BerGenBio

Interim report first quarter 2023

Corporate highlights

"We recently reported the positive readout of several clinical trials that strongly validate our strategy to concentrate our efforts on evaluating bemcentinib to treat Non-Small Cell Lung Cancer patients harboring STK11 mutations. I would like to thank our shareholders for their support of the recent Rights Issue providing gross proceeds of 250M NOK allowing us to pursue the significant opportunity in STK11m NSCLC. We look forward to sharing initial data from our Phase 1a/2b trial in the second half of this year towards unlocking the value of bemcentinib in NSCLC

Martin Olin

Chief Executive Officer

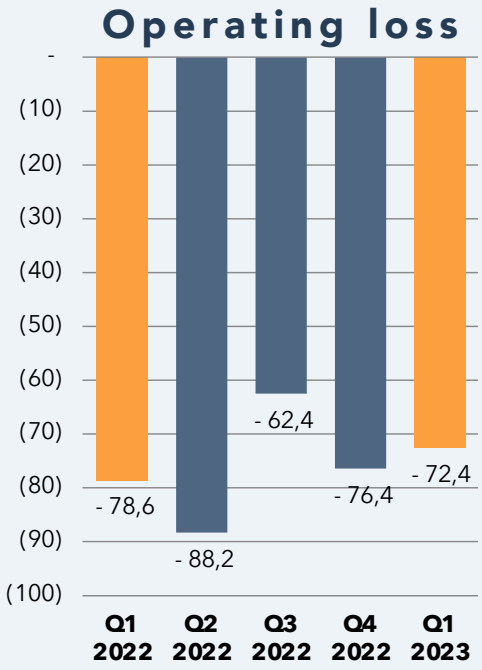
Recent highlights

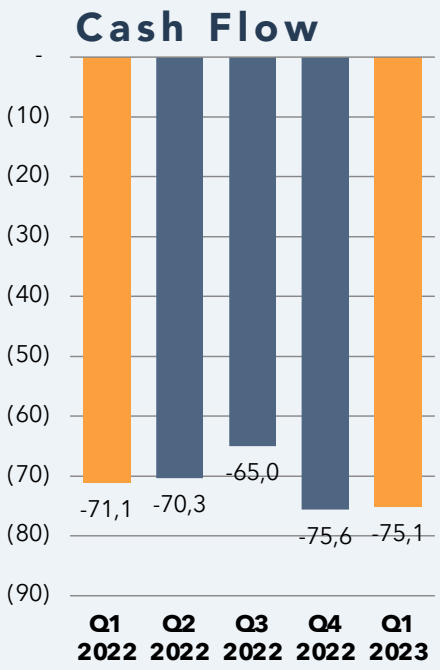
- Promising top line data from BGBC008 to validate the potential of AXL inhibition by bemcentinib in NSCLC
- Formation of NSCLC Scientific Advisory Board announced
- Promising biomarkers analyses of BGBC008 study in 2L NSCLC presented at 2023 AACR*
- In May, data presented in prestigious ASCO 2023 oral presentation confirming bemcentinib + pembrolizumab achieved primary efficacy endpoint in investigator led study in mesothelioma
- In May 2023, announcement of top line data from BGBC003 in AML & MDS indicating monotherapy benefit of bemcentinib*
- In June 2023, secured gross proceeds of NOK 250 in a rights issue*

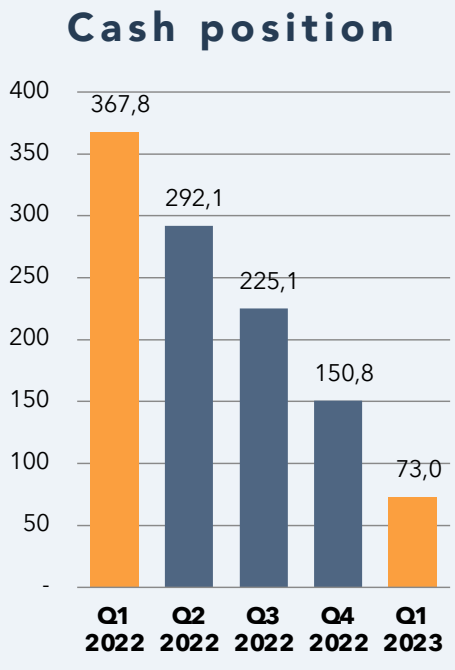
*post quarter

Q1 2023 Financial highlights

(NOK million)	Q1 2023	Q1 2022	FY 2022
Operating revenues	0,0	0,0	0,4
Operating expenses	72,4	78,6	306.0
Operating profit (-loss)	-72,4	-78,6	-305,6
Profit (-loss) after tax	-72,0	-81,1	-302,1
Basic and diluted earnings (loss) per share (NOK)	-0.81	-0.92	-3.41
Net cash flow in the period	-75,1	-71,1	-282,1
Cash position end of period	73,0	367,8	150,8







