



Developing breakthrough
AXL therapeutics to improve
patients' lives

BerGenBio

Interim report fourth quarter 2023

BerGenBio's Fourth Quarter 2023 Results: Focused Strategy Gathers Momentum

"We continue to be pleased with our progress in executing our focused strategy to advance our lead compound bemcentinib in 1L NSCLC STK11m patients – a large group of 1L NSCLC patients that currently respond poorly to standard of care therapies. As previously guided, we expect to initiate the Phase 2a part of our BGBC016 trial in 1L NSCLC STK11m patients during the first half of 2024. Bemcentinib represents a novel therapeutic option for NSCLC patients harboring mutations in the STK11 gene and we are gratified to see the medical community's interest and support in exploring bemcentinib. The BGBC016 clinical trial is our highest priority and continues to progress as expected.



Importantly, our cash position combined with our cost discipline provides us with funding through 2024 and potentially into the second half of 2025 if all outstanding warrants are exercised in April 2024."

***Martin Olin**, Chief Executive Officer*

Highlights

BGBC016 1L NSCLC STK11m Ph1b/2a study

- Ph1b progressing per plan; no new safety signals identified
- Regulatory approvals received from European countries for Phase 2a conduct
- Initiation of Ph2a expected in H1 2024 in accordance with guidance

Financial status

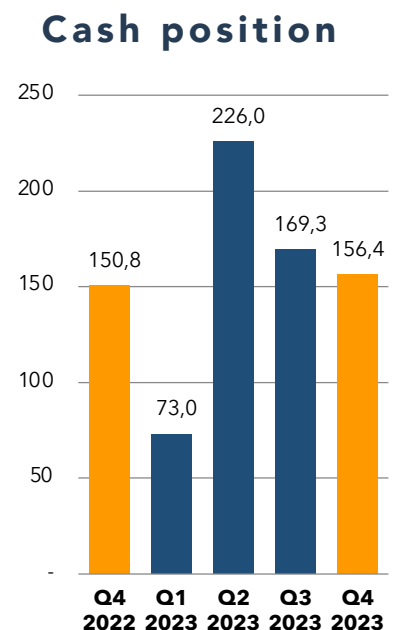
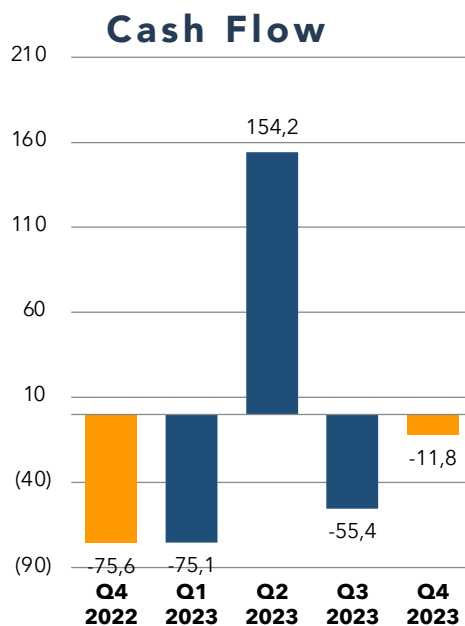
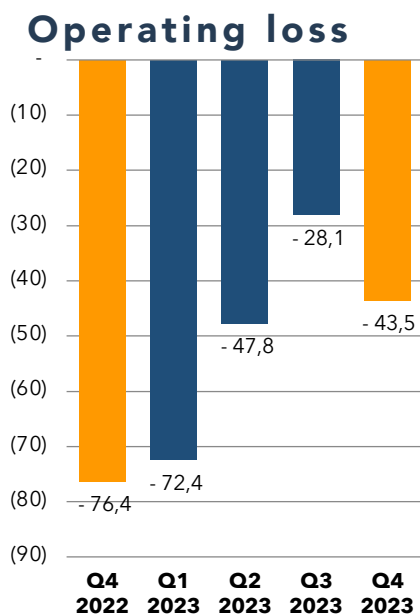
- Operating expenses NOK 43.9 mil. in Q4 2023, down from NOK 76.8 mil. (43%) in Q4 2022, and for the full year 2023 NOK 192.2 mil., down from NOK 306.0 mil. (37%) in 2022
- Year-end cash position of NOK 156.4 mil., net cash flow during the quarter NOK – 11.8 mil.
- April 1-15, 2024 warrant exercise window expected to provide additional funding

