



# INTERIM REPORT

3<sup>RD</sup> QUARTER 2024



Oslo, Norway, November 27, 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 September 30, 2024.

# FINANCIAL RESULTS FOR Q3 2024

- Total revenue and other income of USD 0.7 million, compared to USD 2.8 million for the third quarter of 2023.
- Total operating expenses of USD 15.6 million, compared to USD 17.1 million for the third quarter of 2023.
- Net loss of USD 9.7 million, compared to a net loss of USD 10.2 million for the third quarter of 2023.
- Strong cash position of USD 124.6 million as of September 30, 2024.

## HIGHLIGHTS

- Updated strategy to realign financial resources and cash runway with organizational priorities, aimed at reducing the annual cost base to approximately USD 20 million and extending the cash runway into 2030.
- Continue to pursue a partner strategy for VB10.16 following discontinuation of the VB-C-04 trial in the third quarter. Consequently, initiation of the VB-C-05 trial and part 2 of the VB-C-03 trial, will be contingent on securing a suitable partnership.
- Preliminary immunogenicity data from the VB-N-02 trial aligns with and confirms final positive data from the VB-N-01 trial.
- Genentech concluded its partnership agreement for VB10.NEO, returning ownership and intellectual property rights to Nykode. Based on the preliminary VB-N-02 data, Nykode remains confident in VB10.NEO's potential and is assessing the optimal path forward for the program, including exploring potential partnerships.
- Secured a U.S. patent for the fully individualized neoantigen-based vaccine, a significant milestone that strengthens our intellectual property portfolio.
- Presented new findings on the APC-targeted inverse vaccine platform, demonstrating the strength of the technology across models and disease relevant antigens.



### **Michael Engsig, Chief Executive Officer at Nykode, comments:**

The streamlined organization and extended cash runway, together with a highly focused research and development approach, ensure alignment between our financial resources and our most value generating priorities. These steps position Nykode to continue its mission of establishing best-in-class cancer vaccines and advancing its groundbreaking inverse-vaccine technology.

# KEY FINANCIAL FIGURES

Amounts in USD '000	3rd Quarter		Nine months ended		Full year
	2024	2023	2024	2023	2023
Total revenue and other income	665	2,811	2,265	11,218	13,323
Total operating expenses	15,614	17,122	44,607	52,151	71,405
<b>Operating profit (loss)</b>	<b>(14,949)</b>	<b>(14,311)</b>	<b>(42,342)</b>	<b>(40,933)</b>	<b>(58,082)</b>
<b>Net profit (loss) for the period</b>	<b>(9,732)</b>	<b>(10,244)</b>	<b>(32,064)</b>	<b>(29,816)</b>	<b>(35,154)</b>
Net cash flow	(11,968)	(14,546)	(37,047)	(47,030)	(44,995)
Cash and cash equivalents, end of period	124,619	159,132	124,619	159,132	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	74%	91%	74%	91%	78%
Equity ratio	85%	75%	85%	75%	82%
Equity	142,639	130,298	142,639	130,298	171,259
Total assets	168,413	174,470	168,413	174,470	208,185
Employees, average	187	159	180	155	159
Employees, end of period	185	168	185	168	173



# BUSINESS UPDATE

## Strategic refocus and organizational streamlining

During the second half of 2024, Nykode has undergone a comprehensive strategic review aimed at realigning its financial resources and cash runway with its organizational priorities. The company is transitioning into a leaner, research and technology driven organization with the following focus:

1. **Asset generation:** advancing its leadership in inverse-vaccine research to develop cutting-edge therapeutic solutions while also driving innovation in cancer vaccines to establish novel best-in-class oncology vaccines.
2. **Value creation through seeking early-stage partnerships:** pursuing partnerships to further advance new and existing assets.

Following implementation of the updated strategy, Nykode aims to reach a cost base of approximately USD 20 million per annum, which will extend the company's cash runway into 2030.

### VB10.16

VB10.16 is a therapeutic vaccine directed against HPV16+ induced malignancies of which head and neck and cervical cancer are the major cancer types with significant unmet medical need. The product candidate is wholly owned by Nykode.

Data from the VB-C-02 trial indicated a strong, durable effect in women in advanced cervical cancer. In addition, VB10.16 is currently being explored in first line head and neck cancer (VB-C-03).

Nykode continues to pursue a partner strategy for VB10.16. Consequently, initiation of Part 2 of the VB-C-03 trial and the planned VB-C-05 trial in locally advanced cervical cancer, will be contingent on securing a suitable partnership.

### VB10.NEO

VB10.NEO is an individualized cancer neoantigen vaccine being investigated in a trial with more than 10 different indications (VB-N-02). From January 2025, Nykode will regain control of VB10.NEO and its intellectual property portfolio along with rights to license the program.

Preliminary immunogenicity data from the VB-N-02 trial confirms final data from the VB-N-01 trial, reaffirming VB10.NEO's ability to generate uniquely broad patient- and tumor-specific immune responses, see R&D Update section below.

