ExpreS2ion Biotech

Pipeline continues to derisk, near-term question is funding

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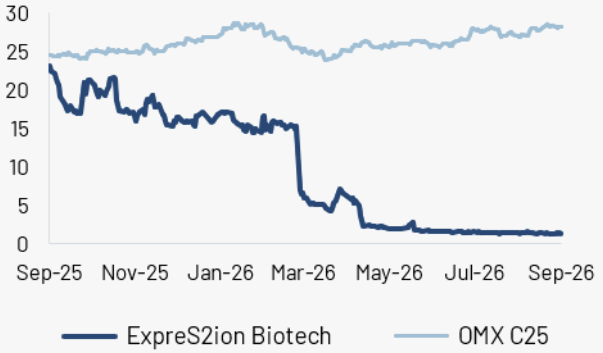
Key Financials and Valuation

Share price



YTD:	-91.5%	1 year:	-94.2%
1 month:	-3.2%	3 year:	-97.6%

Note: Closing price from 4 September 2026.
Source: S&P Capital IQ .

Financials

SEKm	2023	2024	2025	2026E
Revenue	8.8	7.8	12.2	N/A
Growth	43%	-11%	56%	N/A
R&D Costs	-51.4	-26.7	-10.0	N/A
EBITDA	-104.4	-66.1	-42.8	N/A
Cash flow	-100.1	-33.9	-40.9	N/A
Net cash	57.6	81.5	47.6	34.4*
Market value				31.9

Note: ExpreS2ion Biotech has no 2026 financial guidance. *Net cash reflects cash on hand from Q2 2026. Market value from 4 September 2026.
Source: S&P Capital IQ.

Key Pipeline Overview

Product	Phase I	Phase II	Phase III
Breast cancer	Ongoing		
Malaria Blood Stage	Completed	Ongoing	
Malaria trans-mission stage	Ongoing		
Influenza: hemagglutinin	Concluded		
Influenza: Mucosal	Pre-clinical		
Nipah	Pre-clinical		
COVID-19 (ABN-CoV2 / RBD-VLP)	Completed	Completed	Completed

Note: Pipeline overview detailed on page 3, covering progress, recent updates and upcoming read-outs.

Valuation Perspectives

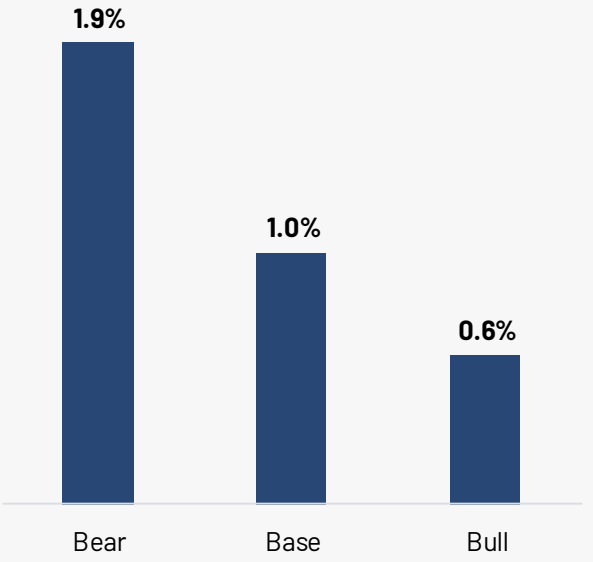
We use a simplified DCF model to indicate how much of ExpreS2ion's market capitalization reflects the implied probability of success (PoS) for approval and commercialization of its pipeline and platform. ES2B-C001 is the primary value driver, while the ExpreS2 platform, the SII malaria agreement and the 34% stake in AdaptVac add smaller, supplementary value. We model bear, base and bull scenarios on different peak market share and royalty assumptions.

The base-case implied PoS of ~1.0% looks low for a candidate with encouraging Phase I data, with anti-HER2 responses in 12 of 13 evaluable patients across all three dose levels, a median 16-fold peak increase among patients completing dosing, and no dose-limiting toxicities. The historical benchmark at Phase I is ~7%, and ~5% in oncology, implying meaningful upside if strong Phase I data supports partnering.

At SEK 1.345 the market capitalization of ~SEK 32m sits below reported cash of SEK 34.4m, so enterprise value is around zero. This partly reflects uncertainty over peak penetration in the ~USD 16bn HER2 market, and funding, where the route beyond Phase I runs through a partnership that is not yet secured and the share sits below the TO 13 floor.

