



**Proteins  
for Life**

**EXPRES<sup>2</sup>ION**<sup>®</sup>  
BIOTECH

**Interim report Q1  
01/01/2020 – 31/03/2020  
Expres<sup>2</sup>ion Biotech Holding AB  
559033-3729**

## Conclusion of interim report

"Expres<sup>2</sup>ion Biotech Holding AB" refers to Expres<sup>2</sup>ion Biotech Holding AB with corporate identity number 559033-3729. "The Company" or "Expres<sup>2</sup>ion" refers to the group, i.e. Expres<sup>2</sup>ion Biotech Holding AB and its fully owned operational subsidiary Expres<sup>2</sup>ion Biotechnologies ApS, Denmark.

### First quarter (01/01/2020 to 31/03/2020)

- Group turnover amounted to 2,829 (2,721) KSEK.
- Result after financial items amounted to -5,935 (-4,956) KSEK.
- Net income amounted to -5,234 (-4,341) KSEK.
- Net income per share\* amounted to -0.37 (-0.36) SEK.
- Cash flow from operating activities amounted to -7,878 (-3,412) KSEK
- Equity ratio\*\* amounted to 12.4 (64.2) %.
- Cash and cash equivalents amounted to 6,194 (10,139) KSEK.

Numbers in parenthesis are the numbers from the same period in 2019.

\*The Group's net income per share: The net income for the period divided with the average number of shares for the period. For the period January to March 2020, the average number of shares amounted to 13,988,828. As of 31/03/2020, the total number of shares in Expres<sup>2</sup>ion Biotech Holding AB was 15,202,015. Please note that the number of shares after the period has increased to 15,929,691 as a result of conversion of part of the loan from Modelio Equity AB.

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

### Significant events during the first quarter of 2020

- On January 7, Expres<sup>2</sup>ion announced that its joint venture AdaptVac ApS has been granted a US patent covering its core technology platform. This confirms the overall patentability and proprietary protection of AdaptVac's entire pipeline and future projects. In particular, this consolidates the position of the AV001 breast cancer vaccine for which a specific divisional U.S. patent was issued in 2018.
- On February 6, Expres<sup>2</sup>ion Biotechnologies ApS announced the initiation of a Wuhan Coronavirus (2019-nCoV) vaccine program. Expres<sup>2</sup>ion will produce viral antigens needed for diagnostics and vaccine research, focused on internal vaccine development efforts. The program's first stage has a timeline of two-three months and is contained within Expres<sup>2</sup>ion's existing budget.
- On February 24, Expres<sup>2</sup>ion Biotechnologies ApS announced that the Company will lead a consortium of European expert entities in applying for the EU Horizon 2020 and the Coalition for Epidemic Preparedness Innovations (CEPI) grant calls for COVID-19 (SARS-CoV-2) Coronavirus vaccine development. The consortium includes all the bench-to-bedside expertise required for rapid clinical development of the COVID-19 vaccine that is already under development by Expres<sup>2</sup>ion.
- On February 25, Expres<sup>2</sup>ion Biotechnologies ApS announced that a consortium led by the Company's joint venture AdaptVac has been awarded a 0.6 MEUR Eurostars grant, of which AdaptVac directly receives 1.3 MDKK (1.8 MSEK). The grant will support pre-clinical safety and efficacy studies of AV001 (HER2-cVLP) in pet dogs with spontaneous cancer and non-human primates as part of the breast cancer vaccine clinical development program for AV001 (HER2-cVLP). Expres<sup>2</sup>ion expects to receive 0.7 MDKK (1.0 MSEK) from this grant.
- On February 26, Expres<sup>2</sup>ion Biotechnologies ApS announced that the Company has signed an Option to License Agreement with AdaptVac ApS whereby Expres<sup>2</sup>ion may call an option to exclusively license in AV001 (HER2-cVLP), a preclinical-stage novel breast cancer vaccine candidate, which Expres<sup>2</sup>ion plans to develop towards human clinical studies. According to the agreement, Expres<sup>2</sup>ion has the right to call the option to license in AV001 within 12 months. The option price entails no upfront fee and can maximum amount to DKK 1.2M (SEK 1.7M) during the full option term.

- On February 26, ExpreS<sup>2</sup>ion published its year-end report for 2019. The report is available on ExpreS<sup>2</sup>ion's website ([www.expres2ionbio.com](http://www.expres2ionbio.com)).
- On February 26, ExpreS<sup>2</sup>ion announced that the Company has received written confirmation from warrant holders that these parties will exercise all of their warrants of series TO 3. ExpreS<sup>2</sup>ion will thereby be allocated approximately 9.6 MSEK before issue costs. In connection with this share issue 1.5 MSEK of the loan provided by Modelio Equity AB will also be converted into new shares at the same share price as the warrants (SEK 6,00).
- On March 6, ExpreS<sup>2</sup>ion Biotechnologies ApS announced that the consortium has been awarded an EU Horizon 2020 grant for the COVID-19 (SARS-CoV-2) Coronavirus vaccine development programme. The award funding amounts to 2.7 MEUR (28 MSEK), of which ExpreS<sup>2</sup>ion directly is funded with 0.88 MEUR (9.3 MSEK).
- On March 16, ExpreS<sup>2</sup>ion announced a rearranged event schedule due to Coronavirus travel restrictions.
- On March 31, ExpreS<sup>2</sup>ion Biotechnologies ApS announced that the international next-generation influenza vaccine consortium INDIGO, led by the University of Amsterdam with ExpreS<sup>2</sup>ion as a participating member, has been awarded a 10.0 MEUR Horizon 2020 grant from the EU. ExpreS<sup>2</sup>ion's participation is directly awarded 0.6 MEUR (approx. 6.7 MSEK) of this grant, which is estimated to be recognised as revenue evenly from H2 2020 through H2 2021.

