nykode

INTERIM REPORT

2ND QUARTER 2024

Oslo, Norway, August 21, 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 June 30, 2024.

FINANCIAL RESULTS FOR Q2 2024

- Total revenue and other income of USD 0.6 million, compared to USD 5.1 million for the second quarter of 2023.
- Total operating expenses of USD 12.4 million, compared to USD 17.0 million for the second quarter of 2023.
- Net loss of USD 7.4 million, compared to a net loss of USD 9.2 million for the second quarter of 2023.
- Strong cash position of USD 136.5 million as of June 30, 2024.

HIGHLIGHTS FOR Q2 2024

Highlights for the second quarter 2024

- Presented new preclinical data from our collaboration with Genentech, focusing on the differentiation of our proprietary vaccine technology.
- Expanded collaboration with MSD (Merck & Co., Inc., Rahway, NJ, USA) to include a phase 2 trial evaluating VB10.16 with KEYTRUDA® (pembrolizumab) for HPV16-positive high-risk cervical cancer patients undergoing chemoradiotherapy. VB10.16 has shown promising phase 2 results in cervical cancer, and its development is expanding into new indications, including head and neck cancer.
- Presented data demonstrating that Nykode's innovative APC-targeted neoantigen vaccine, delivered in a mRNA-lipid nanoparticle (LNP) format, consistently achieved a broader and more robust immune response across doses compared to an non-targeted neoantigen vaccine. The study also showed superior tumor control and improved survival rates in a mouse model of colorectal cancer, underscoring the platform's potential to significantly improve vaccines and advance the treatment landscape for cancer.
- Announced advancements in the inverse vaccine platform, highlighting disease-modifying effects in Multiple Sclerosis (MS) using two distinct targeting units within the platform in animal model systems. The updates demonstrated a dose-dependent, disease-modifying effect of the antigen-specific APC-targeting vaccine compared to antigen delivery alone, underscoring the platform's potential for effective antigen-specific treatments for autoimmune disorders.
- Revealed plans to form a new subsidiary focused on advancing the immune tolerance platform, aimed at advancing treatments for patients, fostering new partnerships and enhancing shareholder value.

Highlights after June 30, 2024

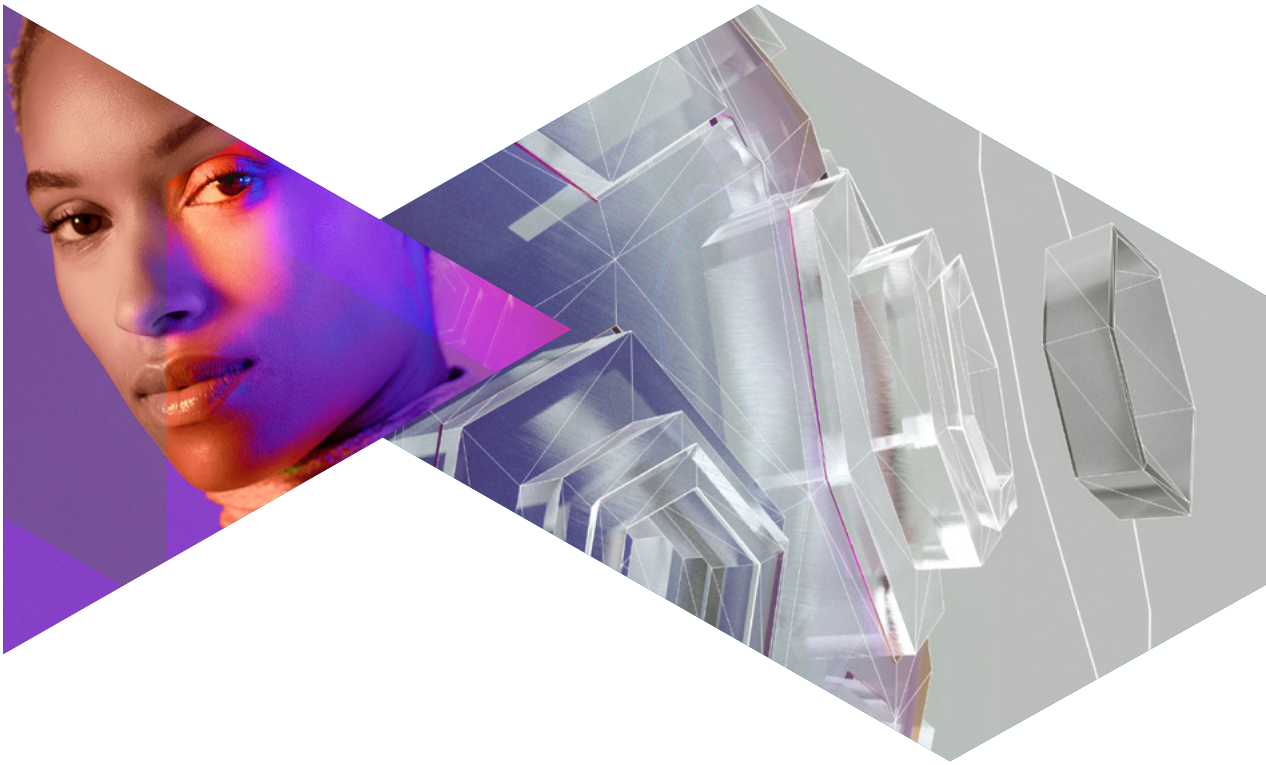
- Announced discontinuation of the VB-C-04 trial following strategic repositioning of VB10.16 to focus the development on locally advanced cervical cancer and recurrent metastatic head and neck cancer. Building on positive feedback from key opinion leaders and potential future partners, prioritization of these indications is driven by their significant unmet medical needs, clear regulatory paths to approval and high commercial potential. Furthermore, it ensures that financial and human resources are concentrated on these promising indications. The decision is expected to reduce the VB10.16 development costs by over USD 25 million, which combined with our planned partnering strategy, will substantially extend the company's cash runway.
- Announced that the United States Patent and Trademark Office has issued a U.S. patent for our fully individualized neoantigen based vaccine.