Full exercise of the TO13 warrants would lift the base-case implied PoS to ~1.9%, but with the subscription price set at SEK 1.60, some 19% above the market, take-up is likely to be limited unless the share recovers before it closes.

Model implied PoS



Investment Case: Pipeline continues to derisk, near-term question is funding

Key Investment Reasons

- Cancer candidate targeting a large market with a differentiated approach (treatment resistance and safety limitations among existing therapies).
- Technology platform proven in a Phase III COVID-19 trial and through malaria partnerships, indicating broader platform value.
- ES2B-C001 further derisked by consistent immunogenicity across all three dose levels, now supported by early functional antibody data.
- The HER2 target is relevant beyond classic HER2+, expanding the potential value ascribed to the candidate if successful Phase I data is achieved.

Key Investment Risks

- High-risk early-stage drug development. ES2B-C001 is still in Phase I and dominates the value in the case, requiring patience and a high risk appetite.
- Antibody responses have been consistent, but clinical benefit is not an endpoint in Phase I and remains unproven against established therapies.
- Dilution risk remains high. The TO13 subscription price is set above the current share price, and partnering is the stated route into Phase II.
- The case rests on one catalyst. Any delay or ambiguity in the end-2026 Phase I read-out would remove the primary re-rating trigger.

Company description: ExpreS2ion Biotech is a Nasdaq First North-listed biotech company with a clinically validated protein expression platform (ExpreS2) and a focused pipeline of clinical assets. Its lead programme, ES2B-C001, a HER2-targeted breast cancer active immunotherapy in Phase I, is the primary near-term value driver. ExpreS2 also supports partnered programmes in malaria, influenza and Nipah virus, generating value through licensing, milestones and royalties. In several programmes ExpreS2 is paired with AdaptVac's cVLP technology (34% stake), validated in a Phase III COVID-19 vaccine licensed by Bavarian Nordic. Alone, it underpins a licensing agreement with Serum Institute of India for RH5.1 and R78C.

Investment case: ES2B-C001 is ExpreS2ion's primary value driver. HER2-positive breast cancer is a large market (~USD 16bn annually) where treatment resistance and safety limitations leave room for differentiated approaches. Rather than compete with established HER2 therapies, ES2B-C001 targets treatment-resistant patients and complements current care, reducing "me-too" risk and supporting market access.

As of the 4 August data cut, anti-HER2 responses had been observed in 12 of 13 evaluable patients across all dose levels, and all five completing the five-dose schedule responded, with a median 16-fold peak titre increase sustained at follow-up. The third DSMB review found no dose-limiting toxicities and no SUSARs, and recommended enrolling three additional patients at 450 µg.

Exploratory assays in non-human primate serum show the induced antibodies engage complement, phagocytosis and cytotoxicity, confirming the intended mode of action but not anti-tumour activity, in an indication where trastuzumab-based regimens and Enhertu set a high bar. The full package, including 3D tumour growth inhibition assays, reads out on Phase I serum in Q4 2026.

The HER2 target extends beyond classic HER2+, including HER2-low breast cancer and HER2-positive GEJ cancer, which is too early to value but underscores the platform's optionality.

The company raised SEK 32.4m in the May rights issue. The 20,218,750 TO13 warrants were priced on 2 September at the SEK 1.60 floor and are exercisable 7 to 21 September. With the share below the floor, take-up is uncertain. Management points to partnering as the route into Phase II, and further financing is likely if no deal is secured.

Phase II initiation has moved to H2 2027 to allow the plan to be reviewed with regulators in Europe and the US. Management states the move is unrelated to Phase I safety or efficacy and leaves the funding requirement unchanged. The end-2026 read-out remains the primary re-rating trigger. A delay, or a data set that does not support selection of the dose levels for Phase II, would push out the value inflection point.

Pipeline Progress, Recent Updates, Upcoming Read-outs, and Overview

ExpreS2ion's pipeline continued to de-risk during the quarter, with ES2B-C001 remaining the dominant value driver. As of the 4 August data cut, anti-HER2 antibody responses were observed in 12 of 13 evaluable patients across all three dose levels, up from 9 of 9 in May, and all five patients completing the five-dose schedule responded, with a median 16-fold peak increase in antibody titre. The third DSMB review found no dose-limiting toxicities and no SUSARs, and recommended enrolling three additional patients at 450 µg, an expansion option already provided for in the study design and used previously at 150 µg. Exploratory assays in non-human primate serum confirmed the mode of action, the antibodies engaging complement, phagocytosis and cytotoxicity. Phase I read-out remains end-2026, while Phase II initiation moved on 12 August to H2 2027, allowing regulatory review in Europe and the US. On the partner-led side, Oxford's BIO-002 malaria data were published, and the US xylosylation patent application was published in July.