Leadership in AXL inhibition space

- Multiple Ph2 bemcentinib data presentations at prestigious oncology meetings
- New preclinical data in models of severe respiratory infections continues to support the potential of bemcentinib beyond NSCLC

Q4 2023 Financial highlights

(NOK million)	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenues	0.4	0.4	0.4	0.4
Operating expenses	43.9	76.8	192.2	306.0
Operating profit (-loss)	(43.5)	(76.4)	(191.8)	(305.6)
Profit (-loss) after tax	(41.6)	(77.2)	(190.4)	(302.1)
Basic and diluted earnings (loss) per share (NOK)	(0.02)	(0.87)	(0.13)	(3.41)
Net cash flow in the period	(11.8)	(75.6)	2,8	(282.1)
Cash position end of period	156.4	150.8	156.4	150.8



Q4 2023 and post period clinical highlights

Clinical Development

Bemcentinib

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 1L NSCLC STK11m and severe respiratory infections. Its novel mechanisms of action and primary accumulation in the lungs, uniquely position it to address these severe lung diseases.

Oncology: 1L STK11m NSCLC (BGBC016)

We continue to advance our focused strategy through the conduct of 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 STK11m and no actionable mutations. Sites in the US and France have been activated and enrollment is ongoing while expansion into other European sites is well underway, with regulatory approval to proceed.

The Phase 1b 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. To date, no significant safety concerns have arisen in the Phase 1b.

Advancing the understanding of AXL inhibition with bemcentinib

During Q4 2023, BerGenBio and its investigators presented data at major oncology meetings substantiating the effects of bemcentinib treatment:

- On October 23, 2023, BerGenBio presented at the European Society of Medical Oncology meeting held in Madrid a poster entitled "Final results of the BGBC008 Phase 2, multicenter study of bemcentinib and pembrolizumab (bem+pembro) in 2nd line (2L) advanced NSCLC (NCT03184571)"
- On November 4, 2023, BerGenBio presented at the Society for Immunotherapy of Cancer meeting held in San Diego a poster entitled "Bemcentinib+ Pembrolizumab show promising efficacy in metastatic NSCLC patients harboring mutations associated with poor prognosis: exploratory sub-analysis from the BGBC008 trial"
- On December 1, 2023, BerGenBio presented at the American Society of Hematologists a poster entitled "Phase Ib/II Study (NCT02488408 / BGBC003) of Bemcentinib Monotherapy or in Combination With Cytarabine or Decitabine in Acute Myeloid Leukemia (AML) or Myelodysplastic Syndrome (MDS): Final Results"

Q4 2023 and post period development highlights

Advancing the understanding of AXL inhibition with bemcentinib (continued)

- Post quarter on February 7, 2024, Dr Mirella Spalluto of the University of Southampton presented at the 6th Forum on Respiratory Tract Infections meeting held in Glasgow her work entitled “Investigating the effects of AXL inhibition during respiratory viral infections” which highlighted results with bemcentinib in preclinical models.

Severe Respiratory Infections (SRIs)

In addition to the treatment of cancer, the Company believes that bemcentinib is well positioned as a treatment for Acute Respiratory Distress Syndrome (ARDS) based on its ability to stimulate the innate immune system and promote lung tissue repair.