Michael Engsig, Chief Executive Officer at Nykode, comments:

”We are encouraged by the positive feedback from key opinion leaders and potential future partners regarding the promise of VB10.16 in locally advanced cervical cancer, further substantiated by our expanded collaboration with MSD, which now includes a Phase 2 trial evaluating VB10.16 with pembrolizumab in locally advanced cervical cancer. This is guiding our strategic refocus to locally advanced cervical cancer and head and neck cancer. In order to ensure strengthened focus on our most important assets, we have also decided to no longer pursue the NYK011 preclinical program. Additionally, advancements in our inverse vaccine platform and our plans to establish a subsidiary focused on immune tolerance further reflect our commitment to utilizing our proprietary technologies in an expanding range of therapeutic areas.”

KEY FINANCIAL FIGURES

	2nd Quarter		Six months ended		Full year
Amounts in USD '000	**2024**	2023	**2024**	2023	2023
Total revenue and other income	584	5,100	1,600	8,406	13,323
Total operating expenses	12,371	17,039	28,992	35,028	71,405
Operating profit (loss)	**(11,787)**	**(11,939)**	**(27,392)**	**(26,622)**	**(58,082)**
Net profit (loss) for the period	**(7,388)**	**(9,211)**	**(22,333)**	**(19,572)**	**(35,154)**
Net cash flow	(10,899)	(12,331)	(25,078)	(32,482)	(44,995)
Cash and cash equivalents, end of period	136,534	173,583	136,534	173,583	162,602
Outstanding shares, end of period	326,546,444	295,494,309	326,546,444	295,494,309	326,546,444
Cash and cash equivalents/total assets	76%	92%	76%	92%	78%
Equity ratio	85%	74%	85%	74%	82%
Equity	152,078	139,703	152,078	139,703	171,259
Total assets	179,877	188,839	179,877	188,839	208,185
Employees, average	178	158	177	159	159
Employees, end of period	179	165	179	165	173



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 and is 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 atezolizumab[1]
  - 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 pembrolizumab[2]
  - Cancer indication: HPV16+ non-resectable, recurrent or metastatic squamous cell head and neck cancer
  - Clinical stage: Phase 1/2a
  - Clinical trial currently enrolling
  - 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
  - Clinical trial discontinued as of August 2024
  - 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
  - Clinical trial in preparation phases
  - 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 updated results, which closely mirror the previously reported positive C-02 outcomes, affirm prolonged benefits and indicate a synergistic treatment effect of VB10.16 plus atezolizumab compared to the historical controls of monotherapy with checkpoint inhibitors. The updated analysis' observation time for the remaining patients was at least 24 months, compared to at least 12 months at the previously reported outcome. The data announced indicate enhanced clinical activity over checkpoint inhibitor monotherapy and existing standard of care.

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.

The VB-C-04 trial was designed and initiated to 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. As part of a strategic repositioning in August 2024, it was decided to discontinue the VB-C-04 trial to focus the development on locally advanced cervical cancer and recurring metastatic head and neck cancer.

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 pDNA is exclusively licensed to Genentech, a member of the Roche group.

- 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
  - Clinical trial is active, not recruiting
  - 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 no safety concerns. Trial is ongoing, but enrollment has been concluded.

Pre-clinical data generated in collaboration with Genentech was presented at the 7th International Neoantigen Summit in Amsterdam in May 2024.

In August 2024, the U.S. Patent and Trademark Office issued patent no. 12,059,459, entitled "Therapeutic Anticancer Neoepitope Vaccine". The newly issued patent describes VB10.NEO and has an expiration date in January 2037.

NYK011

In December 2023, Nykode announced the expansion of its oncology pipeline with a preclinical program aimed at reducing the burden of colorectal cancer. As part of a strategic review, Nykode will focus its oncology pipeline on partnered programs and clinical assets and has decided to no longer pursue the NYK011 preclinical program.

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. The addition of Nykode's proprietary 4th module technology can further impact the immune response by encoding additional immunomodulatory proteins and further enhance the therapeutic efficacy .

Nykode has demonstrated how its modular technology prevent and treat serious disease in preclinical models for autoimmune diseases.