Key catalyst: Two dated events sit inside Q4 2026. The full translational programme now running on Phase I serum should read out in the quarter, and the ES2B-C001 Phase I primary read-out at end-2026 remains the principal re-rating trigger, as it will define the dose levels carried into Phase II. A more detailed preliminary Phase II design is expected around the time of the read-out, with initiation guided to H2 2027 from mid-2027 previously.

On the partner-led side, several Oxford malaria trials complete from Q3 2026 and the Nipah programme continues.

	Target Identification	Pre-clinical Pharmacology	cGMP/Tox	Phase I	Phase II	Phase III	Collaboration Partner	Platform
Breast Cancer (ES2B C001/HER2-VLP)	Completed	Completed	Completed	Ongoing			ExpreS2ion Biotech (100%)	ExpreS2™ + VLP
Malaria Blood Stage[1] (RH5.1, RH5.2-VLP, & R78C)	Completed	Completed	Completed	Completed	Ongoing		SIIL and University of Oxford	ExpreS2™
Malaria transmission stage[2] (Pfs 48/45)	Completed	Completed	Completed	Ongoing				ExpreS2™
Influenza: Hemagglutinin[2,4] (INDIGO)	Completed	Concluded					INDIGO Consortium	ExpreS2™
Influenza: Mucosal[2] (MUCOVAX)	Ongoing						University of Copenhagen	ExpreS2™
Nipah[2]	Completed	Completed	Ongoing				VICI-Disease Consortium	ExpreS2™ + VLP
COVID-19[3] (ABNCoV2/RBD-VLP)	Completed	Completed	Completed	Completed	Completed	Completed	Bavarian Nordic	ExpreS2™ + VLP

Note: [1]RH5.1 and R78C: Clinical License Agreement with Serum Institute of India. [2]Project funded under collaboration agreements (non-dilutive). [3]ABNCoV2 is fully sponsored by Bavarian Nordic but is discontinued. See more details on P3.
[4]The INDIGO consortium concluded in Q12026. No further grant funding is anticipated from this programme.

Implied probability of success (PoS) – Value has fallen below net cash

The model: This investment case does not set a price target but provides investment perspectives using a simplified Discounted Cash Flow (DCF) model. It uses scenario analysis to estimate how much of ExpreS2ion Biotech's current market value reflects the implied probability of success (PoS) for its lead breast cancer immunotherapy, ES2B-C001, based on assumptions aligned with management's communication. The model has been rebuilt for this update, with assumptions unchanged apart from those set out in the appendix.

Although still early-stage, ES2B-C001 is the main source of potential value, given its large addressable market and unmet medical need. We also include the malaria vaccine programme following the licensing agreement with the Serum Institute of India (SII), as well as additional value from the ExpreS2 technology platform and the 34% stake in AdaptVac. Our model-implied PoS reflects the market's willingness to pay for the pipeline and platform, as a share of their total potential assuming full FDA clearance and commercialisation for all assets.

The SII partnership for the RH5.1 malaria vaccine is modelled conservatively, assuming low single-digit EUR million milestones and a ~2% royalty on a relatively small global malaria vaccine market (c. USD 100-160m annually), translating into mid single-digit SEK million peak annual revenue. The malaria programme is therefore not a core value driver and is dwarfed by the potential upside of ES2B-C001. We only model bear, base and bull scenarios for ES2B-C001, and view the ~7% historical PoS for Phase I candidates as the appropriate benchmark.

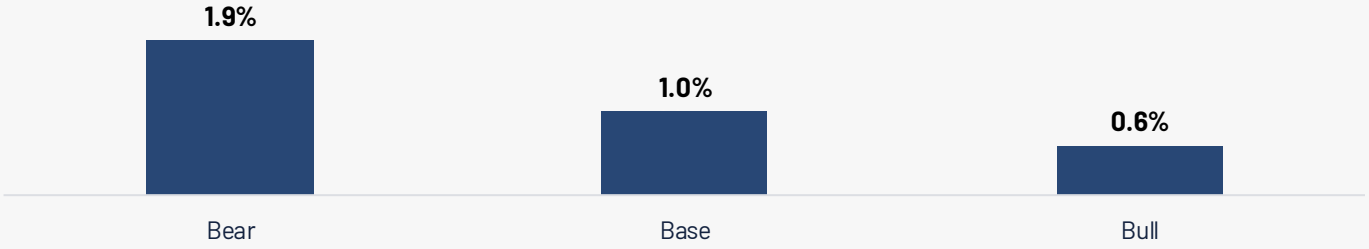
Base case scenario: The model uses the indicated market size of around USD 16bn for the ES2B-C001 breast cancer therapeutics market. Moderately declining CRO revenues, faster-growing grant revenues for the technology platform and a 50% post-launch EBIT margin are held constant across all three scenarios. The model assumes a peak market share of 20% for ES2B-C001, a royalty rate of 10% for ExpreS2ion and 3% for AdaptVac. On this basis, the market currently implies a 1.0% probability of success for launch and commercialisation, against historical success rates of ~7% across indications and ~5% in oncology.