### Significant events after the end of the period

- On April 21, ExpreS<sup>2</sup>ion announced that 1.75 MSEK (excluding accrued interest) of the loan provided by Modelio Equity AB will be converted into new shares at a price of SEK 6.4925 (corresponding to the last 15 trading days volume-weighted average share price).
- On April 21, the shareholders of ExpreS<sup>2</sup>ion were invited to attend the Annual General Meeting on Tuesday, May 26, 2020, at 4:00 p.m. at Clarion Grand Hotel, Stortorget 8, in Helsingborg.
- On April 24, ExpreS<sup>2</sup>ion announced that its joint venture AdaptVac and AGC Biologics, a global Contract Development and Manufacturing Organization (CDMO) for Biopharmaceuticals enters into a partnership for the scale-up and cGMP manufacture of the COVID-19 vaccine developed by the PREVENT-nCoV consortium. The partnership between AdaptVac and AGC Biologics has the potential to advance the initiation of the first clinical trial to the end of 2020.
- On May 4, ExpreS<sup>2</sup>ion announced that 1.75 MSEK (excluding accrued interest) of the loan provided by Modelio Equity AB ("Modelio") will be converted into new shares at a price of approximately SEK 9.06 (corresponding to a 10% discount off the last 15 trading days volume-weighted average share price). Following this conversion there is no remaining outstanding 5 MSEK bridge loan to Modelio. In parallel, a new combination of a loan and a loan facility totaling up to 6.5 MSEK provides new working capital funding to the Company.
- On May 5, ExpreS<sup>2</sup>ion published its annual report for the financial year 2019. The report is available on the Company's website ([www.expres2ionbio.com](http://www.expres2ionbio.com)).
- On May 6, ExpreS<sup>2</sup>ion announced that its joint venture AdaptVac has entered into an exclusive head of terms agreement with Bavarian Nordic, a global leader in the development, manufacture and commercialization of life-saving vaccines, to license the COVID-19 vaccine. The parties seek to enter into the final license agreement within the next two months. Upon execution of a final license agreement, Bavarian Nordic will pay AdaptVac an initial upfront payment in addition to future development and sales milestones and royalties. ExpreS<sup>2</sup>ion will retain a portion of the future milestone payments and royalties of AdaptVac's revenue stream.

## A word from our CEO Bent U. Frandsen

The significance of the events rocking the world in the first months of 2020 are difficult to overstate. ExpreS<sup>2</sup>ion, too, is launched on a transformational path.

We have always considered ourselves world-class protein engineers. Advanced protein engineering skills and technology is what ExpreS<sup>2</sup>ion was founded on a decade ago. We are experts when it comes to those really-difficult-to-make proteins. That is why universities and companies all over the world continue to seek out our assistance and collaborate with us.

As it happens, the ability to make, or “express” as my scientific colleagues call it, and if necessary, modify proteins, is an absolute key skill in vaccine development. Let me give you an example: One of the ways the coronavirus tries to evade detection by the immune system is to hide its by now infamous Spike proteins under a coat of sugar molecules. The virus is literally sugar-coating itself to hide, although in technical terms this phenomenon is known as glycosylation. The HIV virus does the same, which is one of the reasons it has taken so long to develop an effective vaccine against AIDS. One of the key advantages of the ExpreS<sup>2</sup>™ technology and the newest addition, the GlycoX-S<sup>2</sup>™ platform, is precisely our ability to manipulate and control this glycosylation. We believe this ability provides us and our collaborators with a crucial advantage in the fight against the virus.



Another example is the purity and homogeneity of the proteins we make with the ExpreS<sup>2</sup>™ platform. For diagnostic development, this quality is absolutely essential. If the protein antigens that are used in a diagnostic test kit are imperfect, there will be no reaction, or too much reaction, with the blood sample taken from the tested person. This renders the diagnostic test useless. The person may have been infected with COVID-19 but the test cannot see it, or alternatively, the person was never infected but the test says the person was. Either type of wrong answer could have devastating and potentially life-threatening consequences. We have in light of the COVID-19 situation and due to an urgent scientific request supplied ExpreS<sup>2</sup>™ made COVID-19 Spike antigens as in-kind contribution for a Danish diagnostic antibody test project at Rigshospitalet which is supported by the Novo Nordisk foundation. Applying ExpreS<sup>2</sup>™ made protein antigens in the diagnostic test field could in the future support a new diagnostic test that is unsurpassed in specificity and sensitivity.

However, even the best antigen must be presented in the proper way to elicit an effective immune response. That is why in 2017 ExpreS<sup>2</sup>ion Biotechnologies ApS and NextGen Vaccines Holding ApS, a spin-out company formed by a group of leading scientists from the University of Copenhagen, created the joint venture AdaptVac ApS. Our ExpreS<sup>2</sup>™ technology and AdaptVac’s capsid virus-like particle (cVLP) technology is a powerful combination precisely because the cVLP technology ensures that the vaccine antigens are presented to the immune system in a way that closely resembles the natural virus. We are using the ExpreS<sup>2</sup>™ – cVLP combination for the COVID-19 vaccine which we hope to bring into human testing before the end of the year.

Development speed is of course essential to protect lives and to return to a life resembling what we had before the COVID-19 outbreak. But seen from a commercial point of view, the COVID-19 vaccine market will not be a “winner-takes-it-all” market. On the contrary, there will be room for more than one vaccine – in fact it is highly likely that there will be a need for more than one vaccine. If we are successful, our vaccine will probably not be first to market, but we believe it will come to occupy an important place. We believe it will be safe enough that it can be used also for immune-compromised populations, such as the elderly or cancer patients. And we believe it will be effective enough that one shot could provide years of protection, if not lifelong. Perhaps it will also be effective as a so-called booster vaccine after initial vaccination with the mRNA and DNA vaccines that have already entered human trials.

