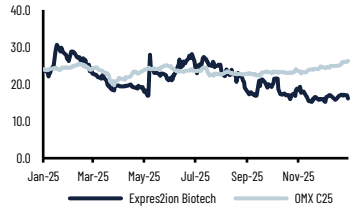
ExpreS2ion Biotech

Market: Nasdaq First North Sweden	Ticker: EXPRS2	Share price (SEK): 15.86	Market cap (SEK): 56.0m	Net cash (SEK): 47.2m (Q3'25)	Enterprise value (SEK): 8.8m

Note: includes gross proceeds of SEK 11.8m from TO 11 warrants

Share information



YTD	-0.3%	1 year:	-35.0%
1 month:	0.3%	3 years:	-97.9%

Note: *We apply the closing price from 14 January 2026
Index rebased to 15 January 2025. Source: S&P Capital IQ

Financials

(SEKm)	2023	2024	2025E*
Revenue	8.8	7.8	N/A
Revenue growth	*43%*	*-11%*	*N/A*
Research & Development	-51.4	-26.7	N/A
EBITDA**	-104.4	-66.1	N/A
Cash flow from operations	-100.1	-33.9	N/A
Cash position	57.6	81.5	N/A

Note: *) No active analyst estimates or official guidance.

Pipeline

Product Candidate	Phase I	Phase II	Phase III
HER2 cVLP (Breast cancer)	Ongoing		
Malaria Blood stage[1] (RH5.1, RH5.2-VLP, & R78C)	Completed	Ongoing	
Malaria transmission stage[2] (Pfs 48/45)	Ongoing		
Influenza: hemagglutinin[2]	Pre-clinical		
Influenza: Mucosal[2]	Pre-clinical		
Nipah[2]	Ongoing		
ABNCoV2/RBD-VLP[3]	Completed	Completed	Completed

Note: [1]Project has 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

Company description

ExpreS2ion Biotech is a Nasdaq First North–listed vaccine company combining a clinically validated protein expression platform (ExpreS2™) with a focused pipeline of self-owned and partnered vaccine assets. Its lead and wholly owned program, ES2B-C001, is a HER2-targeted therapeutic vaccine for breast cancer, currently in Phase I clinical development, and represents the primary near-term value driver. Alongside its pipeline, the ExpreS2™ platform supports multiple partnered programs across infectious diseases, including malaria, influenza, and Nipah virus, generating additional value through licensing, milestones, and royalties. The platform is closely integrated with AdaptVac's cVLP technology, (ExpreS2ion owns 34% equity in AdaptVac), and together they form a differentiated vaccine development system that has been validated in a successful Phase III COVID-19 vaccine licensed by Bavarian Nordic. The ExpreS2 platform was also the basis for a recent licensing agreement with Serum Institute of India (SII) for malaria vaccine candidates RH5.1 and R78C.

Investment case

ES2B-C001, its HER2-targeted therapeutic breast cancer vaccine, is ExpreS2ion's primary value driver. HER2-positive breast cancer represents a large market (~USD 16bn annually), where treatment resistance and safety limitations among existing monoclonal antibody therapies leave room for differentiated approaches. ES2B-C001 is not intended to compete directly with established HER2 therapies, but to address treatment-resistant patients and to be used alongside current standards of care (combinations), increasing the potential patient population.

In December 2025, ES2B-C001 received clearance to advance to dose cohort 2 of its Phase I study following early data showing **1)** induction of HER2-specific antibody responses in multiple patients significantly above the baseline **2)** the immune response was maintained during the monitoring period. The update provides early biological validation of ES2B-C001 and supports continued clinical development.

From a valuation perspective, a DCF framework implies the market is discounting only ~1.5% probability of success across ExpreS2ion's pipeline and platform. This is significantly below the Biostatistic benchmark PoS of 7% for Phase I candidates. Notably, our implied PoS now also includes the Phase II malaria program, which carries a higher benchmark success rate despite being a smaller value contributor. A low PoS compared to benchmark may be explained by a short cash runway and sizeable need for funding rather than asset fundamentals, given recent clinical progress.

Key investment reasons

The breast cancer vaccine candidate ES2B-C001 offers two differentiations to typical early-stage candidates. **1)** it is built on the ExpreS2™ and AdaptVac cVLP platforms, which have been validated in a large Phase III COVID-19 vaccine trial. **2)** ES2B-C001's polyclonal vaccine design, targeting multiple HER2 epitopes, may mitigate resistance and durability issues seen with existing therapies, reducing "me-too" risk and possibly supporting market access if eventually approved. Recent Phase I dose-escalation clearance following early immunogenicity data provides initial clinical validation, de-risks near-term development.

