



INTERIM REPORT

1st Quarter 2022

Highlights:

- Nykode announced completion of patient enrollment in its Phase II trial of VB10.16 in combination with immune checkpoint inhibitor atezolizumab for the treatment of advanced cervical cancer
- Received milestone payment of USD 20 million for initiation of phase 1b trial

Highlights after March 31st, 2022:

- Nykode Therapeutics announced positive interim results from its Phase II trial with VB10.16 in combination with atezolizumab in advanced cervical cancer
 - Anti-tumor activity of VB10.16 in combination with atezolizumab was observed in a heavily pre-treated population of patients with HPV16-positive advanced cervical cancer. Strong overall response rate (ORR) was observed in both PD-L1 positive patients (ORR of 27%) and in PD-L1 negative patients (ORR of 17%). Overall ORR of 21% including two complete responses (CRs) and six partial responses (PRs) were observed in the 39 patients studied
 - VB10.16 in combination with atezolizumab demonstrated a very high disease control rate (DCR, which includes patients who have achieved complete response, partial response and stable disease) of 64% (77% in PD-L1 positive patients and 58% in PD-L1 negative patients)
- Nykode Therapeutics presented preclinical data from its second generation Vaccibody vaccine technology at the 2022 American Association for Cancer Research (AACR) Annual Meeting
- At Nykode's AGM on May 12, 2022, it was resolved to convert the Company from a private limited liability company (AS) to a public limited liability company (ASA)
- Elaine Sullivan and Anne Whitaker elected to join the Board of Directors at the Company's AGM on May 12, 2022

Michael Engsig, Chief Executive Officer at Nykode, comments:

"I am delighted that the interim results from the phase II study with VB10.16 in combination with atezolizumab in HPV-16 positive cervical cancer support Nykode's unique approach of targeting Antigen Presenting Cells (APCs), designed to produce a robust and long-lasting CD8 killer T cell response against cancer cells. In particular I am excited about the signs of durable anti-tumor activity in a heavily pre-treated and hard to treat population of patients with late-stage HPV16-positive cervical cancer. Furthermore, the indication that the treatment may benefit not only PD-L1 positive patients but also PD-L1 negative patients and patients with immune excluded tumors may bode well for the continued development."

Michael Engsig continues "Building on the promising clinical efficacy and favorable safety profile that was observed with VB10.16, Nykode has started planning the NYK003-C-03 Phase 1b trial of VB10.16 in combination with a check point inhibitor in patients with HPV16-positive squamous cell head and neck cancer (HNSCC). The trial is expected to start in the second half of 2022. In addition to the positive development of the wholly owned pipeline, and the disclosure of exciting new preclinical data from our second generation Vaccibody technology platform, I am pleased to report that the Regeneron collaboration is off to a good start. It is progressing according to plan, with lots of energy and good discussions."

Key financial figures

Amounts in USD '000	1 st Quarter		Full year
	2022	2021	2021
Total revenue and other income	1,024	780	35,766
Total operating expenses	9,647	8,252	46,541
Operating profit (loss)	-8,623	-7,472	-10,775
Net profit (loss) for the period	-6,898	-6,507	-9,414
Net cash flow	9,450	-4,070	32,351
Cash and cash equivalents, end of period	225,681	179,738	216,231
Outstanding shares, end of period	289,919,409	285,613,845	289,619,409
Cash and cash equivalents/total assets	89%	80%	81%
Equity ratio	74%	78%	73%
Equity	188,641	173,612	194,055
Total assets	254,073	223,854	265,556
Employees, average	114	59	73
Employees, end of period	128	61	102

R&D update

Nykode's modular technology platform is very versatile and may be adapted to generate the desired immune response profile. Hence, Nykode's platform may be applied across a broad range of immunotherapy areas as innovative solutions to an unmet medical need. Nykode continues to increase the headcount across all functions including R&D to continue to build competencies and support the strategy execution.

Please find below an update on Nykode's current research and development activities.