BerGenBio

Q1 2023 and post period clinical highlights

Bemcentinib overview

BerGenBio's lead compound, *bemcentinib*, is a potentially first-in-class, oral, highly selective inhibitor of the receptor tyrosine kinase AXL, which is expressed and activated in response to oxidative stress, inflammation, hypoxia, and drug treatment, resulting in several deleterious effects in cancer and severe respiratory infections. *Bemcentinib* selectively inhibits AXL activation to prevent the progression of serious diseases through the modulation of resistance mechanisms and the adaptive immune system.

Bemcentinib is currently being developed in STK11 mutated NSCLC and severe respiratory infections. Its novel mechanisms of action and primary accumulation in the lungs uniquely position it to address these severe lung diseases.

1L STK11m NSCLC Trial (BGBC016)

The Company announced on March 9, 2023, that the first patient was enrolled in BGBC016, a global, open-label Phase 1b/2a trial designed to determine the safety, tolerability and efficacy of *bemcentinib* in combination with standard of care treatments in untreated advanced/metastatic non-squamous NSCLC patients with STK11 mutations and no actionable mutations.

The Phase 1b portion of the study is evaluating the safety and feasibility of three different doses of *bemcentinib* in combination with pembrolizumab and doublet chemotherapy in 1L advanced/metastatic non-squamous NSCLC patients, regardless of STK11 status. The Phase 2a expansion part will assess the safety and efficacy of up to two doses of *bemcentinib* in the same treatment combination in 1L advanced/metastatic non-squamous NSCLC patients with STK11 mutations.

A significant subgroup comprising approximately 20% (> 30,000 patients in US and EU5) of non-squamous NSCLC patients harbor STK11 mutations, which are associated with immunosuppression and poor prognosis with standard treatment in 1L NSCLC. Data suggests that STK11m NSCLC patients almost universally have AXL expression and activation in tumors and/or on immune cells, resulting in the development of drug resistance, immune evasion, and metastases.

The results of the BGBC008 (2L+ NSCLC, *bemcentinib* in combination with pembrolizumab) and BGBIL005 (2L+ NSCLC, *bemcentinib* in combination with docetaxel) trials provide clinical evidence of the anti-tumor effects of *bemcentinib* and its ability to modulate the tumor microenvironment to enhance the effects of immunotherapy and chemotherapy. We believe this provides strong support for the ongoing BGBC016 1L NSCLC trial in patients harboring STK11 mutations.

Q1 2023 and post period clinical highlights

Oncology: 2L+ NSCLC Trial (BGBC008)

In February 2023 the Company announced topline data from the Phase 2 BGBC008 2L+ NSCLC trial and provided additional results from pre-planned analyses after quarter end on May 15, 2023. The trial enrolled 90 evaluable patients who received at least one prior line of therapy: chemotherapy, immunotherapy or the combination.

- A clinically meaningful survival benefit and evidence of disease control was demonstrated with *bemcentinib* in combination with pembrolizumab regardless of prior therapy, providing a median overall survival (mOS) of 13.0 months (95% CI: 10.1, 16.7), median progression free survival (mPFS) of 6.2 months (95% CI: 4.6, 9.8), disease control rate (DCR) of 51.1% (95% CI: 40.3, 61.8) and overall response rate (ORR) of 11.1% (95% CI: 6.2, 18.1).
- A significant (p-value < 0.05) and clinically meaningful improvement in mOS based on AXL IHC tumor scores was observed. Patients with AXL score > 5 (46% of evaluable patients) achieved a mOS of 14.8 months (95% CI: 12.4, 29.6) compared to patients with AXL < 5, who achieved a mOS of 9.9 months (95% CI: 6.7, 17.4). In addition, patients with an AXL > 5 had a mPFS of 8.7 months (95% CI: 6.0, 14.8) compared to 4.6 months (95% CI: 2.7, 8.1) for patients with AXL < 5. The ORR for AXL > 5 was 21.9%.
- The observed mOS was similar regardless of patient PD-L1 status.
- Treatment with *bemcentinib* in combination with pembrolizumab was well-tolerated.
- Pre-planned biomarker analyses of patients in BGBC008 indicate that the combination of bemcentinib and pembrolizumab in patients with mutations associated with poor outcome with available standard of care therapies, including STK11, KRAS, KEAP-1 and SMARCA4 mutations, may respond as if they have no mutations in these genes.

