period from February 8th, 2018 to February 23rd, 2018. Shareholders should immediately contact their bank or other nominee with the necessary authority to carry out the purchase and sale of subscription rights. Subscription rights that are acquired during the aforementioned trading period provide, during the subscription period, the same right to subscribe for new shares as the subscription rights received by shareholders based on their holdings in ExpreS²ion Biotech Holding AB on the record date. The subscription rights so obtained must either be used to subscribe no later than February 27th, 2018 or be sold no later than February 23rd, 2018, or they will expire worthless.

STATEMENT REGARDING THE SHARE ISSUE AND SUBSCRIPTION FORMS

Directly registered shareholders

The shareholders, or representatives of shareholders, who on the record date February 2nd, 2018 were registered by Euroclear, will receive a pre-printed statement regarding the issuance of shares with an attached payment form, special subscription form, subscription form for subscription without preferential rights, a booklet containing a summary of the terms and conditions of the rights offer and reference to the full memorandum and a money laundering form. Information will be available for download on the Sedermera Fondkommission website www.sedermera.se and the ExpreS²ion Biotech Holding AB website www.expres2ionbio.com. Those registered in the, in connection with the shareholder registry, specially maintained list of pledgees and others, will not receive any information but will be informed separately. A securities account notification/confirmation showing the registration of subscription rights in the shareholder's securities account will not be sent out.

Nominee shareholders

Shareholders whose holdings of shares in ExpreS²ion Biotech Holding AB are registered with a nominee bank or other custodian, will not receive a share issuance statement or subscription form. However, a folder containing a summary of the terms and conditions of the rights offer and the reference to the full memorandum will be sent out. The subscription and payment shall instead be made in accordance with instructions from each bank or custodian. Note that in case subscription rights are exercised via a bank or custodian, this should be made early in the subscription period due to that each bank/custodian can set different time limits for the last day for subscription.

SUBSCRIPTION BASED ON PREFERENTIAL RIGHTS

Subscription with preferential rights must take place via simultaneous cash payment, no later than 3 pm February 27th, 2018. Subscription by means of payment shall be made either with the pre-printed payment slip accompanying the statement regarding the issuance of shares, or by following the payment instructions on the special subscription form according to the following two options:

1) Statement regarding the Issuance of Shares – pre-printed payment slip

If all subscription rights received on the record date are exercised for the subscription of shares, only the pre-printed payment shall be used as basis for subscription by means of cash payment. The special subscription form shall thus not be used.

2) The Special Subscription Form

In case a different number of subscription rights than what is stated on the pre-printed statement regarding the issuance of shares is exercised for the subscription of shares, e.g. through the sale or acquisition of subscription rights, the special subscription form is to be used for subscription by means of cash payment. The shareholder must state on the subscription form the number of subscription rights being exercised, the number of shares they are subscribing for, and the amount that is being paid. Incomplete or incorrectly filled in subscription forms may be disregarded. The special subscription form can be obtained from the Sedermera Fondkommission website www.sedermera.se. The completed subscription form shall in conjunction with the payment be sent or faxed according to the instructions below and be received by Sedermera Fondkommission no later than 3 pm February 27th, 2018. This application for subscription is binding.

Matter: ExpreS²ion
Sedermera Fondkommission
Norra Vallgatan 64
211 22 Malmö

Fax: 040-615 14 11
Phone: +46 (0)40-615 14 10
E-mail: nyemission@sedermera.se (scanned subscription form)

SUBSCRIPTION OVER 15 000 EUR WITH PREFERENTIAL RIGHTS WHERE APPLICABLE

In case the subscription amount is or exceeds 15 000 EUR the money laundering form shall be filled in and sent to Sedermera in conjunction with payment made according the law (2017:630) about money laundering and financing of terrorism. Note that Sedermera cannot issue BTA, even though payment has been received, until the money laundering control is received by Sedermera.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Application to subscribe for shares without preferential rights is to be made on the form "Subscription without subscription rights" available for download from the Sedermera Fondkommission website (www.sedermera.se) and the ExpreS²ion Biotech Holding AB website (www.expres2ionbio.se). It is also possible to subscribe electronically with BankID on www.sedermera.se

For nominee shareholders, the application to subscribe for shares without preferential rights shall be made to the respective custodian and in accordance with instructions provided by the custodian, or if the shareholding is registered with several custodians, from each of these. Note that the ones who has a custodial account with specific rules for securities transactions, such as investment savings account (ISK) or endowment account (KF), must check with the bank or custodian/trustee for the account, to determine if the acquisition of securities within the framework of the offer is possible. The application shall in such case be made in agreement with the bank/custodian for the account.