Oncology

VB10.16

VB10.16 is a therapeutic HPV vaccine directed against HPV16+ induced malignancies:

- Clinical trial VB C-02:
 - Clinical stage: Phase II
 - Cancer indication: HPV16+ advanced, non-resectable cervical cancer
 - Fully enrolled
 - ClinicalTrials.gov Identifier: NCT04405349

Status and highlights

The trial is fully enrolled and reported positive interim efficacy and safety data on May 9, 2022. Interim results from 39 patients with a median follow up of 6 months show an ORR of 21%, including two patients who achieved a complete response and six who achieved a partial response, and a very high disease control rate of 64%. The trial enrolled a heavily pre-treated patient population with more than two thirds of the patients having received at least two previous systemic lines of treatment. Interestingly, anti-tumor activity was observed in both PD-L1 positive (ORR of 27% and DCR of 77%) and PD-L1 negative patients (ORR of 17% and DCR of 58%) indicating a potential clinical benefit also in the PD-L1 negative population. In addition, a DCR of 71% was observed in patients with non-inflamed tumors, including both immune desert and T cell excluded tumors. Together these findings suggest a differentiated anti-tumor response pattern of the combination treatment compared to checkpoint inhibitor monotherapy. Nykode expects to report updated efficacy data read-outs from VB C-02 during the first half of 2023.

VB10.NEO

VB10.NEO is an individualized neoantigen cancer vaccine, exclusively licensed to Genentech:

- Clinical trial VB N-01:
 - Clinical stage: Phase I/IIa
 - Cancer indications: Melanoma, non-small cell lung cancer (NSCLC), clear renal cell carcinoma, urothelial cancer or squamous cell carcinoma of the head and neck (SCCHN)
 - Fully enrolled
 - ClinicalTrials.gov Identifier: NCT03548467
- Clinical trial VB N-02:
 - Clinical stage: Phase Ib
 - Cancer indications: Locally advanced and metastatic tumors
 - ClinicalTrials.gov Identifier: NCT05018273

Status and highlights

News flow updates relating to VB10.NEO are in general at Genentech's discretion. Recruiting sites are open in US, Germany and Spain.

Infectious Diseases

Nykode's infectious disease initiative continues to generate supportive data and explore and evaluate a diverse set of pathogens as potential next future clinical vaccine targets.

VB10.COV2

Nykode has chosen a 2-arm strategy for its VB10.COV2 project to fight SARS-CoV2 variants of concern (VoC*). VB10.2129 (RBD candidate) and VB10.2210 (T cell candidate) are two vaccines designed using Nykode's modular and APC targeted technology:

- Clinical trial VB-D-01, investigating the two vaccine candidates, VB2129 and VB2210.
 - Clinical stage: Phase I/II
 - Pathogen: SARS CoV-2
 - ClinicalTrials.gov Identifier: NCT05069623

VB10.2129 – 2nd generation vaccine addressing novel variants of concern*

VB10.2129 contains the RBD domain of the Beta variant of concern B.1.351. Importantly, preclinical data demonstrate induction of rapid, strong and persistent neutralizing antibody responses in animal models by VB2129 not only against the Beta variant, but also across several other major variants of concern. Nykode's RBD vaccine candidate has the potential to induce rapid and strong levels of neutralizing antibody responses addressing both existing and emerging variants of concern.

VB10.2210 – 3rd generation universal broadly protective T cell vaccine

Increasing evidence highlights the importance of broad T cell responses in providing rapid as well as long-term memory responses against COVID-19 with limited sensitivity to viral mutations. The vaccine includes SARS-CoV-2 T cell epitopes identified and validated by Adaptive Biotechnologies. Nykode aims to boost and broaden the most clinically relevant and conserved T cell responses against a broad set of SARS-CoV-2 epitopes identified by Adaptive Biotechnologies. Preclinical data confirm induction of strong T cell responses against multiple SARS-CoV-2 antigens in several mouse models. The aim is to induce long-lasting protective immunity across all population groups and across current and future variants.

VB-D-01 trial

The VB-D-01 trial is a Phase I/II, open label, dose escalation trial to determine safety and immunogenicity of two SARS CoV-2 vaccine candidates VB10.2129 and VB10.2210.

Status and highlights

VB10.2129 (RBD candidate): First subject dosed November 3, 2021. The trial is fully enrolled at two out of three dose levels in the dose-escalation cohort.