At the 2023 AACR meeting, BerGenBio, its investigators and its collaborator Merck announced findings indicating benefit from *bemcentinib* in combination with pembrolizumab treatment in 2L NSCLC pts harboring KEAP1 mutations which can result in STK11 loss of function. These data indicate that the relevant patient populations who may benefit from the addition of *bemcentinib* to standard of care therapies may be broader than STK11m patients alone. This will be further assessed in the on-going BGBC016 study in 1L STK11m NSCLC patients.

2L+ NSCLC Trial (BGBIL005)

In Q4 2022, we announced that in addition to the encouraging ORR and DCR data previously presented from the Investigator Led Study phase 1b/2a trial in which *bemcentinib* was combined with docetaxel, the final mPFS of 3.1 months and mOS of 12.3 months further support the clinical benefit of combining *bemcentinib* with chemotherapy.

Q1 2023 and post period clinical highlights

Oncology: Relapsed/Refractory AML/MDS

Following the end of the quarter, the Company held a business update conference call on May 15, 2023, that included the topline results of the Phase 1b/2a BGBC003 multicenter open-label study of *bemcentinib* as a single agent and in combination with low-dose cytarabine (LDAC) or decitabine in patients with acute myeloid leukemia or as a single agent in patients with myelodysplastic syndrome.

- Two cohorts of patients in BGBC003 were treated with *bemcentinib* as a single agent (monotherapy). In Cohort B1 in patients with Relapsed/Refractory (R/R) AML (n=11), bemcentinib provided an ORR of 18.2% and a mOS of 18 months. In Cohort B4 in patients with relapsed/high risk MDS, *bemcentinib* monotherapy provided an ORR of 18.8% with a mOS of 9.2 months. The Company believes the mOS achieved is substantially longer than historical comparators in these same patient populations, providing evidence of single-agent efficacy of bemcentinib.
- Furthermore, *bemcentinib* in combination with LDAC appeared to provide substantial mOS benefit to patients with R/R AML (n=27) achieving an ORR of 18.5% and a mOS of 8 mos. Although these findings are encouraging, the Company has decided not to further pursue clinical trials in this indication given the change in standard of care therapies in these patient populations.

Oncology: Mesothelioma

The topline results of the investigator led BGBIL011/MiST3 mesothelioma trial were presented post-quarter on June 5, 2023, in an oral presentation at the 2023 American Society of Clinical Oncology (ASCO) meeting in an abstract titled: *Bemcentinib and pembrolizumab in patients with relapsed mesothelioma: MiST3, a phase IIa trial with cellular and molecular correlates of efficacy*.

MiST, the Mesothelioma Stratified Therapy umbrella trial, is a British Lung Foundation funded study dedicated to improving survival outcomes for patients with mesothelioma. *MiST3*, the third arm of the trial, was designed to assess the efficacy of AXL/PD-1 inhibition with the combination of *bemcentinib* and pembrolizumab. Key results include:

- 26 patients with relapsed mesothelioma were enrolled in *MiST3* and all received at least one dose of *bemcentinib* and pembrolizumab.
- The primary endpoint of disease control rate at 12 weeks (DCR12w) was met: 46.2% (90% CI: 29.2, 63.4).
- Secondary endpoints included a disease control rate at 24 weeks (DCR24w) of 38.5% (95% CI: 20.2, 59.4) and an overall response rate of (ORR) of 15.4% (95% CI: 4.4, 34.9).
- The combination of *bemcentinib* and pembrolizumab was generally safe and well-tolerated.

Q1 2023 and post period clinical highlights

Severe Respiratory Infections (SRIs)

The Company believes that *bemcentinib* blocks viral entry and replication, stimulates the innate immune system, and promotes lung tissue repair positioning it well for the treatment of severe respiratory infections.

BerGenBio announced after the quarter on April 25, 2023, that after assessing the significant drop in hospitalizations attributed to COVID-19 during the 2022-23 winter season, the EU-SolidAct Trial Steering Committee in accordance with the Company decided to pause the Phase 2b trial evaluating *bemcentinib* in hospitalized COVID-19 patients until a potential acceleration in hospitalizations warrant further evaluation of *bemcentinib* in this population. Previously the Company has completed two phase 2 trials with *bemcentinib* in hospitalized COVID-19 patients, showing promising clinical activity.