Bear case scenario: The model assumes a peak market share of 15% for ES2B-C001, a lower royalty rate of 7.5% for ExpreS2ion and 2% for AdaptVac, and commercial launch delayed by one year to 2033. On this basis, the market currently implies a 1.9% PoS for launch and commercialisation.

Bull case scenario: The model assumes a peak market share of 25% for ES2B-C001, a higher royalty rate of 12.5% for ExpreS2ion and 3% for AdaptVac, and commercial launch brought forward one year to 2031. On this basis, the market currently implies a 0.6% PoS for launch and commercialisation.

Comparison with the previous update: The equivalent figures in our Q1 2026 investment case were 2.0%, 1.2% and 0.5%. No clinical assumptions have changed: the move reflects a share price down around 19% since the May publication, against a broadly unchanged valuation of the underlying assets. The USD to SEK rate has also been updated to 9.60 from 10.53, which lowers the SEK value of future royalties and partly offsets the share price effect.

Model-implied Probability of Success (PoS) – bear, base and bull scenarios



Note: Implied PoS is market capitalisation divided by the modelled equity value assuming full approval and commercialisation. Share price as of 4 September 2026.

Appendix – Assumptions used in the PoS modelling (1/2)

Market size and market growth: The ES2B-C001 candidate targets breast cancer incidences overexpressing the HER2 protein (HER2+), estimated around 20-25% of all breast cancer incidences, per ROCHE data, and with an annual market size of around USD 16bn based on existing treatment sales and market estimates. This is built bottom-up from reported 2024 revenues for Roche's HER2 franchise, Enhertu and trastuzumab biosimilars, giving a range of USD 15.8bn to 16.9bn. Breast cancer incidence is expected to continue rising due to ageing populations and demographic trends, with estimated growth of 2.3% to 2030 and 1.6% thereafter, which guides our market growth expectations. We assume ExpreS2ion's effective patent protection extends to 2041, reflecting a 20-year term from AdaptVac's 2016 cVLP filing plus SPC/PTE. Following patent expiry, we expect increased competition and price pressure, and therefore apply a terminal growth rate of -25% in our model.

Market share and revenue: ES2B-C001 has significant commercial potential based on encouraging preclinical data (Ruzzi et al., 2022) and the lack of durable solutions for patients who develop resistance to existing monoclonal HER2-directed therapies. In our base case we assume peak ES2B-C001 product revenues of approximately USD 4.2bn, corresponding to a ~20% peak market share, of which ExpreS2ion receives an 11.0% effective royalty. We model an accelerating market share ramp over seven years from a base-case launch in 2032, with the launch date adjusted by ±1 year in the bear and bull scenarios to reflect potential funding-driven delays or accelerations. The launch year assumes Phase I completion at end-2026 followed by Phase II and Phase III. With Phase II initiation now targeted for the second half of 2027, having previously been mid-2027, the timeline supporting a 2032 launch is tighter than when the assumption was set, and we would revisit it if Phase II timing moves again.

Discount rate: The model uses a discount rate of 15%, reflecting the generally high level of investment risk and uncertainty typically associated with forecasting future cash flows from biotech companies. The development of an early-stage drug candidate within the challenging oncology sector validates that there is significant uncertainty. The model therefore uses the widely accepted discount rate of 15% within the industry.