Based on the preliminary VB-N-02 data, Nykode remains confident in VB10.NEO's potential and is assessing the optimal path forward for the program, including exploring potential new partnerships.



# 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.

- Clinical trial VB-C-02:
  - 3 mg dose, in combination with atezolizumab<sup>1</sup>
  - Cancer indication: HPV16+ advanced or recurrent, non-resectable cervical cancer
  - Clinical stage: Phase 2
  - ClinicalTrials.gov Identifier: NCT04405349

VB-C-02 has been concluded, and the results are pending publication.

- Clinical trial VB-C-03:
  - Up to 9 mg dose, in combination with pembrolizumab<sup>2</sup>
  - Cancer indication: HPV16+ non-resectable, recurrent or metastatic squamous cell head and neck cancer
  - Clinical stage: Phase 1/2a
  - ClinicalTrials.gov Identifier: NCT06016920

VB-C-03 is currently enrolling.

### VB10.NEO

VB10.NEO is an individualized neoantigen cancer vaccine targeting multiple cancer indications.

- 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

VB-N-02 is ongoing; enrollment concluded

### Third quarter highlights for VB10.NEO

Preliminary immunogenicity data from the VB-N-02 trial show immune responses consistent with the final data from the VB-N-01 trial:

- All evaluable patients (100%) in the VB-N-02 trial elicited an immune response towards one or more vaccine neoantigens, compared to 88% in the VB-N-01 trial.
- 85% of patients in the VB-N-02 trial showed immune response to neoantigens that were not detectable prior to vaccination, in line with the VB-N-01 results.
- 58% of the evaluated neoantigens in the VB-N-02 trial triggered an immune response, compared to 45% observed in the VB-N-01 trial.

In August 2024, Nykode was granted a U.S. patent (no. 12,059,459) titled "Therapeutic Anticancer Neoepitope Vaccine," which covers VB10.NEO. The patent strengthens Nykode's intellectual property position and is valid until January 2037.

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

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

## 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.

Preclinical models have demonstrated how the modular technology can prevent and treat serious diseases in the context of autoimmune conditions.

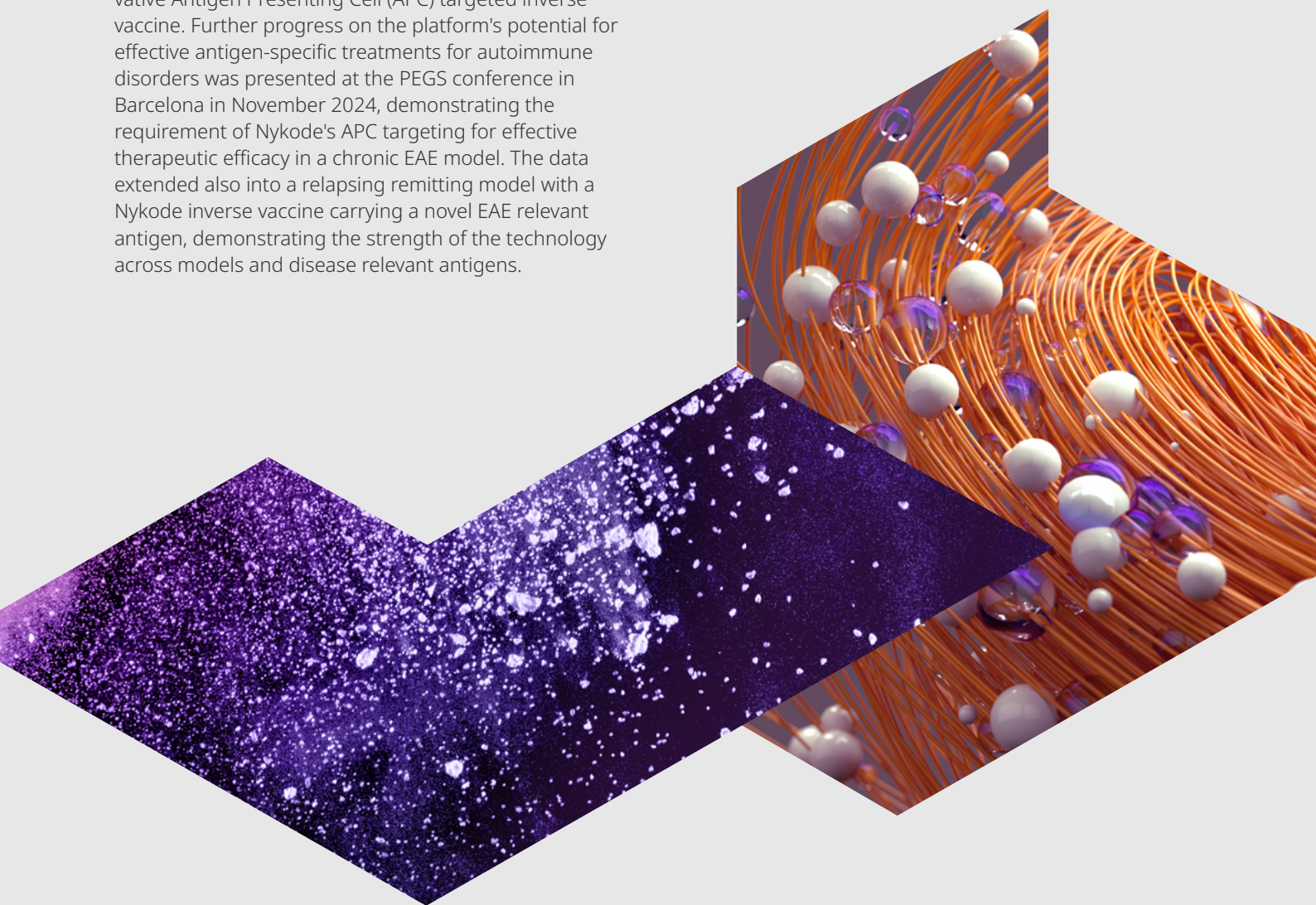
Nykode continues preclinical development of the innovative Antigen Presenting Cell (APC) targeted inverse vaccine. Further progress on the platform's potential for effective antigen-specific treatments for autoimmune disorders was presented at the PEGS conference in Barcelona in November 2024, demonstrating the requirement of Nykode's APC targeting for effective therapeutic efficacy in a chronic EAE model. The data extended also into a relapsing remitting model with a Nykode inverse vaccine carrying a novel EAE relevant antigen, demonstrating the strength of the technology across models and disease relevant antigens.

