



INTERIM REPORT

4TH QUARTER 2023



Oslo, Norway, February 28, 2024 – Nykode Therapeutics ASA (OSE: NYKD), a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel immunotherapies, today announced its unaudited financial results for the quarter ended December 31, 2023.

FINANCIAL RESULTS FOR Q4 2023

- Total revenue and other income of USD 2.3 million, compared to USD 3.3 million for the fourth quarter of 2022.
- Total operating expenses of USD 19.4 million, compared to USD 17.7 million for the fourth quarter of 2022.
- Net loss of USD 5.3 million, compared to a net loss of USD 12.2 million for the fourth quarter of 2022.
- Strong cash position of USD 162.6 million as of December 31, 2023.

HIGHLIGHTS FOR Q4 2023

Highlights for the fourth quarter 2023

- Expanded its pipeline with NYK011, a potential first-in-class oncology vaccine program aimed at preventing and treating colorectal cancer. NYK011 will incorporate Nykode's 4th module proprietary second-generation technology to further optimize immune responses. The program leverages Nykode's expertise in creating vaccines that induce broad and robust CD8 T cell responses, along with the ability of Nykode's vaccine platform to break tolerance against tumor-associated antigens.
- Successful private placement of USD 45 million in gross proceeds, aimed at broadening the existing shareholder base with international life science specialist investors and providing funding for expanding the VB10.16 clinical program into locally advanced cervical cancer. The private placement was oversubscribed multiple times and saw significant participation from international life science specialist investors.
- Presented data on mRNA delivery of Nykode's Antigen Presenting Cell (APC) targeted vaccine technology. The data demonstrated that Nykode's proprietary APC-targeted vaccine technology consistently result in faster, broader and stronger immune responses compared to non-targeted vaccines, whether delivered as DNA or mRNA.



Michael Engsig, Chief Executive Officer at Nykode, comments:

"As we transition from 2023 into 2024 Nykode is in a stronger position than ever before. During our capital

raise in October, we saw a significant broadening of the investor base, which included the participation of international life science specialist investors. In 2024, our focus will be on operational execution of our promising wholly owned and partnered programs. For our therapeutic vaccine against HPV+ induced malignancies, VB10.16, this includes advancing our first line head and neck cancer trial, VB-C-03, towards selecting the dose to be used in the next stage of development and ensuring that our potentially registrational trial, VB-C-04, in recurrent/metastatic cancer patients being refractory to a PD-L1 treatment, is fully operational. Additionally, we also look forward to providing further insights into our unique "inverse vaccine" technology for the treatment of autoimmune diseases."

KEY FINANCIAL FIGURES

Key financial figures

Amounts in USD '000	4th Quarter		Full Year	
	2023	2022	2023	2022
Total revenue and other income	2,280	3,300	13,323	9,029
Total operating expenses	19,430	17,683	71,405	62,185
Operating profit (loss)	(17,150)	(14,382)	(58,082)	(53,156)
Net profit (loss) for the period	(5,338)	(12,206)	(35,154)	(42,743)
Net cash flow	2,034	(6,637)	(44,995)	(9,285)
Cash and cash equivalents, end of period	162,602	206,386	162,602	206,386
Outstanding shares, end of period	326,546,444	294,694,309	326,546,444	294,694,309
Cash and cash equivalents/total assets	78%	93%	78%	93%
Equity ratio	82%	71%	82%	71%
Equity	171,259	157,018	171,259	157,018
Total assets	208,185	221,477	208,185	221,477
Employees, average	163	152	159	132
Employees, end of period	167	155	167	155



R&D UPDATE

Nykode's modular immunotherapy technology platform is versatile and may be adapted to generate immune therapies inducing the desired immune response profile. Hence, Nykode's platform may be applied across a broad range of oncology, infectious diseases, and autoimmune disorders.

Oncology

VB10.16

VB10.16 is a therapeutic vaccine directed against HPV16+ induced malignancies currently being investigated in cervical cancer and head and neck cancer, two cancer types with significant unmet medical need. The product candidate is wholly owned by Nykode.

- Clinical trial VB-C-02:
 - 3 mg dose, in combination with atezolizumab¹
 - Cancer indication: HPV16+ advanced or recurrent, non-resectable cervical cancer
 - Clinical stage: Phase 2
 - Fully enrolled and has reported final efficacy and safety results
 - ClinicalTrials.gov Identifier: NCT04405349
- Clinical trial VB-C-03:
 - Up to 9 mg dose, in combination with pembrolizumab²
 - Cancer indication: HPV16+ non-resectable, recurrent or metastatic squamous cell head and neck cancer
 - Clinical stage: Phase 1/2a
 - ClinicalTrials.gov Identifier: NCT06016920
- Clinical trial VB-C-04:
 - 9 mg dose, in combination with atezolizumab
 - Cancer indication: HPV16+ recurrent/metastatic cervical cancer and refractory to pembrolizumab with chemotherapy with or without bevacizumab
 - Clinical stage: Phase 2
 - ClinicalTrials.gov Identifier: NCT06099418
- Clinical trial VB-C-05:
 - Cancer indication: HPV16+ locally advanced cervical

cancer in combination with pembrolizumab and chemoradiation

- Clinical stage: Phase 2 – protocol in development
- ClinicalTrials.gov Identifier: N/A