At the annual FOCIS meeting in San Francisco in June, Nykode announced advancements in its inverse vaccine platform. Building on findings from the Antigen-Specific Immune Tolerance Summit, Nykode presented extended data from the experimental autoimmune encephalomyelitis (EAE) model of Multiple Sclerosis (MS). The update showcased the disease-modifying effects of two distinct targeting units within the platform in a therapeutic regimen, demonstrating a dose-dependent, disease-modifying effect of its antigen-specific APC-targeting vaccine compared to antigen delivery alone. This highlights the platform's potential for effective antigen-specific treatments for autoimmune disorders.

Other

At the Cancer Immunotherapy meeting in Boston, Nykode presented data demonstrating that their innovative APC-targeted neoantigen vaccine, delivered in an mRNA-lipid nanoparticle (LNP) format, consistently achieved a broader and more robust immune response across doses compared to an non-targeted neoantigen vaccine. The study also showed superior tumor control and improved survival rates in a mouse model of colorectal cancer, underscoring the platform's potential to significantly improve vaccines and advance the treatment landscape for cancer.

FINANCIAL REVIEW

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

Income statement for the second quarter 2024

The second quarter of 2024 showed a net loss of USD 7.4 million compared to a net loss of USD 9.2 million for the same period in 2023.

Total revenue and other income amounted to USD 0.6 million, compared to USD 5.1 million for the same period in 2023. Revenue from contracts with customers was USD 0.5 million (USD 5.0 million), and relates to R&D services provided under the agreements with Genentech and Regeneron. The decrease mainly reflects the decreased activities related to the R&D services provided under the agreement with Genentech following the conclusion of enrollment under the VB-N-02 trial. Other income was USD 0.04 million (USD 0.1 million) and relates to government grants.

Total operating expenses amounted to USD 12.4 million, compared to USD 17.0 million for the same period in 2023. Employee benefit expenses were USD 5.8 million in the second quarter of 2024 (USD 5.1 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses decreased from USD 11.4 million in the second quarter of 2023 to USD 6.0 million in the second quarter of 2024. The decrease mainly reflects the decrease in R&D services provided under the agreement with Genentech.

Net financial income and costs were positive USD 2.3 million in the second quarter of 2024 (USD 1.7 million positive). Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities. The increase is mainly due to fluctuations in USD/NOK exchange rate.

The Group recognized tax income of USD 2.1 million in the second quarter of 2024 compared to a tax income of USD 1.0 million in the same period of 2023. The income tax expense is primarily related to movement in deferred tax.

Income statement for the six months ended June 30, 2024

The net result for the six months ended June 30, 2024 was a net loss of USD 22.3 million compared to a net loss of USD 19.6 million for the same period in 2023.

Total revenue and other income amounted to USD 1.6 million compared to USD 8.4 million for the same period in 2023. Revenue from contracts with customers was USD 1.4 million (USD 8.1 million), reflecting the decreased activities related to the R&D services provided under the agreement with Genentech following conclusion of enrollment under the VB-N-02 trial. Other income was USD 0.2 million (USD 0.3 million), reflecting that the majority of government grants expired during 2023.

Total operating expenses amounted to USD 29.0 million compared to USD 35.0 million for the same period in 2023. Employee benefit expenses were USD 14.6 million (USD 11.8 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses decreased from USD 22.2 million in the six months ended June 30, 2023 to USD 13.3 million in the six months ended June 30, 2024. The decrease reflects the decrease in R&D services provided under the agreement with Genentech.

Net financial income and costs were positive USD 1.5 million in the six months ended June 30, 2024 (USD 4.4 million positive). Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities. The decrease is mainly related to unrealized foreign currency loss.

The Group recognized tax income of USD 3.6 million compared to USD 2.6 million in the same period of 2023. The income tax expense is primarily related to movement in deferred tax.

Statement of financial position

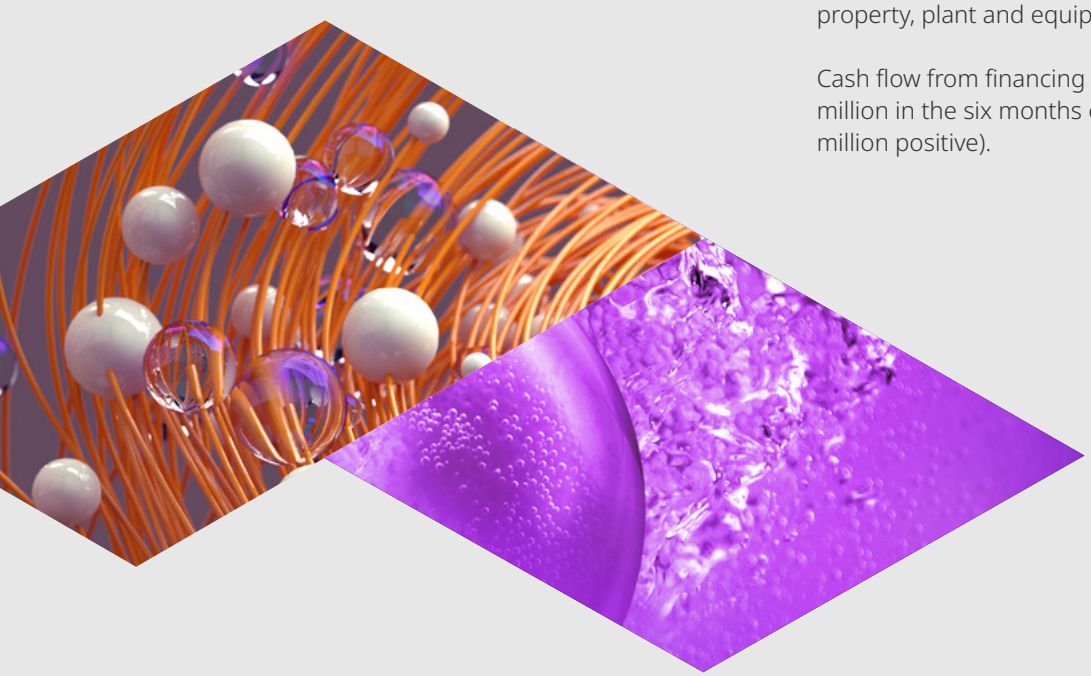
Cash and cash equivalents amounted to USD 136.5 million at June 30, 2024 compared to USD 162.6 million at December 31, 2023.

