



INTERIM REPORT

2022

First Half Year

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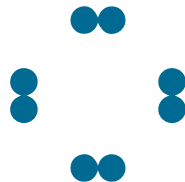
OVERVIEW

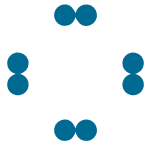
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Our Vision

EXACT Therapeutics (“EXACT-Tx”) (Euronext Growth: EXTX) is a clinical stage biopharmaceutical company with a mission to enhance the therapeutic efficacy of medicines through ultrasound-mediated drug delivery.

EXACT-Tx’s Acoustic Cluster Therapy (ACT[®]) is a proprietary formulation of microclusters (PS101) activated by ultrasound for enhanced drug targeting deployed in multiple indications. ACT[®] has the potential to significantly improve the targeted delivery of drugs while also enhancing their therapeutic outcome.





HI 2022 Highlights:

Dr Per Walday new CEO of the Company

Dr Per Walday joined Exact-Tx in early June. Per is a successful senior executive in the healthcare industry and has experience from research to commercialisation of therapeutics and medical devices globally, including drug-device combination within the field of oncology. Previously, as CEO of PCI Biotech, Per built an effective organization that progressed the platform technology into a pipeline of assets including in late stage clinical programs through FDA and EMA regulatory paths. Prior to this, Per spent almost two decades with Nycomed Imaging and GE Healthcare based in Norway where, as Global Head Project Management, he was responsible for all development programs of new pharmaceutical products. These included R&D efforts within the field of ultrasound and microbubbles which paved the way for what would become years later EXACT-Tx's Acoustic Cluster Therapy (ACT®). The company will now refocus activities to Norway and build a strong international organisation based out of Oslo.

Anders Wold appointed as the new Chair at the AGM in June 2022. Anders joined the Board of Directors of EXACT-Tx in December 2021.

Anders Wold started his career in the field of medical ultrasound in 1984 as he joined the start-up Vingmed which was acquired in 1998 by GE Healthcare. Anders was appointed GE Healthcare's CEO of Global Ultrasound in 2008 and later President and CEO of GE Healthcare Clinical Care Solutions. Under his leadership, the GE Healthcare ultrasound team brought out 20 new products every year, including the pocket-sized ultrasound scanner Vscan Air™ in 2009, which *TIME* magazine dubbed "one of the most important inventions of the year". Anders and his team grew Vingmed's ultrasound business at GE Healthcare mostly organic from USD 75 million revenue in 1998 to USD 2 billion in 2019.

Submission of ultrasound technology data required by the UK Medicines and Healthcare products Regulation Agency (MHRA) in response to the ACTIVATE clinical trial amendment.

ACTIVATE Phase I trial has been further delayed as a result of requiring an additional submission and approval of documentation regarding the protocol amendment linked to the ultrasound technology. Meeting this regulatory requirement, which is specifically focused on the Ultrasound system used in combination

with PS101, is expected to impact the timing of additional patient recruitment. Restarting the ACTIVATE study is a top priority for the Company and the operational organisation is fully focused on the required submission.

In-house Oslo based ultrasound and pre-clinical expertise further enhanced.

During first half 2022, Ragnar Bendiksen joined the team as VP of Technology and Dr Melina Mühlenpfordt as Preclinical Development Manager, bringing market leading expertise in ultrasound therapeutic technology and ACT[®]. Ragnar was a key member of the team at GE Healthcare working with the first ultrasound contrast agents, and he has solid ultrasound hardware and medical device documentation experience from 10 years in Medistim as Senior development engineer and project leader. Melina has been a key resource in the preclinical ACT[®] work at the Norwegian University of Science and Technology (NTNU) and her work has contributed significantly to the mechanistic understanding of ACT[®], not least for neurology indications.

In September, Dr Ola Myhre joined the team as Associate Director Ultrasound. Ola did his doctoral thesis at NTNU on detection and screening for cancer using dual frequency

ultrasound. He continued thereafter with post-doctoral work at NTNU before moving to the industry, working several years as Development Engineer at GE Healthcare and sensiBel.

Continued progress in strengthening of research and pre-clinical data to underpin the ACT[®] proposition.

Data presented at the Annual International Symposium for Therapeutic Ultrasound (ISTU) Conference in Toronto in June 2022 by EXACT-Tx demonstrated real-time intravital imaging of the vascular effects induced by ACT[®] in a murine brain. The work presented by EXACT-Tx at the ISTU demonstrates the possibility of using ACT[®] to help deliver therapeutics to the brain, addressing a significant unmet medical need with close to 98% of drugs in development unable to cross the blood-brain barrier (BBB).

ISTU is a non-profit organization founded in 2001 to increase and diffuse knowledge of therapeutic ultrasound to the scientific and medical community, and to facilitate the translation of therapeutic ultrasound techniques into the clinical area for the benefit of patients worldwide. The last few years have seen significant progress in the field of ultrasound therapeutics as an increasing number of programs enter the clinic.



Continued investment in product development in partnership with GE Healthcare.

The collaboration project between EXACT Therapeutics AS and GE Healthcare AS has been awarded NOK 16M for the development of a ready-to-use formulation of Sonazoid™ for ultrasound imaging and therapy from the Norwegian Research Council.

The funding will support the development, the documentation and the regulatory approval of a non-lyophilised and ready-to-use liquid formulation of Sonazoid™ for ultrasound imaging, and regulatory approval for its use in ACT® clinical trials. Academic groups Prof. Catharina de Lange Davies at NTNU (long term collaborator of EXACT-Tx) and the French National Institute for Health and Medical Research (Lyon), are also involved in the collaboration.

