Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	982 611 830
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PCI BIOTECH AS
Forretningsadresse:	Ullernchausséen 64 0379 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Ronny Skuggedal
Dato for fastsettelse av årsregnskapet:	30.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.06.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Other income	5,6	4 750 000	6 273 000
Sum inntekter		**4 750 000**	**6 273 000**
Kostnader			
Research and development	7,8	44 756 000	71 707 000
General and administrative	7,8,9,10,13,22	11 219 000	15 626 000
Sum kostnader		**55 975 000**	**87 333 000**
Driftsresultat		**-51 225 000**	**-81 060 000**
Finansinntekter og finanskostnader			
Financial income	11	1 700 000	750 000
Sum finansinntekter		**1 700 000**	**750 000**
Financial expenses, intragroup	11,22	1 786 000	1 591 000
Financial expenses		283 000	392 000
Sum finanskostnader		**2 069 000**	**1 983 000**
Netto finans		**-369 000**	**-1 233 000**
Ordinært resultat før skattekostnad		**-51 594 000**	**-82 293 000**
Income tax	12	0	0
Ordinært resultat etter skattekostnad		**-51 594 000**	**-82 293 000**
Årsresultat		**-51 594 000**	**-82 293 000**
Overføringer og disponeringer			
Share premium		-51 594 000	-69 354 000
Other paid in capital		0	-12 939 000
Sum overføringer og disponeringer		**-51 594 000**	**-82 293 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Property, plant and equipment	13	18 000	5 806 000
Right to use asset	22	705 000	1 854 000
Sum varige driftsmidler		**723 000**	**7 660 000**
Sum anleggsmidler		**723 000**	**7 660 000**
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables	16	6 139 000	12 167 000
Sum fordringer		**6 139 000**	**12 167 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14,15, 17	55 968 000	89 642 000
Sum bankinnskudd, kontanter og lignende		**55 968 000**	**89 642 000**
Sum omløpsmidler		**62 107 000**	**101 809 000**
SUM EIENDELER		**62 830 000**	**109 469 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18	6 142 000	5 817 000
Overkurs		44 364 000	67 576 000
Sum innskutt egenkapital		**50 506 000**	**73 393 000**

Balanse

Beløp i: NOK	Note	2022	2021
Sum egenkapital		**50 506 000**	**73 393 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Long-term lliabilities	22	327 000	1 277 000
Sum annen langsiktig gjeld		**327 000**	**1 277 000**
Sum langsiktig gjeld		**327 000**	**1 277 000**
Kortsiktig gjeld			
Trade accounts payables		489 000	3 726 000
Current lease liabilities	22	443 000	629 000
Public duties payables		1 085 000	1 573 000
Other current liabilities, intragroup	19	7 362 000	15 019 000
Other current liabilities	14,19	2 619 000	13 852 000
Sum kortsiktig gjeld		**11 998 000**	**34 799 000**
Sum gjeld		**12 325 000**	**36 076 000**
SUM EGENKAPITAL OG GJELD		**62 831 000**	**109 469 000**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	22.08.2014	09.09.2014
Telefon	Deres referanse	Vår referanse
22078139	Per Walday	2014/586078

PCI BIOTECH HOLDING ASA
Strandveien 55
1366 LYSAKER

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 22 August 2014, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the following companies;

PCI Biotech Holding ASA org. nr. 991 036 393
PCI Biotech AS org. nr. 982 611 830

Conclusion
Based on a total evaluation, the view of The Directorate of Taxes is that PCI Biotech Holding ASA and PCI Biotech AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background
PCI Biotech Holding ASA is listed at Oslo Axess. PCI Biotech Holding ASA is granted exemption from the Norwegian language requirement at Oslo Axess. PCI Biotech Holding ASA has one wholly owned subsidiary, PCI Biotech AS, where all employees within the group are located and all operations take place. PCI Biotech's largest shareholder is Photocure ASA, which is a professional player in the international life science industry. The second largest shareholder is The Norwegian Radium Hospital Research Foundation, which is a professional investor within the industry. The majority of the remaining shares are held by professional large investment funds. The above shareholders sum up to 70 % of the shareholder base. PCI Biotech is a Norwegian biopharmaceutical company developing a novel light directed treatment system based on its patented photochemical intemalization (PCI) technology. PCI Biotech is currently an R&D focused company doing both pre-clinical and clinical studies. All clinical and most pre-clinical studies are done abroad through international service providers, and the business language is consistently English. Furthermore, the life science industry is an international industry and all potential

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Postboks 9200 Grønland
0134 Oslo

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Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

counterparts for commercial related agreements are international. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".*

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

> *"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized the majority of the shareholder are professional investors. The company is granted exemption from the Norwegian language requirement at Oslo Axess. English is the preferred language for internal and external communication. Further, the working language is English.

We kindly request you to mention "our reference" in written communication with The Norwegian Tax Authorities.

Med hilsen

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

PCI Biotech

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ANNUAL REPORT 2022
PCI Biotech AS

PCI Biotech AS, Ullernchausséen 64, 0379 Oslo, Norway, Company no: 982611830 VAT
Phone: + 47 67 11 54 00, www.pcibiotech.com

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CONTENTS

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INTRODUCTION

ABOUT PCI BIOTECH

PCI Biotech AS ("PCI Biotech" or "the Company") is a biopharmaceutical company headquartered in Norway. The parent company, PCI Biotech Holding ASA, is listed on the Oslo Stock Exchange. The company develops novel therapies through its proprietary photochemical internalisation (PCI) platform technology originating from world-leading research at the Oslo University Hospital – the Norwegian Radium Hospital. PCI Biotech's lead product candidate is the photosensitiser fimaporfin (Amphinex®). The PCI technology works by inducing light-triggered endosomal release, which may unlock the potential of a wide array of modalities.

OUR PLATFORM TECHNOLOGY

Several novel classes of drugs (e.g. certain immunotherapeutics) need access to the inside of their human target cells, such as tumour cells or immune cells, in order to be effective. Unfortunately, many of these substances are by nature encapsulated in so-called endosomes as they enter the target cell. Once inside the cell, most of the active compound may hence be trapped in the endosomes and therefore unable to exert its therapeutic effect.

Pharmaceutical companies struggle to find effective methods to release drugs that are entrapped in this way and are actively searching for technologies that provide adequate drug release inside the target cells, in order to achieve the full therapeutic and commercial potential of their products.

The PCI technology platform consists of two elements: a proprietary small molecule photosensitiser (named fimaporfin) and a light source. The primary aim of PCI is to introduce drug molecules or macromolecules into the cytosol of the target cells, called intracellular delivery, in a *targeted* manner. PCI is employed to give the cells new properties by modifying the intracellular trafficking of drugs/antigens, leading to enhanced biological effect of these substances after PCI treatment of target cells in the body.