## Infectious Diseases

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

## Other

Nykode's innovative APC-targeted neoantigen vaccine, delivered in an mRNA-lipid nanoparticle (LNP) format, has shown consistently a more robust immune response arising at low doses and remaining superior across doses for the majority of the relevant neoepitopes compared to an antigen alone mRNA vaccine. This translates into superior tumor control as presented at the SITC conference in November 2024.



# FINANCIAL REVIEW

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

## Income statement for the third quarter 2024

The third quarter of 2024 showed a net loss of USD 9.7 million compared to a net loss of USD 10.2 million for the same period in 2023.

Total revenue and other income amounted to USD 0.7 million, compared to USD 2.8 million for the same period in 2023. Revenue from contracts with customers was USD 0.5 million (USD 2.8 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 0.1 million (USD 0.1 million) and relates to government grants.

Total operating expenses amounted to USD 15.6 million, compared to USD 17.1 million for the same period in 2023. Employee benefit expenses were USD 8.2 million in the third quarter of 2024 (USD 6.8 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses decreased from USD 9.8 million in the third quarter of 2023 to USD 6.9 million in the third 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 2.4 million in the third quarter of 2024 (USD 1.9 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 Group recognized tax income of USD 2.9 million in the third quarter of 2024 compared to a tax income of USD 2.2 million in the same period of 2023. The income tax expense is primarily related to movement in deferred tax.

## Income statement for the nine months ended September 30, 2024

The net result for the nine months ended September 30, 2024 was a net loss of USD 32.1 million compared to a net loss of USD 29.8 million for the same period in 2023.

Total revenue and other income amounted to USD 2.3 million compared to USD 11.2 million for the same period in 2023. Revenue from contracts with customers was USD 1.9 million (USD 10.9 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 0.4 million (USD 0.3 million), and relates to government grants.

Total operating expenses amounted to USD 44.6 million compared to USD 52.2 million for the same period in 2023. Employee benefit expenses were USD 22.8 million (USD 18.6 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses decreased from USD 32.0 million in the nine months ended September 30, 2023 to USD 20.1 million in the nine months ended September 30, 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 3.8 million in the nine months ended September 30, 2024 (USD 6.3 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 Group recognized tax income of USD 6.5 million compared to USD 4.8 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 124.6 million at September 30, 2024 compared to USD 162.6 million at December 31, 2023.

Total equity amounted to USD 142.6 million at September 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 32.1 million.

Other non-current receivables were USD 30.9 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 4.8 million at September 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 September 30, 2024, total contract liability amounted to USD 6.8 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 third quarter 2024

Net change in cash and cash equivalents was negative USD 12.0 million in the third quarter of 2024 compared to negative USD 14.5 million for the same period in 2023.

Net cash flow from operating activities was negative USD 12.7 million in the third quarter of 2024 (USD 13.3 million negative).

Net cash flow from investing activities was positive USD 1.1 million in the third quarter of 2024 (USD 0.9 million negative). The amounts mainly relate to interest received and the purchase of property, plant and equipment.

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

## Cash flow for the nine months ended September 30, 2024

Net change in cash and cash equivalents was negative USD 37.0 million in the nine months ended September 30, 2024, compared to USD 47.0 million negative for the same period in 2023.

Net cash flow from operating activities was negative USD 39.8 million in the nine months ended September 30, 2024, compared to USD 49.7 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 3.7 million in the nine months ended September 30, 2024 (USD 2.7 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 0.9 million in the nine months ended September 30, 2024 (USD 0.0 million).