On target progression to completion of the next generation ultrasound probe in collaboration with GE Healthcare.

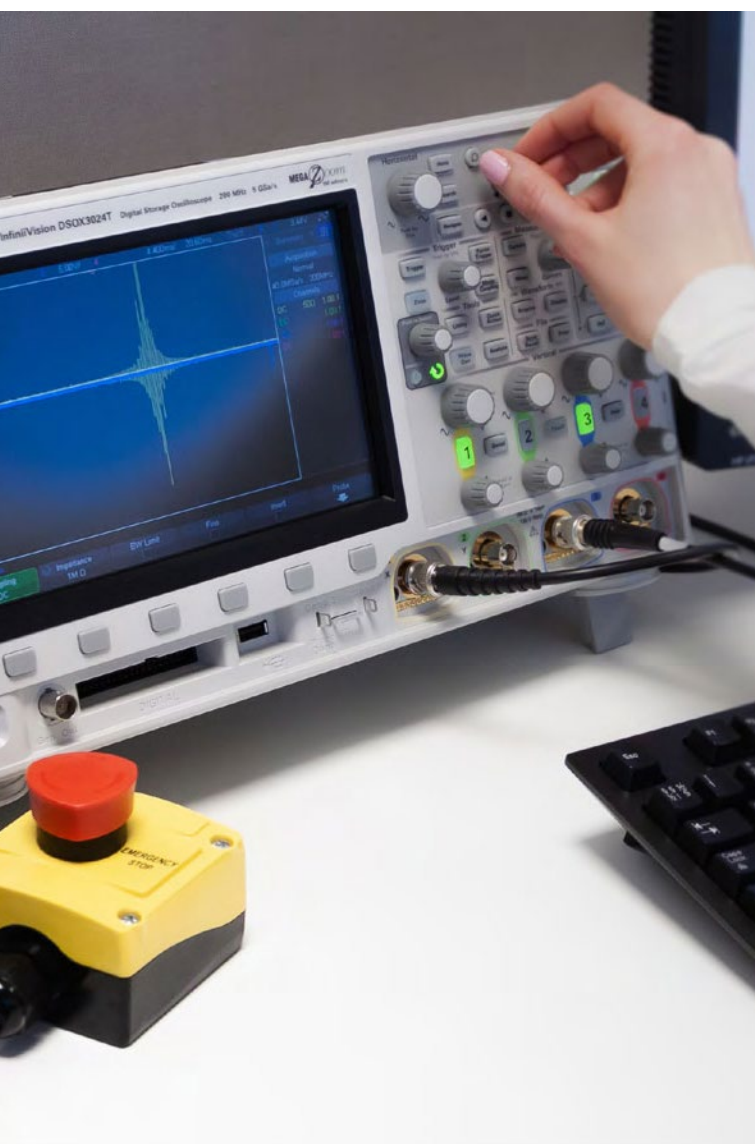
The development project initiated with GE Healthcare in January 2021, supported by a research and innovation grant from the Norwegian Research Council (NRC) of NOK 7.4M, is on track to complete in Q3 2022 when the next generation probe will be released to EXACT-Tx for completion of regulatory approval prior to deployment in further research and clinical development activities.

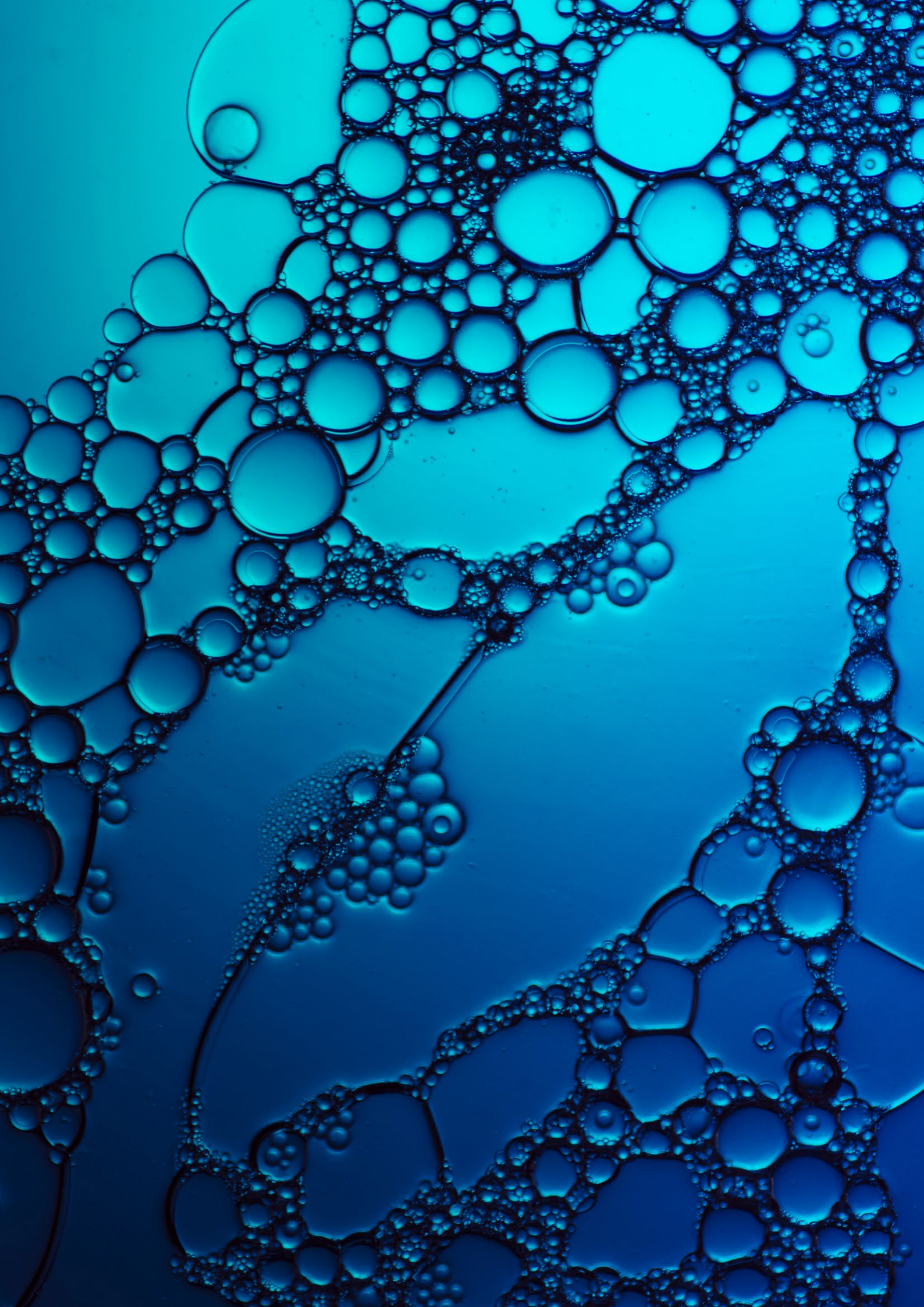
Appointment of John Edminson as new Chief Financial Officer