Governments around the world have been pouring in public funding to accelerate the development of a vaccine against COVID-19. ExpreS<sup>2</sup>ion and AdaptVac are both part of the PREVENT-nCoV consortium that received a grant of 2.7 MEUR (28 MSEK) from the EU earlier this year. It is economically important for us that some of this money is used to fund the research activities at ExpreS<sup>2</sup>ion but more than anything we believe this and other similar grants we have received point as direct evidence to the high standard of our work and a recognition of the kind of vaccine we and our partners are developing. Another effect of the pandemic is a reemerging awareness among governments around the world of the still very relevant threat from other potentially deadly pathogens. We are part of the INDIGO consortium that was granted 10 MEUR earlier this year to develop a new and better influenza vaccine. And we continue to work on malaria, both in ExpreS<sup>2</sup>ion and through AdaptVac.

Indeed, with all that is going on with the coronavirus pandemic, it is easy to forget that other important unmet medical needs are still out there. Earlier this year ExpreS<sup>2</sup>ion secured an exclusive option to in-license AdaptVac’s HER-2 therapeutic breast cancer vaccine. We believe the preclinical results coming out of this

vaccine candidate are as impressive as any we have seen. And while there are monoclonal antibody products available today for the treatment of metastatic breast cancer, most notably Herceptin<sup>®</sup> from Roche, there is still a great need for an active immunotherapy product in this field. This is because, in time, many patients experience adverse side effects and/or diminishing effects from the monoclonals. In contrast AdaptVac has published preclinical data showing that the HER-2 cVLP vaccine retained strong anti-tumour effects even after Herceptin had stopped working.

Since ExpreS<sup>2</sup>ion's inception 10 years ago we have been a service company, focused on helping our clients solve their most difficult protein expression problems. We will continue this work, both because we know how to do it, and because it is good business. But we are changing ExpreS<sup>2</sup>ion, just as the circumstances are changing us. Over the coming years our company will be moving up in the biopharmaceutical value chain. We will keep our own drug candidates longer, make larger investments and assume more risk. In return we will have the possibility to reap far greater rewards.

Our decision to develop a COVID-19 vaccine is a great, albeit highly accelerated, example of this new strategy. We launched the program in February 2020 and within an impressive three months only, we have announced a Good Manufacturing Practice-certified contract manufacturer-partnership with AGC Biologics, and we have announced a head of terms agreement with Bavarian Nordic that has the potential to take the clinical development towards a readily available licensed vaccine for people. It will not always be this fast, but we believe we are now prepared in ExpreS<sup>2</sup>ion to develop our own pipeline. We believe this new strategy allows us to create shareholder value at a level we have not previously been able to achieve.

Thank you for your continued support.

*Bent U. Frandsen*

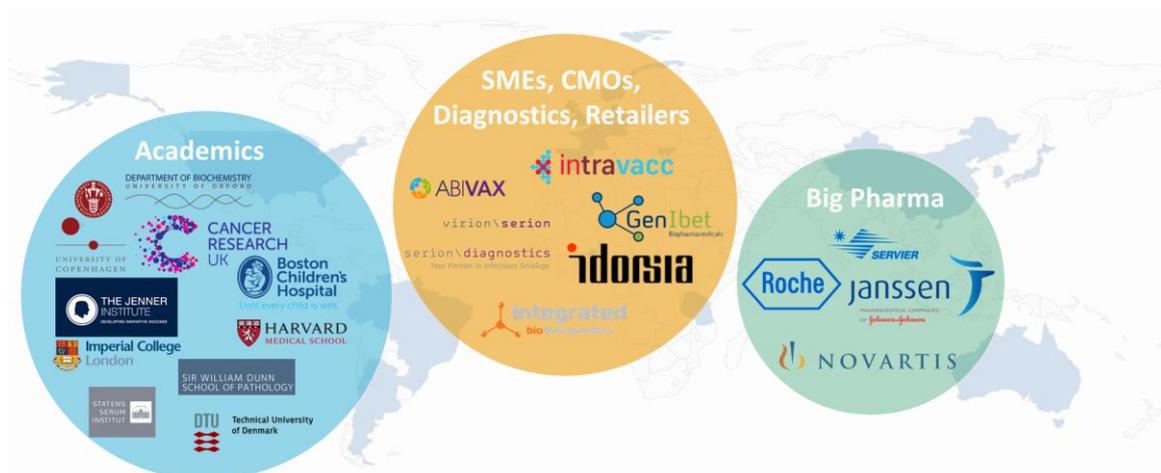
**CEO, ExpreS<sup>2</sup>ion Biotech Holding AB**

## About ExpreS<sup>2</sup>ion Biotech Holding AB

ExpreS<sup>2</sup>ion was established in 2010 as a technology spinout from the Danish pharmaceutical company Affitech A/S (formerly known as Pharmexa 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 operations are based on the patent-protected ExpreS<sup>2</sup> platform and its ability to produce complex proteins. The main component of the ExpreS<sup>2</sup> 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. The platform has a number of features that 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, is a requirement in pharmaceutical development and manufacturing.
- Since 2019 the platform includes glyco-engineered S2 cell lines under the GlycoX-S2™ brand. This allows for functional modification, e.g. by enhancing immunogenicity, or improving pharmacokinetics.

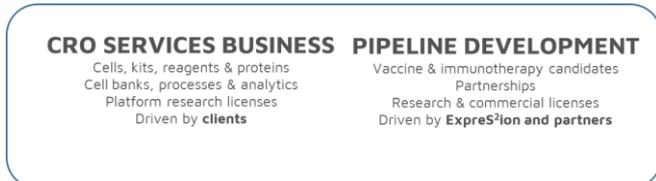
At this point the Company already has a well-established and diverse customer base, as illustrated with selected examples in the figure below (SMEs = small and medium-sized enterprises, CMOs = contract manufacturing organisations):



### Business model and market potential

ExpreS<sup>2</sup>ion's business model consists of mainly two parts:

- ExpreS<sup>2</sup>ion maintains client-relations through its Contract Research Organisation (CRO) services business, which was the premise for the business at inception. Several revenue streams exist under the services business. The Company sells



reagents and protein kits as well as charge clients for services where the Company develops tailor-made proteins and delivers these as finished products, using the ExpreS<sup>2</sup> platform. ExpreS<sup>2</sup>ion can also market licenses to use the ExpreS<sup>2</sup> platform as a whole (or parts of it), thus allowing the client to participate in or be entirely responsible for the development of the proteins required for pharmaceutical or vaccine

development. This is another way through which the Company can receive milestone payments and royalties for project development and market launch.