# OUTLOOK

During the second half of 2024, Nykode has undergone a comprehensive strategic review aimed at realigning its financial resources and cash runway with its organizational priorities. Following implementation of the updated strategy, Nykode aims to reach a cost base of approximately USD 20 million per annum, which will extend the company's cash runway into 2030.

Nykode continues to pursue a partner strategy for VB10.16. Consequently, initiation of Part 2 of the VB-C-03 trial and the planned VB-C-05 trial in locally advanced cervical cancer, will be contingent on securing a suitable partnership.

From January 2025, Nykode will regain control of VB10.NEO and its intellectual property portfolio along with rights to license the program. Nykode is assessing the optimal path forward for the program, including exploring potential new partnerships.

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 Regeneron agreement is subject to approval by the partner.

## 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.NEO, an individualized cancer neoantigen vaccine, is being investigated in a trial with more than 10 different indications.

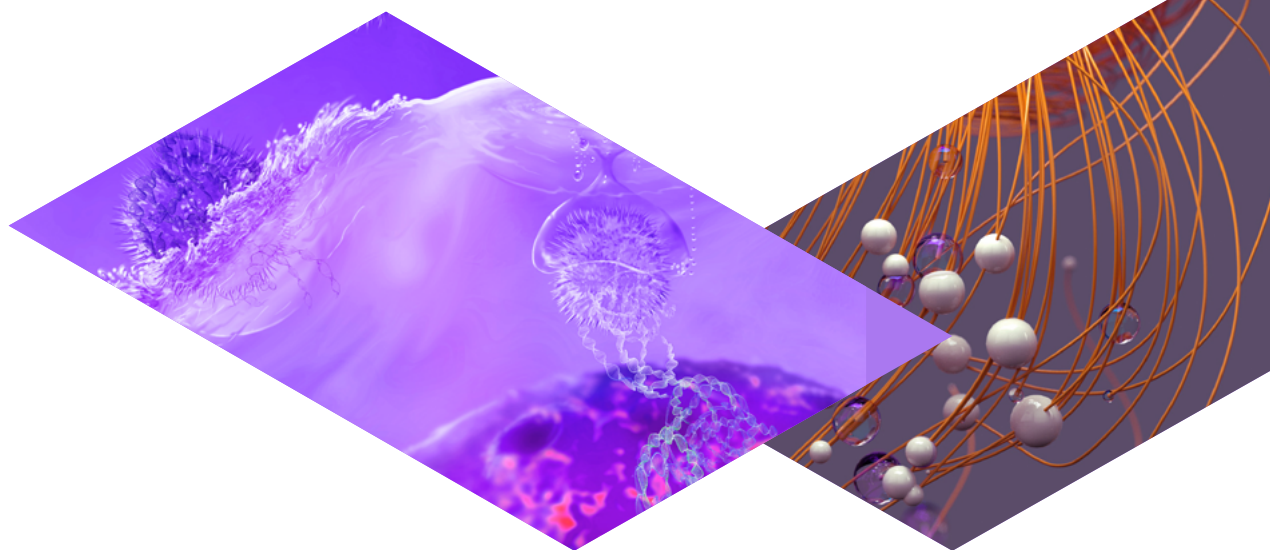
The company has a multi-target collaboration with Regeneron within oncology and infectious diseases.

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](mailto:IR@nykode.com).



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD '000	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue from contracts with customers	4	536	2,760	1,907	10,886
Other income	5	129	51	358	332
<b>Total revenue and other income</b>		<b>665</b>	<b>2,811</b>	<b>2,265</b>	<b>11,218</b>
Employee benefit expenses		8,194	6,790	22,779	18,590
Other operating expenses	6	6,855	9,785	20,124	32,007
Depreciation		565	547	1,704	1,554
<b>Operating profit (loss)</b>		<b>(14,949)</b>	<b>(14,311)</b>	<b>(42,342)</b>	<b>(40,933)</b>
Finance income	7	2,810	3,586	7,906	9,431
Finance costs	7	451	1,688	4,089	3,127
<b>Profit (loss) before tax</b>		<b>(12,590)</b>	<b>(12,413)</b>	<b>(38,525)</b>	<b>(34,629)</b>
Income tax expense (income)		(2,858)	(2,169)	(6,461)	(4,813)
<b>Profit (loss) for the period</b>		<b>(9,732)</b>	<b>(10,244)</b>	<b>(32,064)</b>	<b>(29,816)</b>
<b>Other comprehensive income:</b>					
<i>Items that subsequently may be reclassified to profit or loss:</i>					
Foreign currency translation effects		2	29	(5)	37
Total items that may be reclassified to profit or loss		2	29	(5)	37
<b>Total other comprehensive income for the period</b>		<b>2</b>	<b>29</b>	<b>(5)</b>	<b>37</b>
<b>Total comprehensive income for the period</b>		<b>(9,730)</b>	<b>(10,215)</b>	<b>(32,069)</b>	<b>(29,779)</b>
<b>Earnings per share ("EPS"):</b>					
Basic EPS - profit or loss attributable to equity holders		(0.03)	(0.03)	(0.10)	(0.10)
Diluted EPS - profit or loss attributable to equity holders		(0.03)	(0.03)	(0.10)	(0.10)