On August 30 the Company announced the appointment of John Edminson as Chief Financial Officer (CFO), effective 1 October 2022. John Edminson is a graduate from the Norwegian School of Economics with a Master in Auditing and Accounting and he built his career foundations working in audit at KPMG, which included 1.5 years in Boston, USA. He subsequently gained experience in both finance and operations in a variety of companies, including Telenor, ACNielsen, and Kistefos, before taking on CFO roles in PatientSky and Questback.

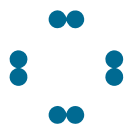
Appointment of Dr Amir Snapir as new Chief Medical Officer

On September 16 the Company announced the appointment of Dr Amir Snapir as Chief Medical Officer (CMO), effective 21 September 2022. Dr. Snapir has a PhD from the University of Turku, Finland and an MD from the University of Tel Aviv, Israel. He has extensive experience in global clinical development of novel therapeutics, from early clinical translation to marketing authorisation, combined with extensive international regulatory experience. Dr. Snapir also has years of experience in business collaborations, alliances and product co-developments. Dr Snapir comes from the position as CMO of PCI Biotech where he was responsible for the clinical development of drug-device combination product candidates. From 2007 to 2020 he held various positions at Orion Pharma, Espoo, Finland, spanning from leader of clinical pharmacogenomics to clinical development leader in Oncology. Dr. Snapir is the author of numerous scientific publications.





KEY FIGURES



EXACT Therapeutics AS Group (EXACT-Tx)

Unaudited figures

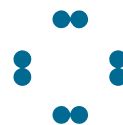
NOK M	HI 2022	HI 2021	Full Year 2021
Revenue	-	-	0.1
Total Operating Expenses	26.3	36.4	(59.2)
Operating (loss)	(26.3)	(36.4)	(59.1)
Net Financial Items	(0,6)	0.2	0.5
Total Comprehensive (loss) for the period	(26.9)	(36.2)	(58.6)
Basic (loss) per share	(0.9)	(1.2)	(2.0)
Number of employees	8	8	7
Net change in bank deposits, cash and equivalents	(24.9)	(31.7)	(56.0)
Cash and equivalents at beginning of period	103.7	159.7	159.7
Cash and equivalents at end of period	78,8	128	103,7



Dr Per Walday, CEO of EXACT-Tx, commented:

“I am very impressed by the potential of EXACT-Tx’s proprietary technology. Remarkable innovation and progress have been made with the ACT[®] platform since I led the development of related diagnostic ultrasound technology in GE Healthcare. ACT[®] represents a unique precision medicine technology platform tailored to meet current needs in oncology, where the therapeutic effect is often hampered by insufficient drug delivery to the tumours. The initial clinical development focus will be in oncology, in parallel with pre-clinical feasibility exploration of the ample opportunities presented by the ACT[®] platform across other applications. I look forward to working with the team and the board to maximise the value of the innovative ACT[®] platform for ultrasound mediated drug enhancement and accelerate our journey towards becoming a leading precision health company.”

OPERATIONAL REVIEW



The operational focus of EXACT-Tx during the first half of 2022 has been to;

- Prepare and submit our response to the MHRA's request for further information following their review of our clinical trial amendment which will be required to restart the ACTIVATE trial. The clinical trial amendment was submitted to the MHRA in January as planned with their response requiring further information received in early March. This additional data package was submitted in June.
- Build and strengthen the Board and Executive leadership of the business through the appointment of Anders Wold as Board Chair and Dr Per Walday as CEO, both highly respected leaders in the industry.
- Refocus resources and strengthen the team based in Oslo, through the hiring of two new posts of VP Technology and Preclinical development manager, to continue to build the research and pre-clinical capability which underpins the ACT[®] therapeutic offering.
- Continue to develop our academic partnerships including with NTNU and ICR to build the data portfolio which underpins ACT[®] technology which included the presentation at ISTU conference in Toronto in June 2022.
- EXACT-Tx has a robust product development relationship with GE Healthcare and good progress continues to be made in the development of the next generation probe and the project to transition to ready to use Sonazoid[™] for which a grant of NOK 16M has been awarded to GE Healthcare and partners by the Norwegian Research Council.