Bemcentinib is currently being evaluated in preclinical studies for SRIs causing Acute Respiratory Distress Syndrome (ARDS) and initial results are expected during 2023.

Q1 2023 and post period corporate highlights

Rights Offering

On June 13, 2023, the Company completed a rights issue raising gross proceeds of NOK 250m. The proceeds from this offering will be dedicated to the conduct of BGBC016 in 1L STK11m NSCLC patients, preclinical studies in severe respiratory infections and for general corporate purposes.

Focused organizational structure aligned with strategy

Post quarter the Company has taken measures to further reduce its operational costs including a significant reduction in workforce and total compensation to the executive management and the board of directors. These prudent actions will reduce total operating expenses by at least 30% compared to historic operational expenses when fully implemented.

Oncology Scientific Advisory Board

In February 2023 BerGenBio announced the formation of a scientific advisory board to enhance the development of *bemcentinib* for the treatment of NSCLC patients with STK11m, consisting of four world-renowned non-small cell lung cancer experts from top oncology centers around the globe: Enriqueta Felip, M.D., Ph.D., Head of the Thoracic Cancer Unit at Vall d'Hebron University Hospital, Spain; John Heymach, M.D., Ph.D., Chair of Thoracic/Head and Neck Medical Oncology at the MD Anderson Cancer Center, Texas; Tony Mok, M.D., BMSc., Professor and Chairman of the Department of Clinical Oncology at the Chinese University of Hong Kong; and Solange Peters, M.D., Ph.D., Professor and Head of Medical Oncology and Thoracic Malignancies at the Department of Oncology at Lausanne University, Switzerland.

Q1 2023 Financial review

Financial Results (Figures in brackets = same period 2022 unless stated otherwise)

Revenue for the first quarter 2023 was NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the first quarter 2023 amounted to NOK 72.4 million (NOK 78.6 million).

Employee expenses in the first quarter were NOK 15.5 million (NOK 16.5 million). Payroll expenses decreased compared to Q1 2022 due to the organizational change announced in May 2022.

Other operating expenses amounted to NOK 56.9 million (NOK 61.8 million) for the first quarter. The decrease is mainly driven by level of clinical trials and drug development activities.

The operating loss for the quarter came to NOK 72.4 million (NOK 78.6 million).

Net financial items amounted to a gain of NOK 0.4 million (loss of NOK 2.5 million) for the first quarter. Net financial items was driven by change in currency rates on bank deposits in other currencies than NOK.

Losses after tax for the first quarter were NOK 71.9 million (NOK 81.1 million).

Financial Position

Total assets as of 31 March 2023 decreased to NOK 85.6 million (NOK 166.7 million at year end 2022) mainly due to the operational loss in the period.

Total liabilities were NOK 67.3 million as of 31 March 2023 (NOK 78.2 million at year end 2022).

Total equity as of 31 March 2023 was NOK 18.3 million (NOK 88.5 million at year end 2022), corresponding to an equity ratio of 21.4 % (53.1% at year end 2022).

Cash Flow

Net cash flow from operating activities was negative by NOK 75.4 million in the quarter (negative by 74.2 million), mainly driven by the level of activity in the clinical trials and other operating activities.

Net cash flow from investing during the first quarter was NOK 0.3 million (NOK 0.1 million).

Net cash flow from financing activities in first quarter 2023 was positive by NOK 0.0 million (NOK 3.0 million).

Cash and cash equivalents decreased to NOK 73.0 million as of 31 March 2023 (NOK 150.8 million at year end 2022).

Q1 2023 Risk, uncertainties and outlook

Risk and uncertainties

BerGenBio is exposed to a number of risk factors: Financial risks, technology risks, competitive risks, patent and IP risks and regulatory and commercial risks.

The Risk and uncertainties section of the board of directors' report in the Annual report from 2022 contains a detailed description of these risks.

Outlook

The Company continues its work towards several upcoming milestones, to be achieved across the Company's clinical pipeline focused on the development of bemcentinib within NSCLC STK11m and respiratory diseases.

The recently announced clinical top line data from the trials in 2L NSCLC (BGBC008 and BGBIL005) in the opinion of the Company shows promising clinical benefit of bemcentinib in NSCLC supporting the on-going trial in 1L STK11m NSCLC patients.

With net proceeds from the NOK 250 million rights issue and the actions taken post quarter to significantly reduce the operating costs, the Company is now well positioned to advance bemcentinib withing the defined strategy.

The cash position at end of Q1 2023 and the net proceeds from the rights issue funds the planned activities into Q4 2024, excluding any net proceeds from exercise of warrants issued as part of the Rights Issue.