Status and highlights

The VB-C-02 trial in cervical cancer patients reported positive final efficacy results and was also well tolerated. The results showed durable anti-tumor activity with an expected median overall survival of more than 25 months (median had not yet been reached at time of analysis) and a median progression free survival of 6.3 months in PD-L1+ patients with at least one prior Systemic Anti-Cancer Therapy. VB10.16, in combination with atezolizumab, was safe and well-tolerated. The data announced indicate enhanced clinical activity over checkpoint inhibitor monotherapy and existing standard of care. It supports the next steps for Nykode's potentially registrational VB-C-04 trial which will enroll PD-L1+ patients with one prior line of systemic therapy. Updated data from the follow-up period is expected in the first quarter of 2024.

The VB-C-03 trial will assess the safety and efficacy of VB10.16 in combination with pembrolizumab in first-line head and neck cancer patients. The trial is being conducted across eight countries in Europe. As of today, 11 clinical sites out of the expected 22 sites in total have been activated. The safety run-in phase for the lowest dose of 3 mg was successfully concluded and enrollment in the next dose level (6 mg) has been initiated.

The VB-C-04 trial will investigate VB10.16 in combination with atezolizumab in patients with HPV16+ recurrent/metastatic cervical cancer who are refractory to pembrolizumab with chemotherapy with or without bevacizumab. Initiation of the first clinical sites is expected in the first quarter of 2024, and enrollment of Part 1 is expected finalized by year-end 2024 as planned. In total 36 sites are currently selected to participate in the trial which is being conducted as a US-only trial. FDA IND approval has been obtained in 2023.

The protocol for the VB-C-05 trial in locally advanced cervical cancer in an adjuvant setting is currently being developed. It aims to incorporate VB10.16 into the existing treatment regimen of pembrolizumab with chemoradiation, which has recently gained approval for this specific cancer indication.

¹ Atezolizumab is supplied by Roche. Nykode retains all commercial rights to VB10.16 worldwide.

² Pembrolizumab is supplied by MSD. Nykode retains all commercial rights to VB10.16 worldwide.

VB10.NEO

VB10.NEO is an individualized neoantigen cancer vaccine targeting multiple cancer indications. VB10.NEO is exclusively licensed to Genentech, a member of the Roche group.

- Clinical trial VB-N-01:
 - VB10.NEO, 3 mg dose in combination with a checkpoint inhibitor
 - 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)
 - Clinical stage: Phase 1/2a
 - Finalized
 - ClinicalTrials.gov Identifier: NCT03548467
- Clinical trial VB-N-02:
 - VB10.NEO, 3-9 mg dose escalation, in combination with atezolizumab
 - Cancer indications: Locally advanced and metastatic tumors covering more than ten indications
 - Clinical stage: Phase 1b
 - ClinicalTrials.gov Identifier: NCT05018273

Status and highlights

As per protocol, a safety clearance of the 9 mg dose has been conducted in the VB-N-02 trial with VB10.NEO, with no safety concerns. In-depth analysis of data stemming from Nykode's fully personalized neoantigen trial, VB-N-01, was presented at the Capital Markets Day in September 2023. Multiple vaccinations were found to boost the breadth and magnitude of functional T cell responses in the majority of patients. In addition, 48% of treatment-induced de novo T cell responses were still functionally active 50 weeks after the last dose of VB10.NEO. This evidence reaffirms the ability to generate long-lasting T cell responses.

NYK011

In December, Nykode announced the expansion of its oncology pipeline with a preclinical program aimed at reducing the burden of colorectal cancer. NYK011 is a potential first-in-class preclinical oncology vaccine program to prevent and treat colorectal cancer, which typically develops from premalignant polyps in the colon or rectum. The program aims to identify and intervene early in high-risk patients and those with developed malignancies. Utilizing a selection of tumor-associated antigens linked to the progression from colonic polyps to cancer, the vaccine leverages Nykode's 4th module second-generation technology, enhancing immune responses across diverse patient groups. This approach capitalizes on Nykode's expertise in generating strong CD8 T cell responses against tumor-associated antigens.

Infectious Diseases

Nykode continues to explore the potential of the platform in infectious diseases in collaboration with our partners.

Autoimmune Disorders

Autoimmune disorders are caused by unwanted immunogenicity to self-antigens. Antigen-specific tolerization for treating autoimmune diseases, also known as inverse vaccination, can suppress autoimmunity without compromising normal immune function. This approach could also potentially treat allergies and organ transplant rejection.

Nykode's platform is uniquely positioned to induce antigen specific tolerogenic T cell responses through the specific targeting of tolerogenic dendritic cells.