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Amounts in USD '000	Notes	30/09/2024	31/12/2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,875	4,413
Right-of-use assets		4,844	6,104
Intangible assets		72	70
Other non-current receivables	4	30,902	31,923
<b>Total non-current assets</b>		<b>39,693</b>	<b>42,510</b>
<b>Current assets</b>			
Trade receivables		86	—
Other receivables		4,015	3,073
Cash and cash equivalents		124,619	162,602
<b>Total current assets</b>		<b>128,720</b>	<b>165,675</b>
<b>TOTAL ASSETS</b>		<b>168,413</b>	<b>208,185</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	367	367
Share premium		128,986	128,986
Other capital reserves		18,344	15,395
Other components of equity		(3,053)	(3,048)
Retained earnings		(2,005)	29,559
<b>Total equity</b>		<b>142,639</b>	<b>171,259</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities		3,125	4,269
Non-current provisions		—	2
Other non-current liabilities		889	—
Deferred tax liabilities		5,588	12,047
<b>Total non-current liabilities</b>		<b>9,602</b>	<b>16,318</b>
<b>Current liabilities</b>			
Government grants	5	—	104
Current lease liabilities		1,420	1,457
Trade and other payables		4,798	7,064
Current provisions		3,195	3,750
Current contract liabilities	4	6,759	8,233
Income tax payable		—	—
<b>Total current liabilities</b>		<b>16,172</b>	<b>20,608</b>
<b>Total liabilities</b>		<b>25,774</b>	<b>36,926</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>168,413</b>	<b>208,185</b>

Oslo, November 26, 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



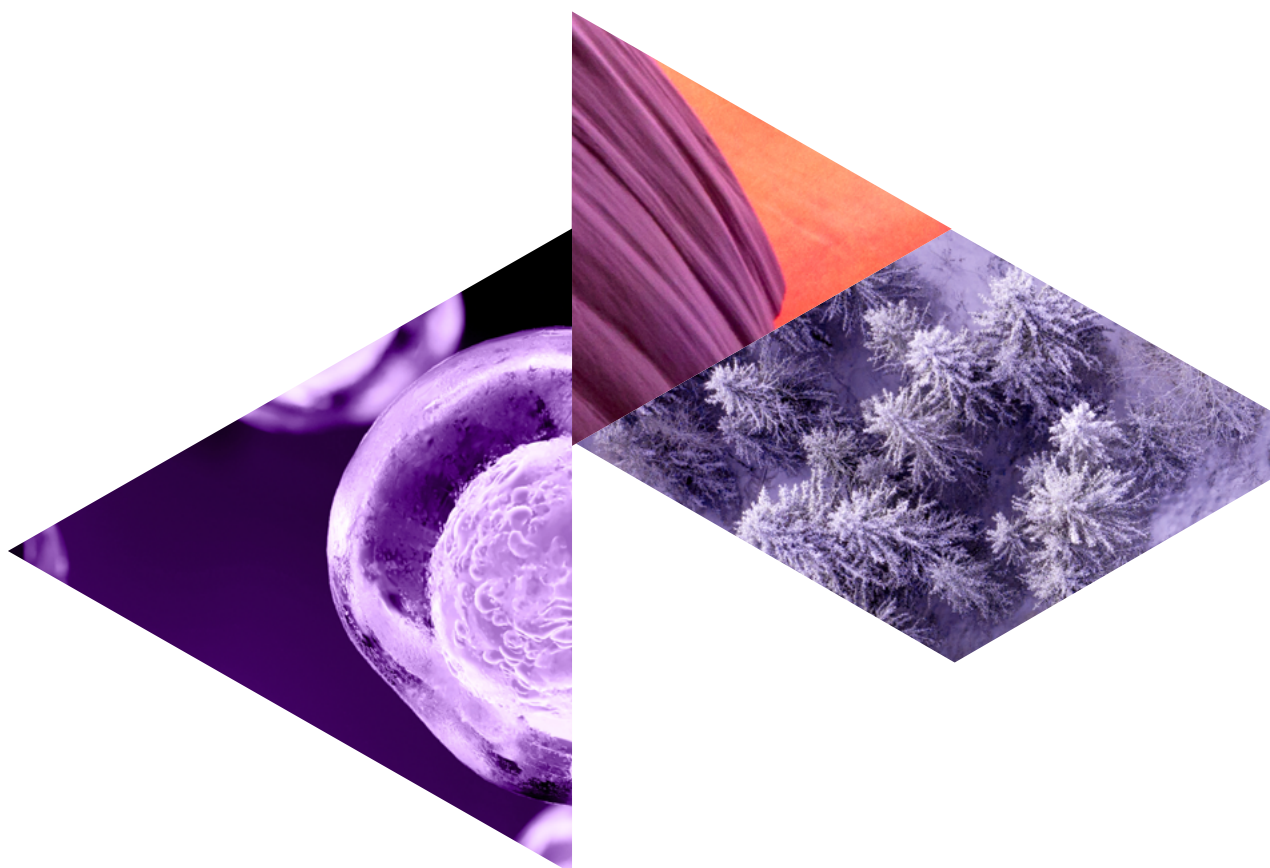
# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Amounts in USD '000	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Cash flows from operating activities</b>					
<b>Profit (loss) before tax</b>		(12,590)	(12,413)	(38,525)	(34,629)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>					
Income tax expense		—	—	—	—
Net financial items		(1,482)	101	(1,906)	(4,603)
Depreciation of property, plant and equipment		187	159	559	449
Depreciation of Right-of-use assets		379	388	1,145	1,104
Share-based payment expense		301	809	3,449	2,230
<i>Working capital adjustments:</i>					
Changes in trade receivables and other receivables		(615)	10	(1,028)	1,257
Changes in contract assets and other long-term receivables		—	42	—	41
Changes in trade and other payables and other liabilities		1,3954	25	(1,377)	(2,940)
Changes in contract liabilities, current provisions and government grants	4	(321)	(2,458)	(2,133)	(12,555)
Changes in non-current provisions		—	(9)	(2)	(28)
<b>Net cash flows from operating activities</b>		<b>(12,747)</b>	<b>(13,345)</b>	<b>(39,819)</b>	<b>(49,674)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(3)	(901)	(22)	(1,736)
Interest received		1,088	—	3,706	4,387
<b>Net cash flows from investing activities</b>		<b>1,085</b>	<b>(901)</b>	<b>3,684</b>	<b>2,651</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of equity		—	—	—	828
Payments of the principal portion of the lease liability		(261)	(243)	(771)	(660)
Payments of the interest portion of the lease liability		(45)	(57)	(141)	(162)
Interest paid		—	—	—	—
<b>Net cash flows from financing activities</b>		<b>(306)</b>	<b>(300)</b>	<b>(912)</b>	<b>(6)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(11,968)</b>	<b>(14,546)</b>	<b>(37,047)</b>	<b>(47,030)</b>
Cash and cash equivalents at beginning of the year/ period		136,534	173,583	162,602	206,386
Net foreign exchange difference		53	95	(936)	(225)
<b>Cash and cash equivalents, end of period</b>		<b>124,619</b>	<b>159,132</b>	<b>124,619</b>	<b>159,132</b>