During Q4, the Company and its partner the EU-Solid Act mutually agreed to discontinue the Ph2b EU-SolidAct trial evaluating bemcentinib in hospitalized COVID-19 patients due to the limited number of hospitalizations observed across all European countries. While this study was discontinued, the Company believes that the efficacy seen in two prior Ph2 studies (BGBIL019 and BGBC020) in hospitalized COVID-19 patients substantiate a benefit in hospitalized patients with severe respiratory symptoms. Preclinical data presented post-quarter indicates that bemcentinib may also play a role in hospitalized patients who develop ARDS as a result of other common viral infections including RSV, influenza and rhinovirus. Additional preclinical studies of the effects of bemcentinib in ARDS are continuing.

Q4 2023 and post period corporate highlights

Corporate Activities

Warrants

In the exercise period 1 - 15 November 2023 for the Warrants issued in connection with the Rights Issue completed on June 13, 2023, the Company received gross proceeds of NOK 8.9 million.

Remaining outstanding warrants can be exercised on 1 April 2024 to 15 April 2024 at an exercise price of the volume-weighted average price (VWAP) of the Company's shares on the Oslo Stock Exchange over the three last trading days prior to the exercise period less 30%, but in any event not less than NOK 0.10 and not higher than NOK 0.13. Additional information and instructions for exercise of warrants can be found on the Company's website in the Investor section.

Q4 2023 and full year financial review

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

Revenue for the fourth quarter 2023 amounted to NOK 0.4 million (NOK 0.4 million) and for the twelve months ended 31 December 2023 NOK 0.4 million (NOK 0.4 million).

Total operating expenses for the fourth quarter 2023 amounted to NOK 43.9 million (NOK 76.8 million) and for the twelve months ended 31 December 2023 NOK 192.2 million (NOK 306.0 million).

Payroll and other related employee costs in the fourth quarter were NOK 7.4 million (NOK 16.3 million) and for the twelve months ended 31 December NOK 52.4 million (NOK 66.1 million). This represents a decrease of NOK 8.9 million (-55%) for the fourth quarter and NOK 13.7 million (-21%) YTD compared to similar period for 2022. As part of the focused strategy FTE's has been reduced from 28 FTE's end of Q4 2022 to 15 FTE's end of Q4 2023.

Employee share option costs in the fourth quarter were NOK 0.6 million (NOK 1.3 million) and YTD 2023 NOK 3.2 million (NOK 2.5 million).

Other operating expenses amounted to NOK 35,8 million (NOK 59.1 million) for the fourth quarter and NOK 136.3 million (NOK 236.5 million) for the twelve months ended 31 December 2023. This represents a decrease of NOK 23.3 million (-39%) for the fourth quarter and NOK 100.2 million (-42%) YTD compared to similar period for 2022. Operating expenses are mainly driven by activities in the development program and reflecting the effects of the focused strategy previously announced where the Company currently is focusing on 1L NSCLC STK11m compared to Q4 2022 where additional studies were active and open.

Q4 2023 and full year financial review

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

The operating loss for the quarter came to NOK 43.5 million (NOK 76.4 million) and for the twelve months ended 31 December 2023 NOK 191.8 million (NOK 305.6 million), reflecting the operations during the period and the focused strategy including decrease in activity and decrease in the headcount after restructuring.

Net financial items amounted to a gain of NOK 1.9 million (loss of NOK 0.8 million) for the fourth quarter related to net loss on foreign exchanges and interest on cash deposits and money market funds. For the twelve months ended 31 December 2023 the net financial items amounted to a gain of NOK 1.4 million (gain of NOK 3.5 million) which represent a results from interest income on bank deposits and money market funds.

Losses after tax for the fourth quarter were NOK 41.6 million (NOK 77.2 million) and for the twelve months ended 31 December 2023 NOK 190.4 million (NOK 302.1 million).

Financial Position

Total assets as of 31 December 2023 decreased to NOK 174.3 million (NOK 188.0 million as of 30 September 2023) mainly due to the operational loss in the period.

Total liabilities were NOK 46.9 million as of 31 December 2023 (NOK 26.8 million 30 September 2023).