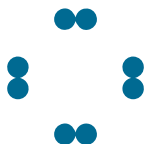
Outlook

The Board and management of EXACT-Tx believe that, with ACT[®], the Company is well placed to benefit from the growing market interest and investment in the therapeutic capabilities of ultrasound technology.

Dr Per Walday, Anders Wold and the new members of the Oslo based R&D team represent significant bolstering of our capability in this area based on their deep knowledge and understanding of ultrasound technology and its application in ACT[®].

EXACT-Tx continues to pursue the strategy for the business to;

- Meet the requirements of the MHRA to achieve approval to restart the ACTIVATE clinical trial.
- Build a sound platform in research and preclinical programmes through in house research and in partnership with existing and new collaborators.
- Engage in development of the product as has been demonstrated by the next generation probe and ready to use Sonazoid[™] collaborations with GE Healthcare.
- Continue to build and strengthen the organisation



The interim consolidated financial statements for EXACT Therapeutics AS Group as of June 30th, 2022 have been prepared in accordance with the International Accounting Standard (IFRS) 34 interim financial reporting.

Interim consolidated statement of profit or loss

Total operating expenses for the first half of 2022 came to NOK 26.3 million (HI 2021 NOK 36.4 million). Payroll and related expenses were NOK 5.7 million (HI 2021 NOK 17.6 million). Other expenses amounted to NOK 20.6 million during the half year (HI 2021 NOK 18.9 million).

Research and Development (preclinical, clinical and regulatory) expenses accounted for 60.5% of total operating expenses in the first half of 2022 (HI 2021 47%).

Operating loss for the first half of 2022 was NOK 26.3 million (HI 2021 NOK 36.4 million).

Financial position

Total assets as of June 30th, 2022 were NOK 93.2 million, down from NOK 117.6 million as at year end December 31st, 2021.

Total shareholders' equity on June 30th, 2022 was NOK 77.9 million (NOK 105.7 million at year end 2021) corresponding to an equity ratio of 83.3% (89.9% at year end 2021).

Total liabilities at the end of the first half of 2022 were NOK 15.7 million, as compared to NOK 11.9 million at year end 2021.

Cash flow

Net cash flow from operating activities in the first half of 2022 was negative NOK 24.3 million (first half 2021 negative NOK 30.5 million) mainly reflecting the costs of GE probe development, pre-clinical research, clinical trial maintenance costs, and ongoing business running costs.

Cash and cash equivalents amounted to NOK 78.8 million at the end of June 2022, compared to NOK 103.7 million at year end 2021.

Financial Review

”

The Company is well placed to benefit from the growing market interest and investment in the therapeutic capabilities of ultrasound technology.

Risks and uncertainties

The nature of scientific research and clinical development is inherently uncertain as we endeavour to develop new, effective treatments for patients to enhance therapeutic outcomes. If we are not able to achieve the development milestones required to achieve our goals we may not be able to progress to the stage of offering an effective therapy to patients.

Cash within the business is managed closely but the achievement of the Company's goal to deliver an effective therapeutic offering to patients will be dependent on the ability to raise additional finance which in turn will be dependent on sources of funding being available.

Responsibility Statement

The Board of Directors of EXACT Therapeutics AS have today considered and approved the condensed financial statements as of June 30th, 2022, and for the six-month period ended June 30th, 2022. The half year report has been prepared in accordance with IAS 34 Interim

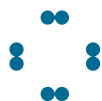
Financial Reporting as endorsed by the EU and additional Norwegian regulations.

We confirm, to the best of our knowledge, that:

- The condensed consolidated financial statements for the six months ended June 30th, 2022 have been prepared in accordance with applicable financial reporting standards.
- The information provided in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and result for the period.
- The financial review includes a fair review of significant events during the first six months of the year and their impact on the financial statements, any major related party transactions, and a description of the principal risk and uncertainties for the remaining six months of the year.

Oslo, September 21st, 2022

The Board of Directors
EXACT Therapeutics AS

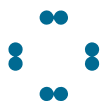


CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK) Unaudited

	Notes	30 June 2022	30 June 2021	31 December 2021
ASSETS				
Non-current assets				
Property, plant and equipment		4,005,919	5,245,253	4,684,249
Right-of-use assets		1,444,972	1,848,220	1,646,596
Total non-current assets		5,450,891	7,093,473	6,330,846
Current assets				
Other receivables	1.5, 1.8	8,977,116	10,383,915	7,609,939
Other current financial assets		-	20,731,059	20,775,631
Cash and cash equivalents		78,807,301	107,256,019	82,910,921
Total current assets		87,784,417	138,370,993	111,296,491
TOTAL ASSETS		93,235,308	145,464,466	117,627,336
EQUITY AND LIABILITIES				
Equity				
Share capital	1.9, 2.3	119,969	119,969	119,969
Share premium	1.9	66,717,503	215,629,907	215,628,677
Other paid-up equity		10,922,583	19,476,353	12,006,952
Non-registered share capital / share premium		95,988		
Uncovered loss			-99,631,160	-122,014,853
Total equity		77,856,043	135,595,069	105,740,745
Non-current liabilities				
Non-current lease liabilities		1,155,845	1,535,204	1,351,671
Deferred tax liabilities		169,969		
Employee benefit obligations		67,210		
Total non-current liabilities		1,393,024	1,535,204	1,351,671
Current liabilities				
Current lease liabilities		379,360	344,932	361,797
Trade and other payables		13,918,162	7,330,019	10,173,123
Current provisions		-	659,242	-
Total current liabilities		14,297,522	8,334,193	10,534,920
Total liabilities		15,690,546	9,869,397	11,886,591
TOTAL EQUITY AND LIABILITIES		93,546,589	145,464,466	117,627,336