The Board today considered and approved the condensed, consolidated financial statement of the three months ending 31 March 2023 for BerGenBio.

Bergen 21 June 2023

Board of Directors and CEO of BerGenBio ASA

Anders Tullgren, Chairman Sally Bennett Sveinung Hole

Debra Barker Martin Olin, CEO

Condensed consolidated statement of profit and loss and other comprehensive income

(NOK 1000) Unaudited	Note	Q1 2023	Q1 2022	FY 2022
Revenue		**0**	**0**	**389**
Expenses				
Payroll and other related employee cost	3	13,914	15,077	66,143
Employee share option cost	3	1,570	1,396	2,546
Depreciation	2	7	317	883
Other operating expenses	6	56,932	61,776	236,451
Total operating expenses		**72,423**	**78,566**	**306,024**
Operating profit		**-72,423**	**-78,566**	**-305,635**
Finance income		3,112	403	15,027
Finance expense		2,687	2,904	11,514
Financial items, net		**425**	**-2,501**	**3,513**
Profit before tax		**-71,998**	**-81,067**	**-302,122**
Income tax expense		0	0	0
Profit after tax		**-71,998**	**-81,067**	**-302,122**
Other comprehensive income				
Items which may be reclassified over profit and loss				
Exchange differences on translation of foreign operations		264	41	-484
Total comprehensive income for the period		**-71,733**	**-81,026**	**-302,606**
Earnings per share:				
- Basic and diluted per share	7	**-0.81**	**-0.92**	**-3.41**

Condensed consolidated statement of financial position

(NOK 1000) Unaudited	Note	31 MAR 2023	31 MAR 2022	31 DEC 2022
ASSETS				
Non-current assets				
Property, plant and equipment		36	875	43
Total non-current assets		36	875	43
Current assets				
Other current assets	5, 8	12,587	11,896	15,860
Cash and cash equivalents		72,994	367,829	150,803
Total current assets		85,582	379,725	166,663
TOTAL ASSETS		85,617	380,600	166,706
EQUITY AND LIABILITIES				
Equity				
Paid in capital				
Share capital	9	8,866	8,866	8,866
Share premium	9	35,780	257,360	35,780
Other paid in capital	4, 9	45,422	41,814	43,852
Total paid in capital		90,068	308,041	88,498
Retained earnings	9	-71,733	0	0
Total equity		18,335	308,041	88,498
Non-current liabilities				
Long term debt	2	650	796	275
Total non-current liabilities		650	796	275
Current liabilities				
Accounts payable		40,468	15,028	29,634
Other current liabilities		26,164	55,848	48,299
Provisions		0	887	0
Total current liabilities		66,633	71,763	77,933
Total liabilities		67,283	72,560	78,208
TOTAL EQUITY AND LIABILITIES		85,617	380,600	166,706

Condensed consolidated statement of changes in equity

(NOK 1000) Unaudited	Note	Share capital	Share premium	Other paid in capital	Total equity
Balance at 1 January 2023		**8,866**	**35,780**	**43,852**	**88,498**
Loss for the period			-71,998		-71,998
Other comprehensive income (loss) for the period, net of income tax			264		264
Total comprehensive income for the period		**0**	**-71,733**	**0**	**-71,733**
Recognition of share-based payments	3, 4			1,570	1,570
Issue of ordinary shares	9				0
Share issue costs	9				0
Paid in, not registered capital					0
Transactions with owners		0	0	1,570	1,570
Balance at 31 March 2023		**8,866**	**-35,953**	**45,422**	**18,335**

(NOK 1000) Unaudited	Note	Share capital	Share premium	Other paid in capital	Total equity
Balance at 1 January 2022		**8,846**	**335,195**	**40,386**	**384,426**
Loss for the period			-81,067		-81,067
Other comprehensive income (loss) for the period, net of income tax			41		41
Total comprehensive income for the period		**0**	**-81,026**	**0**	**-81,026**
Recognition of share-based payments	3, 4			1,429	1,429
Issue of ordinary shares	9	21	3,198		3,218
Share issue costs	9		-7		-7
Paid in, not registered capital					0
Transactions with owners		21	3,191	1,429	4,640
Balance at 31 March 2022		**8,866**	**257,360**	**41,814**	**308,041**