VB10.2210 (T cell candidate): First subject dosed December 27, 2021. The trial is fully enrolled at all three dose levels in the dose-escalation cohort.

Results from the Phase I dose-escalation cohort is expected during the second half of 2022.

*Note: All viruses, including SARS-CoV-2, mutate and change over time. Most changes have limited impact on the virus' properties. However, some changes may affect the virus's properties, e.g., as how easily it spreads, the associated disease severity, or the performance of vaccines, diagnostic tools and so forth. The emergence of variants that poses an increased risk to global public health has prompted the characterization of specific variants of concern, in order to prioritize global monitoring and research, and ultimately to inform the ongoing response to the COVID-19 pandemic. Source: Tracking SARS-CoV-2 variants (who.int)

Autoimmune disorders

Autoimmune disorders are caused by unwanted immunogenicity to autoantigens. Antigen-specific tolerization for the treatment of auto-immune diseases has the potential to blunt autoimmunity without compromising normal immune function. Nykode is exploring autoimmunity model systems to generate pre-clinical proof-of-concept for the ability to induce meaningful antigen-specific immune tolerance. Nykode has demonstrated that its exploratory tolerizing vaccines induce proliferation of epitope specific T regulatory cells in such model systems and will continue its research and know-how building in the area.

Other

Uplift on Oslo Stock Exchange

Nykode has initiated a process for transfer of the listing of its shares from Euronext Growth to the main market of the Oslo Stock Exchange. The expected timing is end of the second quarter of 2022.

Financial review

Income statement

The net result for the first quarter of 2022 was a net loss of USD 6.9 million compared to a net loss of USD 6.5 million in the first quarter of 2021. The change in net loss was mainly due to increased activities and operations in Nykode, leading to increased operating expenses and employee benefit expenses. This was offset by an increase in total revenue as well as a decrease in the social security cost accrual related to share-based payments included under employee benefit expenses.

Revenue and other income

Total revenue and other income amounted to USD 1.0 million in the first quarter of 2022 (Q1 2021: USD 0.8 million). The increase was mainly due to increased R&D service activities under the agreements with Genentech and Regeneron.

Operating expenses

Total operating expenses amounted to USD 9.6 million in the first quarter of 2022 (Q1 2021: USD 8.3 million). Employee benefit expenses were USD 1.3 million in the first quarter (Q1 2021: USD 3.9 million). The decrease in employee benefit expenses in 2022 is primarily due to the reduction of the social security cost accrual related to share-based payments. This accrual is dependent on the share price as Nykode is required to accrue for the social security cost for all warrants and options that are in-the-money at the balance sheet date. This relates to both the current and the non-current portion. As the share price decreased during the quarter the accrual is also reduced. The corresponding reduction is USD 4.8 million. The decrease is offset by the planned increase in headcount. Other operating expenses increased from USD 4.3 million in the first quarter of 2021 to USD 7.9 million in the first quarter of 2022, driven by increased operating activity.

Net financial income and expenses

Net financial income and expenses were USD 0.1 million in the first quarter of 2022 (Q1 2021: USD 0.8 million loss). Finance income and finance costs mainly relate to movements in foreign currency exchange rates and fair value adjustments of financial instruments.

Income tax expenses

The Group recognized tax income of USD 1.7 million in the first quarter of 2022 and USD 1.7 million in the first quarter of 2021. The income tax expense is primarily related to movement in deferred tax.

Statement of financial position

Cash

At March 31, 2022, Nykode had a cash position of USD 225.7 million compared to USD 216.2 million at December 31, 2021. The increase in cash is mainly a result from operating activities.

Equity

At March 31, 2022, total equity amounted to USD 188.6 million, compared to USD 194.1 million at December 31, 2021. The change mainly reflects the net loss of the period of USD 6.9 million, the exercise of warrants and options and recognition of share-based payments.

Trade receivables

At March 31, 2022, trade receivables amounted to USD 2.5 million, compared to USD 23.8 million at December 31, 2021. The decrease is mainly due to the receipt of the USD 20 million milestone payment from Genentech in the first quarter of 2022.