The HER2 target is relevant beyond classic HER2+ breast cancer, including HER2-low breast cancer and HER2-positive gastro-oesophageal junction (GEJ) cancer. While ES2B-C001 remains too early stage to ascribe value to these extensions, they underscore the broader optionality of the platform, and may be positively reevaluated following Phase I results

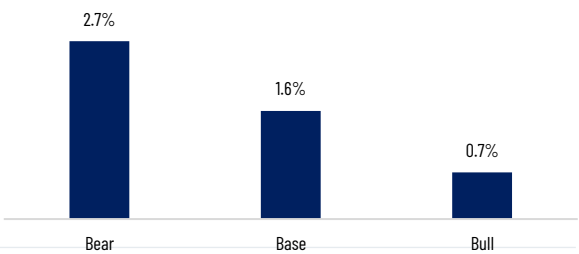
The licensing agreement with Serum Institute of India (Nov 2025) for malaria vaccines RH5.1 and R78C commercially validates the ExpreS2™ platform and can provide limited non-dilutive funding via upfront and milestone payments (low-single-digit EURm combined) and sales royalties. Although dwarfed by the potential of the ES2B-C001 candidate, the Malaria deal adds a not-insignificant value when compared to the current share price.

Key investment risks

Drug development is generally high-risk, and ExpreS2ion's primary pipeline candidate is currently in the early phases. Investing in the company, therefore, requires patience and high risk appetite.

Although management has extended the cash runway into 2026 through pipeline prioritisation and proceeds from the completed TO 11 warrant program, significant funding will still be required to progress ES2B-C001 beyond Phase I. The patient enrolment delays have been overcome, however, slower-than-expected clinical development could pressure the runway. Additional dilutive financing is likely needed to reach later-stage clinical milestones.

Model Implied Probability of Success (POS)



Source 1: https://www.globaldata.com/store/report/her2-breast-cancer-market-analysis/

Appendix – Discussion of assumptions in DCF-model

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The model

This one-pager does not set a price target but instead provides investment perspectives using a simplified Discounted Cash Flow (DCF) model. The model 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 vaccine, ES2B-C001, based on assumptions aligned with management's communication, where possible. See more below.

Although still early-stage, ES2B-C001 is the main source of potential value, given its large addressable market and unmet medical need. We now also include the malaria vaccine program in our model following the licensing agreement with the Serum Institute of India (SII), and still include some additional value from the ExpreS2™ technology platform and ExpreS2ion's 34% stake in AdaptVac. Our model implied PoS reflects the market's willingness to pay for ExpreS2ion's pipeline (ES2B-C001 and malaria vaccines) and the technology platform (including Adaptvac), as a share of the total pipeline and technology platform potential, assuming full FDA clearance and commercialization is attained for all candidates.

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). This results in mid single-digit SEK million peak annual revenue for ExpreS2ion. Accordingly, the malaria program is not a core value driver and is dwarfed by the potential upside of ES2B-C001. We therefore only model bear-base-bull scenarios for ES2B-C001, and maintain that the appropriate benchmark is around 7% historical PoS for Phase I candidates.

Market size and market growth

The ES2B-C001 vaccine 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 16 billion based on existing treatment sales and market estimates[1]. Breast cancer incidence is expected to continue rising due to aging populations and demographic trends, with an estimated growth of 3.2% in 2026-2030 and 1.6% in 2030-2040[2], which guides our market growth expectations. We assume ExpreS2ion's effective patent protection extends to 2041, reflecting a 25-year period from AdaptVac's 2016 cVLP patent filing. 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 may significant commercial potential for based on encouraging preclinical data 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 revenues of ~EUR 4.0bn, corresponding to a ~20% peak market share. We model an accelerating market share ramp over five years from a base-case launch in 2032, (launch date adjusted by ±1 year in bear and bull scenarios to reflect potential funding-driven delays or accelerations. We also forecast milestone payments during the development phase (2027-launch), assuming a partnership is secured following Phase I results, although this could shift to post-Phase II at management's discretion.

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%. ExpreS2ion may justify a higher PoS due to the successful validation of its cVLP platform in Bavarian Nordic's Phase III trial for its COVID-19 booster and the strong pre-clinical data. However, the typically lower PoS in oncology could counterbalance this. A lower-than-average PoS suggests that the market perceives a lower-than-average likelihood of ExpreS2ion Biotech to successfully launch its ES2B-C001 HER2+ vaccine. Alternatively, a lower PoS may suggest that the market expects further dilutive capital or that challenging funding conditions reduce the likelihood of clinical progression/completion. Overall, a below-average PoS suggests that clinical progression and moving toward full marketing authority for ES2B-C001, could correspond to a potential value increase for ExpreS2ion Biotech.