BUSINESS AREA

fima*NAc* - DELIVERY OF NUCLEIC ACID THERAPEUTICS

Nucleic acids have in recent years emerged as a promising class of drugs, exemplified by the mRNA COVID-19 vaccines and several products for the treatment of rare diseases. However, efficient and safe delivery to most tissues is still a major barrier to treating new indications. By achieving site-directed intracellular delivery, this is a challenge fima*NAc* is uniquely positioned to solve. Thus, results from collaborations and PCI Biotech's own data indicate that the fima*NAc* technology provides an attractive intracellular delivery solution in this area.

The fima*NAc* programme is a preclinical-stage collaborative programme developing a targeted intracellular delivery technology for different classes of nucleic acids. PCI Biotech aims to develop the fima*NAc* technology as a platform for both dermatology and bioprocessing, with a partnership-driven development strategy.

Dermatology
Systemic nucleic acid delivery to skin is largely ineffective. Needle-based delivery may in some cases be effective, but is pharmaceutically sub-optimal and technically cumbersome, especially when larger surface areas are involved. PCI Biotech aims to develop a topical formulation for delivery of nucleic acid therapeutics to skin using fima*NAc*, to combine the ease of use of topical administration with enhanced delivery from fima*NAc*. Pre-clinical experiments have demonstrated that the fima*NAc* technology can substantially enhance nucleic acid delivery to skin. PCI Biotech's development plans

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focus on chronic skin ulcers, with a large unmet medical need, but the technology may also be applied to other dermatological conditions.

Bioprocessing
Bioprocessing is the manufacturing of biologic drugs ("biologics"). This involves complex processes and bottlenecks in the endeavour to offer breakthrough therapies to new and larger patient populations. There is a great need for technologies that enable more effective bioprocessing with higher yield as well as increased quality at a lower cost, and PCI Biotech initiated in 2022 a project aimed at solving such challenges in viral vector manufacturing by employing the **fima*NA*c** technology. Development of bioprocessing technologies is less complex from a regulatory perspective compared to development of new therapies, allowing shorter timelines and lower costs of development.

IMMUNOTHERAPY AND fima*VACC*

The fima*VACC* technology aims to enhance immunotherapy responses and has shown excellent preclinical efficacy with protein- and peptide-based vaccines. The technology has shown particularly strong CD8 T-cell responses, which are important for therapeutic vaccination, as well as enhanced helper (CD4) T-cell and antibody responses. Immune responses and safety have been successfully translated to healthy subjects in a Ph I clinical study[1]. The technology is versatile, as it can potentially be used with several modalities, including nucleic acid-based immunotherapy.

Intratumoural immunotherapy
Immunotherapy utilises the body's own immune system to fight cancer, and immune checkpoint inhibitors (ICIs) have revolutionised cancer treatment. However, a large proportion of patients do not respond to ICIs, or progress shortly after initial response. Combining ICIs with intratumour immunotherapy is an attractive approach to increase the response rate to ICIs. Here immunotherapy is administered directly into the tumour and constitutes a "local" treatment. As a result, the dose is relatively low, and systemic adverse effects are expected to be limited, which in turn may enable novel combination treatments.

fima*VACC* is a technology designed for local enhancement of therapeutic effects and is well suited for delivery of immunotherapy combinations to tumour sites. As such, fima*VACC* can enhance the delivery of proteins, nucleic acids, small molecules, and viral vectors, all of which are relevant for locally administered immunotherapy. In addition, the fima*VACC* technology by itself has a local immunostimulatory effect, e.g. by inducing cytokine production.

[1] Otterhaug *et al.* (2021) Frontiers in Immunology;11:576756

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PCI Biotech AS – financial statement

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022
(1.1 - 31.12)

(figures in NOK 1 000)	Note	2022	2021
Other income	*5,6*	4 750	6 273
Total income		**4 750**	**6 273**
Research and development	*7,8*	44 756	71 707
General and administrative	*7,8,9,10,13,21,22*	11 219	15 626
Total operating expenses		**55 975**	**87 333**
Operating results		**-51 225**	**-81 060**
Financial income	*11*	1 700	750
Financial expense, intragroup		1 786	1 591
Financial expenses	*11,22*	283	392
Net financial results		**-369**	**-1 233**
Profit/Loss before income tax		**-51 594**	**-82 293**
Income tax	*12*	-	-
Net profit/loss for the year		**-51 594**	**-82 293**
Other comprehensive income, net of tax			
Items that will not be reclassified to income statement		-	-
Items that subsequently may be reclassified to income statement		-	-
Total comprehensive income for the year		**-51 594**	**-82 293**

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PCI Biotech AS

BALANCE SHEET
for the year ended 31 December 2022

ASSETS *(figures in NOK 1 000)*	Note	2022	2021
Non-current assets			
Property, plant and equipment	*13*	18	5 806
Right to use assets	*22*	705	1 854
Total non-current assets		**723**	**7 660**
Current assets			
Other short-term receivables	*16*	6 139	12 167
Total receivables	*15*	**6 139**	**12 167**
Cash and cash equivalents	*14,15,17*	55 968	89 642
Total current assets		**62 107**	**101 809**
Total assets		**62 831**	**109 469**

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PCI Biotech AS

BALANCE SHEET for the year ended 31 December 2022

EQUITY AND LIABILITIES *(figures in NOK 1 000)*	Note	2022	2021
Equity			
Share capital	*18*	6 142	5 817
Share premium		44 364	67 576
Retained earnings		0	0
Total equity	*8*	**50 506**	**73 393**
Liabilities			
Non-current liabilities			
Other long-term liabilities	*14*	-	-
Long-term lease liabilities	*22*	327	1 277
Total non-current liabilities		**327**	**1 277**
Current liabilities			
Trade account payables		489	3 726
Current lease liabilities	*22*	443	629
Public duties payables		1 085	1 573
Other current liabilities, intragroup	*19*	7 362	15 019
Other current liabilities	*20*	2 619	13 852
Total current liabilities	*14,19*	**11 998**	**34 799**
Total liabilities	*15*	**12 325**	**36 076**
Total equity and liabilities		**62 831**	**109 469**

Oslo, 27 April 2023
Board of Directors and Chief Executive Officer,
PCI Biotech AS

Ronny Skuggedal	Anders Høgset	Karin Nord
Chairman, CEO	*Director*	*Director*

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PCI Biotech AS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

(attributable to the parent company)

(figures in NOK 1 000)	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity 31 December 2020	*18*	**5 494**	**97 254**	**0**	**0**	**102 748**
Loss for the period		-	-69 354	-12 939	0	-82 293
Other comprehensive income, net of tax		-	-	-	-	0
Total comprehensive income for the period		**-**	**-69 354**	**-12 939**	**0**	**-82 293**
Capital increase		323	39 677	-	-	40 000
Share based payments	*8*	-	-	12 939	-	12 939
Allocation		-	-	-	-	0
Equity 31 December 2021	*18*	**5 817**	**67 576**	**0**	**0**	**73 393**
Loss for the period		-	-51 594	-	-	-51 594
Other comprehensive income, net of tax		-	-	-	-	0
Total comprehensive income for the period		**-**	**-51 594**	**-**	**-**	**-51 594**
Capital increase		323	29 677	-	-	30 000
Share based payments	*8*	-	-	-1 294	-	-1 294
Allocation		-	-1 294	1 294	-	0
Equity 31 December 2022	*18*	**6 142**	**44 364**	**0**	**0**	**50 506**