Total equity as of 31 December 2023 was NOK 127.5 million (NOK 161.2 million 30 September 2023), corresponding to an equity ratio of 73.1 % (85.7 % 30 September 2023).

Cash Flow

Net cash flow from operating activities was negative by NOK 22.1 million in the fourth quarter (negative by 77.5 million) and negative by NOK 225.1 million for the twelve months ended 31 December 2023 (negative by 288.2 million), mainly driven by the level of activity and changes in working capital.

Net cash flow from investing during the fourth quarter was NOK 2.7 million (NOK 1.9 million) and for the twelve months ended 31 December 2023 NOK 3.1 million (NOK 3.2 million).

Net cash flow from financing activities in fourth quarter 2023 was positive by NOK 7.6 million (NOK 0.0 million) and positive for the twelve months ended 31 December 2023 NOK 224.9 million (positive NOK 2.9 million) representing net proceeds from issue of share capital.

Cash and cash equivalents decreased to NOK 156.4 million as of 31 December 2023 (NOK 169.3 million 30 September 2023).

Q4 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, 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 pipeline focused on the clinical development of bemcentinib within NSCLC STK11m and preclinical development within severe respiratory diseases.

The cash position at end of 2023 was NOK 156 million. A singular focused strategy combined with potential proceeds from the exercise of the Warrants issued as part of the rights issue in June 2023, will in the opinion of the Board enable the Group to maintain adequate resources to continue the advancement of bemcentinib in NSCLC towards delivering new treatment options for patients in need and value for shareholders.

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

Bergen 13 February 2024

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	Q4 2023	Q4 2022	YTD 2023	FY 2022
Revenue		354	389	354	389
Expenses					
Payroll and other related employee cost	3	7,381	16,296	52,428	66,143
Employee share option cost	3	580	1,274	3,177	2,546
Depreciation	2	101	113	223	883
Other operating expenses	6	35,836	59,109	136,345	236,451
Total operating expenses		43,897	76,793	192,172	306,024
Operating profit/-loss		(43,543)	(76,403)	(191,819)	(305,635)
Finance income		4,212	2,234	13,409	15,027
Finance expense		2,304	3,019	11,991	11,514
Financial items, net		1,908	(785)	1,418	3,513
Profit before tax		(41,635)	(77,189)	(190,401)	(302,122)
Income tax expense		0	0	0	0
Profit after tax		(41,635)	(77,189)	(190,401)	(302,122)
Other comprehensive income					
<i>Items which may be reclassified over profit and loss</i>					
Exchange differences on translation of foreign operations		(259)	(715)	1,167	(484)
Total comprehensive income for the period		(41,894)	(77,903)	(189,234)	(302,606)
Earnings per share:					
- Basic and diluted per share	7	(0.02)	(0.87)	(0.13)	(3.41)

Condensed consolidated statement of financial position

(NOK 1000) Unaudited	Note	31 DEC 2023	31 DEC 2022
ASSETS			
Non-current assets			
Property, plant and equipment		431	43
Total non-current assets		431	43
Current assets			
Other current assets	5, 8	17,482	15,860
Cash and cash equivalents		156,421	150,803
Total current assets		173,904	166,663
TOTAL ASSETS		174,335	166,706
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	9	268,869	8,866
Share premium	9	854	35,780
Other paid in capital	4, 9	46,987	43,852
Total paid in capital		316,710	88,498
Retained earnings	9	(189,234)	0
Total equity		127,476	88,498
Non-current liabilities			
Long term debt	2	0	275
Total non-current liabilities		0	275
Current liabilities			
Accounts payable		18,605	29,634
Other current liabilities		28,212	48,299
Provisions		42	0
Total current liabilities		46,859	77,933
Total liabilities		46,859	78,208
TOTAL EQUITY AND LIABILITIES		174,335	166,706