At the Capital Markets Day in September 2023, Nykode presented results demonstrating how its modular Vaccibody technology prevents serious disease in a preclinical model of Multiple Sclerosis (MS). Disease prevention was demonstrated using diverse targeting units directed at different targets on tolerogenic dendritic cells. Inverse vaccination based on Nykode's unique technology platform similarly prevents diabetes in a spontaneous type 1 diabetes preclinical model. The addition of Nykode's proprietary 4th module technology further enhances therapeutic efficacy in the model.

At the annual J.P. Morgan Healthcare Conference in January, Nykode presented additional data on the inverse vaccine platform, demonstrating that it provides long-term protection against the development of diabetes in the T1D model following treatment withdrawal.

Other

At the mRNA Cancer Vaccines Summit in Boston in September 2023, Nykode presented data on delivery of APC-targeted neoepitope vaccines using mRNA-LNP. mRNA delivery of APC-targeted vaccines led to faster and broader T cell responses compared to standard mRNA vaccines with identical antigens in a head-to-head comparison. Almost a doubling of the number of immunogenic antigens was observed when targeting these to APCs compared to no targeting. The immune responses were primarily driven by CD8 T cells. Thus, whether delivered via DNA or mRNA, the APC-targeted approach is superior leading to stronger and broader T cell responses.

FINANCIAL REVIEW

(Numbers in brackets are for the corresponding period versus the previous year unless otherwise specified)

Income statement for the fourth quarter 2023

The fourth quarter of 2023 showed a net loss of USD 5.3 million compared to a net loss of USD 12.2 million for the same period in 2022.

Total revenue and other income amounted to USD 2.3 million, compared to USD 3.3 million for the same period in 2022. Revenue from contracts with customers was USD 2.2 million (USD 2.7 million), and relates to R&D services provided under the agreements with Genentech and Regeneron. Other income was USD 0.1 million (USD 0.6 million) and relates to government grants.

Total operating expenses amounted to USD 19.4 million, compared to USD 17.7 million for the same period in 2022. Employee benefit expenses were USD 8.9 million in the fourth quarter of 2023 (USD 7.4 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses increased from USD 9.8 million in the fourth quarter of 2022 to USD 10.0 million in the fourth quarter of 2023.

Net financial income and costs were positive USD 7.7 million in the fourth quarter of 2023 (USD 2.1 million positive). Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities. Interest income was USD 2.7 million in the fourth quarter of 2023 (USD 1.9 million), reflecting the increased interest rate levels.

The Group recognized tax income of USD 4.1 million in the fourth quarter of 2023 compared to a tax income of USD 0.1 million in the same period of 2022. The income tax expense is primarily related to movement in deferred tax.

Income statement for the year ended December 31, 2023

The net result for the year ended December 31, 2023 was a net loss of USD 35.2 million compared to a net loss of USD 42.7 million for the same period in 2022.

Total revenue and other income amounted to USD 13.3 million compared to USD 9.0 million for the same period in 2022. Revenue from contracts with customers was USD 12.9 million (USD 7.2 million), reflecting the

increased activities related to the R&D services provided over time under the agreement with Genentech. Other income was USD 0.4 million (USD 1.9 million), reflecting that the majority of government grants expired during 2023.

Total operating expenses amounted to USD 71.4 million compared to USD 62.2 million for the same period in 2022. Employee benefit expenses were USD 27.5 million (USD 18.0 million). The increase in employee benefit expenses is due to the increased number of employees and a smaller decrease in the social security cost accrual related to share-based payments in 2023. The reduction in the social security cost accrual related to share-based payments during the year ended December 31, 2023 was USD 0.8 million (USD 8.0 million decrease). Other operating expenses decreased from USD 42.3 million in the year ended December 31, 2022 to USD 41.8 million in the year ended December 31, 2023. Other operating expense for 2022 include a non-recurring cost of USD 6.3 million related to an onerous contract for R&D services.

Net financial income and costs were positive USD 14.0 million in the year ended December 31, 2023 (USD 2.2 million positive). Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities. Interest income was USD 8.9 million in 2023 (USD 3.7 million), reflecting the increased interest rate levels.

The Group recognized tax income of USD 8.9 million compared to USD 8.2 million in the same period of 2022. The income tax expense is primarily related to movement in deferred tax.

Statement of financial position

Cash and cash equivalents amounted to USD 162.6 million at December 31, 2023 compared to USD 206.4 million at December 31, 2022.

Total equity amounted to USD 171.3 million at December 31, 2023, compared to USD 157.0 million at December 31, 2022. The increase reflects the private placement in October 2023 raising gross proceeds of NOK 505.3 million (USD 45 million), the exercise of warrants and recognition of share-based payments, offset by the net loss for the period of USD 35.2 million.

Other non-current receivables were USD 31.9 million (USD 0.0 million). The increase mainly reflects the NOK 325 million (USD 29.0 million) payment to the Norwegian Tax Authorities in the fourth quarter of 2023 following their negative decision. Nykode has appealed the decision to the Norwegian Tax Administration (Norw: Skatteklagenemda).

Trade receivables amounted to USD 0.0 million at December 31, 2023, compared to USD 2.5 million at December 31, 2022.

