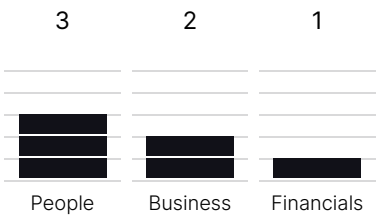
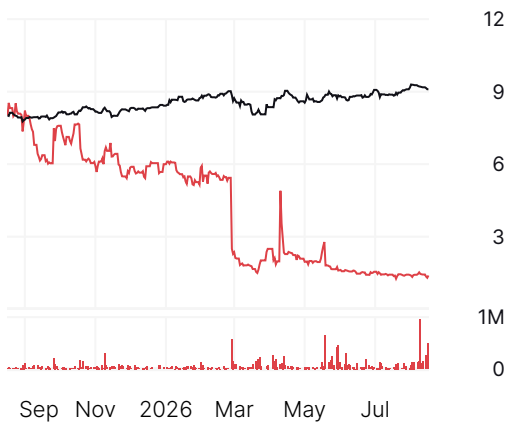
Redeye Quality Rating



Performance VS OMXS30



Share Information	
Share Price SEK	**1.315**
Number of shares (M)	**23.7**
Marketplace	**First North Stockholm**
CEO	**Bent U. Frandsen**
Chairman	**Martin Roland Jensen**

Key Stats	
Market Cap	**31.2m SEK**
Entprs. Value (EV)	**-3.1m SEK**
Net Debt (2026Q2)	**-34.3m SEK**
30 Day Avg Vol	**162 K**
Dividend Yield	**N/A**

Top Holders

Name	Ownership
Mik Sørensen	6.91%
Leif Helth Jensen	5.39%
Microtech Software A/S	4.01%
Daniel Nilsson privat och genom närstående	2.24%
Avanza Pension	1.9%
Johnnie Nicklas Lagard	1.75%
Olle Olsson	1.45%
Lars Ebbeskov Abrahamsen	1.36%
Försäkringsaktiebolaget Skandia	0.97%
Nordnet Pensionsförsäkring	0.94%

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More research on ExpreS2ion Biotech Holding

Scan the QR code to access all Redeye publications and research tools regarding ExpreS2ion Biotech Holding.

redeye.se/company/expres2ion-biotech-holding

ExpreS2ion Biotech (Q2 Review): Encouraging clinical validation ahead of readout

Redeye provides a research update following the Q2 report recently published by ExpreS2ion. While the company reported higher-than-expected OPEX and revenues due to one-off VICI-Disease-related subcontracting costs and grant income, the overall operating results and net cash flow came in line with expectations. With further promising interim phase I study data, we believe that ES2B-C001 is well-positioned ahead of the anticipated topline readout in Q4. Following Redeye's new valuation approach, which factors in both fundamental valuation and relative valuation, we assign ExpreS2ion a new fair value of SEK5 per share.

Summary of the Q2 report

In the second quarter of 2026, ExpreS2ion reported an EBIT of SEK-12.0m (-11.8), as OPEX and revenues for the period amounted to SEK-23.3m (-14.8) and SEK11.5m (3.4), respectively. However, these figures were heavily affected by one-off VICI-Disease-related subcontracting costs and grant income. The quarterly net cash flow came in at SEK12m (-11.0) following the proceeds from the latest rights issue. As such, the company reported a cash position at quarter-end of SEK34.4m (48.8). Accordingly, we estimate that ExpreS2ion has a financial runway into 2027e.

Further validation of ES2B-C001's biological activity

ExpreS2ion's latest DSMB review identified no dose-limiting toxicities across all three dose cohorts and supported expansion of the 450 µg cohort, strengthening the safety dataset ahead of the end-2026 readout. Anti-HER2 antibody responses have now been observed in 12 of 13 evaluable patients, with a median 16-fold peak increase among patients completing all five doses and evidence of continued boosting and durability. While the dataset remains small and does not establish efficacy, the increasingly consistent responses support the biological activity of ES2B-C001 and make the strength, durability and functional relevance of the immune response at the 450 µg dose key areas to watch.

Valuation - New fair value of SEK5

Relative valuation has taken on a more pronounced role in Redeye's valuation approach. However, the fundamental valuation (DCF valuation) continues to constitute the majority of the weighting. In the relative valuation, it is evident that the peer group is affected by the overarching depressed price levels of nordic biotech stocks, with the median EV standing at around SEK135m, compared to our SOTP valuation of ExpreS2ion at an EV of around SEK330m. Our new fair value, which factors in both valuation methodologies, is set at SEK5 per share.

Market Edge Scores

→ ExpreS2ion Biotech Holding is considered Attractively Priced compared to our estimated Fair Value of 5 SEK. For more details, refer to the Valuation section of this report. The stock currently has a Very weak Momentum, based on 7 indicators and ranked against the broader market.

Value Score: 4 - Attractively Priced

Fair Value: 5 SEK

Current price: 1.4 SEK (Upside +258%)

Momentum Score: 1 - Very weak

Current ranking: 12/100

Against all the market stocks

ⓘ This data is a static snapshot per 2026-08-20. To access real-time Market Edge scores and notifications read more and download our app here.