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 Biotech. 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%. Therefore, our base case is for ExpreS2ion to receive an 11% 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 around SEK 1.0bn at development intervals up to and including launch.

Capital increases

The TO 11 warrants were exercised to approximately 88.5%, and together with directed issues to guarantors and compensation shares, ExpreS2ion raised ~SEK 11.8m in gross proceeds. Shares outstanding increased from 2.66m to 3.53m or around 33%. We assume that existing cash, together with the realised proceeds from the completed TO 11 warrant program, extends the cash runway into mid-2026. We therefore expect that additional capital will be required during 2026 to advance ES2B-C001 beyond Phase I to realize the candidate's value. Further share issue is likely necessary. We do not include a share increase in outstanding shares in our modelling, which can also partly explain a low PoS, as increased shares would increase the model's calculated PoS all else equal.

Source 1: https://www.thebusinessresearchcompany.com/report/trastuzumab-biosimilar-global-market-report
Source 2: https://gco.iarc.who.int/en

Appendix – Results and Conclusion

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Scenarios

Based on the previously mentioned assumptions regarding market size and growth, level of profitability, royalty rates, market share, and discount rate, different scenarios can be simulated to assess how much the market is implicitly discounting the successful likelihood of launch of the ES2B-C001 HER2+ breast cancer therapeutic vaccine. As illustrated, the model has simulated the implicit likelihood in 3 scenarios: a bear-, base-, and bull-case scenario using the indicated level of peak market share levels as the main differentiator. Accordingly, the remaining criteria discussed are assumed to be the same in all scenarios.

Base case scenario

In the base case scenario, the model uses the indicated market size of around USD 16bn for the ES2B-C001 breast cancer therapeutics market. The assumptions of moderately declining CRO revenues, moderate but faster-growing grant revenues for the technology platform, and 50% EBIT margin post-launch are constant across all three scenarios. The model assumes an estimated peak market share of 20% for ES2B-C001, a royalty rate of 10% for ExpreS2ion, and 3% for AdaptVac. Based on this, the market currently implies a 1.6% probability of successful launch (PoS) and commerci-alization for ExpreS2ion. This compares to a historical average level of success of approximately 7% respectively for drug and vaccine projects across all types of indications.

Bear case scenario

In the bear case scenario, the model uses an estimated peak market share of 15% for the ES2B-C001 vaccine, and with a lower royalty rate of 7.5% for ExpreS2ion and 2% for AdaptVac. Based on this, the market currently implies a 2.7% probability of successful launch (PoS) and commercialization for ExpreS2ion.

Bull case scenario

In the bull case scenario, the model uses an estimated peak market share of 25% for the ES2B-C001 vaccine, and with a higher royalty rate of 12.5% for ExpreS2ion and 3% for AdaptVac. Based on this, the market currently implies around a 0.7% probability of successful launch (PoS) and commercialization for ExpreS2ion.

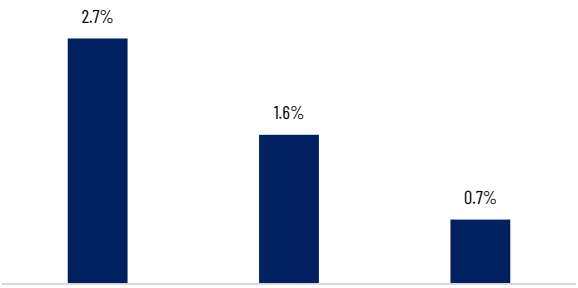
Summary

The three examples of simulations all suggest a relatively low level of market confidence for ExpreS2ion Biotech to successfully launch their ES2B-C001 HER2+ breast cancer vaccine candidate (through partnership). This means that the value potential of the vaccine candidates is only partly reflected in the share price but can be substantially altered if the vaccine candidate progresses through clinical trials and is approved and launched (by partners).

A low PoS is common for biotech companies still in their developing phase as statistical risk relating to clinical trials exists. A low PoS can also reflect that the market assesses there is a likelihood that ExpreS2ion Biotech will need to raise additional capital.

An interesting perspective is that the current market implied PoS, based on our model assumptions, lies below the historical benchmark PoS at this stage of around 7% for all three scenarios. This may suggest that the market expects significant additional funding risk, which can also be significantly dilutive given the current market capitalization. Low share liquidity can also contribute to a share trading below its model implied PoS, while broader macroeconomic uncertainty has reduced risk-appetite with a record high number of Nordic biotech companies trading below their cash value. 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.

Model Implied Probability of Success (POS)



*Graph is illustrative

Appendix: ExpreS2ion Biotechnologies pipeline overview