- ExpreS<sup>2</sup>ion can co-own pharmaceutical projects that use the ExpreS<sup>2</sup> platform. In this way, the Company can receive milestone payments as the development progresses as well as royalties in case the pharmaceutical or vaccine reaches market launch. As a result of the developments of the platform, the Company is now also positioned to undertake the development of own projects, either alone or in collaboration with partners. Malaria and breast cancer are examples of such target indications for pipeline development, as well as since early 2020 COVID-19.

ExpreS<sup>2</sup>ion through its CRO service business targets all clients that pursue development of vaccines and diagnostics as their primary business, or clients that need a strong clinically validated production platform to facilitate research efforts within structural biology and similar discovery activities. The market for such protein expression services is estimated at more than USD 2 billion in 2019 and projected to increase by 7.2% annually in the next 10 years (Future Market Insight).

ExpreS<sup>2</sup>ion through its pipeline development targets a range of infectious diseases, primarily **malaria**, as well as immunooncology, primarily **breast cancer** through its joint venture AdaptVac.

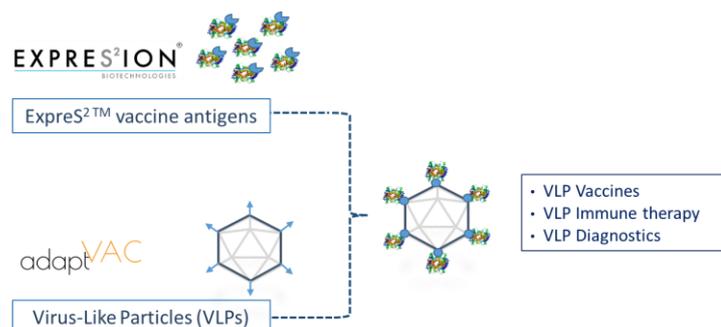
In WHO's World Malaria Report newly issued in November 2019 it is estimated that there were 228 million cases of malaria in 2018. Malaria continues to claim the lives of more than 405,000 people each year, largely in Africa. Children under the age of 5 are especially vulnerable; and WHO estimates that every two minutes a child dies from this preventable disease. In 2018, an estimated US\$ 2.7 billion was invested globally in malaria control and elimination efforts by governments of malaria endemic countries and international partners. The blood stage malaria market is estimated to translate into an amount of approximately USD 400 million annually (Boston Consulting Group 2014).

Breast cancer is a widespread oncology indication affecting more than 1.3 million people worldwide annually, resulting in more than 450,000 deaths (Tao, 2015: [www.ncbi.nlm.nih.gov/pubmed/25543329](http://www.ncbi.nlm.nih.gov/pubmed/25543329)). The most common treatment today is based on monoclonal antibodies, where the dominating therapy Herceptin (trastuzumab) generates annual global sales of USD 7 billion. The target product profile of AdaptVac's lead breast cancer project, AV001, is tailored to be highly competitive both in terms of cost and efficacy, thus aiming at a significant market share.

### The joint venture company AdaptVac

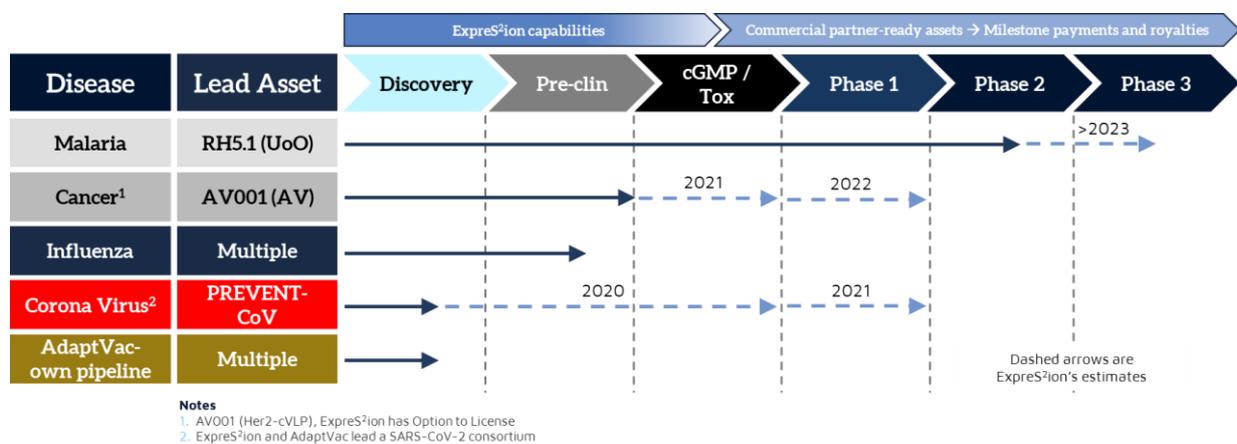
In addition to ExpreS<sup>2</sup>ion's core business activities described above, the Company initiated the joint venture AdaptVac ApS ("AdaptVac") in 2017 together with NextGen Vaccines Holding ApS ("NextGen"), a company established by researchers from the University of Copenhagen. AdaptVac has a worldwide exclusive license to a capsid Virus-Like Particle (cVLP) technology, which enables accelerated development of efficient

therapeutic and prophylactic vaccines within high-value segments of oncology, infectious diseases, and immunological disorders. 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 ExpreS<sup>2</sup>ion's technology and know-how and NextGen's unique expertise within the cVLP technology provide important synergy effects for ExpreS<sup>2</sup>ion's proprietary platform and has the potential to create a robust and versatile company within the field of new vaccines and immunotherapies. With AdaptVac, ExpreS<sup>2</sup>ion also enters the market for immuno-oncology which, according to Research and Markets 2018, is estimated to surpass a market value of USD 100 billion by 2022.