## 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
<b>Balance at December 31, 2023</b>	<b>367</b>	<b>128,986</b>	<b>15,395</b>	<b>(3,048)</b>	<b>29,559</b>	<b>171,259</b>
Profit (loss) for the period	—	—	—	—	(32,064)	(32,064)
Other comprehensive income	—	—	—	(5)	—	(5)
Issue of share capital	—	—	—	—	—	—
Share based payments (Note 10)	—	—	2,949	—	500	3,449
<b>Balance at September 30, 2024</b>	<b>367</b>	<b>128,986</b>	<b>18,344</b>	<b>(3,053)</b>	<b>(2,005)</b>	<b>142,639</b>

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
<b>Balance at December 31, 2022</b>	<b>338</b>	<b>83,318</b>	<b>11,694</b>	<b>(3,044)</b>	<b>64,713</b>	<b>157,018</b>
Profit (loss) for the period	—	—	—	—	(29,816)	(29,816)
Other comprehensive income	—	—	—	37	—	37
Issue of share capital	1	827	—	—	—	828
Share based payments (Note 10)	—	—	2,230	—	—	2,230
<b>Balance at September 30, 2023</b>	<b>339</b>	<b>84,145</b>	<b>13,924</b>	<b>(3,007)</b>	<b>34,897</b>	<b>130,298</b>



# 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 September 30, 2024 were authorized by the Board of Directors on November 26, 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.NEO, an individualized cancer neoantigen vaccine, is being investigated in a trial with more than 10 different indications. The Group has a multi-target collaboration with Regeneron Pharmaceuticals Inc. ("Regeneron") within oncology and infectious diseases. VB10.NEO was out licensed to Genentech Inc. ("Genentech"), a member of the Roche Group, prior to the termination November 7, 2024.