Total equity amounted to USD 152.1 million at June 30, 2024, compared to USD 171.3 million at December 31, 2023. The decrease is mainly due to the net loss for the period of USD 22.3 million.

Other non-current receivables were USD 30.5 million (USD 31.9 million) which mainly reflects the NOK 325 million (USD 29.0 million) payment to the Norwegian Tax Authorities ("NTA") in the fourth quarter of 2023 following their negative decision, where the NTA reiterated their position that the up-front payments received under a license agreement entered into in 2020 should be treated as taxable income in full in 2020, rather than the use of taxable gain/loss whereby part of the taxable income should be deferred to subsequent years. Nykode has appealed the decision to the Norwegian Tax Administration (Norw: Skatteklagenemda).

Trade and other payables amounted to USD 3.4 million at June 30, 2024, compared to USD 7.1 million at December 31, 2023. The decrease is mainly due to a reduction in accounts payable at the end of the period compared to year-end 2023.

At June 30, 2024, total contract liability amounted to USD 7.3 million, compared to a contract liability of USD 8.2 million at December 31, 2023. 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 second quarter 2024

Net change in cash and cash equivalents was negative USD 10.9 million in the second quarter of 2024 compared to negative USD 12.3 million for the same period in 2023.

Net cash flow from operating activities was negative USD 13.1 million in the second quarter of 2024 (USD 16.3 million negative).

Net cash flow from investing activities was positive USD 2.5 million in the second quarter of 2024 (USD 4.2 million positive). The amounts mainly relate to interest received.

Net cash flow from financing activities was negative USD 0.3 million in the second quarter of 2024 (USD 0.3 million negative).

Cash flow for the six months ended June 30, 2024

Net change in cash and cash equivalents was negative USD 25.1 million in the six months ended June 30, 2024, compared to USD 32.5 million negative for the same period in 2023.

Net cash flow from operating activities was negative USD 27.1 million in the six months ended June 30, 2024, compared to USD 36.3 million negative for the same period in 2023. The change was primarily driven by the decrease in movement of the contract liability.

Cash flow from investing activities was positive USD 2.6 million in the six months ended June 30, 2024 (USD 3.6 million positive). The amounts mainly relate to interest received in 2023 and 2024 offset by the purchase of property, plant and equipment.

Cash flow from financing activities was negative USD 0.6 million in the six months ended June 30, 2024 (USD 0.3 million positive).

OUTLOOK FOR THE NEXT 12 MONTHS

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

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.
Update on Nykode's APC targeted vaccine technology delivered by mRNA in Q4 2024.
Update on Nykode's autoimmune disease program in Q4 2024.
Presentation of detailed clinical data from the updated analysis of the VB-C-02 trial (VB10.16) in advanced cervical cancer in a future scientific publication or at a forthcoming conference.

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.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period January 1 to June 30, 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, August 20, 2024

