nykode
therapeutics

ANNUAL REPORT 2024

CONTENTS

NYKODE'S VACCINE TECHNOLOGY PLATFORM

The Vaccibody(TM) molecule

Nykode Therapeutic's proprietary, targeted immunotherapy platform centers around the Vaccibody molecule format designed to tailor-made and specific immune responses with focus on oncology and autoimmune disease. The specificity of the targeting unit of the Vaccibody molecule determines to which subsets of Antigen Presenting Cells (APC) or cell type the antigen is delivered, which may critically influence the associated immune response.

Vaccine candidates based on the modular Vaccibody molecule are well tolerated and therefore may have the potential to be used in combination with other therapeutic modalities such as immune checkpoint inhibitors.

CCL3L1, C-C motif chemokine ligand 3 like 1, is so far the most used targeting unit in Nykode's vaccine candidates. CCL3L1 targeted immunotherapies have been shown to have a unique ability to attract and stimulate APC's capable of eliciting broad, strong and dominant CD8 T cell responses combined with supporting CD4 helper T cell responses, distinguishing Nykode's platform from both conventional vaccines, including non-targeted DNA vaccines, RNA vaccines and peptide-based vaccines.

Induction of antigen specific tolerance can be achieved by targeting disease causing epitopes to tolerogenic APCs. The tolergenic APCs will present the vaccine antigens and can be supported by 4th module vaccine encoded suppressive molecules, and prime regulatory T cell (Treg) activation and expansion. The Tregs will inhibit disease-specific effector T and B cells and dampen unwanted immune responses. Nykode has numerous exploratory inverse vaccines built on multiple targeting units for receptors on tolerizing APCs in preclinical phase.

The recombinant Vaccibody molecule consists of three core modules with the possibility of adding additional modules:

A

The targeting unit directs the antigens to the immune system's APCs. The targeting unit is fully flexible and can be designed to deliver T cell epitopes or antigens specifically to certain subset of APC optimizing the desired effect. This controlled delivery allows for induction of a specific immune response profile that correlates with protection for each specific disease, e.g., antibody, CD4 (Th1/Th2/Th17) and/or CD8 T cell responses; or in the case of inverse vaccines, induces proliferation of antigen specific T regulatory cells.

B

The dimerization unit joins the two protein chains into the dimeric Vaccibody format. The dimeric format is designed to facilitate attraction, activation and internalization into the APC by crosslinking receptors on the surface of the APC.

C

The antigen unit contains the epitopes and antigens selected, to which a specific immune response is warranted. Epitopes and antigens may be selected to address a vast range of diseases, including cancer, infectious diseases and autoimmune diseases. The flexibility of the platform allows for a broad immune response and for inclusion of large globular antigens and multiple sets of T cell epitopes.

D

The 4th module is a concept where a 4th (or 5th etc.) module is added in order to co-express immune enhancing, immune inhibiting and/or immune guiding polypeptides. 4th module polypeptides have been shown in preclinical models to have a booster effect in both anti-tumor and infectious disease models, as well as providing enhanced immune-inhibiting effect in an autoimmune disease model.

2024 HIGHLIGHTS

In 2024, Nykode implemented an updated strategy aimed at realigning its financial resources and cash runway with its organizational priorities, transitioning into a leaner, research- and technology-driven organization. The strategy focuses on advancing Nykode's leadership in immune tolerance research and next-generation cancer immunotherapy's while pursuing early-stage partnerships to accelerate asset development.

March
Presented data demonstrating a significant therapeutic effect of Nykode's inverse immunotherapy platform in a preclinical model for Multiple Sclerosis (MS), underscoring its potential to develop high-precision treatments for autoimmune diseases without compromising immune function.

March
VB-C-02: Final data confirmed prolonged clinical benefits of VB10.16 in combination with atezolizumab for advanced cervical cancer, reinforcing its potential as a differentiated immunotherapy.