Trade and other payables amounted to USD 7.1 million at December 31, 2023, compared to USD 10.2 million at December 31, 2022. The decrease is mainly due to a reduction in accounts payable at the end of 2023 compared to year-end 2022.

At December 31, 2023, total contract liability amounted to USD 8.2 million, compared to a contract liability of USD 19.7 million at December 31, 2022. The contract liability is mainly due to timing of invoicing to Genentech as well as recognition of the service component under the Genentech agreement.

Cash flow for the fourth quarter 2023

Net change in cash and cash equivalents was positive USD 2.0 million in the fourth quarter of 2023 compared to negative USD 6.6 million for the same period in 2022.

Net cash flow from operating activities was negative USD 47.0 million in the fourth quarter of 2023 (USD 11.1 million negative). The number for the fourth quarter includes the payment to the Norwegian Tax Authorities as described above.

Net Cash flow from investing activities was positive USD 4.4 million in the fourth quarter of 2023 (USD 2.7 million positive). The amounts mainly relate to interest received.

Net Cash flow from financing activities was positive USD 44.6 million in the fourth quarter of 2023 (USD 1.7 million positive), reflecting the private placement in October 2023.

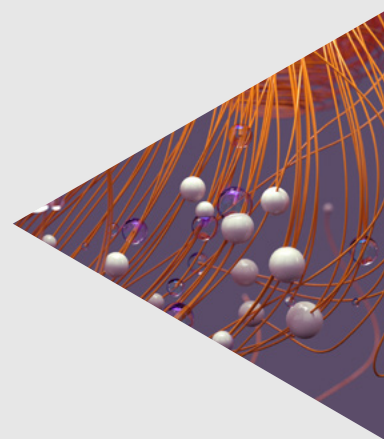
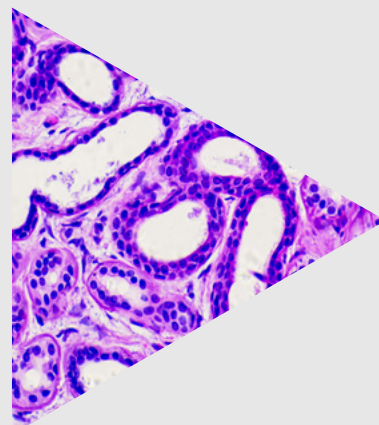
Cash flow for the year ended December 31, 2023

Net change in cash and cash equivalents was negative USD 45.0 million in the year ended December 31, 2023, compared to USD 9.3 million negative for the same period in 2022.

Net cash flow from operating activities was negative USD 96.6 million in the year ended December 31, 2023, compared to USD 20.7 million negative for the same period in 2022. The change was primarily driven by the decrease in trade receivables due to the receipt of a milestone payment from Genentech in the first quarter of 2022 and the payment to the Norwegian Tax Authorities in the fourth quarter of 2023.

Cash flow from investing activities was positive USD 7.0 million in the year ended December 31, 2023 (USD 11.1 million positive). The amounts mainly relate to interest received in 2022 and 2023 and the sale of money market funds in 2022, offset by the purchase of property, plant and equipment.

Cash flow from financing activities was positive USD 44.6 million in the year ended December 31, 2023 (USD 0.4 million positive), reflecting the private placement in October 2023.



OUTLOOK

Expected outlook and upcoming milestones for Nykode's wholly owned programs include:

Initiation of the VB-C-04 trial (VB10.16), a U.S. focused potentially registrational trial in PD-L1+ patients with recurrent/metastatic advanced cervical cancer in Q1 2024.

Updated survival data from the VB-C-02 (VB10.16) Phase 2 trial in patients with advanced cervical cancer planned for Q1 2024.

Dose level recommendation for the VB-C-03 trial determining the biological optimal dose of VB10.16 in combination with a fixed dose of pembrolizumab in H2 2024.

Finalization of enrolment for Part 1 of the VB-C-04 trial (VB10.16) in Q4 2024.

Update on Nykode's APC targeted vaccine technology delivered by mRNA in H1 2024.

Update on Nykode's autoimmune disease program in H1 2024.

Update on preclinical oncology vaccine program aimed at preventing and treating colorectal cancer (NYK011) in H2 2024.

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. News flow from the programs under the Genentech and Regeneron agreements is subject to approval by the respective partners.

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 novel immunotherapies with a focus on the treatment of cancer and autoimmune diseases. Nykode's modular vaccine technology specifically targets antigens to Antigen Presenting Cells, which have been shown to induce broad, strong, and long-lasting antigen specific immune response in cancer, which correlates with clinical responses.