Board of Directors, Nykode Therapeutics ASA

Martin Nicklasson
Chair of the Board

Christian Åbyholm
Board Member

Bernd Robert Seizinger
Board Member

Harald Arnet
Board Member

Birgitte Volck
Board Member

Einar J. Greve
Board Member

Anne Whitaker
Board Member

Elaine Sullivan
Board Member

Michael Thyrring Engsig
CEO

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD '000	Notes	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Revenue from contracts with customers	4	544	5,000	1,371	8,126
Other income	5	40	100	229	281
Total revenue and other income		**584**	**5,100**	**1,600**	**8,406**
Employee benefit expenses		5,763	5,143	14,585	11,800
Other operating expenses	6	6,040	11,354	13,269	22,222
Depreciation		568	542	1,138	1,007
Operating profit (loss)		**(11,787)**	**(11,939)**	**(27,392)**	**(26,622)**
Finance income		2,856	2,537	5,101	5,845
Finance costs		556	821	3,645	1,439
Profit (loss) before tax		**(9,487)**	**(10,223)**	**(25,936)**	**(22,216)**
Income tax expense (income)		(2,099)	(1,012)	(3,603)	(2,643)
Profit (loss) for the period		**(7,388)**	**(9,211)**	**(22,333)**	**(19,572)**
Other comprehensive income:					
Items that subsequently may be reclassified to profit or loss:					
Foreign currency translation effects		2	8	4	8
Total items that may be reclassified to profit or loss		2	8	4	8
Total other comprehensive income for the period		**2**	**8**	**4**	**8**
Total comprehensive income for the period		**(7,386)**	**(9,203)**	**(22,329)**	**(19,565)**
Earnings per share ("EPS"):					
Basic EPS - profit or loss attributable to equity holders		(0.02)	(0.03)	(0.07)	(0.07)
Diluted EPS - profit or loss attributable to equity holders		(0.02)	(0.03)	(0.07)	(0.07)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Amounts in USD '000	Notes	30/06/2024	31/12/2023
ASSETS			
Non-current assets			
Property, plant and equipment		4,058	4,413
Right-of-use assets		5,226	6,104
Intangible assets		72	70
Other non-current receivables	4	30,501	31,923
Total non-current assets		**39,857**	**42,510**
Current assets			
Trade receivables		—	—
Other receivables		3,486	3,073
Cash and cash equivalents		136,534	162,602
Total current assets		**140,020**	**165,675**
TOTAL ASSETS		**179,877**	**208,185**
EQUITY AND LIABILITIES			
Equity			
Share capital	7	367	367
Share premium		128,986	128,986
Other capital reserves		18,043	15,395
Other components of equity		(3,044)	(3,048)
Retained earnings		7,726	29,559
Total equity		**152,078**	**171,259**
Non-current liabilities			
Non-current lease liabilities		3,389	4,269
Non-current provisions		—	2
Other non-current liabilities		877	—
Deferred tax liabilities		8,444	12,047
Total non-current liabilities		**12,710**	**16,318**
Current liabilities			
Government grants	5	—	104
Current lease liabilities		1,397	1,457
Trade and other payables		3,417	7,064
Current provisions		2,986	3,750
Current contract liabilities	4	7,289	8,233
Income tax payable		—	—
Total current liabilities		**15,089**	**20,608**
Total liabilities		**27,799**	**36,926**
TOTAL EQUITY AND LIABILITIES		**179,877**	**208,185**

Oslo, August 20, 2024

Martin Nicklasson Chair of the Board	**Christian Åbyholm** Board Member	**Bernd Robert Seizinger** Board Member
Harald Arnet Board Member	**Birgitte Volck** Board Member	**Einar J. Greve** 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	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Cash flows from operating activities					
Profit (loss) before tax		(9,488)	(10,223)	(25,936)	(22,216)
Adjustments to reconcile profit before tax to net cash flows:					
Income tax expense		—	—	—	
Net financial items		(1,171)	(2,224)	(424)	(4,703)
Depreciation of property, plant and equipment		186	154	372	290
Depreciation of Right-of-use assets		381	388	766	717
Share-based payment expense		745	646	3,148	1,421
Working capital adjustments:					
Changes in trade receivables and other receivables		(850)	2,550	(413)	1,247
Changes in contract assets and other long-term receivables		—	—	—	(1)
Changes in trade and other payables and other liabilities		(563)	(424)	(2,771)	(2,967)
Changes in contract liabilities, current provisions and government grants	4	(2,364)	(7,193)	(1,812)	(10,098)
Changes in non-current provisions		(1)	1	(2)	(19)
Net cash flows from operating activities		**(13,125)**	**(16,325)**	**(27,072)**	**(36,329)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(7)	(143)	(19)	(835)
Interest received		2,529	4,386	2,618	4,387
Net cash flows from investing activities		**2,522**	**4,243**	**2,599**	**3,552**
Cash flow from financing activities					
Proceeds from issuance of equity		—	—	—	828
Payments of the principal portion of the lease liability		(249)	(191)	(509)	(429)
Payments of the interest portion of the lease liability		(47)	(59)	(97)	(105)
Interest paid		—	—	—	—
Net cash flows from financing activities		**(296)**	**(250)**	**(605)**	**295**
Net increase/(decrease) in cash and cash equivalents		**(10,899)**	**(12,331)**	**(25,078)**	**(32,482)**
Cash and cash equivalents at beginning of the year/period		147,296	186,163	162,602	206,386
Net foreign exchange difference		137	(248)	(989)	(321)
Cash and cash equivalents, end of period		**136,534**	**173,583**	**136,534**	**173,583**

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, 2023	**367**	**128,986**	**15,395**	**(3,048)**	**29,559**	**171,259**
Profit (loss) for the period	—	—	—	—	(22,333)	**(22,333)**
Other comprehensive income	—	—	—	4	—	**4**
Issue of share capital	—	—	—	—	—	**—**
Share based payments (Note 10)	—	—	2,648	—	500	**3,148**
Balance at June 30, 2024	**367**	**128,986**	**18,043**	**(3,044)**	**7,726**	**152,078**

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)**	**64,712**	**157,018**
Profit (loss) for the period	—	—	—	—	(19,572)	**(19,572)**
Other comprehensive income	—	—	—	8	—	**8**
Issue of share capital	1	827	—	—	—	**828**
Share based payments (Note 10)	**—**	**—**	1,421	—	—	**1,421**
Balance at June 30, 2023	**339**	**84,145**	**13,115**	**(3,037)**	**45,140**	**139,703**

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 June 30, 2024 were authorized by the Board of Directors on August 20, 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, 2023. 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, 2023. 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 Material 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 material 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, 2023.