May
Expanded clinical collaboration with MSD to evaluate VB10.16 in combination with KEYTRUDA® in HPV16-positive high-risk locally advanced cervical cancer, potentially broadening Nykode's immunotherapy pipeline into earlier disease stages.

June
Demonstrated superior efficacy of Nykode's APC-targeted mRNA-LNP cancer immunotherapy, achieving stronger immune responses and improved tumor control, reinforcing its potential in next-generation cancer immunotherapy.

June
Presented advancements in Nykode's inverse immunotherapy platform at FOCIS 2024, demonstrating dose-dependent, disease-modifying effects in a Multiple Sclerosis model.

August
Secured a key U.S. patent for VB10.NEO, Nykode's fully individualized neoantigen vaccine, strengthening the intellectual property protection in personalized cancer immunotherapy.

August
VB-C-04: Discontinued the C-04 trial following changes-in-standard of care and to optimize resources and extend financial runway.

November
Presented new data demonstrating the efficacy of Nykode's APC-targeted inverse immunotherapy in treating autoimmune disease, reinforcing its potential for multiple sclerosis and broader immune tolerance applications.

November
Regained full control of VB10.NEO following Genentech's termination of the collaboration, retaining all intellectual property rights and positioning the program for future strategic partnerships.

November
Implemented updated strategy to realign financial resources with organizational priorities, transitioning into a leaner, research- and technology-driven organization and aiming to extend the cash runway into 2030. The strategy focuses on advancing Nykode's leadership in immune tolerance research and next-generation cancer immunotherapy's while pursuing early-stage partnerships to accelerate asset development.

December
Presented new data on Nykode's mRNA-based neoantigen vaccine, demonstrating robust, durable immune responses and complete tumor protection with optimized vaccination schedules.

BOARD OF DIRECTORS REPORT

BOARD OF DIRECTORS REPORT

Nykode Therapeutics ASA ("Nykode" or the "Company") consists of clinical-stage biopharmaceutical companies, dedicated to the discovery and development of novel immunotherapies for the treatment of cancer and autoimmune diseases. Nykode operates mainly in Oslo, Norway and Lyngby, Denmark.

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 (HPV16) 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, has been investigated in two trials with more than 10 different indications. The Company has a multi-target collaboration with Regeneron within oncology and infectious diseases.

In 2024, Nykode undertook important measures to strengthen its foundation for long-term growth. The Company refined its strategic focus and implemented operational adjustments to support a cost-efficient model and extend its cash runway. These steps were designed to ensure flexibility for advancing asset generation and pursuing future partnership opportunities.

RESEARCH AND DEVELOPMENT PROJECTS

Immune Tolerance

Nykode is advancing the development of next-generation vaccines for autoimmune diseases by leveraging its proprietary APC-targeting technology. The Company remains committed to pioneering innovative approaches to medicine, breaking away from conventional drug design.