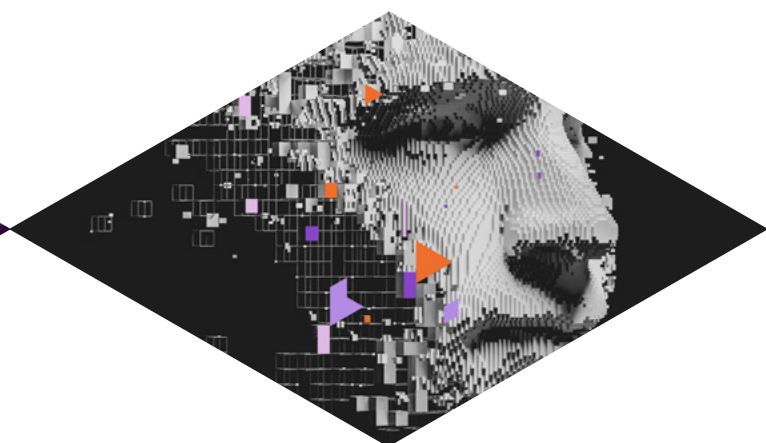
Nykode's lead product candidates are VB10.16, a therapeutic vaccine for the treatment of human papilloma virus (HPV)-16 induced malignancies which demonstrated favorable safety and efficacy results from its Phase 2 trial for the treatment of cervical cancer. VB10.16 is being expanded into multiple trials for treatment of head and neck cancer and cervical cancer. VB10.NEO, an individualized cancer neoantigen vaccine, is exclusively out licensed to Genentech, a member of the Roche Group.

The company's partnerships include Genentech within oncology and a multi-target collaboration with Regeneron within oncology and infectious diseases.

Nykode Therapeutics' shares are traded on Oslo Stock Exchange (OSE: NYKD). Further information about Nykode Therapeutics may be found at <http://www.nykode.com> or you may contact the company at IR@nykode.com

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD '000	Notes	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Revenue from contracts with customers	4	2,191	2,690	12,902	7,168
Other income	5	89	610	421	1,861
Total revenue and other income		2,280	3,300	13,323	9,029
Employee benefit expenses	6.1	8,892	7,427	27,482	18,047
Other operating expenses	6.2	9,970	9,815	41,801	42,325
Depreciation		568	441	2,122	1,813
Operating profit (loss)		(17,150)	(14,382)	(58,082)	(53,156)
Finance income		9,272	3,146	18,674	8,637
Finance costs		1,580	1,070	4,678	6,464
Profit (loss) before tax		(9,458)	(12,307)	(44,086)	(50,983)
Income tax expense (income)		(4,120)	(101)	(8,932)	(8,240)
Profit (loss) for the period		(5,338)	(12,206)	(35,154)	(42,743)
Other comprehensive income:					
<i>Items that subsequently may be reclassified to profit or loss:</i>					
Foreign currency translation effects		(41)	97	(4)	78
Total items that may be reclassified to profit or loss		(41)	97	(4)	78
Total other comprehensive income for the period		(41)	97	(4)	78
Total comprehensive income for the period		(5,379)	(12,110)	(35,158)	(42,665)
Earnings per share ("EPS"):					
Basic EPS - profit or loss attributable to equity holders		(0.02)	(0.04)	(0.12)	(0.15)
Diluted EPS - profit or loss attributable to equity holders		(0.02)	(0.04)	(0.12)	(0.15)



CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Amounts in USD '000	Notes	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Property, plant and equipment		4,413	3,517
Right-of-use assets		6,104	6,009
Intangible assets		70	32
Other non-current receivables	4	31,923	46
Total non-current assets		42,510	9,604
Current assets			
Trade receivables		—	2,544
Other receivables		3,073	2,943
Cash and cash equivalents		162,602	206,386
Total current assets		165,675	211,873
TOTAL ASSETS		208,185	221,477
EQUITY AND LIABILITIES			
Equity			
Share capital	7	367	338
Share premium		128,986	83,318
Other capital reserves		15,395	11,694
Other components of equity		(3,048)	(3,044)
Retained earnings		29,559	64,713
Total equity		171,259	157,018
Non-current liabilities			
Non-current lease liabilities		4,269	4,365
Non-current provisions		2	30
Deferred tax liabilities		12,047	21,079
Total non-current liabilities		16,318	25,474
Current liabilities			
Government grants	5	104	133
Current lease liabilities		1,457	1,147
Trade and other payables		7,064	10,175
Current provisions		3,750	7,714
Current contract liabilities	4	8,233	19,736
Income tax payable		—	80
Total current liabilities		20,608	38,985
Total liabilities		36,926	64,459
TOTAL EQUITY AND LIABILITIES		208,185	221,477