Incomplete or incorrectly filled in subscription forms may be disregarded. It is only permissible to submit one (1) subscription form "Subscription without subscription rights". In case more than one such application form is submitted, only the one last received will be considered, and other such application forms will thus be disregarded. The subscription form must be received by Sedermera Fondkommission no later than 3 pm on February 27th, 2018. This application for subscription is binding.

ALLOTMENT WHEN SUBSCRIBING WITHOUT PREFERENTIAL RIGHTS

In the event that not all shares are subscribed for within the framework of preferential rights according to the above, the Board of Directors shall, within the framework of the maximum amount of the new share issue, make a determination concerning the allocation of shares to others without preferential rights who subscribed for shares and decide how the allocation between the subscribers is to be made.

With the allotment of new shares subscribed for without the exercise of subscription rights, priority shall be given to those who have also subscribed for new shares with subscription rights, irrespective of whether the subscriber was a shareholder

on the record date or not, and in the event that full allotment to these cannot be made, the allotment shall occur pro rata in proportion to the number of subscription rights utilised for the subscription of new shares and, to the extent this is not possible, by drawing of lots.

After that, the allotment of new shares subscribed for without the exercise of subscription rights shall be made to others who have subscribed without subscription rights, and in the event that full allotment to these cannot be made, the allotment shall occur pro rata in proportion to the number of new shares that each one subscribed for and, to the extent this is not possible, by the drawing of lots.

Notification of any allotment of shares, subscribed for without the exercise of preferential rights, will be provided by means of the sending out of an allotment of shares notice in the form of a contract settlement note. Settlement notes are expected to be sent out as soon as possible after the end of the period for the submission subscriptions, and the settlement (payment) is to be paid via BankGiro according to the instructions on the settlement note, within four business days thereafter. Note that there is no possibility to withdraw the amount from the specified securities depository account or custodial account. If the settlement payment is not made on time, the shares may be transferred to another party. If the sales price in such a transfer is less than the price in the Offer, the party who originally received an allotment of these shares will be liable for the all or part of the difference in price. No notification is sent out to those who did not receive any allocation of shares.

SHAREHOLDERS RESIDENT ABROAD

Shareholders resident outside Sweden (excluding shareholders resident in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires an additional memorandum, registration or other measures than those required by Swedish law) and who have the right to subscribe for shares in the preferential share issue, can contact Sedermera Fondkommission by telephone as above for information on subscription and payment. Due to restrictions in financial securities legislation in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries where participation requires an additional memorandum, registration or other measures than those required by Swedish law, no subscription rights will be offered to shareholders with registered addresses in any of these countries. Accordingly, no offer to subscribe for shares of ExpreS²ion Biotech Holding AB is directed to shareholders in these countries.

PAID AND SUBSCRIBED SHARES

Subscription via payment is registered with Euroclear as soon as feasible, which normally means a few banking days after payment is made. Thereafter, the subscriber will receive a securities depository account notification confirming that the registration of Paid Subscribed Shares (BTA) has occurred in the subscriber's securities depository account. Subscribed shares are entered as BTAs in the securities account until the preferential share issue has been registered with the Swedish Companies Registration Office.

Shareholders who have their holdings in a custodial account at a bank or brokerage firm will receive information from their respective custodian.

TRADING IN PAID AND SUBSCRIBED SHARES (BTAs)

Trading with BTAs will take place on Nasdaq Stockholm First North from February 8, 2018 until the preferential share issue has been registered with the Companies Registration Office. Subscribed shares are entered as BTAs in the securities depository account until the preferential rights issue has been registered with the Companies Registration Office, which is expected in week 11 of 2018.

DELIVERY OF THE SHARES

As soon as the preferential share issue is registered with the Companies Registration Office, which is expected in week 11 of 2018, the BTAs will be re-registered as (regular) shares, without notification from Euroclear.

ANNOUNCEMENT OF THE OUTCOME IN THE PREFERENTIAL SHARE ISSUE

As soon as possible after the conclusion of the subscription period, ExpreS²ion Biotech Holding AB will publish the outcome of the preferential share issue in a press release.

GOVERNING LAW

The shares issued are pursuant to the Swedish Companies Act (2005:551) and are governed by Swedish law.

THE RIGHT TO DISTRIBUTION OF DIVIDENDS

The new shares shall carry rights to dividends for the first time on the record date for dividends occurring after the new shares have been registered at the Swedish Companies Registration Office. The new shares carry the same rights to dividends as the existing shares.

SHAREHOLDER REGISTER

ExpreS²ion Biotech Holding AB is a Euroclear affiliated reconciliation company. The Company's share register, with information about the shareholders, is maintained and updated by Euroclear, with the address: Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

THE SHAREHOLDERS RIGHTS

The shareholders rights to dividend distribution, voting rights, preferential rights to the subscription of shares, etc., is controlled in part by ExpreS²ion Biotech Holding AB's Articles of Association, which are available via accessing ExpreS²ion's website, and by the Swedish Companies Act (2005:551).