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PCI Biotech AS
CASH FLOW STATEMENT
for the year ended 31 December 2022

(figures in NOK 1 000)	Note	2022	2021
Profit/Loss before income tax		-51 594	-82 293
Depreciation and amortization	7,14	6 406	2 541
Leasing interest cost	22	78	38
Share-based payments	8	-1 294	12 939
Currency gain (-) / loss (+) not related to operations	17	-235	16
Changes in accounts receivables		6 028	909
Changes in account payables		-3 237	-1 404
Changes in other net operating assets and liabilities		-11 725	2 434
Cash flow from operating activities		**-55 574**	**-64 820**
Disbursement intragroup interest-bearing loan		-5 227	-5 600
Proceeds intragroup interest-bearing loan		27 570	41 598
Acquisition of non-current assets	13	-	-341
Net cash flow from investing activities		**22 343**	**35 658**
Payment principal portion of lease liability	22	-678	-673
Net cash flow from financing activities		**-678**	**-673**
Net changes in cash and cash equivalents		**-33 909**	**-29 835**
Exchange rate effect bank deposits in foreign currency	17	235	-16
Cash and cash equivalents 1 January		89 642	119 493
Cash and cash equivalents 31 December	17	**55 968**	**89 642**
Additional information on operational cash flow			
Interest paid		*1 802*	*1 602*
Interest received		*1 260*	*641*

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PCI BIOTECH AS – ACCOUNTING PRINCIPLES 2022

1. Corporate information
The annual accounts for 2022 for PCI Biotech AS (the Company or PCI Biotech) were approved for publication by the Board of Directors on 28th April 2023.

PCI Biotech AS is a wholly owned subsidiary of PCI Biotech Holding ASA, a public listed company at Oslo Børs and domiciled in Norway. The business of PCI Biotech is associated with research and development of pharmaceutical products and related technical equipment. The Company is listed on the Oslo Børs and the registered office address is Ullernchausséen 64, N-0379 Oslo.

2. Significant accounting policies

2.1 Basis of preparation
The Company's annual accounts are prepared in accordance with International Financial Reporting Standards (IFRS) as specified by the International Accounting Standards Board and implemented by the EU as per 31 December 2022.

The annual accounts for the Company have been prepared on the basis of historical cost. The financial income statement is presented by function of expense.

NOK (Norwegian kroner) is the functional currency. In the absence of any statement to the contrary, all financial information is reported in whole thousands. As a result of rounding adjustments, the figures in the financial statements may not add up to the totals.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Government grants

Government grants are presented as other income, see Note 5 for further information. Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

c) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists

to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Foreign currencies

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

e) Cash dividend distribution to equity holders of the parent

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

f) Property, plant and equipment

Tangible fixed assets are recognised at cost less deductions for accumulated depreciation and write-downs (carrying amount). It is assessed at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's fair value, less costs of disposal, and its value in use. For assets where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Tangible fixed assets are depreciated over the expected useful life of the assets taking any residual value into consideration. Costs accrued for major replacements and upgrades of tangible fixed assets are added to cost if it is probable that the costs will generate future economic benefits for the Company and if the costs can be reliably measured. Ordinary maintenance is expensed as incurred.

Tangible fixed assets are depreciated on a straight-line basis over the estimated useful life of the asset as follows:
- Production and test equipment 3-5 years
- Furniture and equipment 3–5 years

g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, PCI Biotech' incremental borrowing rate. The incremental borrowing rate is used as the discount rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h) Intangible assets - *Research and development costs*

Research costs are expensed as incurred. Development costs will be capitalized once the asset being developed has met requirements of technical and commercial feasibility to signal that the intangible investment is likely to either be brought to market or sold.

The Company has currently no development expenditure that qualifies for recognition as an asset under IAS 38. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

i) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Right-of-use assets are also subject to impairment.

j) Financial instruments

Financial assets

The Company´s financial assets are governmental grant receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company

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initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company measures financial assets at amortised cost if both of the following conditions are met
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are the most relevant category for the Company. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. A receivable represents the Company's right to an amount of consideration that is unconditional.

The Company's financial assets at amortised cost includes governmental grant receivables and cash and cash equivalents (short-term deposits). The Company does not have financial assets at fair value through profit and loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:
• The rights to receive cash flows from the asset have expired
or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:
• Note 14 Financial risk
• Note 16 Receivables by year-end
• Note 17 Cash and cash equivalents

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other comprehensive income, loans and borrowings, or payables. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables. The Company does not have financial liabilities at fair value through profit and loss.

Subsequent measurement
The measurement of financial liabilities depends on their classification. After initial recognition, payables are measured at their nominal amount when the effect of discounting when using the amortised cost measurement is not material. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

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Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

k) Cash and short-term deposits

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment of other purposes. Cash and short-term deposits in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m) Pensions and other post-employment benefits

PCI Biotech AS has an agreement with a life assurance company concerning contribution-based pensions for employees. Contributions, ranging from 7% to 21% of the employee's ordinary salary up to 12 times the basic amount (G) of the Norwegian National Insurance scheme, are paid into the employee's contribution account with the life assurance company. The Company's payment of contributions is expensed in the period it is accrued. Any prepayments made to the contribution fund are recognised in the balance sheet.

n) Share-based payments

Employees (including executive management) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. See Note 8 Salary expenses and other remuneration for further information.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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o) License costs

Agreements with external parties concerning access to technology in the form of license agreements and agreements that allow the use of patented technology are expensed when they occur according to the agreement and are disclosed as "Research and development expenses" in the income statement.

p) Segment reporting

Segments are reported similarly as the internal reporting to the Company's Chief Operating Decision Maker. Chief Operating Decision Makers are defined as the Company's management group. The Company has only one segment and see Note 6 for further information.

q) Cash-flow statement

The statement of cash flows distinguishes between cash flows from operating, investing, and financing activities and the statement has been prepared in accordance with the indirect method. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at banks and short-term deposits with a maturity of three months or less. Cash and cash equivalents denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising from the translation of these monetary items are not considered to be related to operations and are presented as part of net changes in cash and cash equivalents. Interest paid and interest received are included under cash flow from operating activities. Cash flows from share issues are recognised as cash flows from financing activities.

r) Events after the balance sheet date

New information regarding the Company's financial position on the balance sheet date has been considered in the annual accounts. Events after the balance sheet date that do not affect the Company's financial position on the balance sheet date, but which will affect the Company's financial position in the future, are reported if they are significant.

s) Contingent liabilities and assets

Contingent liabilities are defined as:
- Possible liabilities as a result of earlier events where their existence depends on future events;
- Liabilities that are not included because it is not probable that they will lead to an outflow of resources from the Company;
- Liabilities that cannot be measured with sufficient reliability.