Oslo, February 27, 2024

Martin Nicklasson
Chair of the Board

Anders Tuv
Board Member

Bernd Robert Seizinger
Board Member

Harald Arnet
Board Member

Birgitte Volck
Board Member

Christian Åbyholm
Board Member

Anne Whitaker
Board Member

Elaine Sullivan
Board Member

Michael Thyrring Engsig
CEO



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Amounts in USD '000	Notes	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Cash flows from operating activities					
Profit (loss) before tax		(9,457)	(12,307)	(44,086)	(50,983)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>					
Income tax expense		(180)	—	(180)	—
Net financial items		(8,696)	(4,475)	(13,299)	(1,264)
Depreciation of property, plant and equipment		180	109	629	415
Depreciation of Right-of-use assets		389	333	1,493	1,399
Share-based payment expense		1,471	1,076	3,701	3,832
<i>Working capital adjustments:</i>					
Changes in trade receivables and other receivables		1,157	1,112	2,414	21,972
Changes in contract assets and other long-term receivables	4	(29,041)	(3,292)	(29,000)	455
Changes in trade and other payables and other liabilities		168	507	(2,772)	2,281
Changes in contract liabilities, current provisions and government grants		(2,941)	6,085	(15,496)	6,085
Changes in non-current provisions		—	(222)	(28)	(4,885)
Net cash flows from operating activities		(46,950)	(11,075)	(96,624)	(20,693)
Cash flows from investing activities					
Purchase of property, plant and equipment		(166)	(413)	(1,902)	(2,675)
Proceeds from sale of market based financial instruments		—	(8)	—	10,042
Interest received		4,555	3,134	8,942	3,683
Net cash flows from investing activities		4,389	2,713	7,040	11,050
Cash flow from financing activities					
Proceeds from issuance of equity		44,869	1,008	45,697	1,797
Payments of the principal portion of the lease liability		(221)	765	(893)	(1,197)
Payments of the interest portion of the lease liability		(53)	(47)	(215)	(207)
Interest paid		—	(1)	—	(33)
Net cash flows from financing activities		44,595	1,725	44,589	360
Net increase/(decrease) in cash and cash equivalents		2,034	(6,637)	(44,995)	(9,285)
Cash and cash equivalents at beginning of the year/ period		159,132	212,021	206,386	216,231
Net foreign exchange difference		1,436	1,002	1,211	(560)
Cash and cash equivalents, end of period		162,602	206,386	162,602	206,386

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, 2022	338	83,318	11,694	(3,044)	64,713	157,018
Profit (loss) for the period	—	—	—	—	(35,154)	(35,154)
Other comprehensive income	—	—	—	(4)	—	(4)
Issue of share capital	29	45,668	—	—	—	45,697
Share based payments (Note 10)	—	—	3,701	—	—	3,701
Balance at December 31, 2023	367	128,986	15,395	(3,048)	29,559	171,259

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	—	—	—	—	(42,743)	(42,743)
Other comprehensive income	—	—	—	78	—	78
Issue of share capital	5	1,792	—	—	—	1,797
Share based payments (Note 10)	—	—	3,831	—	—	3,831
Balance at December 31, 2022	338	83,318	11,694	(3,044)	64,713	157,018

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 General Information

The condensed consolidated interim financial statements of Nykode Therapeutics ASA and its subsidiary ("Nykode" or "the Group") for the period ended December 31, 2023 were authorized by the Board of Directors on February 27, 2024. Nykode's shares are traded on the Oslo Stock Exchange, with the ticker symbol NYKD. Nykode Therapeutics ASA 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 novel immunotherapies for the treatment of cancer and autoimmune diseases. Nykode's modular vaccine technology specifically targets antigens to Antigen Presenting Cells, which have been shown to induce broad, strong and long-lasting antigen specific immune response in cancer, which correlates with clinical responses. Nykode's lead product candidates are VB10.16, a therapeutic vaccine for the treatment of human papilloma virus 16 induced malignancies which demonstrated positive efficacy and safety results from its Phase 2 trial for the treatment of cervical cancer. VB10.16 is being expanded into multiple trials for treatment of head and neck cancer and cervical cancer. VB10.NEO, an individualized cancer neoantigen vaccine, is exclusively out licensed to Genentech Inc. ("Genentech"), a member of the Roche Group. The Group has collaborations with Genentech within oncology and a multi-target collaboration with Regeneron Pharmaceuticals Inc. ("Regeneron") within oncology and infectious diseases.

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, 2022. 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, 2022. 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, 2022.

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	31/12/2023	31/12/2022
Norway	41,593	9,553
Denmark	917	51
Total non-current assets	42,510	9,604

Revenue from contracts with customers

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

Revenue from contracts with customers	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Major products and services				
R&D services	2,191	2,690	12,902	7,168
Total revenue	2,191	2,690	12,902	7,168

Geographical distribution	Q4 2023	Q4 2022	YTD 2023	YTD 2022
United States of America	2,191	2,690	12,902	7,168
Total revenue	2,191	2,690	12,902	7,168

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

Timing of revenue recognition	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Goods/services transferred at a point in time	201	187	857	860
Services transferred over time	1,990	2,504	12,045	6,308
Total revenue	2,191	2,690	12,902	7,168

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

	2023	2022
Within one year	5,904	15,486
More than one year	2,556	6,019
Total	8,460	21,505

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

Contract assets/liabilities (-)	31/12/2023	31/12/2022
At 1 January	(19,736)	(16,044)
Transferred to trade receivables	(542)	(10,000)
Rendering of services in the period	12,045	6,308
Total contract assets/liabilities (-)	(8,233)	(19,736)

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 no longer has any active R&D projects approved by SkatteFUNN (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry) following expiry of the final project in June 2023. The Group has recognized USD 0.0 million in the fourth quarter of 2023 (Q4 2022: USD 0.2 million) and USD 0.1 million for the year ended December 31, 2023 (YTD 2022: USD 0.5 million) classified as other income.