### Expres<sup>2</sup>ion's project pipeline

The table below gives a brief description of the different projects that Expres<sup>2</sup>ion is currently involved in. Expres<sup>2</sup>ion is currently involved in two projects in clinical phases. The first one, the most advanced, is the RH5.1 blood-stage malaria vaccine conducted by the Jenner Institute of the University of Oxford to which Expres<sup>2</sup>ion has out-licensed its platform. Positive data from a phase I/IIa study within the project were communicated in October 2018. The other project in clinical phase is conducted by the PlacMalVac consortium and Expres<sup>2</sup>ion has a joint ownership in the project's development of a placental malaria vaccine. In this project, positive phase Ia data were communicated in January 2019. In addition to these malaria projects, the Company is also actively involved in AdaptVac's most advanced project, AV001 (HER2-cVLP), which is targeting breast cancer and which has documented proof of concept in animals (POCA). Expres<sup>2</sup>ion has announced an option to license agreement on this asset, which ensures that the road to clinical studying has a clear path, while relieving AdaptVac's priorities on multiple earlier stage projects. Furthermore, Expres<sup>2</sup>ion has for many years been actively involved with clients in producing antigens for influenza R&D – now the Company is also actively involved in new influenza disease vaccine development through the recently announced EU-India INDIGO consortium. Finally, since February 2020 the Company has been pursuing a COVID-19 vaccine together with AdaptVac and other European consortium partners.



### Company structure and shareholding

Expres<sup>2</sup>ion Biotech Holding AB has a fully owned subsidiary, Expres<sup>2</sup>ion Biotechnologies ApS, in Denmark. All operational activity takes place in the subsidiary, and Expres<sup>2</sup>ion Biotech Holding AB's only operational activity is to own the subsidiary Expres<sup>2</sup>ion Biotechnologies. In addition to this, Expres<sup>2</sup>ion Biotechnologies ApS owns 50 percent of the shares in AdaptVac ApS, Denmark. This company is accounted for as a jointly governed company. In addition to the above, the Company does not own any shares in other companies.

### Development in figures for Q1 2020

#### Turnover

Group turnover during the first quarter of 2020 amounted to 2,829 (2,721) KSEK. Revenues come mainly from the development and production of reagents to customers. The revenues in the first quarter of 2020 were 4 % higher compared to the same period last year. This growth rate may indicate an impact by the COVID-19 situation which since the WHO announcement of a pandemic has brought a global crisis in the world economy.

#### Result

The consolidated net result for the first quarter of 2020 amounted to 5,234 (-4,341) KSEK. The result is a consequence of higher revenues, but also higher costs related to allocating internal resources to the COVID-19 vaccine project and staff costs.

#### Cash and cash equivalents

As of March 31, 2020, Expres<sup>2</sup>ion's cash and cash equivalents amounted to 6,194 (10,139) KSEK, which primarily is a result of the negative result after tax in the period.

### Shareholder structure

The table below lists all shareholders who held more than 5% of the capital and voting shares in ExpreS<sup>2</sup>ion Biotech Holding AB as of March 31, 2020.

| Name   | Number of shares held | Share of votes and capital |
|--|-----------------------|----------------------------|
| ExpreS <sup>2</sup> ion Holding ApS <sup>1</sup> | 1,744,370             | 11.47%                     |
| AR Consult ApS <sup>2</sup>                      | 1,397,003             | 9.19%                      |
| Försäkringsbolaget, Avanza pension               | 1,331,480             | 8.76%                      |
| Clearstream Banking S.A., W8IMY                  | 858,540               | 5.65%                      |
| Summary shareholders over 5 %                    | 5,331,393             | 35.07%                     |
| Remaining shareholders (below 5 %)               | 9,870,622             | 64.93%                     |
| <b>Total 31/03/2020</b>                          | <b>15,202,015</b>     | <b>100.00%</b>             |

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

### The share

ExpreS<sup>2</sup>ion Biotech Holding AB's share was listed at Nasdaq First North Growth Market on July 29, 2016. The trading name of the share is EXPRS2 and the ISIN-code is SE0008348262. As of March 31, 2020, the number of shares in ExpreS<sup>2</sup>ion Biotech Holding AB amounted to 15,202,015. The average amount of shares for Q1 2020 amounted to 13,988,828. Please note that the number of shares after the period has increased to 15,929,691 as a result of conversion of part of the loan from Modelio Equity AB. The Company has one class of shares. Each share carries equal rights to share in the Company's assets and earnings.

### Operational risks and uncertainties

The risks and uncertainties that ExpreS<sup>2</sup>ion's operations are exposed to are summarised in terms of pharmaceutical development, competition, technology development, patents, government requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For more detailed reporting of risks and uncertainties refer to the Company's annual report for the fiscal year of 2019.

### Auditor review

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

### Accounting principles

ExpreS<sup>2</sup>ion Biotech Holding AB applies the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general standard BFNAR 2012:1 when preparing its financial statements.