The interim half year financial information has not been subject to audit.



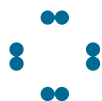
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June

(Amounts in NOK) Unaudited

	Notes	HI 2022	HI 2021	FY 2021
Other income		5,930	-	52,000
Total other income		5,930	-	52,000
Employee benefit expenses	1.5,1.6,1.7	5,635,763	17,510,553	17,990,196
Other operating expenses	1.7,2.4	19,702,377	18,048,454	39,355,744
Depreciation and amortisation		942,026	876,471	1,816,883
Operating profit or loss		-26,274,236	-36,435,478	-59,110,824
Finance income		93,487	539,530	959,185
Finance costs		725,238	305,201	438,543
Profit or loss before tax		-26,905,987	-36,201,149	-58,590,181
Income tax expense		-	-	-
Profit or loss for the year		-26,905,987	-36,201,149	-58,590,181
Allocation of profit or loss:				
Profit/loss attributable to the parent		-26,905,987	-36,201,149	-58,590,181
Other comprehensive income:				
<i>Items that subsequently may be reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations		18,535	21,963	27,302
Total items that may be reclassified to profit or loss		18,535	21,963	27,302
Total other comprehensive income for the period		18,535	21,963	27,302
Total comprehensive income for the period		-26,887,452	-36,179,186	-58,562,879
Allocation of total comprehensive income				
Total comprehensive income attributable to owners of the parent company		-26,887,452	-36,179,186	-58,562,879
Earnings per share ("EPS"):				
Basic and diluted EPS - loss attributable to equity holders of the parent company		-0.90	-1.21	-1.95

The interim half year financial information has not been subject to audit.



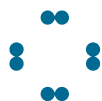
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June

Cash flows from operating activities (NOK) - Unaudited

	Notes	HI 2022	HI 2021	FY 2021
Profit or loss before tax		-26,905,987	-36,201,149	-58,590,181
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net financial income/expense		584,959	-280,309	-520,642
Depreciation and impairment of property, plant and equipment		740,402	708,451	1,447,239
Amortisation and impairment of Right-of-use assets		201,624	181,120	382,745
Share-based payment expense	2.1	-1,084,369	11,627,930	4,158,529
<i>Working capital adjustments:</i>				
Changes in other receivables		-1,367,177	-4,004,830	-1,618,523
Changes in trade and other payables		3,433,758	-2,126,438	738,627
Changes in provisions and other liabilities		48,268	-447,385	-1,106,627
Net cash flows from operating activities		-24,348,522	-30,542,610	-55,108,833
Cash flows from investing activities (NOK)				
Purchase of property, plant and equipment		-54,666	-1,437,417	-1,626,489
Purchase of financial instruments		-	-	-
Proceeds from sale of financial instruments		-403,144	-	-
Interest received		-1,780	159,527	616,409
Net cash flow from investing activities		-459,590	-1,277,890	-1,010,080
Cash flow from financing activities (NOK)				
Proceeds from issuance of equity	4.5	95,988	-	507,874
Transaction costs on issue of shares	4.5	-7,500	-	-16,680
Payments for the principal portion of the lease liability		-225,055	-182,083	-438,477
Payments for the interest portion of the lease liability		46,792	9,969	-97,811
Interest paid		102	2,290	-2,298
Net cash flows from financing activities		-89,673	-169,824	-47,392
Net increase/(decrease) in cash and cash equivalents		-24,897,785	-31,990,324	-56,166,305
Cash and cash equivalents at beginning of the year/period	4.7	103,686,552	159,723,307	159,723,307
Net foreign exchange difference		18,535	21,963	129,550
Cash and cash equivalents, end of year/period		78,807,302	127,754,946	103,686,552

The interim half year financial information has not been subject to audit.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK) Unaudited

	Other equity					Total equity
	Share capital	Share premium	Other paid-up equity	Foreign currency translation reserve	Retained earnings	
Balance at 31. December 2021	119,969	215,628,677	12,006,952	-44,541	-121,970,312	105,740,745
Uncovered loss to be covered by Share premium		-121,970,312			121,970,312	
Balance at 1 January 2022	119,969	215,628,677	12,006,952	-44,541	-121,970,312	105,740,745
Profit (loss) for the period		-26,905,988				-26,905,988
Other comprehensive income				17,167		17,167
Issue of share capital (Note 1.9)						-
Transaction costs		-7,500				-7,500
Non-registered share capital / share premium	20	95,968				95,988
Share based payments - Options (Note 2.1)			-1,808,944			-1,808,944
Share based payments - RSUs (Note 2.1)			724,575			724,575
Balance at 30 June 2022	119,989	188,811,157	10,922,583	-27,374	-121,970,312	77,856,043