The Group had government grant receivables related to SkatteFUNN of USD 0.1 million at December 31, 2023 and USD 0.5 million as at December 31, 2022.

Grants 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") amounts to a total of USD 2.7 million and covers the period from January 2020 to March 2024. A second grant ("Second generation COVID-19 vaccine on the Vaccibody platform") amounted to a total of USD 1.7 million and expired in November 2023.

The Group has recognized USD 0.1 million in the fourth quarter of 2023 (Q4 2022: USD 0.4 million) and USD 0.3 million for the year ended December 31, 2023 (YTD 2022: USD 1.4 million) classified as other income.

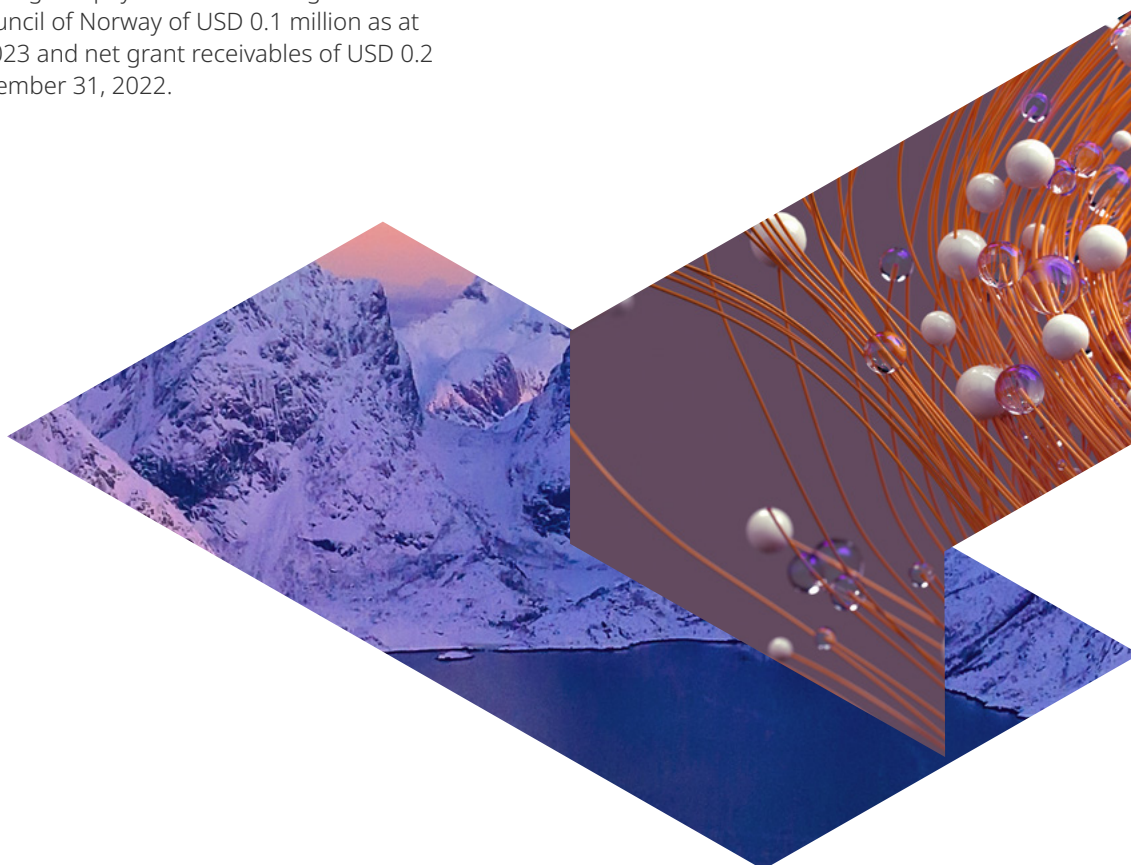
The Group had net grant payables related to grants from the Research Council of Norway of USD 0.1 million as at December 31, 2023 and net grant receivables of USD 0.2 million as at December 31, 2022.

6.1 Employee benefit expenses

Due to the decrease in Nykode's share price and the exercise of warrants during the year ended 2023 and 2022, there is a corresponding decrease in the accrual for social security tax related to share-based payments. For the year ended December 31, 2023 this resulted in a decrease of employee benefit expenses of USD 0.8 million, compared to a decrease of USD 8.0 million for the year ended December 31, 2022. The decrease for the fourth quarter of 2023 was USD 0.4 million, compared to a decrease of USD 1.0 million in the fourth quarter of 2022.

6.2 Other operating expenses

Other operating expenses consisted mainly of research and development expenses, consulting fees and legal expenses in the year ended December 31, 2023 and 2022. Total research and development expenses were USD 11.8 million in the fourth quarter of 2023 (Q4 2022: USD 12.2 million), and USD 51.2 million in the year ended December 31, 2023 (YTD 2022: USD 47.9 million), recognized as employee benefit expenses, other operating expenses and depreciation in the statement of comprehensive income.