Contingent liabilities are not included in the annual accounts. Notes on significant contingent liabilities are provided, with the exception of contingent liabilities with little probability of occurring. Contingent assets are not included in the annual accounts, but are reported in cases in which there is a certain likelihood of their resulting in a benefit to the Company.

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations
The Company has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements. Other amendments and interpretations apply for the first time in 2022, but do not have an impact on the Company's financial statements.

3. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and

liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Financial risk management and policies, Note 14 Financial risk.

In the process of applying the Copmany's accounting policies, management has made the following estimates and assumption, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- The fair value of employee options is calculated according to the Black-Scholes method. This method involves the use of estimates and discretionary assessments, as described in more detail in Note 8. The allocation of options to employees of subsidiary is made directly from the parent company and the financial presentation is correspondingly reported in the subsidiary.

- The Company has not recognised a deferred tax asset related to carry forward losses, as described in more detail in Note 12 Tax.

4. Standards issued, but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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PCI BIOTECH AS - NOTES FINANCIAL STATEMENT 2022

5 OTHER INCOME

OTHER INCOME
(figures in NOK 1,000)

	2022	2021
SkatteFUNN	4 750	4 750
Grants from the Research Council of Norway	0	1 422
Other	0	101
Total other income	**4 750**	**6 273**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants are disclosed as other income. R&D projects have been approved for SkatteFUNN for the period 2020 through 2022. The Company was awarded a grant from The Research Council of Norway (user-driven research-based innovation programme (BIA)) of up to NOK 13.8 million in total for the period June 2017 through June 2021 and per end of 2021 a total of NOK 13.4 million were received and recognised. Grant receivables as of year-end are disclosed in Note 18 Receivables.

6 OPERATING SEGMENTS

The Copmany has only one operating segment, which is research and development, and had no revenues for the reporting periods. All non-current assets are geographically located to Norway.

7 STATEMENT OF COMPREHENSIVE INCOME ACCORDING TO CLASSIFICATION AND R&D EXPENSES BY CATEGORY

Operating costs according to classification.
(figures in NOK 1,000)

	Note	2022	2021
Salary expenses	8	20 586	24 556
Share option scheme, accounting effect	8	-1 153	12 549
R&D exclusive salary and other operating expenses		27 620	43 595
Depreciation and amortisation	14,22	6 406	2 541
Legal, audit, accounting, patents, and other fees		3 773	2 342
Other operating expenses		-1 257	1 749
Total operating expenses		**55 975**	**87 333**

Of the total salary expenses NOK 11 526 relates to R&D activities (2021: NOK 17 369).

R&D expenses by category:

	2022	2021
Clinical studies	32 442	57 204
Pre-clinical studies	7 257	6 966
CMC and equipment	2 100	3 332
Patents	2 958	4 205
Other expenses	0	0
Total R&D expenses	**44 756**	**71 707**

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The Company has no development expenditure that qualifies for recognition of an asset under IAS 38 and intangible assets and all research expenditures are charged through the income statement, in line with previous years. A new batch of the product under development (fimaporfin) was produced in 2019 and an estimated cost value of fimaporfin in stock per year-end is NOK 2.5 million (2021: NOK 2.7 million).

8 SALARY EXPENSES AND OTHER REMUNERATION

(figures in NOK 1,000)	Note	2022	2021
Wages and Board of Directors remuneration		15 692	19 915
Social security contributions		2 261	2 663
Share-based payments, incl social security		-1 153	12 549
Pension costs	9	2 276	1 702
Other expenses		357	276
Total salary expenses		**19 433**	**37 105**
No. of full-time equivalent positions		10.4	14.3

Share option programme for employees
Employees (including executive management) of the Company receive remuneration partly in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The employees are employed in the subsidiary, PCI Biotech AS, and the share-based payment is thus accounted for as a P&L effect in the Company accounts and an investment in subsidiary in the parent company accounts. The general vesting term in the employee share option scheme is three years, with one third vested each year. The share options expire five years from grant date. All share options will lapse immediately upon the event that the employee's employment with the company are terminated. Each share option gives the right to subscribe for or acquire one share upon PCI Biotech Holding ASA's choice. The strike price is set at market terms and no premium for the share options are paid. The Black-Scholes method is used for fair value assessment of the share options at grant date. Further details about the share option program can be found in PCI Biotech Holding ASA's remuneration policy.

Valuation method for fair value assessment of share options granted
The Black-Scholes method is used for fair value assessment of the share options at grant date. Volatility is calculated based on PCI Biotech Holding ASA's own stock market valuation. The exercise price is set at market terms, equal to the average volume weighted share price last five days of trade prior to grant date (5 days VWAP), and no premium for the share options are paid. The risk-free interest rate is based on Norwegian 3-5 years government bond yield. Each option program is calculated separately with actual exercise price and lifetime for the program. The table below shows the input values used in the fair value assessment model at grant date.

Fair value for all share options granted in 2022 were NOK 1.1 million (2021: NOK 7.5 million). The fair value estimated at grant date is amortised over the vesting period of three years.

Share options granted in 2021 and 2022	**September 2021**	**November 2022**
Number of share options	485 000	570 000
Dividend	0	0
Historical volatility (%)	132 %	161 %
Risk free interest rate (%)	1.11%	3.22 %
Expected lifetime (years)	5	4.8
Expected level of vesting	100%	87%

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Authorisation from the annual general meeting
The general meeting in PCI Biotech Holding ASA, held 28 May 2022, authorised the Board of Directors to grant the employees with a total of 2,790,000 share options and the authorisation applies for one year. 1,000,000 share options of the current authorisation have been granted by the Board of Directors at year-end 2022. The Board of Directors has not been granted any share options. See note 21 Related party transactions for further information.

Share option transactions during the year
In accordance with the authorisation granted by the Annual General Meeting 28 May 2022, the Board of Directors of PCI Biotech Holding ASA awarded a total of 570,000 share options to key employees on 25 November 2022. Each share option gives the right to subscribe for or acquire one share per option (after PCI Biotech Holding ASA's choice), at a strike price of NOK 1.90, equal to the volume weighted average share price (VWAP) for the last 5 days of trade prior to the grant date. The share options are subject to other customary terms and conditions for employee incentive programs and the share options are lapsing in Q3 2027.

The Black-Scholes method is used for fair value assessment of the share options at the grant date and the fair value was assessed to NOK 1.1 million, which will be charged to the profit and loss statement over the three-year vesting period if all share options are vested.

Of the 570,000 share options, a total of 360,000 share options were allotted to the following primary insiders: 220,000 share options were allotted to Ronny Skuggedal, CEO/CFO. 120,000 share options were allotted to Anders Høgset, CSO. 20,000 share options were allotted to Kristin Eivindvik, CDO.

Share option transactions during 2021
In accordance with the authorisation granted by the Annual General Meeting in PCI Biotech Holding ASA, held 28 May 2021, the Board of Directors of PCI Biotech Holding ASA awarded a total of 485,000 share options to key employees on 6th September 2021. Each share option gives the right to subscribe for or acquire one share per option (after PCI Biotech Holding ASA's choice), at a strike price of NOK 19.41, equal to the volume weighted average share price (VWAP) for the last 5 days of trade prior to the grant date. The share options are subject to other customary terms and conditions for employee incentive programs and the share options are lapsing in Q3 2026.