Key Financials					
SEKm	**2022**	**2023**	**2024**	**2025**	**2026e**
Total Revenue	6.2	8.8	7.8	12.2	30.4
Revenue Growth	-55.2%	43.1%	-11.4%	56.3%	150%

EBITDA	-126.4	-104.4	-66.1	-42.9	-44.3
EBIT	-127.6	-106.0	-67.7	-44.3	-45.6
EBIT Margin	-2075%	-1204%	-868%	-364%	-150%
Net Income	-118.6	-91.4	-36.0	-38.2	-36.2
EV/Sales	-21.8	-8.2	-8.9	2.4	1.0
EV/EBIT	0.9	0.5	0.4	-0.2	-0.2

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Q2 review

- *Revenues amounted to SEK11.5 (3.4m)*
- *OPEX amounted to SEK-23.3m (-14.8m)*
- *Operating loss amounted to SEK-12.0m (-11.8m)*
- *Cash and cash equivalents at the end of the quarter amounted to SEK34.4m (48.8m)*

(The numbers in parentheses refer to the corresponding quarter of last year)

ExpreS2ion: Actual vs. Estimates (SEKm)

SEKm	Q2 25	Q2 26a	Q2 26a	Diff (%)
Revenues	**3.4**	**11.5**	**5.0**	**57%**
Revenue growth Y/Y	42%	239%	46%	194%
OPEX	**-14.8**	**-23.3**	**-15.9**	**47%**
EBITDA	**-11.4**	**-11.8**	**-10.9**	**8%**
EBITDA margin (%)	-346%	-104%	-229%	125%
EBIT	**-11.8**	**-12.0**	**-11.3**	**6%**
EBIT margin (%)	-346%	-104%	-229%	125%
Net cash flow	**-11.0**	**12.0**	**12.3**	**-2%**
Cash & Equivalents	**48.8**	**34.4**	**34.2**	**1%**

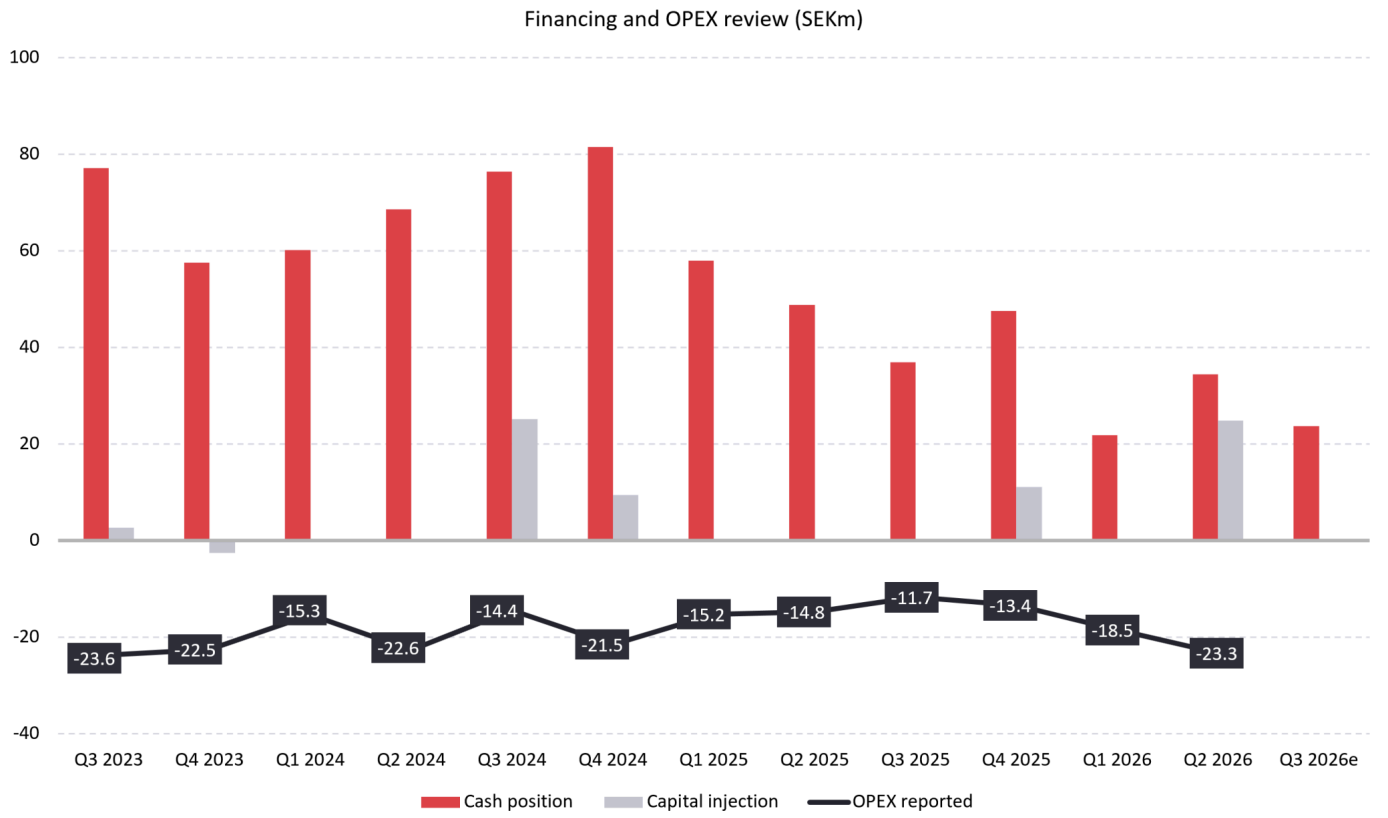
ExpreS2ion reported Q2 2026 revenues (total operating income) of SEK11.5m, significantly above our estimate of SEK5.0m and corresponding to 239% year-on-year growth. At the same time, OPEX came in higher than expected at SEK-23.3m versus our estimate of SEK-15.9m. The primary driver behind the deviation on both the top and bottom of the expense line was higher-than-anticipated grant income and corresponding R&D subcontracting expenses for the VICI-Disease Nipah vaccine program. As management highlighted during the Q2 conference call, these grant revenues directly offset the associated subcontracting costs, leaving the net operational result virtually unaffected. Company management noted that VICI-Disease-related pass-through costs and grant income are expected to be significantly lower in upcoming quarters.