7 Financial income and costs

Finance income	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Gain on foreign exchange	6,565	1,255	9,728	4,808
Interest income	2,707	1,866	8,946	3,687
Fair value gain on other current financial assets	—	25	—	142
Other finance income	—	—	—	—
Total finance income	9,272	3,146	18,674	8,637

Finance costs	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Loss on foreign exchange	1,524	1,022	4,454	6,046
Interest expenses	2	1	8	34
Interest expense on lease liabilities	54	47	216	207
Realized loss on sales of money market fund	—	—	—	40
Other finance costs	—	—	—	137
Total finance costs	1,580	1,070	4,678	6,464



8 Equity and Shareholders

Issued capital and reserves:

	Number of shares authorized and fully paid	Par value per share (NOK)	Share capital (USD '000)
Share capital in Nykode Therapeutics ASA			
At January 1, 2022	289,619,409	0.01	333
Share capital increase			
February 2, 2022	300,000	0.01	—
April 8, 2022	150,000	0.01	—
December 20, 2022	3,834,900	0.01	4
December 22, 2022	790,000	0.01	1
At December 31, 2022	294,694,309	0.01	338
Share capital increase			
February 1, 2023	800,000	0.01	1
October 31, 2023	29,549,400	0.01	27
November 10, 2023	531,802	0.01	—
November 28, 2023	796,933	0.01	1
December 7, 2023	174,000	0.01	—
At December 31, 2023	326,546,444	0.01	367

The share capital increase at October 31, 2023 relates to a private placement. All other share capital increases in the periods are related the exercise of warrants.

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

Nykode's shareholders:

Shareholders in Nykode Therapeutics ASA at December 31, 2023	Total shares	Ownership/ Voting rights
RASMUSSENGRUPPEN AS	30,180,750	9.24%
Datum Opportunity As	26,000,000	7.96%
Radforsk Investeringsstiftelse	24,057,000	7.37%
Victoria India Fund As	17,705,175	5.42%
State Street Bank And Trust Comp	12,735,824	3.90%
Datum As	12,560,250	3.85%
Joh Johansson Eiendom As	10,561,631	3.23%
Norda Asa	7,996,755	2.45%
Vatne Equity As	7,485,857	2.29%
Om Holding As	6,519,525	2.00%
Hortulan As	5,184,808	1.59%
Portia As	4,500,000	1.38%
Krag Invest As	4,470,100	1.37%
Alden As	4,202,500	1.29%
J.P. Morgan Se	3,471,645	1.06%
Skips As Tudor	3,365,000	1.03%
Danske Invest Norge Vekst	3,137,203	0.96%
Borgano As	3,000,000	0.92%
Skøien As	2,850,000	0.87%
Danske Invest Norske Instit. Ii.	2,713,200	0.83%
Other Shareholders	133,849,221	40.99%
Total	326,546,444	100.00%

9 Financial instruments

Set out below is an overview of financial assets and liabilities held by the Group as at December 31, 2023 and December 31, 2022:

	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
As at December 31, 2023			
Assets			
Other non-current receivables	31,923	—	31,923
Trade receivables	—	—	—
Other receivables	3,073	—	3,073
<i>Other current financial assets</i>			
Cash and cash equivalents	162,602	—	162,602
Total financial assets	197,598	—	197,598
Liabilities			
Trade and other payables	7,064	—	7,064
Non-current lease liabilities	4,269	—	4,269
Current lease liabilities	1,457	—	1,457
Total financial liabilities	12,790	—	12,790
As at December 31, 2022			
Assets			
Other long-term receivables	46	—	46
Trade receivables	2,544	—	2,544
Other receivables	2,943	—	2,943
<i>Other current financial assets</i>			
Cash and cash equivalents	206,386	—	206,386
Total financial assets	211,919	—	211,919
Liabilities			
Trade and other payables	10,175	—	10,175
Non-current lease liabilities	4,365	—	4,365
Current lease liabilities	1,147	—	1,147
Total financial liabilities	15,688	—	15,688

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

10 Share based payments

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

	2023 WAEP (NOK)	2023 Number
Outstanding options at January 1	28.52	10,511,058
Options granted*	28.19	3,060,287
Options forfeited	30.26	(316,859)
Options exercised	9.77	(2,302,735)
Options expired	—	—
Outstanding options at December 31	32.13	10,951,751

	2022 WAEP (NOK)	2022 Number
Outstanding options at January 1	18.20	13,507,698
Options granted	34.39	2,639,383
Options forfeited	39.38	(561,123)
Options exercised	3.33	(5,074,900)
Options expired	—	—
Outstanding options at December 31	28.52	10,511,058

* Options granted during 2023 exclude the 2.91 million options granted to the CEO in November 2023 as these are conditional upon the 2.91 million warrants held by the CEO with the same strike price and with expiry date December 31, 2023 held by the CEO not being exercised.

11 Events after the reporting date

There are no significant events after the reporting date.





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