Condensed consolidated statement of cash flow

(NOK 1000) Unaudited	Note	Q1 2023	Q1 2022	FY 2022
Cash flow from operating activities				
Profit (loss) before tax		-71,998	-81,026	-302,122
Adjustments for:				
Depreciation of property, plant and equipment		7	317	883
Share-based payment expense	3, 4	1,570	1,429	3,466
Movement in provisions and pensions			-82	-969
Currency -gains/+loss not related to operating activities		2,936	-2,320	3,280
Net interest received		-287	-85	-2,949
Working capital adjustments:				
Decrease/-increase in trade and other receivables and prepayments		3,272	502	-3,462
Decrease/-increase in trade and other payables		-10,925	7,065	13,641
Net cash flow from operating activities		**-75,426**	**-74,200**	**-288,231**
Cash flows from investing activities				
Interest received		287	85	2,949
Purchase of property, plant and equipment				
Sale of property, plant and equipment				299
Net cash flow used in investing activities		**287**	**85**	**3,248**
Cash flows from financing activities				
Proceeds from issue of share capital	9		3,218	3,218
Share issue costs	9		-7	-7
Cash payments for the principal portion of the lease liability			-234	-307
Net cash flow from financing activities		**0**	**2,978**	**2,904**
Effects of exchange rate changes on cash and cash equivalents		-2,671	2,320	-3,764
Net increase/(decrease) in cash and cash equvivalents		-75,138	-71,137	-282,080
Cash and cash equivalents at beginning of period		150,803	436,646	436,646
Cash and cash equivalents at end of period		**72,994**	**367,829**	**150,803**

Selected notes to the interim consolidated financials

Note 1

Corporate information

BerGenBio ASA ("the Company") and its subsidiary (together "the Group") is a clinical stage biopharmaceutical company focused on developing novel medicines for aggressive diseases, including cancer and severe respiratory infections.

BerGenBio ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office is Møllendalsbakken 9, 5009 Bergen, Norway.

The condensed interim financial information is unaudited. These interim financial statements cover the three-months period ended 31 March 2023 and were approved for issue by the Board of Directors on 21 June 2023.

Note 2

Basis for preparation and significant accounting policies

Basis for preparation and significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

No new standards have been applied in 2023.

Amounts are in Norwegian kroner (NOK) and presented in 1,000 NOK unless stated otherwise. The functional currency of the group is NOK. BerGenBio Limited has changed to functional currency GBP from 1 November 2021.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as of 31 March 2023. The subsidiary is BerGenBio Limited, located in Oxford in the United Kingdom and is 100% owned and controlled by the parent company BerGenBio ASA.

Estimates and assumptions

Preparation of the accounts in accordance with IFRS requires the use of judgment, estimates and assumptions that have consequences for recognition in the balance sheet of assets and liabilities and recorded revenues and expenses. The use of estimates and assumptions are based on the best discretionary judgment of the Group's management. The Group works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives.

Capital markets are used as a source of liquidity when this is appropriate and when conditions in these markets are acceptable. Post period the company secured in total gross NOK 250 million in new equity from the rights issue in June 2023. Cash position at end of Q1 2023 was NOK 73 million, and with the proceeds from the rights issue the Board of Directors has reasonable expectation that the Group will maintain adequate resources to continue in operational existence for the foreseeable future. The interim financial statements are prepared under the going concern assumption.

Note 3 Payroll and related expenses

	Q1 2023	Q1 2022
Salaries	11,424	12,296
Social security tax	1,546	1,750
Pension expense	899	1,039
Short term incentive	0	0
Other remuneration	318	334
Government grants 1)	-273	-342
Total payroll and other employee related cost	**13,914**	**15,077**
Share option expense employees	1,570	1,429
Change in accrued social security tax on share options	0	-33
Total employee share option cost	**1,570**	**1,396**
Total employee benefit cost	**15,484**	**16,473**
Average number of full-time equivalent employees	28	44

1) See note 5 for government grants

Note 4 Employee share option program

The Group has a Long-Term Incentive Program for employees, an option scheme program. Each option gives the right to acquire one share in BerGenBio at exercise.

The Group has a share option program to ensure focus and align the Group's long-term performance with shareholder values and interest. Most of the employees in the Group take part in the option program. The program also serves to attract and retain senior management. The exercise price for options granted is set at the market price of the shares at the time of grant of the options. In general, options expire eight years after the date of grant.

Primarily the options vest annually in equal tranches over a three-year period following the date of grant.

Total options	YTD 2023		YTD 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 January	4,219,845	15.13	3,560,897	22.96
Granted during the period				
Exercised during the period			-205,277	15.68
Forfeited and cancelled	-126 178	17.34	-605 651	29.39
Balance at 31 March	**4,093,667**	**15.06**	**2,749,969**	**22.09**

0 options were granted in the three months period ended 31 March 2023 and 0 options were granted in the three months period ended 31 March 2022.