Condensed consolidated statement of changes in equity

(NOK 1000) Unaudited	Note	Share capital	Share premium	Other paid in capital	Retained earnings	Total equity
Balance at 1 January 2023		8,866	35,780	43,852	0	88,498
Loss for the period					(190,401)	(190,401)
Other comprehensive income (loss) for the period, net of income tax					1,167	1,167
Total comprehensive income for the period		0	0	0	(189,234)	(189,234)
Recognition of share-based payments	3, 4			3,135		3,135
Issue of ordinary shares	9	260,003	2,045			262,048
Share issue costs	9		(36,971)			(36,971)
Transactions with owners		260,003	(34,926)	3,135	0	228,211
Balance at 31 December 2023		268,869	854	46,987	(189,234)	127,476

(NOK 1000) Unaudited	Note	Share capital	Share premium	Other paid in capital	Retained earnings	Total equity
Balance at 1 January 2022		8,846	335,195	40,386	0	384,426
Loss for the period			(302,122)		0	(302,122)
Other comprehensive income (loss) for the period, net of income tax			(484)		0	(484)
Total comprehensive income for the period		0	(302,606)	0	0	(302,606)
Recognition of share-based payments	3, 4			3,466	0	3,466
Issue of ordinary shares	9	21	3,198			3,218
Share issue costs	9		(7)			(7)
Transactions with owners		21	3,191	1,964	0	6,678
Balance at 31 December 2022		8,866	35,780	43,852	0	88,498

Condensed consolidated statement of cash flow

(NOK 1000) Unaudited	Note	Q4 2023	Q4 2022	FY 2023	FY 2022
Cash flow from operating activities					
Profit (loss) before tax		(41,635)	(77,189)	(190,401)	(302,122)
Adjustments for:					
Depreciation of property, plant and equipment		101	113	223	883
Share-based payment expense	3, 4	537	1,503	3,135	3,466
Movement in provisions and pensions		42	0	42	(969)
Currency -gains/+loss not related to operating activities		797	(2,017)	(1,613)	3,280
Net interest received		(2,697)	(1,939)	(3,055)	(2,949)
Working capital adjustments:					
Decrease/-increase in trade and other receivables and prepayments		669	(5,570)	(1,622)	(3,462)
Increase/-decrease in trade and other payables		20,080	7,590	(31,809)	13,641
Net cash flow from operating activities		(22,107)	(77,510)	(225,101)	(288,231)
Cash flows from investing activities					
Interest received		2,697	1,939	3,055	2,949
Purchase of property, plant and equipment		0	0	0	0
Sale of property, plant and equipment		0	0	0	299
Net cash flow used in investing activities		2,697	1,939	3,055	3,248
Cash flows from financing activities					
Proceeds from issue of share capital	9	8,860	0	262,048	3,218
Share issue costs	9	(1,191)	0	(36,971)	(7)
Cash payments for the principal portion of the lease liability		(97)	0	(193)	(307)
Net cash flow from financing activities		7,573	0	224,884	2,904
Effects of exchange rate changes on cash and cash equivalents					
		(1,056)	1,302	2,780	(3,764)
Net increase/(decrease) in cash and cash equivalents		(11,837)	(75,570)	2,838	(282,080)
Cash and cash equivalents at beginning of period		169,314	225,072	150,803	436,646
Cash and cash equivalents at end of period		156,421	150,803	156,421	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- and twelve-months period ended 31 December 2023 respectively and were approved for issue by the Board of Directors on 13 February 2024.

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.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2023. The subsidiaries are BerGenBio Limited, located in Oxford in the United Kingdom and BerGenBio ApS in Denmark. Both are 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. Historically the Company has been able to raise capital when appropriate. In June 2023, the Company secured in total gross NOK 250 million in new equity from a rights issue. The cash position at end of 2023 was NOK 156 million and the equity was NOK 127 million showing that more than 50% of the share capital were lost. According to the Norwegian Public Limited Liability Act the board has to address the fact that more than 50% of the share capital is lost. The Board has addressed the issue and supports the focused strategy with a significantly lower cash burn. In combination with potential proceeds from exercise of Warrants in April 2024, in the opinion of the Board this enables the Group to maintain adequate resources to continue the advancement bemcentinib in NSCLC. The interim financial statements are prepared under the going concern assumption.