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	**30/06/2024**	31/12/2023
Norway	39,057	41,593
Denmark	799	917
Total non-current assets	**39,856**	**42,510**

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	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Major products and services				
R&D services	544	5,000	1,371	8,126
Total revenue	**544**	**5,000**	**1,371**	**8,126**

Geographical distribution	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
United States of America	544	5,000	1,371	8,126
Total revenue	**544**	**5,000**	**1,371**	**8,126**

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

Timing of revenue recognition	**Q2 2024**	Q2 2023	**YTD 2024**	YTD 2023
Goods/services transferred at a point in time	86	124	207	712
Services transferred over time	458	4,876	1,164	7,414
Total revenue	**544**	**5,000**	**1,371**	**8,126**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30, are as follows:

	2024	2023
Within one year	4,979	9,184
More than one year	2,310	3,906
Total	**7,289**	**13,090**

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 (-)	**30/06/2024**	31/12/2023
At 1 January	**(8,233)**	**(19,736)**
Transferred to trade receivables	(220)	(542)
Rendering of services in the period	1,164	12,045
Total contract assets/liabilities (-)	**(7,289)**	**(8,233)**

The changes to contract 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 has one 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). The Group has recognized USD 0.04 million in the second quarter of 2024 (Q2 2023: USD 0.0 million) and USD 0.1 million in the first half of 2024 (1H 2023: USD 0.1 million) classified as other income.

The Group had government grant receivables related to SkatteFUNN of USD 0.2 million at June 30, 2024 and USD 0.1 million as at December 31, 2023.

Grants from the Research Council of Norway

The Group had one grant from the Research Council of Norway, programs for user-managed innovation area (BIA) in the first quarter of 2024. 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 September 2024. The Group has recognized USD 0.0 million in the second quarter of 2024 (Q2 2023: USD 0.1 million) and USD 0.1 million in the first half of 2024 (1H 2023: USD 0.2 million) classified as other income.

The Group had grant receivables related to grants from the Research Council of Norway of USD 0.0 million as at June 30, 2024 and net grant payables of USD 0.1 million as at December 31, 2023.