Vested options	YTD 2023	YTD 2022
Options vested at 1 January	1,615,066	1,541,168
Exercised and forfeited in the period	-126,178	-641,088
Vested in the period	55,000	0
Options vested at 31 March	**1,543,888**	**900,080**
Total outstanding number of options	4,093,667	2,749,969

The options are valued using the Black-Scholes model.
The risk-free interest rates are based on rates from Norges Bank and Oslo Børs on the Grant Date (bonds and certificates) equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.

The vesting period is the period during which the conditions to obtain the right to exercise must be satisfied. The Group has estimated an expected vesting date and this date is used as basis for the expected lifetime. The Group expects the options to be exercised earlier than the expiry date. For Options granted earlier than 2014, the mean of the expected vesting date and expiry date has been used to calculate expected lifetime due to the lack of exercise pattern history for the Group and experience from other companies in combination with the relatively long lifetime of these options (up to 8 years).

For valuation purposes 55,81 % expected future volatility has been applied.

For the three months period ending 31 March the value of the share options expensed through the profit or loss amounts to NOK 1.6 million (for the same period in 2022: NOK 1.4 million). In addition, a change in provision for social security contributions on share options of NOK -0.0 million (for the same period in 2022: NOK - 0,03 million). The provision for social security contribution is calculated on the difference between the share price and exercise price on exercisable option as at the end of the period.

Members of senior management participating in the option program

Option holder		Number of options outstanding 31 March 2023	Weighted Average Strike Price 2023	Number of options outstanding 31 March 2022	Weighted Average Strike Price 2022
Martin Olin	Chief Executive Officer	950,000	7.59	0	0
Rune Skeie	Chief Financial Officer	397,097	18.90	297,097	22.71
Cristina Oliva	Chief Medical Officer	200,000	7.59	0	0
Nigel McCracken	Chief Scientific Officer	275,000	7.59	0	0
James Barnes	Chief Operating Officer	411,522	16.57	301,522	19.85
		2,233,619		**598,619**	

Note 5 Government grants

Government grants have been recognized in the profit or loss as a reduction of related expense with the following amounts

	YTD 2023	YTD 2022
Payroll and related expenses	273	342
Other operating expenses	1,178	1 414
Total	**1,451**	**1,756**

Grants receivable as of 31 March are detailed as follows:

	31 Mar 2023	31 Mar 2022
Grants from Research Council, BIA	263	154
Grants from Research Council, PhD	0	415
Grants from SkatteFunn	5,937	5,937
Grants R&D UK	4,138	4,089
Total	**10,339**	**10,595**

BIA grants from the Research Council:
The Company had one grant from the Research Council, programs for user-managed innovation arena (BIA) that ended in 2022.
The BIA grant ("AXL as a therapeutic target in fibrosis; biology and biomarkers") has been awarded from 2019 with an amount up to NOK 10.7 million. The Group has recognized NOK 0.0 million in Q1 2023 (2022: NOK 0.2 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

PhD grants from the Research Council:
BerGenBio has been awarded two grants supporting industrial PhD's in 2020. The fellowship covers 50 % of the established current rates for doctoral research fellowships and an operating grant to cover up to 50 % of additional costs related to costly laboratory testing connected with the research fellow's doctoral work.
The Group has recognized NOK 0.3 million in Q1 2023 (2022 : NOK 0.4 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

SkatteFunn:
R&D projects have been approved for SkatteFunn (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry) for the period from 2021 until the end of 2024. The Group has recognized NOK 1.2 million in Q1 2023 (2022: NOK 1.2 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

Innovation Norway:
BerGenBio has been awarded a NOK 24 million (USD 2.85m) grant from Innovation Norway to support the clinical development of BGB324 in combination with Merck & Co.'s KEYTRUDA® (pembrolizumab) in patients with advanced lung cancer.
The grant from Innovation Norway is an Industrial Development Award (IFU). The IFU program is directed to Norwegian companies developing new products or services in collaboration with foreign companies.
BerGenBio has by end of 2020 recognized and received the total grant of NOK 24 million. The grant may be withdrawn under certain circumstances.

R&D tax grants UK:
BerGenBio Limited, a 100% subsidary of BerGenBio ASA, has been granted R&D tax grants in UK from 2017. R&D grants are approved retrospect by application. The Group has in 2022 recognised NOK 4.1 million (2022: NOK 4.1 mill) classified as reduction of payroll and related expenses for the year 2022.