MISCELLANEOUS

The Board of Directors of ExpreS²ion Biotech Holding AB reserves the right to extend the subscription period, as well as the time for the payment. All subscriptions for new shares, with or without the exercise of subscription rights, are binding.

In the event that too large an amount is paid by a subscriber for shares, the Company will arrange for the excess amount to be returned. An amount less than SEK 100 will not be returned.

SHARE TRADING

The shares of ExpreS²ion Biotech Holding AB are listed on Nasdaq Stockholm First North. The shares are traded under the ticker symbol "EXPRS2" and have been designated the ISIN code SE0008348262. The new shares will be admitted to trading in connection with that conversion of BTAs to (regular) shares occurs.

ISSUING AGENT

Sedermera Fondkommission acts as issuing agent and financial adviser for ExpreS²ion Biotech Holding AB.

Articles of Association

Articles of Association of Expres²ion Biotech Holding AB

Adopted at the Annual General Meeting on May 5, 2017

§ 1 Company name

The Company's business name is Expres²ion Biotech Holding AB (publ).

§ 2 Registered office of the Board of Directors

The Board of Directors will have its headquarters/registered office in the Municipality of Helsingborg in the Skåne region.

§ 3 The business operations

The company shall, directly or indirectly through subsidiaries, conduct operations within production of pharmaceutical proteins, as well as development of protein production technology and other compatible business activities. The Company shall also govern the subsidiaries. The Company shall also be able to manage immovable and movable property.

§ 4 Share capital

The share capital shall not amount to less than SEK 500,000 and not more than SEK 2,000,000.

§ 5 Number of shares

The number of shares shall be a minimum of 4,500,000 shares and a maximum of 18,000,000 shares.

§ 6 The Board of Directors

The Board of Directors shall consist of at least three and at most eight members, with a maximum of five alternates.

The members of the Board and the alternates are elected annually at the Annual General Meeting for the period until the end of the following Annual General Meeting.

§ 7 Auditors

The Company shall have a minimum of one and a maximum of two auditors, with a maximum of two deputy auditors. The auditor and deputy auditor, if so appointed, shall be authorised. A registered accounting firm can also be appointed as auditor.

§ 8 Notice of General Meetings of Shareholders and invitation to attend

Notice of General Meetings shall always be made by announcement in Post- och Inrikes Tidningar and on the Company's website. That the notice has been given must be advertised in the Swedish newspaper Svenska Dagbladet. If the Swedish newspaper Svenska Dagbladet ceases publication, the publication of the announcement is to be advertised in Dagens Industri instead.

§ 9 Registration and notification of intent to attend a Meeting

Such shareholders who have been entered in the shareholder register as described in Chapter 7, § 28 (3) of the Swedish Companies Act and who have given notification of intent to attend to the Company no later than the date specified in the notice of the Meeting, are entitled to participate in the Meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Day or New Year's Eve and may not be earlier than the fifth weekday prior to the shareholders meeting. If a shareholder intends to bring along an advisor/assistant, the number of advisors/assistants must be indicated in the notification of intent to attend.

§ 10 Annual General Meeting

At the Annual General Meeting, the following agenda shall be addressed.

1. Election of a Chairman of the meeting.
2. Preparation and approval of the list of shareholders entitled to vote.
3. Election of one or two persons to check and verify the minutes.
4. Determination of whether the meeting has been duly convened.
5. Approval of the Agenda.
6. Presentation of the Annual Report and the Auditor's report and, where applicable, the consolidated financial statements and the Auditor's report to the consolidated financial statements.
7. Resolutions regarding
 - a) the adoption of the Profit & Loss Statement and Balance Sheet, and where applicable the Consolidated Profit & Loss Statement and Consolidated Balance Sheet,
 - b) the disposition of the profits or losses pursuant to the adopted Balance Sheet,
 - c) grant of discharge of liability for the Members of the Board and, where applicable, the CEO.
8. The determination of the number of members of the Board of Directors, alternate members, and the number of auditors and deputy auditors.
9. Determination of the director fees for the members of the Board of Directors and remuneration to the Auditors.
10. Election of members to the Board of Directors, and any alternate members, auditors and deputy auditors.
11. Any other matters to be considered by the General Meeting pursuant to the Swedish Companies Act or the Articles of Association.

§ 11 Fiscal year

The Company's fiscal year is January 1 - December 31

§ 12 CSD Clause

The shares of the Company shall be registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).



EXPRES²ION

BIOTECHNOLOGIES

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