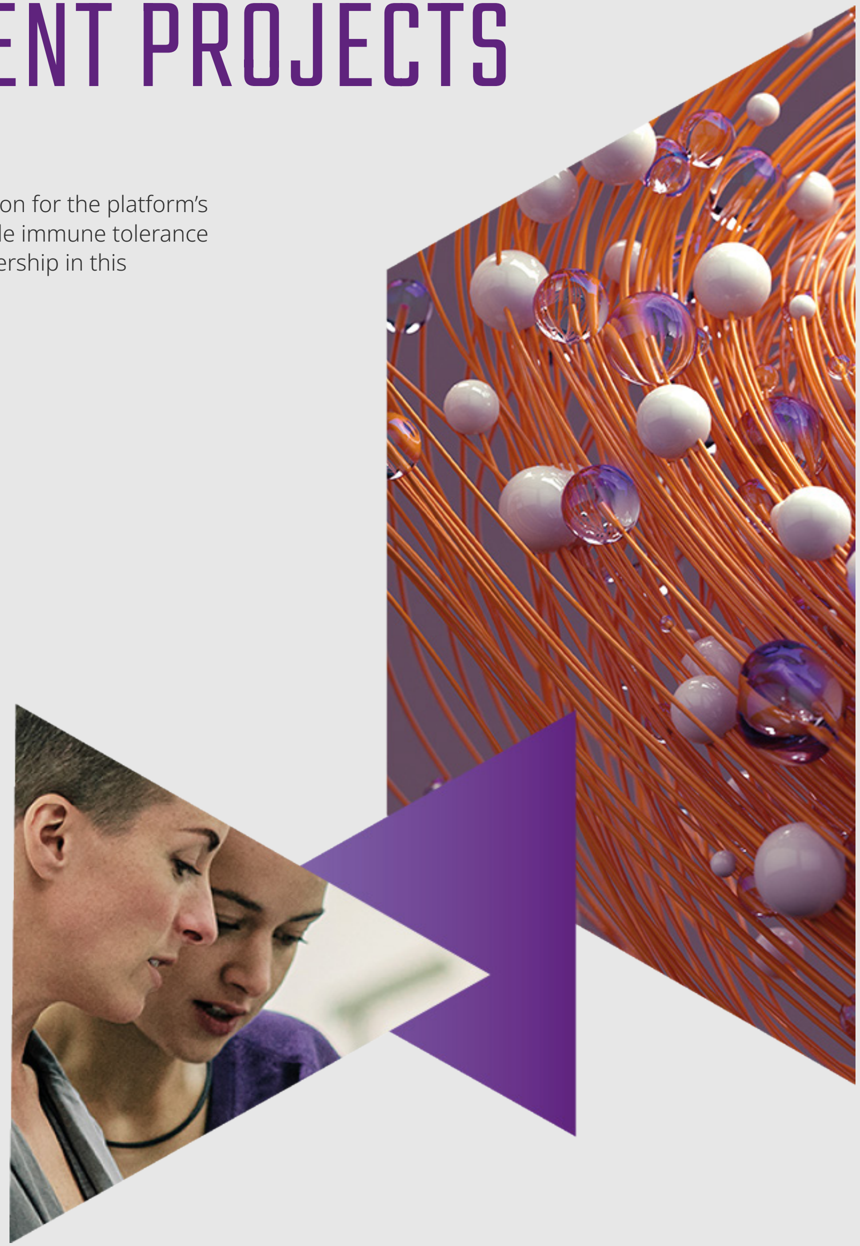
Nykode's immune tolerance platform was showcased at multiple major conferences in 2024, highlighting significant advancements in preclinical models.

At the ASIT and FOCIS conferences, the Company presented data demonstrating, for the first time, that its inverse vaccine platform could halt disease progression in an experimental autoimmune encephalomyelitis (EAE) model for Multiple Sclerosis (MS) using two distinct targeting units in a dose-dependent manner.

At PEGS Europe, Nykode presented further preclinical studies performed with a model reflecting the relapsing-remitting disease seen in human MS. Nykode's inverse vaccine with an alternative antigen (PLP) provided robust disease protection, exhibiting a marked reduction in disease-associated inflammatory cytokine release following disease induction.

Additionally, at the J.P. Morgan Healthcare Conference, Nykode presented data from the spontaneous NOD diabetes mouse model, showing that its inverse vaccine, using the PPI antigen and fourth-module cytokine technology, prevented disease onset for up to 26 weeks.

These results provide strong validation for the platform's ability to deliver targeted and durable immune tolerance therapies, reinforcing Nykode's leadership in this evolving field.