## 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	30/09/2024	31/12/2023
Norway	38,947	41,593
Denmark	746	917
<b>Total non-current assets</b>	<b>39,693</b>	<b>42,510</b>

### 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Major products and services</b>				
R&D services	536	2,760	1,907	10,886
<b>Total revenue</b>	<b>536</b>	<b>2,760</b>	<b>1,907</b>	<b>10,886</b>

Geographical distribution	Q3 2024	Q3 2023	YTD 2024	YTD 2023
United States of America	536	2,760	1,907	10,886
<b>Total revenue</b>	<b>536</b>	<b>2,760</b>	<b>1,907</b>	<b>10,886</b>

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

Timing of revenue recognition	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Goods/services transferred at a point in time	6	119	213	831
Services transferred over time	530	2,641	1,694	10,055
<b>Total revenue</b>	<b>536</b>	<b>2,760</b>	<b>1,907</b>	<b>10,886</b>

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

	2024	2023
Within one year	4,411	6,716
More than one year	2,349	3,734
<b>Total</b>	<b>6,760</b>	<b>10,450</b>

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 (-)	30/09/2024	31/12/2023
<b>At 1 January</b>	<b>(8,233)</b>	<b>(19,736)</b>
Transferred to trade receivables	(220)	(542)
Rendering of services in the period	1,694	12,045
<b>Total contract assets/liabilities (-)</b>	<b>(6,759)</b>	<b>(8,233)</b>

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 0.1 million in the third quarter of 2024 (Q3 2023: USD 0.0 million) and USD 0.2 million in the first nine months of 2024 (YTD 2023: USD 0.1 million) classified as other income.

The Group had government grant receivables related to SkatteFUNN of USD 0.3 million at September 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 third 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 third quarter of 2024 (Q3 2023: USD 0.1 million) and USD 0.1 million in the nine months of 2024 (YTD 2023: USD 0.3 million) classified as other income.

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

## 6 Other operating expenses

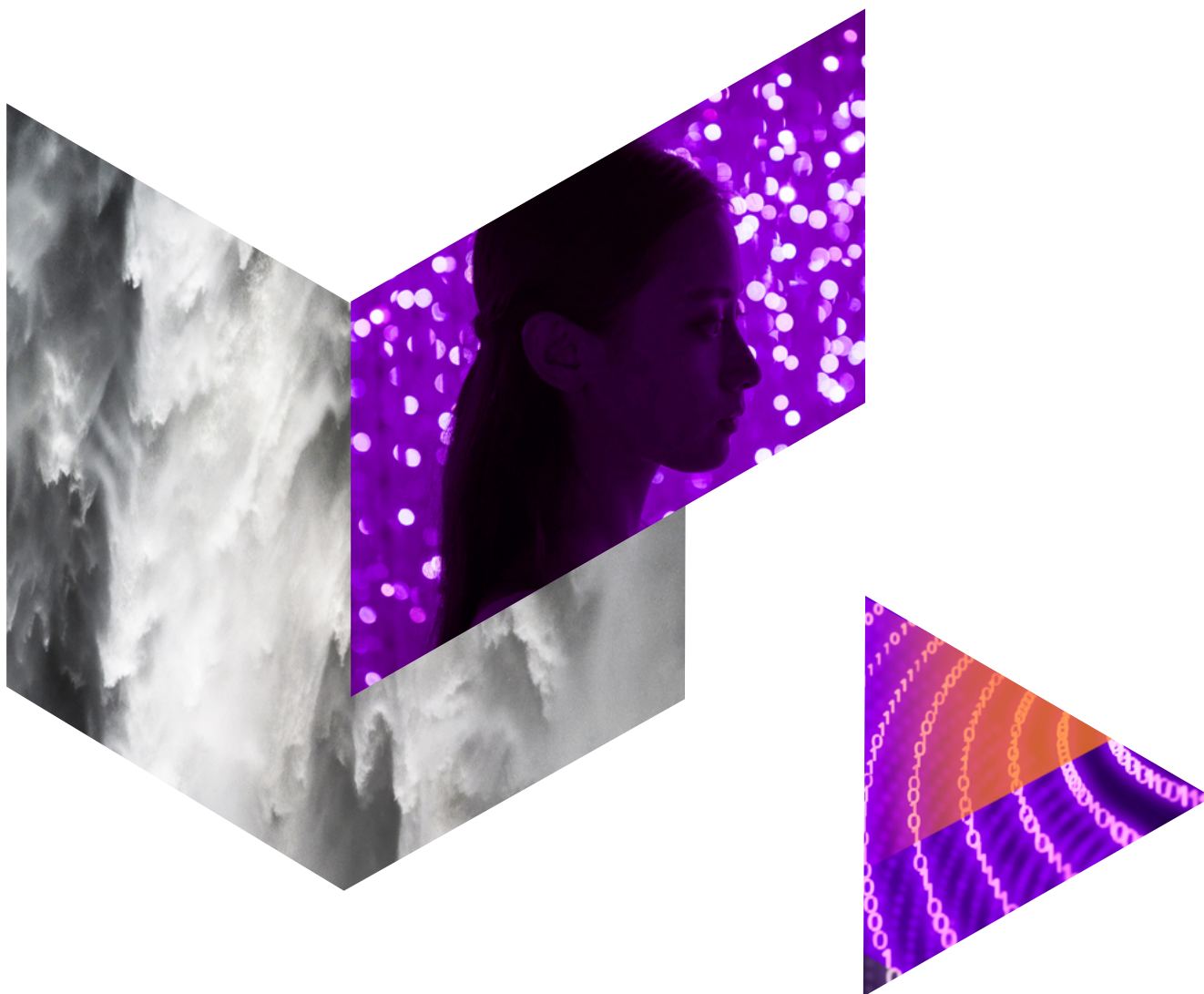
Other operating expenses consisted mainly of research and development expenses in the third quarters of 2024 and 2023. Total research and development expenses were USD 10.9 million in the third quarter of 2024 (Q3 2023: USD 12.6 million), and USD 30.6 million in nine months ended September 30, 2024 (nine months ended September 30, 2023: USD 39.4 million), recognized as employee benefit expenses, other operating expenses and depreciation in the statement of comprehensive income.