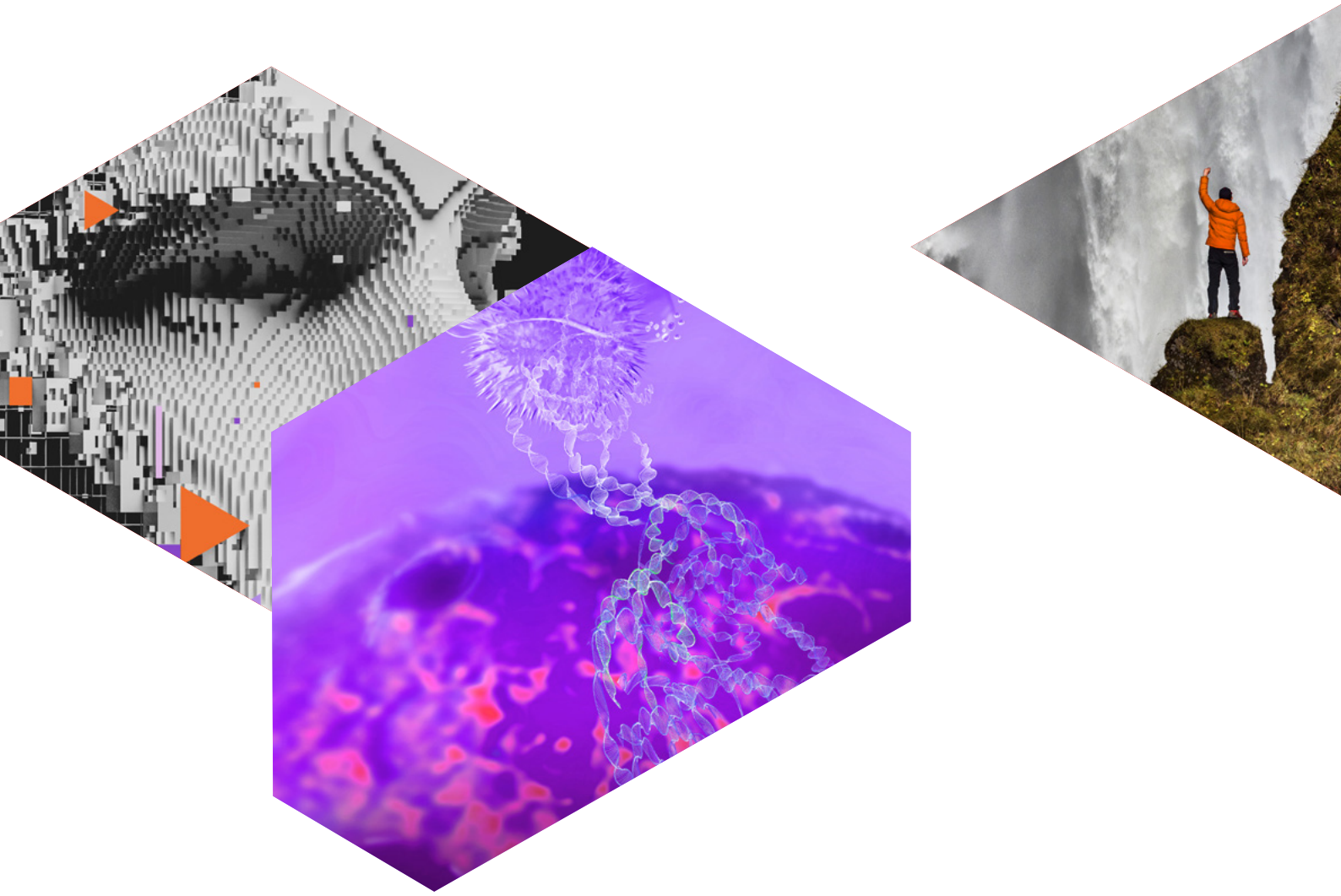
6 Other operating expenses

Other operating expenses consisted mainly of research and development expenses in the second quarters of 2024 and 2023. Total research and development expenses were USD 8.8 million in the second quarter of 2024 (Q2 2023: USD 13.7 million), and USD 18.4 million in the first half of 2024 (1H 2023: USD 26.9 million), recognized as employee benefit expenses, other operating expenses and depreciation in the statement of comprehensive income.

7 Financial income and costs

Finance income	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Gain on foreign exchange	1,264	358	1,515	1,458
Interest income	1,592	2,179	3,586	4,387
Total finance income	**2,856**	**2,537**	**5,101**	**5,845**

Finance costs	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Loss on foreign exchange	506	759	3,543	1,329
Interest expenses	3	3	5	6
Interest expense on lease liabilities	47	59	97	104
Total finance costs	**556**	**821**	**3,645**	**1,439**



8 Equity and Shareholders

Issued capital and reserves:

Share capital in Nykode Therapeutics ASA	Number of shares authorized and fully paid	Par value per share (NOK)	Share capital (USD '000)
At January 1, 2023	**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**
At June 30, 2024	**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 June 30, 2024	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	12,770,590	3.91%
Datum AS	12,560,250	3.85%
Joh Johannson Eiendom AS	10,561,631	3.23%
Norda ASA	7,996,755	2.45%
Om Holding AS	6,519,525	2.00%
Hortulan AS	4,950,000	1.52%
Portia AS	4,500,000	1.38%
Krag Invest AS	4,470,100	1.37%
Alden AS	4,202,500	1.29%
Skips As Tudor	3,365,000	1.03%
Verdipapirfondet First Generator	3,148,011	0.96%
Danske Invest Norge Vekst	3,078,203	0.94%
Borgano AS	3,000,000	0.92%
Danske Invest Norske Instit. Ii.	2,983,200	0.91%
The Northern Trust Comp, London Br	2,418,572	0.74%
Datum Finans AS	2,395,500	0.73%
Other Shareholders	139,683,682	42.78%
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 June 30, 2024 and December 31, 2023:

	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
As at June 30, 2024			
Assets			
Other non-current receivables	30,501	—	30,501
Trade receivables	—	—	—
Other receivables	3,486	—	3,486
Other current financial assets			
Cash and cash equivalents	136,534	—	136,534
Total financial assets	**170,521**	**—**	**170,521**
Liabilities			
Trade and other payables	3,417	—	3,417
Non-current lease liabilities	3,389	—	3,389
Current lease liabilities	1,397	—	1,397
Total financial liabilities	**8,203**	**—**	**8,203**
As at December 31, 2023			
Assets			
Other long-term receivables	31,923	—	31,923
Trade receivables	—	—	—
Other receivables	3,073	—	3,073
Other current financial assets			
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**

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:

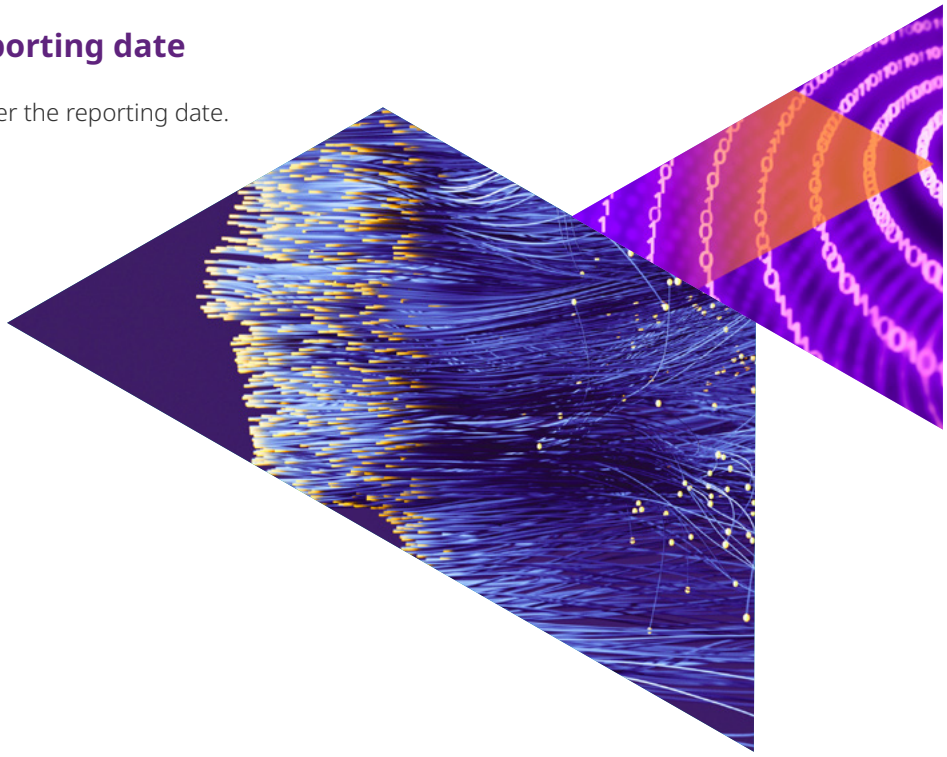
	2024 WAEP (NOK)	2024 Number
Outstanding options at January 1	**32.13**	**10,951,751**
Options granted	18.11	225,000
Options forfeited	37.29	(666,835)
Options exercised	—	—
Options expired	—	—
Outstanding options at June 30	**31.50**	**10,509,916**