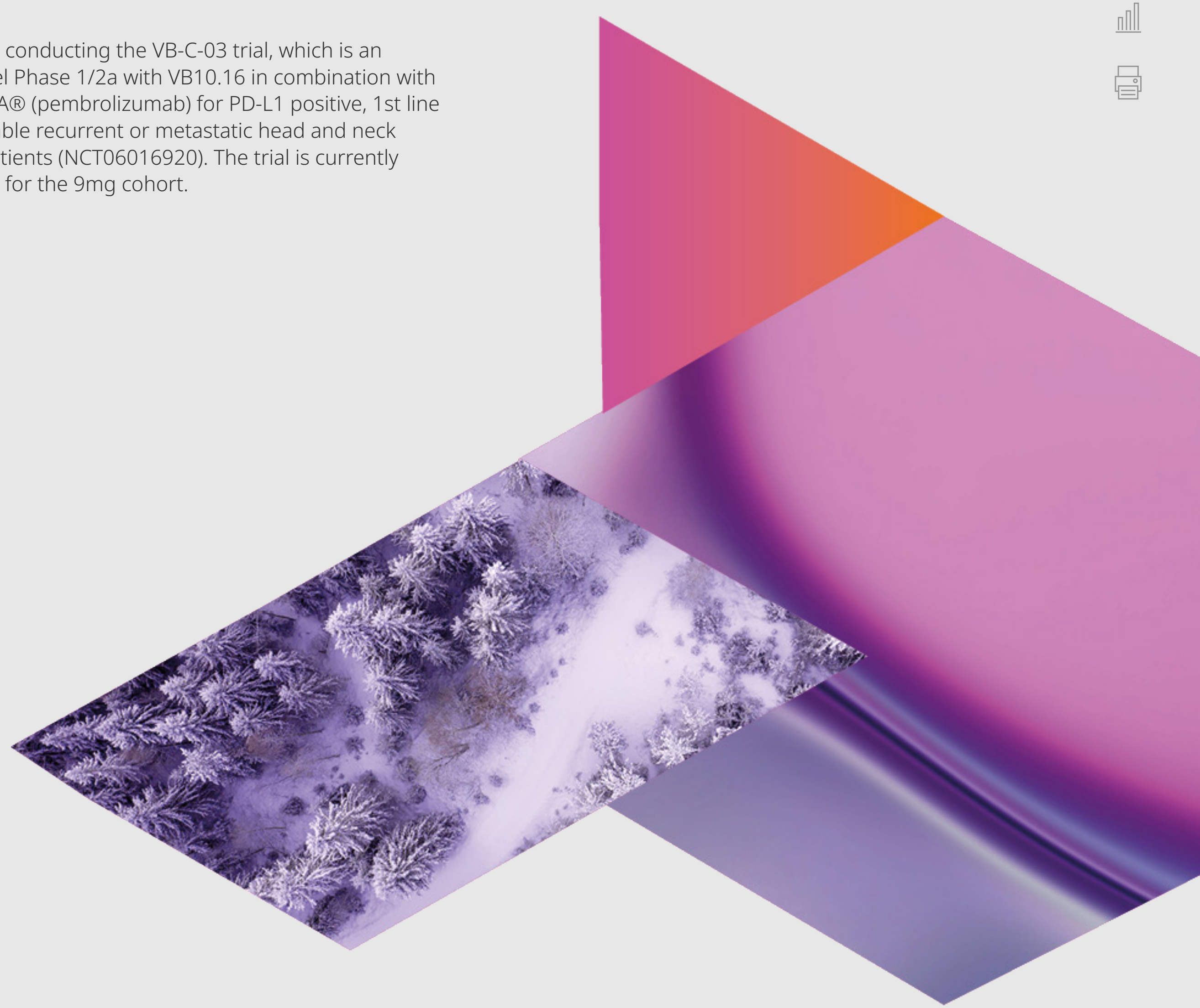
VB10.16

VB10.16 is a potentially first-in-class off-the-shelf therapeutic cancer vaccine candidate in development for the treatment of HPV16-positive cancers. VB10.16 is wholly owned by Nykode.