(Amounts in NOK) Unaudited

	Other equity					Total equity
	Share capital	Share premium	Other paid-up equity	Foreign currency translation reserve	Uncover loss/ Retained earnings	
Balance at 1 January 2021	119,871	215,137,483	7,848,423	-71,843	-63,380,131	159,653,803
Profit (loss) for the year					-58,590,181	-58,590,181
Other comprehensive income				27,302		27,302
Issue of share capital (Note 2.1)	98	507,874				507,972
Transaction costs		-16,680				-16,680
Share based payments - Options/RSU (note 2.1)			4,158,529			4,158,529
Balance at 31 December 2021	119,969	215,628,677	12,006,952	-44,541	-121,970,312	105,740,745

The interim half year financial information has not been subject to audit.



EXACT THERAPEUTICS GROUP FINANCIAL STATEMENTS

1.1 General information

Corporate information

The consolidated interim financial statements of EXACT Therapeutics AS and its subsidiaries (collectively, “the Group” or “EXACT Therapeutics”) for the half year period ended 30 June 2022 were authorised for issue in accordance with a Board resolution on xx September 2022. The figures in this half year 2022 report are non-audited figures. EXACT Therapeutics AS is a publicly listed company on the Euronext Growth, with the ticker symbol EXTX. EXACT Therapeutics AS is incorporated and domiciled in Norway, and the address of its registered office is Østre Aker vei 19, 0581 Oslo, Norway. EXACT Therapeutics is a clinical stage Norwegian biotech company developing a technology platform for targeted therapeutic enhancement – Acoustic Cluster Therapy (ACT®). ACT® sonoporation is a unique approach to ultrasound-mediated, targeted drug enhancement – with the potential to significantly amplify the clinical utility of a wide range of therapeutic agents across a multitude of indications including within oncology (chemotherapy, immunotherapy), infectious diseases, and neurological conditions.

1.2 Basis of preparation

The consolidated interim financial statements of the Group comprise the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity, and related notes. The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by The European Union (“EU”), and represents the first interim financial statements of the Group in accordance with IFRS. 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 2021, except for the adoption of new standards and interpretations effective as of 1 January 2022. The interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. Further, management have prepared detailed cashflow forecasts and following consideration of these forecasts, the financial statements are prepared based on the going concern assumption. The new and amended standards and interpretations from IFRS that were adopted by the EU with effect from 2022 did not have any significant impact on the half year reporting for the six-month period ended on 30 June 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1.3 Basis for consolidation

The consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as of 30 June 2022. The subsidiary is ACT Therapeutics Ltd, with its registered address in Suffolk and offices in London in the United Kingdom and is 100% owned and controlled by the parent company EXACT Therapeutics AS.

1.4 Significant accounting judgements, estimates and assumptions

The consolidated interim financial statements have been prepared in accordance with IFRS and the application of the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual

results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such

changes are reflected in the assumptions when they occur. In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimate uncertainty were the same as those used in the consolidated financial statements for the year ended 31 December, 2021.

1.5 Government grants

Government grants have been recognised in the profit and loss as a reduction in the related expense with the following amounts:

	HI 2022	HI 2021	FY 2021
Grant from the Research Council of Norway	2,216,500	1,954,476	4,104,000
Grant from SkatteFUNN	2,375,000	3,909,528	4,750,000
Total government grants recognised	4,591,500	5,864,004	8,854,000

Government grants receivable	30 June 2022	30 June 2021	31 December 2021
Grant from the Research Council of Norway	738,834	557,000	1,752,667
Grant from SkatteFUNN	7,125,000	8,530,124	4,750,000
Total government grants receivable	7,863,834	9,087,124	6,502,667

1.6 Employee benefit expenses

Pensions

The Group has a defined contribution pension plan for its employees in Norway and UK. The Norwegian scheme satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk

tjenestepensjon"). The UK scheme satisfies UK statutory requirements. Both schemes are defined contribution plans. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses	HI 2022	HI 2021	FY 2021
Salaries	6,487,661	7,015,052	14,916,941
Social security costs	1,062,307	881,152	2,099,524
Pension costs	536,388	388,280	872,872
Other employee expenses (mainly reduction of Share option expenses)	-920,245	11,180,545	3,051,902
Grants deducted	-1,530,348	-1,954,476	-2,951,043
Total employee benefit expenses	5,635,763	17,510,553	17,990,196
Average number of full time employees (FTEs):	8	8	

At the end of the reporting period, members of the Board and management held shares and share options in EXACT Therapeutics AS.

1.7 Operating expenses

Other operating expenses	HI 2022	HI 2021	FY 2021
Audit and accounting fees	807,840	671,073	735,974
Consulting fees	3,067,700	1,174,880	3,947,732
Legal expenses	234,201	403,414	815,014
Travel expenses	208,727	48,642	422,656
Lease expenses	197,733	242,325	530,343
Research expenses	15,880,188	17,062,865	34,494,888
Grants deducted	-3,061,152	-3,909,528	-5,902,957
Other operating expenses incl. Patent expenses	2,367,140	2,354,783	4,312,096
Total other operating expenses	19,702,377	18,048,454	39,355,746

Total research expenses for the six-month period ended 30 June 2022 was NOK 15.9 million, and for 30 June 2021 NOK 17.1 million. For the year ended 31 December 2021 was NOK 34.5 million, included in other operating expenses in the consolidated statement of comprehensive income.