Trade and other payables

At March 31, 2022, trade and other payables amounted to USD 7.0 million, compared to USD 8.5 million at December 31, 2021.

Contract liability

At March 31, 2022, total contract liability amounted to USD 18.0 million, compared to a contract liability of USD 16.0 million at December 31, 2021. The contract liability is mainly due to timing of invoicing to Genentech as well as recognition of the service component under the Genentech agreement.

Other current financial assets

At March 31, 2022, total other current financial assets amounted to USD 12.2 million compared to USD 12.2 million at December 31, 2021.

Cash flow

Net change in cash and cash equivalents was positive USD 9.5 million in the first quarter of 2022 (Q1 2021: USD 4.1 million negative). Cash and cash equivalents increased to USD 225.7 million at the end of the period, compared to USD 179.7 million at the end of the same period in 2021.

Cash flow from operating activities

Net cash flow from operating activities was positive USD 10.9 million in the first quarter of 2022 (Q1 2021: USD 5.0 million negative). This was primarily driven by the decrease in trade receivables due to the receipt of the milestone payment from Genentech, offset by a negative profit before tax.

Cash flow from investing activities

Cash flow from investing activities was negative USD 1.6 million in the first quarter of 2022 (Q1 2021: USD 0.6 million positive). The amounts mainly relate to the purchase of property, plant and equipment.

Cash flow from financing activities

Cash flow from financing activities was positive USD 0.1 million in the first quarter of 2022 (Q1 2021: USD 0.3 million positive). The amounts primarily relate to the proceeds from equity issuance, offset by payment of lease liabilities.

Outlook

The first major clinical objective for 2022 has been reached, namely:

- VB C-02 clinical trial, positive interim efficacy and safety results have been reported

Expected outlook and news flow regarding Nykode's key priorities for the remainder of 2022 include:

Uplift from Euronext Growth to the main list of Oslo Stock Exchange
VB10.16 – Initiation of NYK003-C-03 Phase Ib trial in HNSCC
VB-D-01 trial – Phase I key results with Nykode's two COVID vaccine candidates measuring T cell and antibody responses
Update on manufacturing strategy

The Company has a strong cash position and no debt.

The Company is in continuous dialogue with academic and industrial entities and will announce new key collaborations and partnerships if or when they may occur.

The COVID-19 pandemic and the situation in Ukraine may impact timelines and operations.

Disclaimer

This announcement and any materials distributed in connection with this announcement may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the company's current expectations and assumptions as to future events and circumstances that may not prove accurate.

A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

About Nykode

Nykode Therapeutics is a clinical-stage biopharmaceutical company dedicated to the discovery and development of vaccines and novel immunotherapies for the treatment of cancer and infectious diseases. Nykode's modular vaccine technology specifically targets antigens to Antigen Presenting Cells, which are essential for inducing rapid, strong and long-lasting antigen specific immune responses and eliciting efficacious clinical responses.

Nykode's lead product candidates are VB10.16, a therapeutic vaccine for the treatment of human papilloma virus 16 induced malignancies which has reported positive interim efficacy and safety results from its Phase II trial for the treatment of cervical cancer; and VB10.NEO, a cancer neoantigen vaccine, which is exclusively out licensed to Genentech and is in Phase Ib for the treatment of locally advanced and metastatic tumors and Phase I/IIa for the treatment of melanoma, lung-, head and neck, renal-, and bladder cancer. Additionally, Nykode has initiated a Phase I/II trial in 2021 with its two next-generation COVID-19 vaccine candidates.

The Company's partnerships include Roche and Genentech within oncology, a multi-target collaboration with Regeneron within oncology and infectious diseases, and a collaboration with Adaptive Biotechnologies for COVID-19 T cell vaccine development.