Because the revenue beat was offset by pass-through R&D expenses, EBITDA and EBIT landed broadly in line with our forecasts at SEK-11.8m (vs. SEK -10.9m est.) and SEK-12.0m (vs. SEK -11.3m est.), respectively.

Net cash flow for the quarter was SEK12.0m, matching our estimate of SEK12.3m, while Cash & Equivalents ended the quarter at SEK34.4m compared to our forecast of SEK34.2m. Cash flow was positively impacted by the net proceeds from the rights issue completed in May.

Regarding the company's cash position and runway, the recent financing provides essential near-term liquidity to advance the ES2B-C001 Phase I study toward its planned end-2026 readout. However, potential upside from the TO13 warrant exercise window (August 20 – September 2, 2026) appears limited. With the warrant subscription price set at a floor of SEK1.60 per share while ExpreS2ion's stock currently trades at around SEK1.40 per share, the warrants are currently out-of-the-money, making a significant subscription rate unlikely.

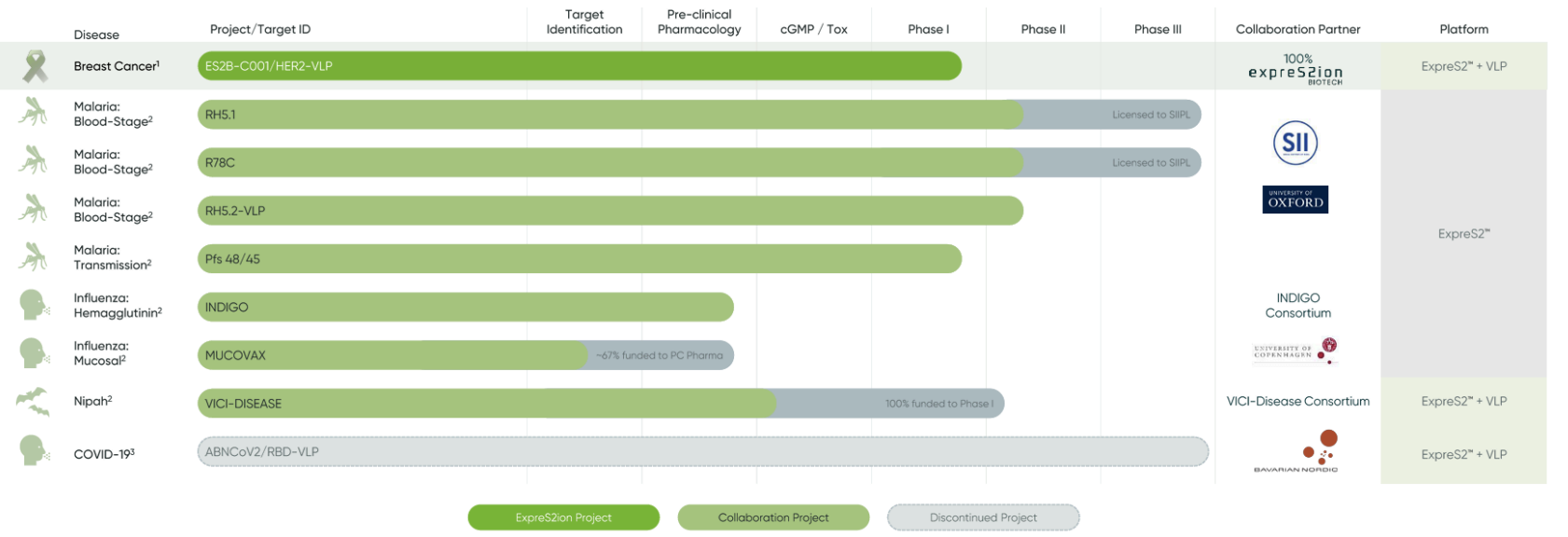
Overall, we view the Q2 2026 report as operational and financially in line with our expectations. The top-line and OPEX beats are neutral in substance due to grant pass-through dynamics, while underlying cash burn remains controlled as the company prepares ES2B-C001 for Phase II partnering discussions.



Key activities and clinical development

ExpreS2ion operates a hybrid business model built around its proprietary *Drosophila* S2-cell expression technology, the ExpreS2 platform, which underpins both the company's internal vaccine development programs and its collaborative and service-based activities. The company's lead program, ES2B-C001, is a HER2-targeted therapeutic breast cancer vaccine designed to induce a strong and durable polyclonal antibody response against the full HER2 receptor. This approach aims to overcome treatment resistance and limitations associated with monoclonal antibody therapies such as Herceptin (trastuzumab) and Perjeta (pertuzumab).