The Black-Scholes method is used for fair value assessment of the share options at the grant date and the fair value was assessed to NOK 7.5 million, which will be charged to the profit and loss statement over the three-year vesting period if all share options are vested.

Of the 485,000 share options, a total of 340,000 share options were allotted to the following primary insiders at that time: 70,000 share options were allotted to Per Walday, former CEO. 60,000 share options were allotted to Amir Snapir, former CMO. 50,000 share options were allotted to Ronny Skuggedal, CFO. 40,000 share options were allotted to Ludovic Robin, former CBO. 40,000 share options were allotted to Anders Høgset, CSO. 40,000 share options were allotted to Lucy Wabakken, former CDO (acting). 40,000 share options were allotted to Kristin Eivindvik, CDO. The share options awarded to former executives Walday, Snapir, Robin and Wabakken all lapsed during 2022.

P&L and balance sheet accounting effects of the share option programme
The net P&L accounting effect for share-based payments and corresponding social security liability following potential future share option exercises were a net reversal of costs of NOK 1.3 million (2021: net cost NOK 12.6 million). The net reversal of costs in 2022 is mainly due to downsizing, resulting from reduced expected number of vested share options. The potential social security liability for future exercises are calculated based upon share options that are in-the-money per reporting date and recognised as a short- or long-term liability in the balance sheet depending on vesting date of the underlying share options. No share options were in-the-money per year-end 2022 or 2021.

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Share options outstanding at the end of the period have the following expiry date and exercise prices:

Expiry date	Exercise price in NOK per share	Number of share options	
		2021	2022
2022 - Q3	21.48	310 000	-
2024 - Q3	25.78	300 000	150 000
2025 - Q3	50.36	520 000	130 000
2026 - Q3	19.41	485 000	150 000
2027 - Q3	1.90	-	570 000
Total		**1 615 000**	**1 000 000**

Options granted to employees, average exercise price and transactions during the year is listed below:

	2021		2022	
	Number	Average exercise price in NOK per share	Number	Average exercise price in NOK per share
Outstanding at the beginning of the year	1 185 000	35.80	1 615 000	30.96
Granted during the year	485 000	19.41	570 000	1.90
Lapsed during the year	55 000	33.55	1 025 000	32.42
Exercised during the year	0	-	0	-
Expired during the year	0	-	160 000	21.48
Outstanding at year-end	1 615 000	30.96	1 000 000	14.41
Exercisable options at year-end	683 333	30.06	286 667	32.10

Exercise price and average remaining lifetime for outstanding options per year-end:

Number of options 2021 / 2022	Exercise price in NOK per share	Average remaining lifetime (years)	
		2021	2022
310 000 / 0	21.48	0.7	-
300 000 / 150 000	25.78	2.7	1.7
520 000 / 130 000	50.36	3.7	2.7
485 000 / 150 000	19.41	4.7	3.7
0 / 570 000	1.90	-	4.7

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9 PENSION EXPENSES

(figures in NOK 1,000)

	2022	2021
Total pension cost from contribution schemes	2 276	1 702

The contribution pension scheme is in compliance with Norwegian public requirements and a total of 9 employees are included in the scheme at year-end 2022 (2021: 13 employees, in addition to one employee in a Finnish pension scheme, two employees in a Swedish pension scheme and one employee in a French pension scheme).

10 AUDITORS FEE

AUDITOR FEES

(figures in NOK 1,000)	2022	2021
Statutory audit	78	79
Other assurance services	81	44
Total	**159**	**123**

11 FINANCIAL INCOME AND EXPENSES

(figures in NOK 1,000)

	2022	2021
Interest income	1 228	601
Other financial income	472	150
Total financial income	**1 700**	**750**
Interest expense	16	10
Interest expense leasing	78	38
Other financial expense	189	344
Total financial expense	**283**	**392**

For 2022 NOK 0.2 million in other financial income (2021: NOK 2.5 million other financial expense) were related to accounting effects of cash deposits in Euro per year-end, resulting from converting these Euro cash positions into NOK as functional currency for the annual accounts. The effects are reduced over time, due to general lower cash positions held in Euro.

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12 TAX

(figures in NOK 1,000)

	2022	2021
Comprehensive income before tax	**-51 594**	**-82 293**
Expected nominal rate of tax (2022: 22% / 2021: 22%)	-11 351	-18 105
Permanent differences charged through P&L	-1 332	1 802
Deferred tax asset not recognised in the balance sheet	12 683	16 303
Total tax expense for the year	**0**	**0**

Specification of basis for deferred tax asset / liability
Tax effect of temporary differences:

	2022	2021
Fixed assets	-966	64
Receivables	-14	-11
Carry forward loss	-143 391	-131 742
Total tax asset (22% for 2022 / 22% for 2021)	**-144 371**	**-131 689**
Deferred tax asset not recognised	144 371	131 689
Deferred tax asset recognised in the balance sheet	0	0

The Company has no history of taxable profits and due to uncertainty of future utilisation, deferred tax assets have not been recognised in the balance sheets. The carry forward loss has no time limit according to current tax legislations.

13 FIXED AND INTANGIBLE ASSETS

(figures in NOK 1,000)

	Device	Office equipment	Total
Acquisition cost per 1 January 2021	**9 268**	**392**	**9 661**
Additions in 2021	341	0	341
Disposals and scrapping during 2021	0	0	0
Acquisition cost per 31 December 2021	**9 609**	**392**	**10 001**
Additions in 2022	0	0	0
Disposals and scrapping during 2022	0	0	0
Acquisition cost per 31 December 2022	**9 609**	**392**	**10 001**
Accumulated depreciation per 1 January 2021	**1 928**	**343**	**2 272**
Ordinary depreciation 2021	1 908	16	1 923
Disposals in 2021	0	0	0
Accumulated depreciation per 31 December 2021	**3 836**	**359**	**4 195**
Ordinary depreciation 2022	0	16	16
Write-down 2022	5 773	0	5 773
Disposals in 2022	0	0	0
Accumulated depreciation per 31 December 2022	**9 609**	**375**	**9 984**
Book value per 31 December 2021	5 773	33	5 806
Book value per 31 December 2022	**0**	**18**	**18**

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The decision made in Q1 2022 to stop the RELEASE trial made the device (lasers) of no or low value and the carrying amount of NOK 5.8 million was depreciated in full in 2022.

14 FINANCIAL RISK

This note describes the Company's various financial risks and the management of these. In addition, numerical tables for risk associated with financial risks are also presented.

(I) Organisation of financial risk management
PCI Biotech has an international business operation and is exposed to currency risk, interest risk, liquidity risk and credit risk. The Company has not utilised any derivatives or other financial instruments to reduce these risks during the accounting period. The responsibility for managing financial risk is at group level. The risk associated with centralised activities such as financing, interest rate and currency management is managed at group level. In addition, the group manages the risks associated with the business processes. The financial risk management is monitored by the Board of Directors of PCI Biotech Holding ASA.