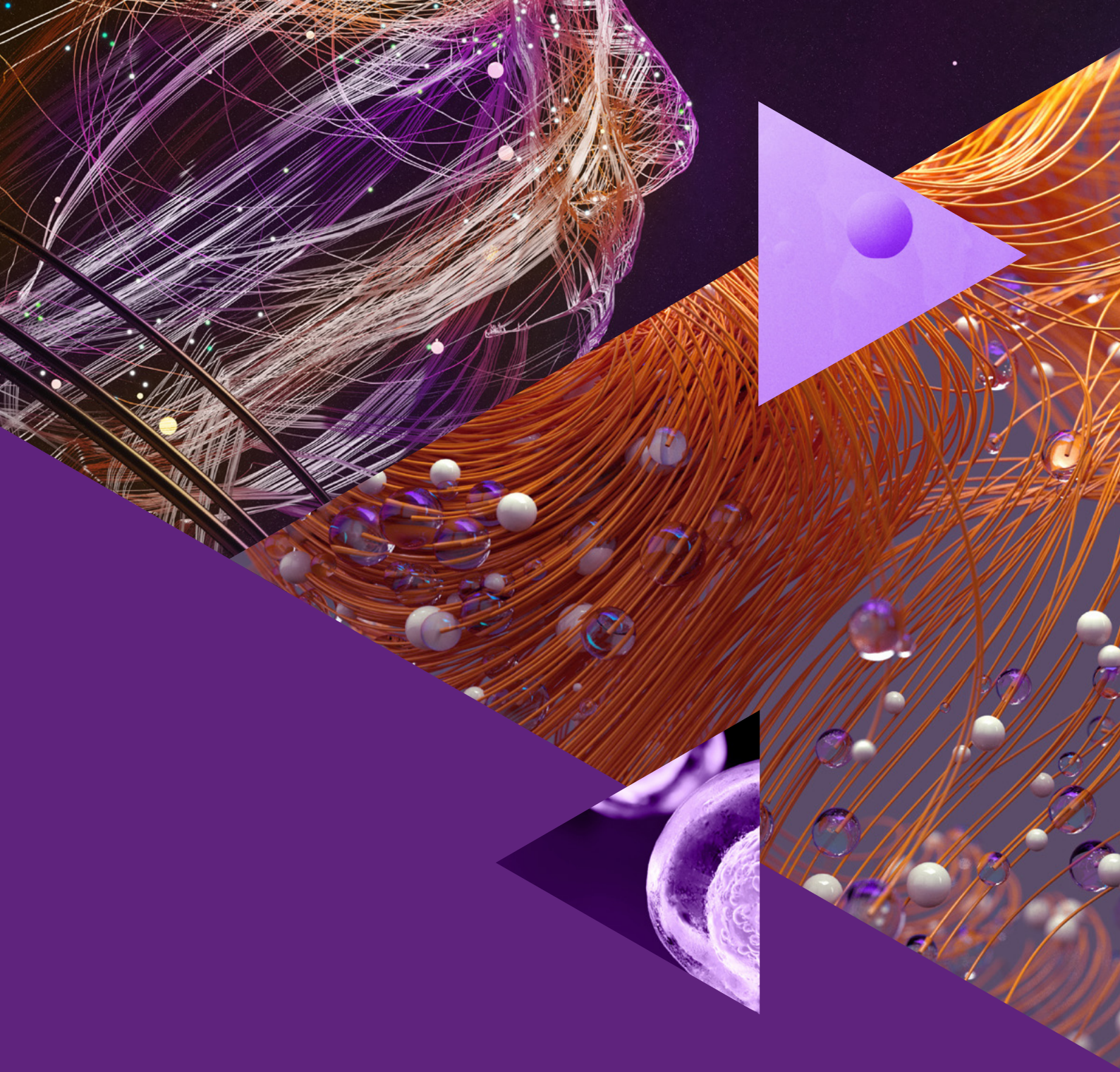
	2023 WAEP (NOK)	2023 Number
Outstanding options at January 1	**28.52**	**10,511,058**
Options granted*	28.19	3,060,287
Options forfeited	30.26	(316,859)
Options exercised	9.77	(2,302,735)
Options expired	—	—
Outstanding options at December 31	**32.13**	**10,951,751**

* Options granted during 2023 exclude the 2.91 million options granted to the CEO in November 2023 as these were coanditional upon the 2.91 million warrants 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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