Nykode Therapeutics' shares are traded on Euronext Growth (Oslo), a trading platform operated by Euronext, the leading Pan-European market infrastructure. The ticker code is NYKD. Further information about Nykode Therapeutics may be found at <http://www.nykode.com> or you may contact the Company at IR@nykode.com

Interim Financial Statements

Condensed consolidated interim statement of comprehensive income

Amounts in USD '000	Notes	Q1 2022	Q1 2021
Revenue from contracts with customers	4	715	446
Other income	5	309	334
Total revenue and other income		1,024	780
Employee benefit expenses	6.2	1,288	3,862
Other operating expenses	6.1	7,905	4,288
Depreciation		454	102
Operating profit (loss)		-8,623	-7,472
Finance income		663	215
Finance costs		597	969
Profit (loss) before tax		-8,557	-8,226
Income tax expense		-1,659	-1,719
Profit (loss) for the period		-6,898	-6,507
Other comprehensive income:			
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Foreign currency translation effects		-21	1
Total items that may be reclassified to profit or loss		-21	1
Total other comprehensive income for the period		-21	1
Total comprehensive income for the period		-6,919	-6,506
Earnings per share ("EPS"):			
Basic EPS – profit or loss attributable to equity holders		-0.02	-0.02
Diluted EPS – profit or loss attributable to equity holders		-0.02	-0.02

Condensed consolidated interim statement of financial position

Amounts in USD '000	Notes	31/03/2022	31/12/2021
ASSETS			
Non-current assets			
Property, plant and equipment		2,422	1,884
Right-of-use assets		7,031	7,281
Intangible assets		32	32
Other long-term receivables	4	512	501
Total non-current assets		9,997	9,698
Current assets			
Trade receivables		2,500	23,750
Other receivables		3,661	3,708
Other current financial assets	8	12,234	12,169
Cash and cash equivalents		225,681	216,231
Total current assets		244,076	255,858
TOTAL ASSETS		254,073	265,556
EQUITY AND LIABILITIES			
Equity			
Share capital	7	334	333
Share premium		82,006	81,526
Other capital reserves		8,887	7,863
Other components of equity		-3,143	-3,122
Retained earnings		100,557	107,455
Total equity		188,641	194,055
Non-current liabilities			
Non-current lease liabilities		5,639	5,820
Non-current provisions		923	4,915
Deferred tax liabilities		27,741	29,400
Total non-current liabilities		34,303	40,134
Current liabilities			
Government grants	5	13	219
Current lease liabilities		1,350	1,350
Trade and other payables		6,985	8,494
Current provisions		4,732	5,234
Contract liabilities	4	18,023	16,044
Income tax payable		26	26
Total current liabilities		31,129	31,367
Total liabilities		65,432	71,501
TOTAL EQUITY AND LIABILITIES		254,073	265,556

Oslo, 15 May 2022

Martin Nicklasson
Chair of the Board

Anders Tuv
Board Member

Bernd Robert Seizinger
Board Member

Jan Haudemann-Andersen
Board Member

Birgitte Volck
Board Member

Christian Åbyholm
Board Member

Elaine Sullivan
Board Member

Anne Whitaker
Board Member

Michael Thyrring Engsig
CEO

Condensed consolidated interim statement of cash flows

Amounts in USD '000	Notes	Q1 2022	Q1 2021
Cash flows from operating activities			
Profit (loss) before tax		-8,557	-8,226
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net financial items		-153	676
Depreciation of property, plant and equipment		93	12
Depreciation of Right-of-use assets		362	90
Share-based payment expense		1,024	832
<i>Working capital adjustments:</i>			
Changes in trade receivables and other receivables		21,395	-2,529
Changes in contract assets/liabilities and other long-term receivables		1,988	3,304
Changes in trade and other payables and other provisions and other liabilities		-1,236	607
Changes in non-current provisions		-3,992	265
Net cash flows from operating activities		10,923	-4,969
Cash flows from investing activities			
Purchase of property, plant and equipment		-1,597	-16
Proceeds from sale of market based financial instruments		-	592
Interest received		-	-
Net cash flows from investing activities		-1,597	576
Cash flows from financing activities			
Proceeds from issuance of equity		480	436
Payments of the principal portion of the lease liability		-292	-91
Payments of the interest portion of the lease liability		-60	-2
Interest paid		-5	-20
Net cash flows from financing activities		124	323
Net increase/(decrease) in cash and cash equivalents		9,450	-4,070
Cash and cash equivalents at beginning of the period		216,231	183,851
Net foreign exchange difference		1	-43
Cash and cash equivalents, end of period		225,681	179,738