Probability of successful launch (PoS): Based on historical data from Biostatistics research containing 5,764 pipeline projects across all medical indications, the average historical likelihood of a Phase I pipeline project passing through to launch is around 7%. For oncology specifically, the comparable figure is closer to 5%. ExpreS2ion may justify a higher PoS than the oncology average. The cVLP platform has been validated in Bavarian Nordic's Phase III trial for its COVID-19 booster, and the emerging clinical data are consistent. As of the 4 August 2026 data cut, anti-HER2 antibody responses had been observed in 12 of 13 evaluable patients across all three dose levels, and all five patients who have completed the five-dose schedule responded, with a median 16-fold peak increase in antibody levels relative to baseline. Titres increased over successive dosing visits and elevated levels have been maintained at later follow-up. Safety has remained clean through three DSMB reviews, with no dose-limiting toxicities across the three dose cohorts and no suspected unexpected serious adverse reactions reported. Exploratory functional assays in non-human primate serum indicate that the induced antibodies engage complement, phagocytosis and cell-mediated cytotoxicity, confirming the mode of action, with the full translational programme, including 3D tumour growth inhibition assays, now running on Phase I serum. These remain preliminary observations from a maturing dataset and do not establish clinical benefit. Against this, the typically lower PoS in oncology and the funding position counterbalance the case for a higher probability. A below-average implied PoS suggests that the market perceives a lower-than-average likelihood of ExpreS2ion successfully launching ES2B-C001, or expects further dilutive capital.

Note**:** Evaluable patients are those who have received at least two immunisations with both baseline and follow-up samples available. Response is defined as a ≥2-fold increase in anti-HER2 antibody titre versus baseline. Source: company release, 12 August 2026.

Appendix – Assumptions used in the PoS modelling (2/2)

EBIT margin, milestones and royalty rates: According to the S&P Capital IQ Financial System, five-year average EBIT margins within major pharmaceutical and biotech companies are approximately 30%. Looking at biotech companies specifically, the five-year average is approximately 50%, reflecting a generally more focused business model that is often based on higher economies of scale and partnership or out-licensing deals, which is also the strategy for ExpreS2ion. We have assumed a royalty rate of 10% will be attained during partnership, which is a common level for partnerships following Phase I completion, when we expect a partnership to be initiated. In addition to ExpreS2ion's 10% royalty, we assume AdaptVac will receive a 3% royalty due to its cVLP technology, of which ExpreS2ion will receive 34%. Our base case is therefore for ExpreS2ion to receive an effective 11.0% royalty, which is considered comparable to industry standards for products representing a novel approach with large market potential. We also assume back-loaded milestones of USD 100m, or approximately SEK 1.0bn, split between Phase II initiation, Phase II completion and launch. Reflecting the revised Phase II timing, our assumption is that the first milestone is received in 2028 rather than 2027.

Capital and share count: The model uses 23,748,983 shares outstanding and net cash of SEK 34.4m, both as reported at 30 June 2026. The 20,218,750 TO13 warrants carry a subscription price equal to 70% of the volume-weighted average price between 20 August and 2 September 2026, subject to a floor of SEK 1.60, and are exercisable between 7 and 21 September 2026. At a share price of SEK 1.345 the floor is binding and sits approximately 19% above the market, so a high subscription level appears unlikely. Full exercise would raise approximately SEK 32.4m and take shares outstanding to approximately 43.97m. A further 1,187,448 warrants were issued under the TO14 incentive programme in June 2026, exercisable between July 2027 and July 2032. We do not include any warrant exercise in our share count. This partly explains a low implied PoS, since a higher share count would increase the model's calculated figure.

Summary: The three simulations all suggest a very low level of market confidence in ExpreS2ion successfully launching ES2B-C001 through a partnership. The value potential of the candidate is only marginally reflected in the share price, but can be substantially altered if it progresses through clinical trials and is approved and launched by a partner.

A low implied PoS is common for biotech companies still in the development phase, and can reflect a market assessment that further capital will be required. What is unusual here is the starting point. With a market capitalisation of approximately SEK 32m against reported cash of SEK 34.4m, enterprise value is around zero. On a strict enterprise value basis, once net cash and the value we ascribe to the platform and the AdaptVac holding are deducted, the residual value assigned to the pipeline is negative in all three scenarios. Whichever measure is used, the market-implied PoS lies well below the historical benchmark of around 7% at this stage, and below the oncology-specific benchmark of around 5%.

This may suggest that the market expects significant additional funding risk, which could be materially dilutive given the current market capitalisation. On the Phase II timing change specifically, management states that the funding requirement itself is unchanged and that the design remains the more targeted and capital-efficient approach outlined in May 2026, with scale and timing dependent on the Phase I results, regulatory feedback and the final protocol. Low share liquidity can also contribute to a share trading below its model-implied value, while broader macroeconomic uncertainty has reduced risk appetite, with a record high number of Nordic biotech companies trading below their cash value. ExpreS2ion is now itself among them. Alternatively, it could suggest risks surrounding securing a partnership at our assumed levels of royalty, or other risks regarding the clinical process or model assumptions.

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