Note 3 Payroll and related expenses

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Salaries	8,244	11 111	39,720	49,768
Social security tax	1,155	2,370	6,947	7,864
Pension expense	396	889	3,256	4,095
Short term incentive	1,782	5,819	4,900	8,748
Other remuneration	345	202	2,655	790
Government grants 1)	(4,541)	(4,095)	(5,050)	(5,122)
Total payroll and other employee related cost	7,381	16,296	52,428	66,143
Share option expense employees	537	1 503	3,135	3,466
Change in accrued social security tax on share options	42	(228)	42	(920)
Total employee share option cost	580	1,274	3,177	2,546
Total employee benefit cost	7,960	17,570	55,605	68,689
Average number of full-time equivalent employees	18	29	25	36
FTE end of period	15	28		

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.

Note 4 Employee share option program (continued)

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	112,000,000	0.21	2,114,230	7.59
Exercised during the period	0		(205,277)	15.68
Forfeited and cancelled	(570,725)	14.30	(1,250,005)	24.61
Balance at 31 December	115,649,120	0.68	4,219,845	15.13

Vested options	YTD 2023	YTD 2022
Options vested at 1 January	1,615,066	1,541,168
Exercised and forfeited in the period	(166,508)	(1,003,946)
Vested in the period	1,124,057	1,077,844
Options vested at 31 December	2,572,615	1,615,066
Total outstanding number of options	115,649,120	4,219,845

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 62.69 % expected future volatility has been applied.

For the twelve months period ending 31 December the value of the share options expensed through the profit or loss amounts to NOK 3.1 million (for the same period in 2022: NOK 3.5 million).

In addition, a change in provision for social security contributions on share options of NOK (0.04) million (for the same period in 2022: NOK (0,9) 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.

Note 4 Employee share option program (continued)

Members of senior management participating in the option program

Option holder		Number of options outstanding 31 Dec 2023	Weighted Average Strike Price 2023	Number of options outstanding 31 Dec 2022	Weighted Average Strike Price 2022
Martin Olin	Chief Executive Officer	24,950,000	0.49	950,000	7.59
Rune Skeie	Chief Financial Officer	12,397,097	0.81	397,097	18.90
Cristina Oliva	Chief Medical Officer	12,200,000	0.33	200,000	7.59
		49,547,097		1,547,097	

Note 5 Government grants

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

	Q4 2023	Q4 2022	FY 2023	FY 2022
Payroll and related expenses	4,541	4,095	5,050	5,122
Other operating expenses	1,121	1,229	4,570	5,298
Total	5,663	5,324	9,620	10,420

Grants receivable as of 31 December are detailed as follows:

	31 Dec 2023	31 Dec 2022
Grants from Research Council, BIA	0	172
Grants from Research Council, PhD	227	496
Grants from SkatteFunn	4,750	4,750
Grants R&D UK	4,410	7,958
Total	9,387	13,375

Note 5 Government grants (continued)

The Company currently 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 and amount up to NOK 10.7 million. The Group has recognized NOK 0.0 million YTD 2023 (2022: NOK 0.3 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 0.4 million YTD 2023 (2022 : NOK 1.6 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 4.8 million YTD 2023 (2022: NOK 4.8 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% subsidiary 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 YTD 2023 recognized NOK 4.4 million (2022: NOK 3.7 mill) classified as reduction of payroll and related expenses for the year 2023.