1.8 Other receivables

Other receivables	30 June 2022	30 June 2021	31 December 2021
VAT receivable	437,849	479,851	447,911
Government grants	7,863,834	9,087,124	6,502,667
Other	675,433	816,940	659,361
Total other receivables	8,977,116	10,383,915	7,609,939

Allowance for expected credit losses	30 June 2022	30 June 2021	31 December 2021
At January 1	-	-	-
Provision for expected credit losses	-	-	-
At December 31	-	-	-

The credit risk of financial assets has not increased significantly from initial recognition. The loss allowance is insignificant.

1.9 Share capital and shareholders

As of 30 June	Number of shares authorised and fully paid	Par value per share (NOK)	Financial Position
Ordinary shares 2022	29,992,167	0.0004	119,969
Ordinary shares 2021	29,992,167	0.0004	119,969

Changes in the outstanding number of shares	For the six months ended 30 June	
	2022	2021
Ordinary shares at 1 January	29,992,167	29,967,750
Issue of ordinary shares	-	24,417
Issue of ordinary shares under share options	-	-
Issue of ordinary shares under RSUs	-	-
Non-registered ordinary shares at 30 June (registered 04.07.2022)	5,052	-
Ordinary shares at 30 June	29,997,219	29,992,167

The Group's shareholders:

Shareholders in EXACT Therapeutics AS at 30 June 2022	Total shares	Ownership/ Voting rights
Kvåle AS	3,021,770	10.1%
PAACS Invest AS*	2,689,009	9.0%
Investinor Direkte AS	2,387,750	8.0%
Brekke Holding AS	2,365,228	7.9%
Andrew J. Healey	2,205,385	7.4%
Canica AS	2,021,000	6.7%
Per Christian Sontum	1,921,605	6.4%
Optimuspistor AS	1,574,750	5.3%
Verdipapirfondet Nordea Avkastning	1,244,999	4.2%
Helene Sundt AS	1,131,000	3.8%
Other shareholders (less than 3%)	9,429,671	31.20 %
Total	29,992,167	100.0%

* Dr. Masha Strømme's husband Dag Strømme has 100% ownership of the company PAACS Invest AS which own 2,689,009 shares.

During second half of 2021 Morten S. Wigen, Ultrasound Director was granted 15 000 options at a strike price at 23,00 and Aliisa Paulus, Ultrasound engineer was granted 5 000 options at a strike price of NOK 23,00. During first half of 2022 Anders Wold, Chair of the Board was granted 224 941 options at a strike price of NOK 19,00. The costs of these employee share-based transaction are expensed over the average vesting period. The number of Restricted Stock Units

(RSU) granted to Board members is equal to the amount such member elects to receive in the form of RSUs, divided by the market price of the shares at the time of the general meeting where the election is made.

2.1 Share based payments

Share option plan - Description

Under the Share Option Plan, share options of the parent are granted to management and employees of the Group. The exercise price of the share options is set to the market price of the underlying shares, calculated as the volume weighted share price for the 10 trading days before the date of grant. The share options granted to Dr Hilary McElwaine-John and Dominic Moreland are all forfeited in first half of 2022 due to their resignations from the Company. The share options granted to Anders Wold (Chair of the Board of Directors) vest monthly over three years and are exercisable over 7 years from the allocation date. The Group elects whether to settle the

share options in cash or by delivery of shares. The Group has no practice of cash settlement for these share options and expects to settle the options by delivery of shares. The Group accounts for the RSUs as equity-settled transactions, measured by applying the Black-Scholes-Merton option-pricing model for European options ("BSM"). Share options held by management at the end of the reporting period are summarised in note 2.3. The fair value of the options were determined at the grant dates and expensed over the vesting period. NOK - 1.8 million has been expensed as employee benefit expenses in the period (NOK 11.6 million in H1 2021).

Movements during the half year

The following table illustrates the number and weighted average exercise prices (WAEF) of, and movements in, share options during the year:

	For the six months ended 30 June 2022	
	Number of options	Weighted average exercise prices (WAEF)
Total options		
Outstanding options 1 January	540,000	24.93
Options granted during the period	224,941	19.00
Options forfeited during the period	-520,000	25.00
Options exercised during the period*	0	-
Options expired during the period	0	-
Outstanding options 30 June	244,941	19.33
Exercisable at 30 June	0	-

224 941 options were granted in the six months period ended 30 June 2022.

For further information about the Share option programme, see note 4.8 in the company's annual accounts included in the company's annual report for 2021.

(Cash or) Restrictive share units - Description

The Group has a board remuneration program where the Board members may receive the compensation in cash or in restrictive share units (RSUs). Each RSU granted gives the right and obligation to acquire one share at nominal value (NOK 0.004) from EXACT Therapeutics AS. The number of RSUs granted to each board member is equal to the amount such member elects to

receive in the form of RSUs, divided by the market price of the shares at the time of the general meeting at which the remuneration is approved. The programs were granted in June 2020 and June 2021, with monthly vesting over a period of 12 months. The RSUs may be exercised up to three years after they are fully vested and at the end of the reporting period the RSUs granted expire in approximately three years. As each board member has the right to elect for settlement in either 100% RSUs or 50%cash/50%RSUs, the Group regards the transaction as a compound transaction to which split accounting is applied. The sum of the two components is the fair value

of the whole compound instrument. The equity component is established by the fair value (FV) of the equity alternative and subtracting the fair value of the liability component. Once split, the two components are accounted for separately. Following the Annual General Meeting (AGM) at which the shareholders approve board compensation, the Board members elect to take their remuneration in the form of RSUs or cash.