ExpreS2ion pipeline overview



The company balances its proprietary clinical development with a robust portfolio of partner-led programs currently anchored by major programs in malaria, influenza, and Nipah virus.

Phase I progress

ExpreS2ion recently announced the outcome of the third scheduled DSMB review of the ongoing Phase I trial of ES2B-C001, with the committee identifying no dose-limiting toxicities across the 50, 150 and 450 µg cohorts and recommending that the highest-dose cohort be expanded by three additional patients. This is encouraging from a safety perspective and further supports continued dose exploration at 450 µg, particularly as no protocol changes or additional safety precautions were deemed necessary and no related serious adverse events or SUSARs (suspected unexpected serious adverse reactions) have been reported. The expansion should also strengthen the dataset at the highest dose ahead of the planned end-2026 primary readout.

The immunogenicity data provide another incremental step-up in the clinical evidence generated so far. Anti-HER2 antibody responses have now been observed in 12 of 13 evaluable patients, compared with 9 of 9 in the May update, while all five patients who have completed the full five-dose schedule have responded. Importantly, the company reports a median 16-fold peak increase in antibody levels among these completers, with titres increasing over successive dosing visits and remaining elevated at later follow-up. This further supports the previously observed boosting effect and provides additional evidence that ES2B-C001 can generate a sustained immune response rather than merely a transient increase in antibody levels.

At this stage, we view the consistency of the response across patients as arguably more important than the incremental change in the responder ratio itself. The progression from 5/6 evaluable patients in February, to 8/9 in March, 9/9 in May and now 12/13 increasingly suggests that the observed immunogenicity is a reproducible property of ES2B-C001 rather than an effect driven by a small subset of patients. However, the dataset remains small and immunogenicity alone does not necessarily entail clinical efficacy. The key questions for the remainder of the study therefore concern the magnitude, durability and functional characteristics of the antibody response, the potential emergence of early efficacy signals and whether the higher 450 µg dose provides a meaningful benefit over the lower dose levels.

Phase I and Phase II timelines

The company has not changed its target for the Phase I primary readout, which remains at the end of 2026. The three-patient expansion at 450 µg should provide a somewhat more robust safety and immunogenicity dataset at the highest dose, although it also means that additional data will need to mature before the full readout. We view the decision as sensible given the absence of dose-limiting toxicities and the encouraging immunogenicity observed to date.

The more notable change concerns Phase II, where initiation has now been pushed from mid-2027 to the second half of 2027. Importantly, management explicitly attributes the delay to the intention to discuss the Phase II design with regulatory authorities in both Europe and the US, rather than to any safety or efficacy concern emerging from Phase I. We view this as a relatively modest timing adjustment, provided there are no further delays, and potentially beneficial for the programme. Obtaining regulatory feedback before finalizing the Phase II protocol could reduce execution risk, improve the design and potentially avoid costly amendments later in development.

This is also consistent with the more targeted and capital-efficient Phase II strategy outlined by the company in May. ExpreS2ion has increasingly emphasized the possibility of advancing ES2B-C001 independently, while retaining partnering and co-development as strategic alternatives. A regulatory-aligned, focused Phase II design could therefore improve the company's ability to make this decision from a stronger position following the Phase I readout.

Overall, we view the update as another constructive step for ES2B-C001. The continued absence of safety concerns, combined with increasingly consistent and substantial antibody responses and evidence of boosting and durability, further de-risks the biological component of the programme. The key remaining value inflection point is still the end-2026 Phase I readout, where we expect the quality and persistence of the immune response, alongside any preliminary efficacy signals, to determine whether the encouraging

immunogenicity observed so far can translate into a compelling clinical development proposition.

Patent application published in the US

In July, ExpreS2ion announced the publication of its glyco-engineering patent application in the US, extending protection previously published in Hong Kong. The application covers methods for incorporating xylosylated N-glycans into recombinant antigens and includes preclinical data showing higher antibody titres for xylosylated SARS-CoV-2 RBD versus the non-xylosylated antigen, while claiming potential applications across oncology and infectious diseases. We view this as a positive addition to the ExpreS2 platform's IP moat and partnering potential, although the application remains subject to USPTO examination and therefore does not yet constitute granted patent protection.

External news

Moderna & Merck announce positive Phase III cancer vaccine results

Moderna, along with Merck, recently announced positive results from the Phase III INTerpath-001 study of intismeran autogene, their investigational individualized neoantigen therapy, in combination with pembrolizumab (Keytruda) as adjuvant treatment in patients with completely resected Stage IIB-IV melanoma. The Phase III success with the personalized mRNA cancer vaccine provides one of the strongest clinical validations to date for therapeutic cancer vaccines. The earlier Phase IIb melanoma study showed a 49% reduction in the risk of recurrence or death (HR 0.51) and a 62% reduction in the risk of distant metastasis or death (HR 0.38) versus Keytruda alone, with a 2.5-year recurrence-free survival rate of 74.8% versus 55.6%; the latest Phase 3 update confirms that the primary endpoint was met in a much larger population, although detailed efficacy data have yet to be disclosed.