Note 6 Other operating expenses

	Q4 2023	Q4 2022	FY 2023	FY 2022
Program expenses, clinical trials and research	27,880	48,053	99,282	194,063
Office rent and expenses	206	632	2,325	3,331
Consultants R&D projects	1,477	2,654	8,504	8,340
Patent and license expenses	1,803	3,474	6,002	8,101
Other operating expenses	5,592	5,525	24,802	27,914
Government grants	(1,121)	(1,229)	(4,570)	(5,298)
Total	35,836	59,109	136,345	236,451

Note 7 Earnings per share

	Q4 2023	Q4 2022	FY 2023	FY 2022
Loss for the period (NOK 1,000)	(41,635)	(77,189)	(190,401)	(302,122)
Average number of outstanding shares during the period	2,638,312,536	88,660,532	1,431,301,497	88,628,391
Earnings (loss) per share - basic and diluted (NOK)	(0.02)	(0.87)	(0.13)	(3.41)

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	9,387	13,375
Refundable VAT	356	290
Prepaid expenses	7,390	1,804
Other receivables	349	390
Total	17,482	15,860

Note 9 Share capital and shareholder information

As of 31 December	Number of shares	Nominal value (NOK)	Book value (NOK)
Ordinary shares 2023	2,688,689,214	0.10	268,868,921.40
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 on January 1 st	88,660,532	88,455,255
Issue of ordinary shares	2,600,028,682	205,277
Ordinary shares at 31 December	2,688,689,214	88,660,532

Note 9 Share capital and shareholder information (continued)

Ownership structure as of 31 December 2023

Shareholder		Number of shares	Percentage share of total shares
METEVA AS		704,815,981	26.2 %
INVESTINOR DIREKTE AS		182,337,576	6.8 %
BERA AS		55,768,426	2.1 %
NORDNET LIVSFORSIKRING AS		47,483,089	1.8 %
SARSIA DEVELOPMENT AS		33,675,000	1.3 %
ZAİM, KEVIN		28,000,000	1.0 %
NORDNET BANK AB	NOMINEE	27,610,715	1.0 %
MARSTIA INVEST AS		26,833,824	1.0 %
JAKOB HATTELAND HOLDING AS		25,200,000	0.9 %
THE BANK OF NEW YORK MELLON SA/NV, RE 259567	NOMINEE	25,025,058	0.9 %
MOHN, MARIT		24,817,824	0.9 %
HØSE AS		21,006,588	0.8 %
SKANDINAVISKA ENSKILDA BANKEN AB		14,651,278	0.5 %
DANSKE BANK A/S	NOMINEE	14,545,506	0.5 %
THE BANK OF NEW YORK MELLON SA/NV, RE 585665	NOMINEE	10,905,250	0.4 %
J.P. MORGAN SECURITIES PLC		10,817,020	0.4 %
HOLM, JØRGEN		10,474,332	0.4 %
HOLØ, JOHAN		10,100,000	0.4 %
JAHATT AS		10,075,000	0.4 %
SILBERG, JOHNNY		10,000,000	0.4 %
Top 20 shareholders		1,294,142,467	48.1 %
Total other shareholders		1,394,546,747	51.9 %
Total number of shares		2,688,689,214	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. In June 2023, the share capital was increased by NOK 3,187,200 by use of this board proxy.

Note 9 Share capital and shareholder information (continued)

Shares in the Group held by the senior management group

	Position	Employed since	Shares 31 Dec 2023	Shares 31 Dec 2022
Martin Olin	Chief Executive Officer	September 2021	3,037,100	37,100
Rune Skeie	Chief Financial Officer	March 2018	388,785	0
Total shares held by management			3,425,885	37,100

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

	Position	Served since	Shares 31 Dec 2023	Shares 31 Dec 2022
Anders Tullgren	Chairman	January 2022	1,459,820	50,000
Sveinung Hole 1)	Board member	September 2010	2,000,000	107 394
Sally Bennett	Board member	December 2020	314,826	0
Debra Barker	Board member	March 2019	311,027	0
Total shares held by members of the Board of Directors			4,085,673	157,394

1) Sveinung Hole holds 2,000,000 (104,444) shares in the Company through Svev AS, a wholly owned company of Sveinung Hole, and 0 (2,950) shares directly.

BerGenBio

Address

Mollendalsbakken 9, 5009 Bergen, Norway

Phone Number

+ 47 559 61 159

E-mail

post@bergenbio.com