Condensed consolidated interim statement of changes in equity

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at December 31, 2021	333	81,526	7,863	-3,122	107,455	194,055
Profit (loss) for the period	–	–	–	–	-6,898	-6,898
Other comprehensive income	–	–	–	-21	–	-21
Issue of share capital	1	480	–	–	–	481
Share based payments	–	–	1,024	–	–	1,024
Balance at March 31, 2022	334	82,006	8,887	-3,143	100,557	188,641

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at December 31, 2020	327	60,348	4,419	-3,113	116,869	178,850
Profit (loss) for the period	–	–	–	–	-6,507	-6,507
Other comprehensive income	–	–	–	1	–	1
Issue of share capital	1	435	–	–	–	436
Share based payments	–	–	832	–	–	832
Balance at March 31, 2021	328	60,783	5,251	-3,112	110,362	173,612

Notes to the interim financial statements

1 – General Information

The condensed consolidated interim financial statements of Nykode Therapeutics AS and its subsidiary ("Nykode" or "the Group") for the period ended March 31, 2022 were authorized by the Board of Directors on May 15, 2022. Nykode has shares traded on Euronext Growth, with the ticker symbol NYKD. Nykode Therapeutics AS is incorporated and domiciled in Norway, and the address of its registered office is Gaustadalléen 21, 0349 Oslo, Norway.

The Group consists of clinical-stage biopharmaceutical companies, dedicated to the discovery and development of vaccines and novel immunotherapies for the treatment of cancer and infectious diseases. Nykode's modular vaccine technology specifically targets antigens to Antigen Presenting Cells, which are essential for inducing rapid, strong and long-lasting antigen specific immune responses and eliciting efficacious clinical responses. Nykode's lead product candidates are VB10.16, a therapeutic vaccine for the treatment of human papilloma virus 16 induced malignancies which is in Phase II for the treatment of cervical cancer; and VB10.NEO, a cancer neoantigen vaccine, which is being studied in a Phase I/IIa trial for the treatment of melanoma, lung-, head and neck, renal-, and bladder cancer and is now exclusively out licensed to Genentech Inc. ("Genentech"), a member of the Roche Group, and in a Phase Ib trial in combination with atezolizumab for the treatment of locally advanced and metastatic tumors. Additionally, Nykode has initiated a Phase I/II trial in 2021 with its two universal, next-generation COVID-19 vaccine candidates. The Group has collaborations with Roche and Genentech within oncology, a multi-target collaboration with Regeneron Pharmaceuticals Inc. ("Regeneron") within oncology and infectious diseases and a collaboration with Adaptive Biotechnologies for COVID-19 T cell vaccine development.

2 – Basis of preparation and significant account policies

The condensed consolidated interim financial statements of the Group comprise statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and selected explanatory notes. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ("EU"). The condensed consolidated interim financial statements are unaudited.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Nykode's annual financial statements as at December 31, 2021. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of Nykode's annual financial statements for the year ended December 31, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. The interim financial statements are presented in United States dollar (USD) which is also the functional currency of the parent company. Amounts are reported in whole thousands (USD '000) except when otherwise stated. Further, the interim financial statements are prepared based on the going concern assumption.

3 – Significant accounting judgements, estimates and assumptions

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.

In preparing the condensed consolidated interim financial statements, the significant judgments, estimates and assumptions made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to Nykode's annual financial statements for the year ended December 31, 2021.

4 – Operating segment and Revenue from contracts with customers

The Group is organized as one operating segment.

In the table below non-current assets are broken down by geographical areas based on the location of the operations:

Non-current assets	31/03/2022	31/12/2021
Norway	9,897	9,585
Denmark	99	113
Total non-current assets	9,997	9,698

Revenue from conduction of R&D services

Revenue from conduction of R&D services relates to the Nykode's delivery of the R&D activities to Genentech and Regeneron under the respective agreements.

Revenue from contracts with customers	Q1 2022	Q1 2021
Major products and services		
R&D commitments	715	446
Total revenue	715	446

Geographical distribution	Q1 2022	Q1 2021
United States of America	715	446
Total revenue	715	446

The revenue information above is based on the location of the customers.