For the broader field, we see this as an important proof-of-concept that therapeutic cancer vaccines can produce clinically meaningful and durable benefits, particularly when combined with established immunotherapies. This could attract greater Big Pharma and investor interest and potentially accelerate development across other tumour types and vaccine platforms.

For ExpreS2ion, we view the development as indirectly positive rather than directly competitive. Intismeran is a personalized neoantigen mRNA vaccine, whereas ES2B-C001 is an off-the-shelf HER2-targeting VLP vaccine designed to induce a broad polyclonal antibody response. The key takeaway is that successful late-stage validation of a therapeutic cancer-vaccine strategy makes the modality itself more credible, potentially improving partnering appetite for ES2B-C001 as ExpreS2ion moves toward its Phase I readout and a more targeted Phase II programme.

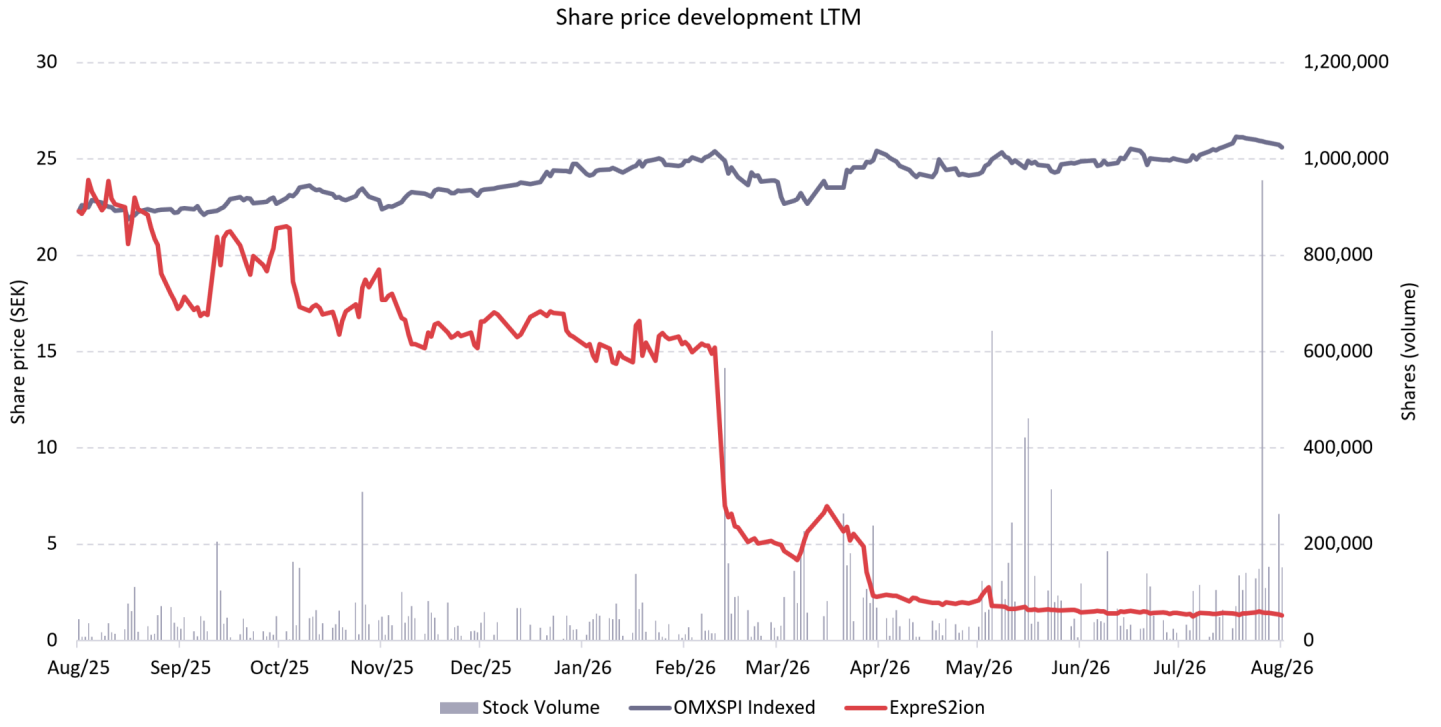
Share price development

Over the past 12 months, ExpreS2ion's share price has experienced a significant downward trend, declining from around SEK22–24 in late summer 2025 to approximately SEK1.50 by August 2026. While the stock drifted gradually downward during late 2025 due to general biotech sector risk aversion and growing financing concerns, the sharpest re-rating occurred in early 2026.

The primary driver of this decline was the announcement and execution of the spring 2026 rights issue. Following the intention announced in late February and the finalized terms disclosed in April (at a heavily discounted subscription price of SEK1.60 per unit), the share price dropped precipitously. Although the completed raise in May was much-needed and secured SEK32.4m in gross proceeds, reducing financial risk, the resulting dilution heavily anchored the stock at lower price levels.

Throughout the period, positive operational milestones failed to trigger lasting share price recoveries. Strong clinical updates for the lead candidate ES2B-C001, including Phase I data showing anti-HER2 antibody responses in 12 of 13 evaluable patients and a positive 3rd DSMB review supporting 450 µg cohort expansion, were overshadowed by financial overhang.

Looking ahead, near-term focus centers on the exercise window for the TO13 warrants (August 20 – September 2, 2026 at SEK 1.60/ share), which will determine additional capital inflows. Long-term sentiment, however, remains centered around ES2B-C001's planned end-2026 Phase I readout and management's ability to leverage these data into a potential partnering deal.