## 7 Financial income and costs

Finance income	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Gain on foreign exchange	732	1,733	2,240	3,191
Interest income	2,078	1,853	5,665	6,240
<b>Total finance income</b>	<b>2,810</b>	<b>3,586</b>	<b>7,905</b>	<b>9,431</b>

Finance costs	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Loss on foreign exchange	406	1,630	3,943	2,959
Interest expenses	1	58	5	6
Interest expense on lease liabilities	44	—	141	162
<b>Total finance costs</b>	<b>451</b>	<b>1,688</b>	<b>4,089</b>	<b>3,127</b>



## 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			
<b>At January 1, 2023</b>	<b>294,694,309</b>	<b>0.01</b>	<b>338</b>
<i>Share capital increase</i>			
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	—
<b>At December 31, 2023</b>	<b>326,546,444</b>	<b>0.01</b>	<b>367</b>
<b>At September 30, 2024</b>	<b>326,546,444</b>	<b>0.01</b>	<b>367</b>

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 September 30, 2024	Total shares	Ownership/ Voting rights
RASMUSSENGRUPPEN AS	30,180,750	9.24%
Datum Opportunity AS	26,000,000	7.96%
Radforsk Investeringsstiftelse	17,815,311	5.46%
Victoria India Fund AS	17,705,175	5.42%
State Street Bank And Trust Comp	15,818,858	4.84%
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%
Portia AS	4,500,000	1.38%
Krag Invest AS	4,470,100	1.37%
Alden AS	3,900,000	1.19%
Skips AS Tudor	3,365,000	1.03%
Verdipapirfondet First Generator	3,155,150	0.97%
Danske Invest Norge Vekst	3,078,203	0.94%
Danske Invest Norske Instit. II.	3,043,200	0.93%
Datum Finans AS	2,395,500	0.73%
The Northern Trust Comp, London Br	2,368,365	0.73%
CAABY AS	2,055,295	0.63%
FOUGNER INVEST AS	2,004,477	0.61%
Other Shareholders	147,052,899	45.03%
<b>Total</b>	<b>326,546,444</b>	<b>100.00%</b>

## 9 Financial instruments

Set out below is an overview of financial assets and liabilities held by the Group as at September 30, 2024 and December 31, 2023:

	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
<b>As at September 30, 2024</b>			
<b>Assets</b>			
Other non-current receivables	30,902	—	30,902
Trade receivables	86	—	86
Other receivables	4,015	—	4,015
<i>Other current financial assets</i>			
Cash and cash equivalents	124,619	—	124,619
<b>Total financial assets</b>	<b>159,622</b>	<b>—</b>	<b>159,622</b>
<b>Liabilities</b>			
Trade and other payables	4,798	—	4,798
Non-current lease liabilities	3,125	—	3,125
Current lease liabilities	1,420	—	1,420
<b>Total financial liabilities</b>	<b>9,343</b>	<b>—</b>	<b>9,343</b>
<b>As at December 31, 2023</b>			
<b>Assets</b>			
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
<b>Total financial assets</b>	<b>197,598</b>	<b>—</b>	<b>197,598</b>
<b>Liabilities</b>			
Trade and other payables	7,064	—	7,064
Non-current lease liabilities	4,269	—	4,269
Current lease liabilities	1,457	—	1,457
<b>Total financial liabilities</b>	<b>12,790</b>	<b>—</b>	<b>12,790</b>

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
<b>Outstanding options at January 1</b>	<b>32.13</b>	<b>10,951,751</b>
Options granted	15.53	3,457,491
Options forfeited	35.44	(1,526,124)
Options exercised	—	—
Options expired	—	—
<b>Outstanding options at September 30</b>	<b>27.28</b>	<b>12,883,118</b>

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

\* Options granted during 2023 exclude the 2.91 million options granted to the CEO in November 2023 as these were conditional 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

On November 7, 2024 Nykode received a notification from Genentech, a member of the Roche group, of its decision to terminate the collaboration and licensing agreement for Nykode's VB10.NEO cancer vaccine program. The termination is considered a non-adjusting event in the third quarter interim financial statements. Nykode is currently evaluating the effect of this termination on its financial statements.





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