### Financial calendar

|                              |            |
|------------------------------|------------|
| Annual General Meeting, 2020 | 26/05/2020 |
| Half-year report, 2020       | 20/08/2020 |
| Interim report Q3, 2020      | 19/11/2020 |
| Year-end report, 2020        | 25/02/2021 |

### Certified Adviser

Svensk Kapitalmarknadsgranskning AB  
E-post: ca@skmg.se  
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### For more information, please contact

Bent U. Frandsen, CEO  
Telephone: +45 4256 6869  
Email: buf@expres2ionbio.com

*The Board of Directors and the CEO indicates that the interim report presents a fair view of ExpreS<sup>2</sup>ion Biotech Holding AB's business.*

Hørsholm, May 20, 2020  
ExpreS<sup>2</sup>ion Biotech Holding AB  
c/o Mazars SET, Terminalgatan 1, 252 24 Helsingborg, Sverige

*Board of Directors and CEO*

## Financial overview

### Income statement in brief – group

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Net sales  | 2,829                                | 2,721                                | 13,829                                |
| Raw materials and consumables                    | - 939                                | - 1,181                              | -3,399                                |
| <b>Gross earnings</b>                            | <b>1,890</b>                         | <b>1,540</b>                         | <b>10,430</b>                         |
| Other external costs                             | - 2,579                              | - 2,163                              | -8,543                                |
| Personnel costs                                  | - 3,697                              | - 3,221                              | -15,306                               |
| Result in jointly governed companies             | - 340                                | - 253                                | -1,824                                |
| <b>Operating profit/loss before depreciation</b> | <b>- 4,726</b>                       | <b>- 4,097</b>                       | <b>-15,243</b>                        |
| Depreciation                                     | - 718                                | - 694                                | -2,876                                |
| <b>Operating profit/loss</b>                     | <b>- 5,444</b>                       | <b>- 4,791</b>                       | <b>-18,119</b>                        |
| Other financial income                           | 0                                    | 0                                    | 3                                     |
| Other financial costs                            | - 491                                | - 165                                | -971                                  |
| <b>Profit/loss from financial items</b>          | <b>- 491</b>                         | <b>- 165</b>                         | <b>-968</b>                           |
| <b>Profit/loss before tax</b>                    | <b>- 5,935</b>                       | <b>- 4,956</b>                       | <b>-19,087</b>                        |
| Tax  | 701                                  | 615                                  | 2,384                                 |
| <b>Profit/loss for the period</b>                | <b>- 5,234</b>                       | <b>- 4,341</b>                       | <b>-16,703</b>                        |

Balance sheet in brief – group

| KSEK   | 31/03/2020    | 31/03/2019    | 31/12/2019    |
|--|---------------|---------------|---------------|
| <b>Assets</b>  |               |               |               |
| Concessions, patents, licenses, trademarks and similar intellectual rights | 5,548         | 6,743         | 5,614         |
| Goodwill   | 693           | 1,252         | 802           |
| <b>Total intangible fixed assets</b>                                       | <b>6,241</b>  | <b>7,995</b>  | <b>6,416</b>  |
| Other tangible assets  | 1,328         | 887           | 1,186         |
| <b>Total tangible assets</b>   | <b>1,328</b>  | <b>887</b>    | <b>1,186</b>  |
| Interest in group companies  | 37            | 35            | 35            |
| Other long-term receivables  | 1,007         | 833           | 933           |
| <b>Financial assets</b>  | <b>1,044</b>  | <b>868</b>    | <b>968</b>    |
| <b>Total fixed assets</b>  | <b>8,613</b>  | <b>9,750</b>  | <b>8,570</b>  |
| Accounts receivable  | 984           | 402           | 1,162         |
| Tax receivables  | 2,826         | 2,288         | 2,058         |
| Other receivables  | 1,762         | 1,113         | 1,128         |
| Prepaid expenses   | 1,721         | 485           | 371           |
| <b>Total receivables</b>   | <b>7,293</b>  | <b>4,288</b>  | <b>4,719</b>  |
| Cash and cash equivalents  | 6,194         | 10,139        | 5,418         |
| <b>Total current assets</b>  | <b>13,487</b> | <b>14,427</b> | <b>10,137</b> |
| <b>TOTAL ASSETS</b>  | <b>22,100</b> | <b>24,177</b> | <b>18,707</b> |
| <b>Equity and liabilities</b>  |               |               |               |
| Share capital  | 1,689         | 1,512         | 1,512         |
| Other capital contributions  | 57,811        | 48,972        | 48,972        |
| Other equity including net profit for the period                           | -56,758       | -39,107       | -51,563       |
| <b>Total equity</b>  | <b>2,742</b>  | <b>11,377</b> | <b>-1,079</b> |
| Accrued tax liabilities  | 1,178         | 1,442         | 1,191         |
| <b>Total liabilities</b>   | <b>1,178</b>  | <b>1,442</b>  | <b>1,191</b>  |
| Other long-term liabilities  | 6,282         | 5,860         | 6,380         |
| <b>Total long-term liabilities</b>   | <b>6,282</b>  | <b>5,860</b>  | <b>6,380</b>  |
| Liabilities to credit institutions   | 1,951         | 1,187         | 1,493         |
| Accounts payable   | 1,350         | 1,029         | 1,082         |
| Other liabilities  | 8,597         | 3,282         | 9,640         |
| <b>Total short-term liabilities</b>  | <b>11,898</b> | <b>5,498</b>  | <b>12,215</b> |
| <b>Total liabilities</b>   | <b>19,358</b> | <b>12,800</b> | <b>19,786</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>22,100</b> | <b>24,177</b> | <b>18,707</b> |