Timing of revenue recognition	Q1 2022	Q1 2021
Goods/services transferred at a point in time	193	–
Services transferred over time	522	446
Total revenue	715	446

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, are, as follows:

	2022	2021
Within one year	14,676	8,624
More than one year	10,847	20,930
Total	25,523	29,554

The remaining performance obligations expected to be recognized within one year and in more than one year relates to the R&D commitments under the agreement with Genentech.

	31/03/2022	31/12/2021
Contract cost assets		
At 1 January	478	551
Cost to obtain a contract recognized in the period	-	-
Amortization recognized in the period	10	73
Impairment losses recognized in the period	-	-
Total contract cost assets	468	478

Contract cost assets are presented as part of other long-term receivables in the balance sheet.

The Group's contract cost assets are related to sale commissions under the agreement with Genentech.

	31/03/2022	31/12/2021
Contract assets/liabilities (-)		
At 1 January	-16,044	15,000
Transferred to trade receivables	-2,500	-15,000
Milestone payment from customer	-	-20,000
Rendering of services in the period	521	3,956
Total contract assets/liabilities (-)	- 18,023	-16,044

The changes to contract assets/liabilities in the period are related to fulfilling the performance obligation related to the service component under the agreement with Genentech, less the amount transferred to trade receivables.

5 – Government grants

Grant from SkatteFUNN

The Group currently has two R&D projects approved by SkatteFUNN (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry). One project has been approved for the period from 2020 until the end of 2022. The other project has been approved for the period from 2020 until the end of 2023. Nykode has recognized USD 0.1 million in the first quarter of 2022 (Q1 2021; USD 0.3 million) classified as other income.

The Group had government grant receivables related to SkatteFUNN of USD 0.7 million as at March 31, 2022 and USD 0.5 million as at December 31, 2021.

Grant from the Research Council of Norway

The Group currently has one grant from the Research Council of Norway, programs for user-managed innovation area (BIA). The grant ("Development of a highly efficient and robust manufacturing process for personalized DNA vaccines") of USD 2.7 million covers the period from January 2020 to July 2022. The Group has recognized USD 0.2 million in the first quarter of 2022 (Q1 2021: USD 0.07 million) classified as other income.

The Group had unearned income related to grant from the Research Council of Norway of USD 0.2 million as at March 31, 2022 and USD 1.0 million as at December 31, 2021.

6.1 – Other operating expenses

Other operating expenses consisted mainly of research and development expenses, consulting fees and legal expenses in the first quarter of 2022 and the first quarter of 2021. Total research and development expenses were USD 7.1 million in the first quarter of 2022 (Q1 2021: USD 2.5 million), recognized as employee benefit expenses and other operating expenses in the statement of comprehensive income.

6.2 – Employee benefit expenses

Due to the decrease in the Nykode's share price in the first quarter of 2022, there is a corresponding decrease in the accrual for social security tax related to share-based payments. For the first quarter of 2022 this resulted in a decrease of employee benefit expenses of USD 4.8 million, compared to an increase of USD 1.8 million in the first quarter of 2021. This is the main reason for the decrease in employee benefit expense

7 – Equity and Shareholders

Issued capital and reserves:

Share capital in Nykode Therapeutics AS	Number of shares authorized and fully paid	Par value per share (NOK)	Share capital (USD '000)
At January 1, 2021	284,785,180	0,01	327
<i>Share capital increase</i>			
March 17, 2021	828,665	0,01	1
At March 31, 2021	285,613,845	0,01	328
<i>Share capital increase</i>			
May 10, 2021	530 000	0,01	1
June 29, 2021	400 000	0,01	-
September 7, 2021	467 864	0,01	1
October 28, 2021	170 001	0,01	0
November 1, 2021	66 000	0,01	0
December 7, 2021	2 255 034	0,01	2
December 10, 2021	116 665	0,01	0
At December 31, 2021	289,619,409	0,01	333
<i>Share capital increase</i>			
February 2, 2022	300,000	0,01	1
At March 31, 2022	289,919,409	0,01	334

The share capital increases in the periods are all related to the exercise of warrants and options.

All shares are ordinary and have the same voting rights and rights to dividends.