Note 6 Other operating expenses

	YTD 2023	YTD 2022
Program expenses, clinical trials and research	44,606	51,779
Office rent and expenses	816	729
Consultants R&D projects	2,894	2,457
Patent and licence expenses	1,735	829
Other operating expenses	8,059	7,396
Government grants	-1,178	-1,414
Total	**56,932**	**61,776**

Note 7 Earnings per share

	YTD 2023	YTD 2022
Loss for the period (NOK 1,000)	-71,998	-81,026
Average number of outstanding shares during the period	88,660,532	88,563,039
Earnings (loss) per share - basic and diluted (NOK)	**-0.81**	**-0.92**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

Note 8 Other current assets

	YTD 2023	YTD 2022
Government grants	10,339	10,595
Refundable VAT	0	320
Prepaid expenses	2,248	951
Other receivables	0	30
Total	**12,587**	**11,896**

Note 9 Share capital and shareholder information

As of 31 March	Number of shares	Nominal value (NOK)	Book value (NOK)
Ordinary shares 2023	88,660,532	0.10	8,866,053.20
Ordinary shares 2022	88,660,532	0.10	8,866,053.20

Changes in the outstanding number of shares

	YTD 2023	YTD 2022
Ordinary shares at 1 January	88,660,532	88,455,255
Issue of ordinary shares	0	205,277
Ordinary shares at 31 March	**88,660,532**	**88,660,532**

Ownership structure as of 31 March 2023

Shareholder		Number of shares	Percentage share of total shares
METEVA AS		24,139,650	27.2 %
INVESTINOR DIREKTE AS		7,270,780	8.2 %
FJARDE AP-FONDEN		4,487,493	5.1 %
SARSIA SEED AS		2,117,900	2.4 %
J.P. Morgan SE	NOMINEE I	1,726,731	1.9 %
BERA AS		1,712,426	1.9 %
VERDIPAPIRFONDET NORDEA AVKASTNING		1,510,174	1.7 %
SARSIA DEVELOPMENT AS		1,175,000	1.3 %
VERDIPAPIRFONDET NORDEA NORGE PLUS		873,260	1.0 %
VERDIPAPIRFONDET NORDEA KAPITAL		853,920	1.0 %
MOHN MARIT		850,000	1.0 %
MARSTIA INVEST AS		850,000	1.0 %
VERDIPAPIRFONDET NORDEA NORGE VERD		692,246	0.8 %
NORDNET LIVSFORSIKRING AS		638,398	0.7 %
DNB BANK ASA		593,192	0.7 %
MOHN LOUISE		509,676	0.6 %
ZAIM		401,400	0.5 %
J.P. Morgan SE	NOMINEE II	394,541	0.4 %
HØSE AS		383,111	0.4 %
MP PENSJON PK		371,983	0.4 %
Top 20 shareholders		**51,551,881**	**58.1 %**
Total other shareholders		37,108,651	41.9 %
Total number of shares		**88,660,532**	**100.0 %**

The Annual General Meeting held 22 May 2023 approved to issue up to 2.5 billion new shares in a rights issue, and additional up to 1.25 billion warrants. The rights issue was successfully completed 13 June 2023 and fully subscribed. 2.5 billion shares was issued and 1.25 billion warrants. The warrants is a right to receive one share at a predefined issue price in specific windows.

The Board of Directors has been granted a mandate from the general meeting held on 22 May 2023 to increase the share capital with up to NOK 12,909,000 by subscription of new shares. The power of attorney was granted for the purpose of issuance of new shares in accordance with the Company's share incentive program and is valid until the earlier of the annual general meeting in 2024 and 30 June 2024. See note 4 for more information about the share incentive program and number of options granted.

The Board of Directors has been granted a mandate from the general meeting held on 22 May 2023 to increase the share capital with up to NOK 72,773,210 by subscription of new shares. The proxy is valid until the earlier of the annual general meeting in 2024 and 30 June 2024.

Shares in the Group held by the senior management group by end of Q1

	Position	Employed since	31 Mar 2023	31 Mar 2022
Martin Olin	Chief Executive Officer	September 2021	37 100	0
Total shares held by management			37 100	0

Shares in the Group held by members of the Board of Directors

	Position	Served since	31 Mar 2023	31 Mar 2022
Anders Tullgren	Chairman	January 2022	50 000	0
Sveinung Hole 1)	Board member	September 2010	107 394	107 394
Total shares held by members of the Board of Directors			157 394	107 394

1) Sveinung Hole holds 104,444 shares in the Company through Svev AS, a wholly owned company of Sveinung Hole, and 2,950 shares directly.

BerGenBio

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