Cash flow statement in brief – group

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Operating profit/loss  | -5,442                               | -4,791                               | -18,119                               |
| Adjustments for depreciation   | 718                                  | 694                                  | 2,876                                 |
| Received interest  | 0                                    | 0                                    | 14                                    |
| Interest paid  | -460                                 | -152                                 | -659                                  |
| Company tax paid   | 0                                    | -17                                  | 1,723                                 |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-5,184</b>                        | <b>-4,266</b>                        | <b>-14,165</b>                        |
| Decrease / increase of current receivables                                   | -1,631                               | 716                                  | -43                                   |
| Decrease / increase of current liabilities                                   | -1,063                               | 138                                  | 1,517                                 |
| <b>Cash flow from operating activities</b>                                   | <b>-7,878</b>                        | <b>-3,412</b>                        | <b>-12,691</b>                        |
| Investments in tangible fixed assets   | -230                                 | -32                                  | -632                                  |
| Investments in intangible fixed assets                                       | 0                                    | 0                                    | -47                                   |
| <b>Cash flow from investing activities</b>                                   | <b>-230</b>                          | <b>-32</b>                           | <b>-679</b>                           |
| Leasing agreement  | -154                                 | -54                                  | 481                                   |
| Bridge loan  | 0                                    | 0                                    | 4,750                                 |
| Redemption of options  | 9,600                                | 0                                    | 0                                     |
| Issuance of new shares   | 0                                    | 8,000                                | 8,000                                 |
| Costs of issuing shares  | -584                                 | -656                                 | -656                                  |
| <b>Cash flow from financing activities</b>                                   | <b>8,862</b>                         | <b>7,290</b>                         | <b>12,575</b>                         |
| <b>Cash flow for the period</b>  | <b>754</b>                           | <b>3,846</b>                         | <b>-795</b>                           |
| Cash and cash equivalents at the beginning of the period                     | 5,418                                | 6,255                                | 6,255                                 |
| Exchange difference cash and cash equivalents                                | 22                                   | 38                                   | -42                                   |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>6,194</b>                         | <b>10,139</b>                        | <b>5,418</b>                          |

Changes in equity in brief – group

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Total equity at the beginning of the period  | -1,079                               | 8,301                                | 8,301                                 |
| Issuance of new shares                       | 0                                    | 8,000                                | 8,000                                 |
| Redemption of options                        | 9,600                                | 0                                    | 0                                     |
| Issuing cost                                 | -584                                 | -656                                 | -656                                  |
| Profit/loss for the period                   | -5,234                               | -4,341                               | -16,703                               |
| Exchange difference                          | 39                                   | 73                                   | -21                                   |
| <b>Total equity at the end of the period</b> | <b>2,742</b>                         | <b>11,377</b>                        | <b>-1,079</b>                         |

Income statement in brief – parent company

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Net sales  | 0                                    | 0                                    | 335                                   |
| Other external costs                             | -477                                 | -425                                 | -2,328                                |
| Personnel costs                                  | -94                                  | -97                                  | -75                                   |
| <b>Operating profit/loss before depreciation</b> | <b>-571</b>                          | <b>-522</b>                          | <b>-2,068</b>                         |
| Depreciation                                     | 0                                    | 0                                    | 0                                     |
| <b>Operating profit/loss</b>                     | <b>-571</b>                          | <b>-522</b>                          | <b>-2,068</b>                         |
| Other financial income                           | 36                                   | 212                                  | 402                                   |
| Other financial costs                            | -226                                 | -4                                   | -389                                  |
| <b>Profit/loss from financial items</b>          | <b>-190</b>                          | <b>208</b>                           | <b>13</b>                             |
| <b>Profit/loss before tax</b>                    | <b>-761</b>                          | <b>-314</b>                          | <b>-2,055</b>                         |
| Tax  | 0                                    | 0                                    | 0                                     |
| <b>Profit/loss for the period</b>                | <b>-761</b>                          | <b>-314</b>                          | <b>-2,055</b>                         |