Nykode's shareholders:

Shareholders in Nykode Therapeutics AS at March 31, 2022	Total Shares	Ownership / Voting Rights
RASMUSSENGRUPPEN AS	28,180,750	9,72 %
Datum Opportunity AS	26,000,000	8,97 %
Radforsk Investeringsstiftelse	24,057,000	8,30 %
Victoria India Fund AS	17,255,175	5,95 %
Datum AS	12,060,250	4,16 %
Skøien AS	9,155,004	3,16 %
OM Holding AS	8,144,004	2,81 %
Norda ASA	7,996,755	2,76 %
Vatne Equity AS	7,712,500	2,66 %
DNB NOR Bank ASA	6,610,815	2,28 %
Joh Johannson Eiendom AS	5,417,641	1,87 %
Hortulan AS	4,721,529	1,63 %
Portia AS	4,500,000	1,55 %
Krag Invest AS	4,470,100	1,54 %
Alden AS	3,445,000	1,19 %
Skips AS Tudor	3,075,000	1,06 %
Borgano AS	3,000,000	1,03 %
DNB Markets Aksjehandel/-analyse	2,929,400	1,00 %
Lani Invest AS	2,684,558	0,93 %
Datum Finans AS	2,395,500	0,83 %
Other shareholders	106,108,428	36,60 %
Total	289,919,409	100,00 %

8 – Financial instruments

Set out below is an overview of financial assets and liabilities held by the Group as at March 31, 2022 and December 31, 2021:

	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
As at March 31, 2022			
Assets			
Other long-term receivables	512	–	512
Trade receivables	2,500	–	2,500
Other receivables	3,661	–	3,661
<i>Other current financial assets</i>			
Money market funds	–	12,234	12,234
Cash and cash equivalents	225,681	–	225,681
Total financial assets	232,355	12,234	244,589
Liabilities			
Trade and other payables	7,011	–	7,011
Non-current lease liabilities	5,639	–	5,639
Current lease liabilities	1,350	–	1,350
Total financial liabilities	14,000	–	14,000
As at December 31, 2021			
Assets			
Other long-term receivables	501	–	501
Trade receivables	23,750	–	23,750
Other receivables	3,708	–	3,708
<i>Other current financial assets</i>			
Money market funds	–	12,169	12,169
Cash and cash equivalents	216,231	–	216,231
Total financial assets	244,190	12,169	256,359
Liabilities			
Trade and other payables	8,520	–	8,520
Non-current lease liabilities	5,820	–	5,820
Current lease liabilities	1,350	–	1,350
Total financial liabilities	15,690	–	15,690

There are no changes in the classification and measurement of the Group's financial assets and liabilities.

9 – Fair value measurement

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Date	Carrying amount	Fair value	Level		
				1	2	3
Liabilities and assets disclosed at fair value						
Assets						
<i>Other current financial assets</i>						
Money market funds	31/03/2022	12,234	12,234	X		
Total other current financial assets	31/03/2022	12,234	12,234			
<i>Other current financial assets</i>						
Money market funds	31/12/2021	12,169	12,169	X		
Total other current financial assets	31/12/2021	12,169	12,169			

There were no transfers between the levels during the three months ended March 31, 2022. There were no changes in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurements during the period.

10 – Share based payments

The following tables illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the quarter.

	2022 WAEP (NOK)	2022 Number
Outstanding options at January 1	18,20	13,507,698
Options granted	68,39	70,000
Options forfeited	-	-
Options exercised	15,42	-450,000
Options expired	-	-
Outstanding options at March 31	18,57	13,127,698

	2021 WAEP (NOK)	2021 Number
Outstanding options at January 1	8,52	14,381,430
Options granted	79,68	1,705,463
Options forfeited	-	-
Options exercised	4,89	-2,579,195
Options expired	-	-
Outstanding options at December 31	18,20	13,507,698

11 – Events after the reporting date

At Nykode's AGM on May 12, 2022 it was resolved to convert the Company from a private limited liability company (AS) to a public limited liability company (ASA). Further, Elaine Sullivan and Anne Whitaker were elected to join the Board of Directors.

At Nykode's AGM on May 12, 2022 it was resolved to grant options to certain board members. The total number of options granted was 425,000.