Centralised risk management
PCI Biotech has a centralised risk management policy. The most important tasks within risk management are to ensure the Company's financial freedom to act both in a short- and long term perspective, and to monitor and manage financial risk in cooperation with the individual units in the group.

Financial risk
This section describes the most important risk factors within each business area and the management of these. In this context, financial risk is understood as risk associated with financial instruments. These can either be hedging instruments for underlying risk or be considered themselves as a source of risk. Market risk is not hedged with financial instruments.

Research and development activities
PCI Biotech carries out research and development for new innovative medical products based on the company's patented technology. The currency risk in research and development is limited to the purchase of services, primarily related to clinical and pre-clinical studies. Foreign currency risk associated with purchase of goods and services are foremost related to transactions in EUR and GBP. Foreign currency exposure associated with research and development is not normally hedged, but at year-end 2021 the group had placed cash deposits in EURO to hedge the foreign currency risk for the RELEASE study. The study was terminated during 2022, and there are no material cash deposits in EURO at year-end 2022.

(II) Classes of financial risk

Interest rate risk
Except for interest-bearing leasing liabilities, PCI Biotech does not have any interest-bearing debt, and the company's interest rate risk is primarily associated with cash positions and cash equivalents. This risk is managed at group level. The main strategy is to diversify the risk and invest in cash deposits with fixed or spot interest rates or money market funds with low risk, high liquidity and short duration. All funds are placed as cash deposits per year-end 2021 and 2022.

		Effect on financial result	
	Interest rate change	2022	2021
Bank deposits	+2%	1 119	1 793
	-2%	-1 119	-1 793
	+5%	2 798	4 482
	-5%	-2 798	-4 482

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Liquidity risk
One of the most important objectives of PCI Biotech's finance policy is to ensure that the group has financial freedom to act in the short and long-term in order to attain strategic and operational goals. PCI Biotech shall have sufficient funds to cover expected capital requirements during the forthcoming 12 month period in addition to a strategic reserve. Cash flow in research and development depends mainly on the activity level of the clinical programmes and the activity levels are adjustable without substantial long term commitments. The finance department monitors the cash flows in a short- and long term perspective. PCI Biotech's most important source of finance are future royalty and milestone payments associated with licence agreements, government grants and the capital market. The biotech industry is a resource demanding industry, and drug development can be both labour and cash intensive. PCI Biotech being a pre-commercial stage biotech, means that the Company mainly relies on the ability to raise funds via the equity market and government grants for its development plans, and no assurance of the availability of resources for current and future drug development plans can be made. The capital market is used as a source of liquidity when this is appropriate and the conditions in these markets are competitive. The finance department continually evaluate other sources of financing. PCI Biotech does not have any debt agreements with key business ratio requirements (covenants).

The cost base for the Company is reduced over time during 2022, mainly due to the closure of the RELEASE trial and implemented cost reduction matters during slimming down both the operational- and executive team. The cash position per year-end 2022 is on this basis estimated to enable a financial runway towards the end of 2024.

(figures in NOK 1,000)	Remaining period				
	Less than 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**Total**
31.12.2022					
Other long-term liabilities	0	0	0	0	**0**
Long term-lease liabilities	0	0	0	327	**327**
Trade accounts payables	489	0	0	0	**489**
Current lease liabilities	0	0	443	0	**443**
Public duties payables	860	81	144	0	**1 085**
Other current liabilities	86	681	1 852	0	**2 619**
Other current liabilities	0	0	7 362	0	**7 362**
Total liabilities	**1 435**	**762**	**9 801**	**327**	**12 325**
31.12.2021					
Other long-term liabilities	0	0	0	0	**0**
Long term lease liabilities	0	0	0	1 277	**1 277**
Trade accounts payables	3 726	0	0	0	**3 726**
Current lease liabilities	0	0	629	0	**629**
Public duties payables	1 031	542	0	0	**1 573**
Other current liabilities	779	3 398	9 675	0	**13 852**
Other current liabilities	0	0	15 019	0	**15 019**
Total liabilities	**5 536**	**3 940**	**25 323**	**1 277**	**36 076**

Other long-term liabilities relates to estimated social securities for potential future share option exercises in the group's remuneration incentive program.

Credit risk
PCI Biotech has no sales or receivable balances based on sales and faces therefore no credit risk. PCI Biotech has no need for monitoring of receivable balances based on sales and no bad debt provision has been recognised during 2022 or 2021. The majority of the Company's financial assets are cash and cash equivalents and these funds are placed in cash deposits in different banks with

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satisfactory credit ratings. The credit risk for these funds is assessed to be low and no impairment test are performed for 2022 or 2021.

Foreign currency risk
As NOK is the Company's functional currency, PCI Biotech is exposed to foreign currency risk associated with the foreign net exchange rate exposure. The Company's expenses accrue in various currencies, primarily EUR and NOK. PCI Biotech is therefore exposed to fluctuations in foreign exchange rates. The Company evaluates whether measures should be taken to reduce the foreign currency risk through hedging for significant transactions and projects.

The following table details the sensitivity to potential changes in the foreign currency exchange rate, with all other factors constant. The changes in exchange rates of +/10% is considered to be a reasonably possibly change. The calculation assumes an equal change in exchange rates against all relevant foreign currencies. The estimated effect on operating result is due to changes in value of monetary items in the balance sheet per year-end, with no effect on Other Comprehensive Income.

	Changes in exchange rates - Euro	**Effect on operating result** *(NOK 1,000)*
2022	+/- 10 %	+/- 29
2021	+/- 10 %	+/- 128

15 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The Company´s financial assets are governmental grant receivables, and the Company's financial liabilities are accounts payables and other current liabilities. PCI Biotech's financial liabilities includes liabilities to the parent company PCI Biotech Holding ASA. All these financial assets and liabilities are classified as financial instruments at amortised costs, and no financial assets or liabilities are classified at fair value through profit and loss.

Financial assets and liabilities at amortised costs are measured at their nominal amount, as the nominal amount is assessed to be fair value due to the immaterial discounting effect for short-term maturities.

16 RECEIVABLES

Receivables are measured by the amortised cost method, but due to the assets being short-term receivables the non-discounted contractual payments are disclosed. No credit losses allowance is recognised at year-end 2022 or 2021.

Other current receivables - specification
(Figures in NOK 1,000)

	31.12.2022	**31.12.2021**
Recognised not received government grants	4 750	4 750
Prepaid payables	0	7 091
VAT receivables	538	326
Recognised, not received interest from bank	851	0
Total other receivables	**6 139**	**12 167**

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17 CASH AND CASH EQUIVALENTS

(Figures in NOK 1,000)

	31.12.2022	31.12.2021
Cash and cash equivalents, restricted (1)	629	938
Cash and cash equivalents, non-restricted	55 339	88 704
Total	**55 968**	**89 642**

(1) Restricted cash and cash equivalents are security for the employees' withholding tax and bank deposits.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. The cash and cash equivalents are placed in cash deposits in NOK and EUR in different banks with satisfactory credit ratings. The credit risk for these funds is assessed to be low and no impairment test are performed for 2022 or 2021.