Balance sheet in brief – parent company

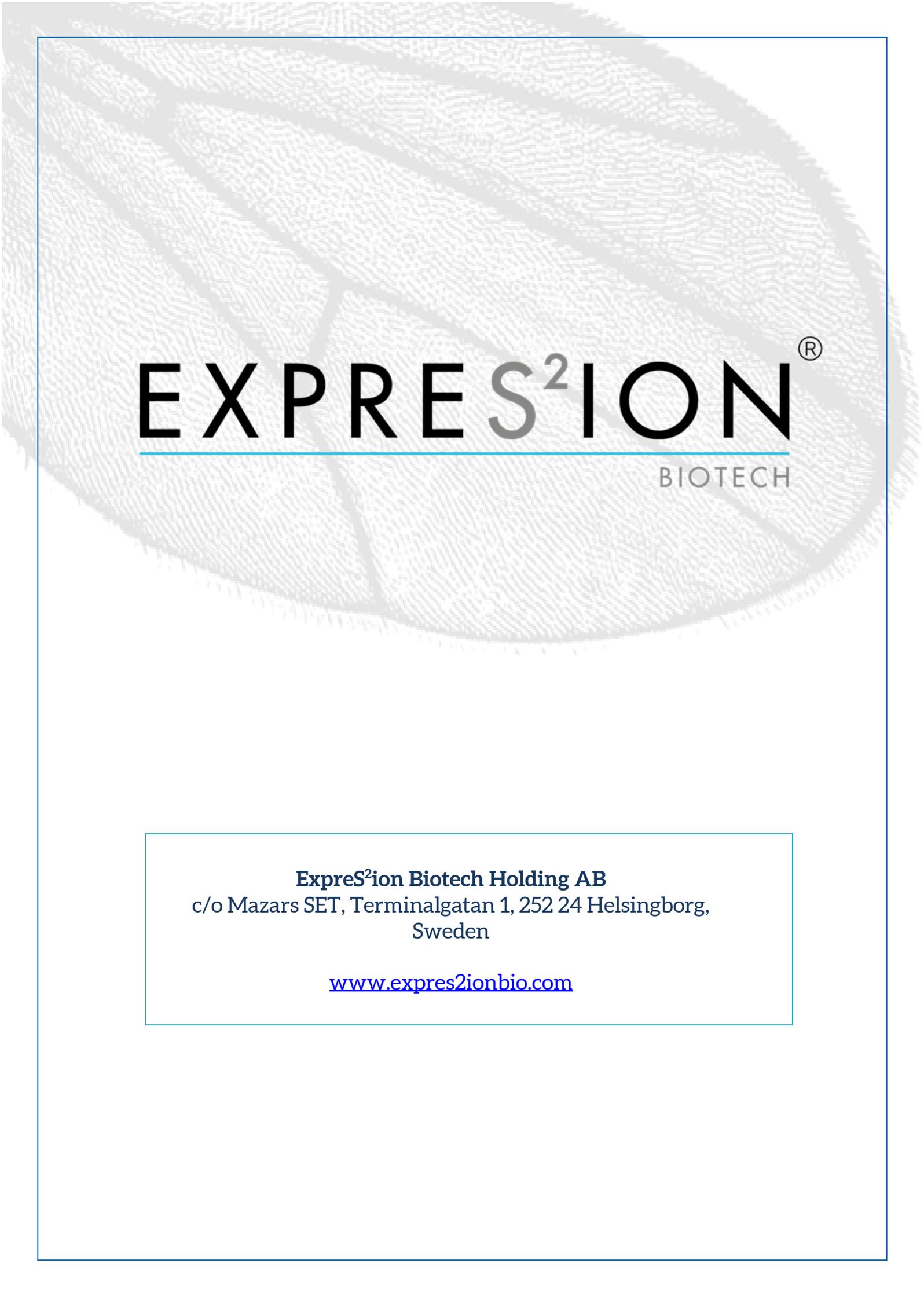
| KSEK                                | 31/03/2020    | 31/03/2019    | 31/12/2019    |
|-------------------------------------|---------------|---------------|---------------|
| <b>Assets</b>                       |               |               |               |
| Deposits                            | 50            | 50            | 50            |
| Shares in group companies           | 45,053        | 17,496        | 45,053        |
| Receivables from group companies    | 8,638         | 18,918        | 1,777         |
| <b>Total financial fixed assets</b> | <b>53,741</b> | <b>36,464</b> | <b>46,880</b> |
| <b>Total fixed assets</b>           | <b>53,741</b> | <b>36,464</b> | <b>46,880</b> |
| Tax receivables                     | 36            | 30            | 34            |
| Other receivables                   | 146           | 84            | 57            |
| Prepaid expenses                    | 620           | 30            | 30            |
| <b>Total receivables</b>            | <b>802</b>    | <b>144</b>    | <b>121</b>    |
| Cash and cash equivalents           | 3,103         | 9,708         | 2,173         |
| <b>Total current assets</b>         | <b>3,905</b>  | <b>9,852</b>  | <b>2,294</b>  |
| <b>TOTAL ASSETS</b>                 | <b>57,646</b> | <b>46,316</b> | <b>49,174</b> |
| <b>Equity and liabilities</b>       |               |               |               |
| Share capital                       | 1,689         | 1,512         | 1,512         |
| Share premium account               | 53,326        | 47,802        | 44,487        |
| Net profit/loss for the period      | -2,816        | -3,629        | -2,055        |
| <b>Total equity</b>                 | <b>52,199</b> | <b>45,685</b> | <b>43,944</b> |
| Bridge loan                         | 5,000         | 0             | 5,000         |
| Other liabilities                   | 447           | 631           | 230           |
| <b>Total contingent liabilities</b> | <b>5,447</b>  | <b>631</b>    | <b>5,230</b>  |
| <b>Total liabilities</b>            | <b>5,447</b>  | <b>631</b>    | <b>5,230</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>57,646</b> | <b>46,316</b> | <b>49,174</b> |

Cash flow statement in brief – parent company

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Operating profit/loss  | -571                                 | -522                                 | -2,068                                |
| Received interest  | 0                                    | 0                                    | 402                                   |
| Interest paid  | -226                                 | -4                                   | -139                                  |
| Company tax paid   | 0                                    | -17                                  | -20                                   |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-797</b>                          | <b>-543</b>                          | <b>-1 825</b>                         |
| Decrease / increase of current receivables                                   | -680                                 | -39                                  | -12                                   |
| Decrease / increase of current liabilities                                   | 216                                  | 93                                   | -308                                  |
| <b>Cash flow from operating activities</b>                                   | <b>-1,261</b>                        | <b>-489</b>                          | <b>-2,145</b>                         |
| Investments in subsidiaries  | 0                                    | 0                                    | -27,557                               |
| Loans group Company  | -6,825                               | -2,937                               | 13,991                                |
| <b>Cash flow from investing activities</b>                                   | <b>-6,825</b>                        | <b>-2,937</b>                        | <b>-13,566</b>                        |
| Issuance of new shares   | 0                                    | 8,000                                | 8,000                                 |
| Bridge loan  | 0                                    | 0                                    | 4,750                                 |
| Redemption of options  | 9,600                                | 0                                    | 0                                     |
| Costs of issuing shares  | -584                                 | -656                                 | -656                                  |
| <b>Cash flow from financing activities</b>                                   | <b>9,016</b>                         | <b>7,344</b>                         | <b>12,094</b>                         |
| <b>Cash flow for the period</b>  | <b>930</b>                           | <b>3,918</b>                         | <b>-3,617</b>                         |
| Cash and cash equivalents at the beginning of the period                     | 2,173                                | 5,790                                | 5,790                                 |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>3,103</b>                         | <b>9,708</b>                         | <b>2,173</b>                          |

Changes in equity - parent company

| KSEK   | 01/01/2020<br>31/03/2020<br>3 months | 01/01/2019<br>31/03/2019<br>3 months | 01/01/2019<br>31/12/2019<br>12 months |
|--|--------------------------------------|--------------------------------------|---------------------------------------|
| Total equity at the beginning of the period  | 43,944                               | 38,655                               | 38,655                                |
| Issuance of new shares                       | 0                                    | 8,000                                | 8,000                                 |
| Redemption of options                        | 9,600                                | 0                                    | 0                                     |
| Issuing cost                                 | -584                                 | -656                                 | -656                                  |
| Profit/loss for the period                   | -761                                 | -314                                 | -2,055                                |
| <b>Total equity at the end of the period</b> | <b>52,199</b>                        | <b>45,685</b>                        | <b>43,944</b>                         |



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