Valuation

Fair Value	=	Fundamental Value (Base Case)	+	Relative Value (Base case)
Weighted average		75% Weight		25% Weight
5 SEK		5 SEK		6 SEK

ⓘ Above Valuation data is a static snapshot per 2026-08-20.

Our valuation consists of two parts: Fundamental Value and Relative Value. Those two parts are aggregated into a Fair Value, based on a weighting defined by the analyst.

Fundamental Value: Based on our analyst's forecasts and normally a cash flow based valuation method such as DCF (Discounted Cash Flow) or SoTP (Sum of the Parts). Prepared in 3 scenarios - Pessimistic, Base and Optimistic - to highlight potential outcomes and margin of safety.

Relative Value: Based on a set of peer companies and relevant comparison multiples selected by our analysts. A fair multiple is calculated based on premiums or discounts for growth and profitability.

Uncertainty Range: The analyst also sets an Uncertainty Range to the Fair Value, affecting the Value Score and what we define as “Fairly Priced” (Value Score = 3). The wider the range - The bigger upside is required to move the score into a 4 or 5.

We classify ExpreS2ion as a clinical-stage biotech with limited directly comparable listed peers, while the company’s valuation is primarily driven by the long-term potential of ES2B-C001 and the value of its validated ExpreS2 platform, alongside a series of binary clinical, financing, and partnering milestones. Given ExpreS2ion’s early-stage development profile, differentiated HER2-targeting approach, and substantial potential cash flows from future commercialization and licensing, we view Fundamental Value as the most relevant valuation approach. However, Nordic small-cap biotech share prices also tend to be influenced by broader sector sentiment and peer valuations, making Relative Value useful as a supplementary market-based cross-check.

Therefore, we weight our Fundamental Value to **80%**, with Relative Value carrying the remaining **20%**, as we believe our SOTP-based valuation provides the most appropriate reflection of ExpreS2ion’s underlying fundamental value, while the Relative Value approach captures the impact of broader Nordic biotech market sentiment on the company’s valuation.

Fundamental valuation - SOTP (Base Case)

Project	Indication	Phase	Estimated launch	Probability LoA	Peak sales (USDm)	Deal size (USDm)	rNPV (SEKm)
ES2B-C001	HER2+ breast cancer	I	2033	9%	2166	650	**294**
Platform/CRO							**78**
AdaptVac							**74**

Technology value (SEKm)	**446**
Net cash (SEKm)	65
Shared costs (SEKm)	-182
Equity value (SEKm)	**329**
Shares outstanding (millions)	23.7
Est. Increase in shares (from share issue & warrants)	38.2
Est. Increase in cash (from share issue & warrants)	30.4
Base case	**5.0**

WACC: 16%

Summary of changes in Fundamental Valuation (SOTP)

- We substantially lower our assumed subscription rate in the TO13 warrants as they are currently "out-of-the-money".
- We make slight revisions to our OPEX and revenue estimates.

Investment Thesis

Case

Multi-targeting candidate with potential to revolutionize breast cancer treatment

With a differentiated scientific approach, a clinically validated technology platform, and disciplined execution, ExpreS2ion is entering a value-inflecting phase. Despite promising early clinical signals and a clear mechanistic rationale, investor sentiment toward the company remains cautious. We argue that the market may underestimate the long-term potential of ExpreS2ion's lead asset, ES2B-C001, and the strategic value of its underlying ExpreS2 platform.

ES2B-C001 is a therapeutic cancer vaccine targeting HER2-positive breast cancer, designed to induce a broad, polyclonal antibody response against the full extracellular domain of HER2. This multi-epitope targeting approach differentiates the candidate from today's standard of care, which rely on single-epitope targeting. By activating the patient's own immune system, ES2B-C001 aims to overcome key resistance mechanisms and potentially deliver more durable disease control with a favorable tolerability profile.

As demonstrated by the success of current HER2-targeted therapies—including blockbuster products such as Herceptin, Perjeta, Kadcyla, and Enhertu—the commercial opportunity in this space is substantial. We believe ES2B-C001 has the potential to address the remaining unmet medical need and estimate that it could achieve annual global peak sales exceeding USD 2.1bn if successfully developed and commercialized.

Evidence

Phase III validated technology

ES2B-C001 is developed using ExpreS2ion's proprietary ExpreS2 protein expression platform, which has been successfully validated in a previous phase III clinical program. This prior late-stage clinical validation significantly de-risks the core technology underpinning the company's pipeline, particularly with respect to antigen design, manufacturability, and scalability. Unlike many early-stage biotech companies built around unproven platforms, ExpreS2ion benefits from having a human-validated technology foundation, strengthening confidence in the translational potential of ES2B-C001 and other vaccine candidates built on the same platform.

Supportive Analysis

Preclinical studies of ES2B-C001 provide strong evidence for its potential as a HER2-targeting cancer vaccine. Across several mouse models, including HER2-transgenic mice with immune tolerance to HER2, ES2B-C001 induced robust antibody responses and tumour growth inhibition. A large proportion of vaccinated animals remained tumour-free long (+600 days) after challenge, and when formulated with adjuvant, ES2B-C001 achieved complete and durable tumour control in stringent models. Supporting in vitro data showed that vaccine-induced antibodies bind HER2 and inhibit tumour growth, while highlighting the vaccine's ability to address key resistance mechanisms seen with current HER2 therapy.