The AGM has given a proxy to the Board and the Board then issues shares for RSUs to its members as approved at the AGM. The fair value of the RSUs was determined at the grant dates and expensed over the vesting period. NOK 0.7 million have been expensed as employee benefit expenses in the period (NOK 0.2 million in H1 2021).

Movements during the year

The following table illustrates the number of and movements in RSUs during the year:

Total Restricted Stock Units (RSUs)	For the six months ended 30 June 2022	
	Number of RSUs	Weighted average exercise prices (WAEP)
Outstanding RSUs 1 January	123,917	10.27
RSUs granted during the period	0	
RSUs forfeited during the period	0	
RSUs exercised during the period	-123,917	
RSUs expired during the period	0	
Outstanding RSUs 30 June	0	10.27
Exercisable at 30 June	0	

For further information about the RSU programme, see note 4.8 in the company's annual accounts included in the company's annual report for 2021.

2.2 Earnings per share

The following table reflects the income and share data used in the EPS calculations:

	HI 2022	HI 2021	FY 2021
Loss attributable to ordinary equity holders - for basic and diluted EPS	-26,905,987	-36,201,149	-58,590,181
Weighted average number of ordinary shares - for basic and diluted EPS	29,992,167	29,992,167	29,992,167
Basic and diluted EPS - loss attributable to equity holders of the parent	-0.90	-1.21	-1.95

Share options and RSUs issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognised as potential ordinary shares shall only 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 Company is currently loss-making an increase in the average number of shares would have an anti-dilutive effect.

2.3 Shares held by Management and the Board

Shares held by Executive Management team:

	30/06/2022
Dr. Per Walday, CEO, from 06.06.2022	-
Dominic Moreland, CFO	-
Dr. Svein Kvåle, Co Founder and COO, shares held by Kvåle AS	3,021,770
Dr. Hilary McElwaine-Johnn, CMO	-
Dr. Andrew Healey, CSO	2,205,385
Total	5,227,155

Shares held by the Board of Directors:

	30/06/2022
Anders Wold, Board and Advisory Committee member, to 08.06.2022, Chair of the Board, from 08.06.2022 *	2,414
Dr. Masha Strømme, Chair of the Board **, to 08.06.2022, from 08.06.2022 Vice Chair of the Board	2,689,009
Sir William Castell, Vice Chair of the Board, to 08.06.2022, from 08.06.2022 Board member	342,498
Dr. Jean-Michel Cosséry, Board & Advisory Committee Member	12,000
Ann-Tove Kongsnes, Board Member	-
Total	3,045,921

* Anders Wold bought 2 414 shares in June 2022, registered 04.07.2022.

** Masha Strømme's husband Dag Strømme owns Paacs Invest AS which owns 2 689 009 shares at 30.06.2022.

Share options held by Executive Management team:

	30/06/2022
Dr. Per Walday, CEO, from 06.06.2022	-
Dominic Moreland, CFO	-
Dr. Svein Kvåle, Co Founder and COO	-
Dr. Hilary McElwaine-Johnn, CMO	-
Dr. Andrew Healey, Co Founder and CSO	-
Total	-

Restricted stock units held by the Board of Directors:

	30/06/2022
Anders Wold, Board & Advisory Committee Member, to 08.06.2022, Chair of the Board, from 08.06.2022	-
Dr. Masha Strømme, Chair of the Board *, to 08.06.2022, from 08.06.2022 Vice Chair of the Board	-
Sir William Castell, Vice Chair of the Board, to 08.06.2022, from 08.06.2022 Board member	-
Dr. Jean-Michel Cosséry, Board & Advisory Committee Member	-
Ann-Tove Kongsnes, Board Member	-
Dr. Jean-Claude Provost, Board Member, to 19.05.2022	-
Dr. Aitana Peire, Board member, to 08.06.2022	-
Total	-

2.4 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties (outside the Group) for the relevant financial period:

Related party transactions in 2022 in NOK	Board Member	Other Shareholders	Total
Purchase of professional services from Dr Jean-Michel Cosséry*	62,500		62,500
Purchase of professional services from Dr Jean-Claude Provost*	56,267		56,267
Purchase of professional services from Anders Wold*	49,865		49,865
Purchase of Executive Management services from Dr Masha Strømme, invoiced from Sonalon Consulting AS**	1,267,794		1,267,794

* In 2022, the company has used professional services from its Board members Dr. Jean-Michel Cosséry, Dr. Jean-Claude Provost and Anders Wold in relation to consulting services. The work is related to advisory services beyond board duties. The contract for these services is based on market rates and conditions for such services. These services has been paid as salary and included in Employee benefit expenses.

** Sonalon Consulting AS is a subsidiary of Paacs Invest AS. These services has been invoiced and included in Other operating expenses.

2.5 Events after the reporting period

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

On 30 August 2022 the Company announced the appointment of John Edminson as Chief Financial Officer, effective 1 October 2022.

There have been no other significant non-adjusting events subsequent to the reporting date.

Ukrainian war conflict

The Group does not have any activities in Ukraine or Russia and so the conflict does not have any direct impact on the operation. However, the Group may be impacted indirectly through macro economical fluctuations, like interest rates, FX rate and inflation.



INTERIM REPORT 2022

First Half Year

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