18 SHARE CAPITAL

	No. of shares	Nominal value per share in NOK	Share capital in NOK
Share capital as per 31.12.2020	**3 232 600**	**1,70**	**5 495 420**
Share issues in 2021	-	0,10	323 260
Share capital as per 31.12.2021	**3 232 600**	**1,80**	**5 818 680**
Share issues in 2022	-	0,10	323 260
Share capital as per 31.12.2022	**3 232 600**	**1,90**	**6 141 940**

All shares have equal voting rights and otherwise have equal rights in the company and one share represents one voting right. Ordinary shares are classified as equity and only one class of shares exists. Expenses that are directly attributable to the issue of ordinary shares are disclosed as reduction of equity.

In 2022 a capital increase of NOK 30 million was resolved, by contribution in kind of an intercompany loan from the parent company, PCI Biotech Holding ASA. After the transaction the share capital is NOK 6,141,940 divided by 3,232,600 shares, each with a nominal value of NOK 1.90. PCI Biotech AS is a wholly owned subsidiary by PCI Biotech Holding ASA.

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Shares owned in the parent company PCI Biotech Holding ASA, directly or indirectly, by members of the board and executive management, and their personally related parties per 31.12.2022 and per 31.12.2021:

		Number of shares	
Name	**Position**	**31.12.2022**	**31.12.2021**
Hans Peter Bøhn	Chairman	123 662	123 662
Lars Viksmoen	Board member	12 966	12 966
Christina Herder	Board member	10 000	10 000
Hilde Furberg (Borkenholm AS)*	Board member	8 000	4 000
Andrew Hughes	Board member	-	-
Anders Høgset	CSO	64 800	64 800
Ronny Skuggedal	CEO / CFO	55 000	55 000
Kristin Eivindvik	CDO	25 200	25 200
Per Walday**	former CEO	NA	72 700
Ludovic Robin***	former CBO	NA	-
Amir Snapir****	former CMO	NA	-
Total		**299 628**	**368 336**

* Hilde Furberg's shares are owned via Borkenholm AS, which is a related party to Hilde Furberg.
** former CEO, Per Walday, left the company in May 2022.
*** former CBO, Ludovic Robin, left the company in May 2022.
**** former CMO, Amir Snapir, left the company in September 2022.

19 FINANCING STRUCTURE

Except for interest-bearing leasing debt the Company had no external interest-bearing debt as of year-end 2022 or 2021.

20 OTHER CURRENT LIABILITIES BY YEAR END

(Figures in NOK 1,000)

	31.12.2022	**31.12.2021**
Accruals for incurred external R&D expenses	550	9 347
Accruals for employee bonus, holiday payments, board remuneration etc.	1 830	4 505
Other accruals	239	0
Total other current liabilities	**2 619**	**13 852**

Other current liabilities are measured by the amortised cost method, but due to the liabilities being short term liabilities the non-discounted contractual payments are disclosed. Other accruals per 31.12.2022 represents accruals related to the downsizing process.

21 RELATED PARTIES TRANSACTIONS

Figures for remuneration are expensed amounts in the financial year. All board remunerations are accounted for in the parent company.

Executive remuneration *(NOK 1,000)*	**2022**	**2021**
Management team remuneration	11 088	13 790

The management team per year-end 2022 consists of a combined CEO and CFO position, CSO and CDO, totaling 3 persons. The management team was downsized in 2022, to tailor management to current operations. The management team per year-end 2021 consisted of CEO, CFO, CSO, CMO,

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CBO, CDO, and acting CDO, totaling 7 persons. In relation to the downsizing in 2022, one member of the management team received termination payment accounting for 3 months additional notice period, and some employees outside of the management team received termination payment accounting for 1 month additional notice period.

It is not given additional remuneration for special services outside the normal functions of a senior executive, and no remunerations are made for board positions in PCI Biotech AS for 2022 or 2021.

The senior executives participate in the company's pension plan that is a defined contribution plan which entails payment of 7% to 21% of the employee's annual salary up to 12 times the basic National Insurance amount (G). The pension scheme also covers in the event of disability.

The CEO is entitled to six months' notice and has an agreement of additional 6 months' salary on certain terms. There are no agreements beyond the statutory requirements for other senior executives.

There are no loans or pledges to senior executives, board of directors, employees or other persons in elected corporate bodies. For more details about the Company's remuneration policy, please see the established guidelines for PCI Biotech Holding ASA on the determination of salaries and other remuneration of executive management in accordance with § 6–16a of the Norwegian Public Companies Act.

Senior executive's shareholdings in PCI Biotech Holding ASA are disclosed in note 18 Share capital.

Allocation, exercise and holdings of share options in the Company for senior executives are presented in the table below:

Overview share options, Senior executives	Total holdings 31.12.2021	Allocated	Lapsed	Exercised	Expired	Total holdings 31.12.2022	Averag exercis price ir NOK
Ronny Skuggedal, CEO / CFO	190 000	220 000	0	0	50 000	360 000	13.72
Anders Høgset, CSO	190 000	120 000	0	0	60 000	250 000	18.21
Kristin Eivindvik, PD	110 000	20 000	0	0	20 000	110 000	21.36
Per Walday, former CEO*	295 000	0	295 000	0	0	0	-
Ludovic Robin, former CBO**	130 000	0	130 000	0	0	0	-
Amir Snapir, former CMO***	150 000	0	150 000	0	0	0	-
Lucy Wabakken, former acting CDO****	160 000	0	160 000	0	0	0	
Total	**1 225 000**	**360 000**	**735 000**	**0**	**130 000**	**720 000**	

*former CEO, P.Walday left the company in May 2022
**former CBO, L.Robin left the company in May 2022
***former CMO, A.Snapir left the company in September 2022
****former acting CDO, L.Wabakken worked as acting CDO during 2021 and into 2022

Related parties:

Helpyou2 Ltd.
In 2022 the Company had regular business transactions with Helpyou2 Ltd. a UK based company owned by Prof. Andrew Hughes, a Director in PCI Biotech Holding ASA. The services rendered concern Prof. Hughes position as member of the Scientific Advisory Committee ('SAC'), and related agreed scientific consultancies by Prof. Hughes during the year. The services rendered are pre-approved by the Board of Directors of PCI Biotech Holding ASA and regular fee overviews are presented for the Board of Directors. Helpyou2 Ltd. has not received any fees for services related to the SAC for 2022 or 2021. For other agreed scientific consultancies, Helpyou2 Ltd. received NOK 15 thousand in fees for 2022 (2021: NOK 24 thousand). It is in management and the Board of Director's opinion that the service fee is based on 'arm's length' principles and the level of consultancy is not considered to constitute a threat to independence for the parties in 2022 or 2021.

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PCI Biotech Holding ASA:
The parent company, PCI Biotech Holding ASA, has no employees. The group operations are managed through the wholly-owned subsidiary PCI Biotech AS that has a management service agreement with the parent company, including services like management, offices, finance and investor relation functions for the group. All transactions are performed at market terms.