Challenge

Phase II program funding

As a clinical-stage, pre-revenue biotech company, ExpreS2ion remains dependent on external financing and potential partnerships to advance its pipeline. Should ES2B-C001 successfully progress from the ongoing phase I study into a phase II trial, we expect a material increase in development costs related to expanded clinical operations, potential combination strategies and indication expansions, and increased patient recruitment. Consequently, additional capital will likely be required in the medium term to fund a phase II program, either through equity financing, non-dilutive partnerships, or a combination thereof. The company's ability to secure such funding on attractive terms will likely be closely tied to the strength and clarity of forthcoming clinical data.

Intangible protection and exclusivity

Intangible protection is the cornerstone of value for clinical-stage biotechs, ensuring that years of development yield commercial returns. ExpreS2ion's foundational protection for its S2 vector system is currently set to expire in 2029 in Europe and Asia, and 2032 in the US. However, to safeguard the long-term potential of its lead asset, ES2B-C001, the company has filed pivotal patent applications for "High Mannose/fucose antigens" and "Humanized glycosylation." If granted, these new patents would extend the exclusivity period significantly, pushing the expiration horizon to 2040 and 2042. This extension is crucial for maximizing the vaccine's commercial window.

Valuation

Long-term potential with short-term triggers

In our valuation of ExpreS2ion, we use a SOTP based on our sales model and key assumptions and a Relative Value based on a peer group analysis to generate our Fair Value, which suggests significant upside from today's share price levels.

We foresee exciting years ahead for ExpreS2ion as ES2B-C001 has entered the clinic, with the ongoing phase I trial. Primarily, we judge that interim- and top-line data from the study and potential licensing agreements could induce share price re-ratings.

Redeye Quality Rating

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive longterm earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

3

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character. character.

The People rating is based on quantitative scores in seven categories: categories:

1. Passion 2. Execution 3. Capital Allocation 4. Communication 5. Compensation 6. Ownership 7. Board

Positives

- Strong visionary leadership**: CEO demonstrates clear long-term strategic vision with a platform-driven approach, challenges conventions through differentiated HER2 cancer vaccine development, and possesses deep 25+ year industry expertise across pharmaceutical development and commercialization.
- Excellent execution and transparency**: Management consistently delivers on clinical milestones, operates a lean and accountable organization, communicates candidly about setbacks (e.g., recruitment delays), and maintains transparent, timely investor updates focused on long-term value creation.
- Experienced, stable leadership team**: Both CEO and CSO have tenure exceeding five years (since 2016 and 2013 respectively), with a well-defined dual-pillar strategy balancing proprietary pipeline advancement and platform partnerships for non-dilutive funding.
- Strong governance and board composition**: Board demonstrates genuine independence enabling effective management oversight, 50% female representation, diverse relevant expertise aligned with strategy, and established CEO evaluation and succession planning processes.
- Founder involvement with reasonable compensation**: Founder Dr. Martin Roland Jensen remains engaged as Chairman, CEO compensation is evenly distributed among executives and perks/exit payments appear reasonable, fostering appropriate governance culture.

Negatives

- Insufficient insider ownership and alignment**: Combined management and board ownership totals only ~1.6% of shares, well below the 10% threshold. CEO owns significantly more options/warrants than actual shares, raising concerns about true alignment with long-term shareholder interests.
- Poor capital allocation track record**: Continuous share issuances without corresponding EPS growth have caused dilution, current market cap sits below total capital raised, and investments have not yet generated attractive returns on capital despite ongoing operational losses.
- CEO compensation misaligned with performance**: Despite industry-average pay levels, three-year total shareholder return has been weak, indicating shareholders have not received value for money. CEO lacks proven history of creating long-term shareholder value in previous roles.
- Weak ESG commitment and incentive structure**: No formal sustainability reporting using recognized standards, no ESG metrics integrated into executive compensation, and stock-based compensation details lack transparency regarding dilution rates and full-value pricing, with potentially overly generous terms.
- No controlling long-term shareholder**: Largest shareholder owns only ~2% of capital, providing no anchor investor with cash resources and long-term commitment to support the company through clinical development challenges and capital needs.

Business

2

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is ased on quantitative scores in seven categories:

1. Business Scalability 2. Market Structure 3. Value Proposition 4. Economic Moat 5. Operational Risks

Positives

- ExpreS2ion's ExpreS2 platform offers multiple reinvestment opportunities across cancer indications, enabling asset-light scaling once approved. The licensing model reduces capital expenditure needs while maintaining expansion potential through pharmaceutical partnerships.
- The company benefits from secular tailwinds in oncology, particularly HER2+ breast cancer. ES2B-C001 has 10+ years of IP protection and market exclusivity post-approval, supporting sustained competitive positioning.

Negatives

- Binary risk profile: clinical trial failure would essentially end the ES2B-C001 program and signify business failure. Currently pre-revenue with no proven business model, generating negative cash flow and requiring continued capital market dependence.
- Late market entry limits ES2B-C001's ability to capture dominant market share against established HER2+ breast cancer treatments from giants like Roche, AstraZeneca, and Daiichi Sankyo, plus emerging biosimilar competition.