The parent company has been charged for operations according to the service agreement of NOK 2.1 million in 2022 (2021: NOK 2.2 million). The parent company has charged PCI Biotech AS interest expenses for intercompany loans of NOK 1.8 million during 2022 (2021: NOK 1.6 million). Net current receivables from PCI Biotech AS at year-end 2022 were NOK 7.4 million (2021: NOK 15.0 million). In 2022 an intercompany loan to PCI Biotech AS of NOK 30 million was utilised as contribution in kind from PCI Biotech Holding ASA for a capital increase in PCI Biotech AS.

22 RIGHT TO USE ASSETS AND LEASE LIABILITIES

PCI Biotech AS has entered into a lease agreement with Oslo Cancer Cluster Incubator, Ullernchausséen 64 Oslo, Norway. The lease originally runs to 31 December 2021, with an option for three more years. PCI Biotech exercised the lease option and the lease now runs to 31 December 2024. The lease agreement is subject to annual adjustment according to changes in the consumer price index. In December 2022 the lease office space was reduced, and the right to use asset and future lease obligations are reduced accordingly. Amounts of minimum lease payment for the non-cancellable operating lease is NOK 0.8 million (discounted contractual payments) per year-end 2022 (2021: NOK 1.9 million), applying an incremental borrowing rate of 12% (2021: 6%).

Payments for the principal portion of the lease liabilities are not charged to profit and loss and will only have cash flow effects.

Right to use asset - office lease	
Accumulated recognition 31.12.2019	1 815
Acquisitions FY 2020	0
Acquisitions FY 2021	1 867
Acquisitions FY 2022	0
Disposals FY2022	-531
Accumulated acquisition costs 31.12.2021	**3 682**
Accumulated acquisition costs 31.12.2022	**3 151**
Depreciation FY 2019	604
Depreciation FY 2020	605
Depreciation FY 2021	620
Depreciation FY 2022	618
Accumulated depreciation and impairment as of 31.12.2021	**1 829**
Accumulated depreciation and impairment as of 31.12.2022	**2 447**
Total right to use assets – office lease as of 31.12.2021	**1 854**
Total right to use assets – office lease as of 31.12.2022	**705**
Lower of remaining lease term or economic life - 2021	3.0 years
Lower of remaining lease term or economic life - 2022	2.0 years
Depreciation method	Linear

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Lease liabilities - office

Accumulated recognition 31.12.19	1 196
Recognition during 2020	0
Recognition during 2021	1 867
De-recognition during 2022	-531
Accumulated recognition 31.12.21	**3 063**
Accumulated recognition 31.12.22	**2 532**
Payments principal portion of the lease liability FY 2020	-668
Payments principal portion of the lease liability FY 2021	-672
Payments principal portion of the lease liability FY 2022	-682
Interest expenses on the lease liability FY 2020	144
Interest expenses on the lease liability FY 2021	40
Interest expenses on the lease liability FY 2022	76
Total lease liabilities for office as of 31.12.2021	**1 906**
Total lease liabilities for office as of 31.12.2022	**770**
Whereof:	
Short term lease liabilities < 1 year 2021 / 2022	629 / 443
Long term lease liabilities > 1 year 2021 / 2022	1 277 / 327

The Company applies the short-term lease recognition exemption for leases related to office equipment, parking facilities at the office and a flat in Oslo available for disposition for foreign employees. Lease payments for this category of leases are consequently charged directly through profit and loss.

Income statement effects leasing	**2022**	**2021**
Depreciation of right to use asset	-618	-620
Effect on Operating results net of tax	**-618**	**-620**
Interest expenses on the lease liabilities	-76	-40
Effect on Net financial result net of tax	**-694**	**-660**
Comprehensive income effect net of tax	**-694**	**-660**

The Company had total cash outflows related to leases of NOK 0.8 million in 2022 (2021: NOK 1.0 million). Minimum nominal payments for non-cancellable payments for all leases are NOK 1.0 million per year-end 2022 (2021: NOK 0.7 million).

23 GOING CONCERN

Per date of this report PCI Biotech AS has sufficient funds to continue its operations, but PCI Biotech AS is dependent on financial support from the parent company, PCI Biotech Holding ASA, which finalised a capital increase with gross proceeds of NOK 360 million in October 2018. Major parts of the proceeds have been transferred to PCI Biotech AS during 2018, 2019, 2020,2021 and 2022, by capital increases and intragroup debt. The parent company, PCI Biotech Holding ASA, will continue to financial support PCI Biotech AS as this entity is the operational unit within the PCI Biotech group and the company has not reached commercial stage per date of this financial statement. Per year-end 2022 the parent company, PCI Biotech Holding ASA, has limited cash to support the subsidiary and future support via cash transfers depends on PCI Biotech Holding ASA ability to raise funds in the capital market. In accordance with § 3-3a of the Norwegian Accounting Act (NM) it is confirmed that the conditions for assuming that PCI Biotech AS will continue as a going concern are present and that the financial statements have been prepared on the basis of this assumption.

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24 SUBSEQUENT EVENTS

PCI Biotech is not aware of any other subsequent events since year-end 2022 which are of material significance to the financial statements as of 31 December 2022.

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Pci Biotech AS

Opinion

We have audited the financial statements of Pci Biotech AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 27th of April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

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OTHER INFORMATION

DEFINITIONS AND GLOSSARY

Amphinex:	Trade name of the clinical intravenous formulation of fimaporfin
BIA:	User-driven research-based innovation program by the Research Council of Norway
CSR:	Corporate Social Responsibility
Fimaporfin:	Generic name of the photosensitiser active ingredient TPCS2a
fimaChem	Previous development program for enhancement of generic chemotherapies
fima*NAc*:	Development program for PCI Biotech's technology for delivery of nucleic acids
fima*VAcc*:	Development program for PCI Biotech's immune therapy technology
IFRS:	International Financial Report Standards
ICI:	Immune Checkpoint Inhibitor
In vitro:	Studies performed with cells or biological molecules studied outside their normal biological context; for example proteins are examined in solution, or cells in artificial culture medium.
In vivo:	Studies in which the effects of various biological entities are tested on whole, living organisms usually animals.
NAA:	Norwegian Accounting Act
PCI:	Photochemical internalisation
PCIB:	PCI Biotech's ticker at Oslo Børs
RELEASE:	Name of PCI Biotech's pivotal study for inoperable extrahepatic bile duct cancer
R&D:	Research and Development
SAC:	Scientific Advisory Committee

FORWARD LOOKING STATEMENTS

This Report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, and are sometimes identified by the words "believes", expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that are expressed or implied by statements and information in the Report, including, among others, risks or uncertainties associated with the Company's business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, and fluctuations in currency exchange rates and interest rates. None of the Company or any of its subsidiaries or any such person's directors, employees or advisors provide any assurance that the assumptions underlying forward-looking statements expressed in this Report are free from errors nor does any of them accept any responsibility for the future accuracy of such forward-looking statements.

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