- Strong mission-driven culture focused on life-saving vaccines contributes to the greater good. High employee satisfaction evidenced by stable leadership (5.2-year average tenure) and low turnover despite clinical-stage challenges.
- The business model is largely insulated from commodity price volatility, with COGS expected to represent a small portion of revenue, enhancing margin predictability once commercialized.
- Heavy regulatory dependence creates unpredictable timelines and outcomes. The company is also reliant on key personnel, typical of small biotechs but adding operational risk during critical development phases.
- No recurring revenue base currently; future royalty streams unproven. Revenue concentration risk as ES2B-C001 expected to dominate income, lacking diversification across products, customers, or geographies.

Redeye Quality Rating

Financials

1

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

1. Earnings Power 2. Profit Margin 3. Growth Rate 4. Financial Health 5. Earnings Quality

Positives

- Strong gross profit margin exceeding 40%, indicating excellent pricing power, a profitable product mix, and potential competitive moat that provides resilience against inflation and ability to fund investments from operating cash flow.
- Current assets are at least 1.5 times greater than current liabilities, demonstrating strong short-term liquidity and ability to meet immediate financial obligations comfortably.

Negatives

- Company is unprofitable with negative operating margins, no positive earnings history, and consistently fails to meet profitability benchmarks including 20% operating margin, 20% ROE, and above-average ROA performance.
- Severe financial distress signals: insufficient cash to cover projected burn rate beyond two years, unlikely to achieve cash flow positivity soon, and faces probable need for dilutive capital raise within 12 months.
- Complete absence of revenue and earnings growth, with no evidence of market share gains, EPS acceleration, or performance improvement relative to industry averages over the past five years.
- Poor earnings quality indicators across the board: low operating cash flow conversion, inadequate free cash flow generation, and inability to translate accounting profits into actual cash available for stakeholders.
- No dividend payments or shareholder returns of any kind, reflecting the company's pre-profitability stage and need to preserve all available capital for operations and development activities.

Rating Distribution

Redeye Covered Companies			
Rating	**People**	**Business**	**Financials**
5	6	7	0
3-4	130	115	50
0-2	8	22	94
Companies	144	144	144

Disclaimer

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Financials

Income Statement			
SEKm	**2023**	**2024**	**2025**
Net Sales	7.1	3.0	3.6
Other Income	1.8	4.8	8.6
Total Revenue	8.8	7.8	12.2
Cost of Sales	0.0	0.0	0.0
Gross Profit	8.8	7.8	12.2
Operating Expenses	-113.2	-73.9	-55.1
EBITDA	-104.4	-66.1	-42.9
Depreciation and Amortization	-1.6	-1.6	-1.5
EBIT	-106.0	-67.7	-44.3
Net Financial Items	6.0	23.1	0.08
EBT	-100.0	-44.6	-44.3
Income Tax Expenses	8.6	8.5	6.1
Net Income	-91.4	-36.0	-38.2
Balance Sheet			
SEKm	**2023**	**2024**	**2025**
Assets			
Non-current assets			
Property, Plant and Equipment (Net)	1.8	1.5	0.47
Goodwill	0.0	0.0	0.0
Intangible Assets	2.5	2.1	1.5
Right-of-Use Assets	0.0	0.0	0.0
Other Non-Current Assets	5.8	5.9	5.6
Total Non-Current Assets	10.0	9.6	7.6
Current assets			
Inventories	0.0	0.0	0.0
Accounts Receivable	0.95	1.2	1.2
Other Current Assets	1.4	2.7	1.0
Cash Equivalents	57.6	81.5	47.6
Total Current Assets	68.7	95.4	57.5
Total Assets	78.7	104.9	65.1
Equity and Liabilities			
Non-current liabilities			
Long Term Debt	0.0	0.0	0.0
Long Term Lease Liabilities	0.0	0.0	0.0
Other Non-Current Lease Liabilities	1.4	1.4	0.85
Total Non-Current Liabilities	1.4	1.4	0.85
Current liabilities			
Short Term Debt	0.0	0.0	0.0
Short Term Lease Liabilities	0.28	0.36	0.50
Accounts Payable	1.8	8.5	4.0
Other Current Liabilities	9.3	29.4	23.7
Total Current Liabilities	11.4	38.2	28.3
Equity	65.4	64.8	36.0
Total Liabilities and Equity	78.7	104.9	65.4
Cash Flow			
SEKm	**2023**	**2024**	**2025**
Operating Cash Flow	-100.3	-33.9	-40.9
Investing Cash Flow	0.0	0.0	0.0
Financing Cash Flow	47.8	34.9	10.8
Cash Flow For The Period	-54.5	22.2	-30.1

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Disclaimer

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Redeye Sweden AB ("Redeye Nordic Growth" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within corporate broking, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se.

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- A summary of the valuation basis, methodology, and underlying assumptions used to evaluate the financial instrument or issuer, or to set a price target, as well as an indication of any material changes thereto.
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- An explanation of the meaning of each recommendation category used (e.g., Buy, Hold, Sell), including the relevant time horizon and appropriate risk warnings.
- The date and time of completion of the recommendation and any prices of financial instruments mentioned therein.
- A 12-month track record of all recommendations disseminated on the relevant financial instrument or issuer, including for each: the date of dissemination, analyst identity, price target, relevant market price at the time of dissemination, direction of the recommendation, and validity period.
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