In April 2024, Nykode announced confirmatory prolonged clinical benefits and extended survival data indicating a synergistic treatment effect of VB10.16 and Tecentriq® (atezolizumab), compared to the historical controls of monotherapy with checkpoint inhibitors, after 24 months observation time in the Phase 2 VB-C-02 trial in recurrent or metastatic HPV16-positive cervical cancer. The final data from the VB-C-02 trial was published in the peer-reviewed BMJ Journal of Immuno-Therapy of Cancer end of 2024.

In August 2024, Nykode announced a strategic repositioning in the development of VB10.16, following a comprehensive strategic review. Changes in the standard-of-care of advanced cervical cancer extended the timelines for the recently initiated VB-C-04 trial, diminishing its viability as a fast-to-market strategy. The trial was therefore discontinued to shift the financial and human resources to the most commercially promising areas. The development activities will be prioritized on recurrent metastatic head and neck cancer, an indication with significant unmet medical needs and high commercial potential.

Nykode is conducting the VB-C-03 trial, which is an open-label Phase 1/2a with VB10.16 in combination with KEYTRUDA® (pembrolizumab) for PD-L1 positive, 1st line unresectable recurrent or metastatic head and neck cancer patients (NCT06016920). The trial is currently recruiting for the 9mg cohort.



VB10.NEO

VB10.NEO is an individualized neoantigen vaccine in development for the treatment of locally advanced or metastatic solid tumors. The vaccine is designed to be produced on-demand according to the neoantigen profile of an individual patient.

Neoantigens are proteins generated by tumor-specific mutations not present in normal tissues and are thus an attractive target for cancer immunotherapy as they may be recognized as foreign by the immune system.

In the fourth quarter, Nykode reported that the treatment and follow-up phase for all enrolled patients in the VB-N-02 trial had been completed where the trial population included heavily pre-treated patients with multiple metastatic solid tumors. All individualised neoantigen vaccines had been successfully manufactured and all doses tested were safe and well-tolerated.

Further, preliminary immunogenicity data from the trial confirmed the final positive data from the VB-N-01 trial. In addition, a persistent expansion of T cell clones in the majority of evaluable patients were measured by TCR sequencing, and persistently expanded clones emerged as early as after 2-4 vaccinations and showed durable frequencies. The induction of persistent de novo T cell responses were confirmed by IVS ELISpot.

At the end of 2024, Nykode regained control of the VB10.NEO program and its intellectual property portfolio along with rights to license the program, following Genentech's decision to terminate the collaboration and licensing agreement. Based on the clinical data generated with VB10.NEO in the two trials, VB-N-01 and VB-N-02, Nykode remains confident in the program and will further determine the optimal development path forward, including potential new partnerships.

In the third quarter of 2024, the United States Patent and Trademark Office (USPTO) issued a U.S Patent covering the Nykode's fully individualised neoantigen based vaccine, VB10.NEO, with an expiry date of January 5, 2037. This important patent expands Nykode's patent protection in the U.S., a key market for Nykode and further strengthens our IP position in the individualized cancer vaccine field.

Other

At the annual Cancer Immunotherapy meeting in Boston, Nykode provided updates on its innovative mRNA APC-targeted neoantigen vaccine platform, demonstrating that the targeted vaccine induced a strong and broad dose-dependent, CD8-biased T cell response compared to untargeted neoantigen vaccine, leading to superior tumor control and improved survival rates in a mouse colorectal cancer model.

Further, at the annual Personlized Cancer Vaccines Summit in Boston, Nykode demonstrated that individual neoantigens show both distinct kinetics and dose-dependent immune response patterns, and highlighted the importance of an optimal vaccination schedule with early versus late boost vaccinations inducing differentiated immune responses. In addition, new data revealed durable tumor protection: single vaccination providing partial long-term protection while with a boost vaccination achieving complete and sustained protection for 90 days. Overall, these data confirm our APC-targeted neoantigen vaccine platform's potential across modalities to significantly advance the treatment landscape for cancer.

STRATEGIC REFOCUS AND OUTLOOK

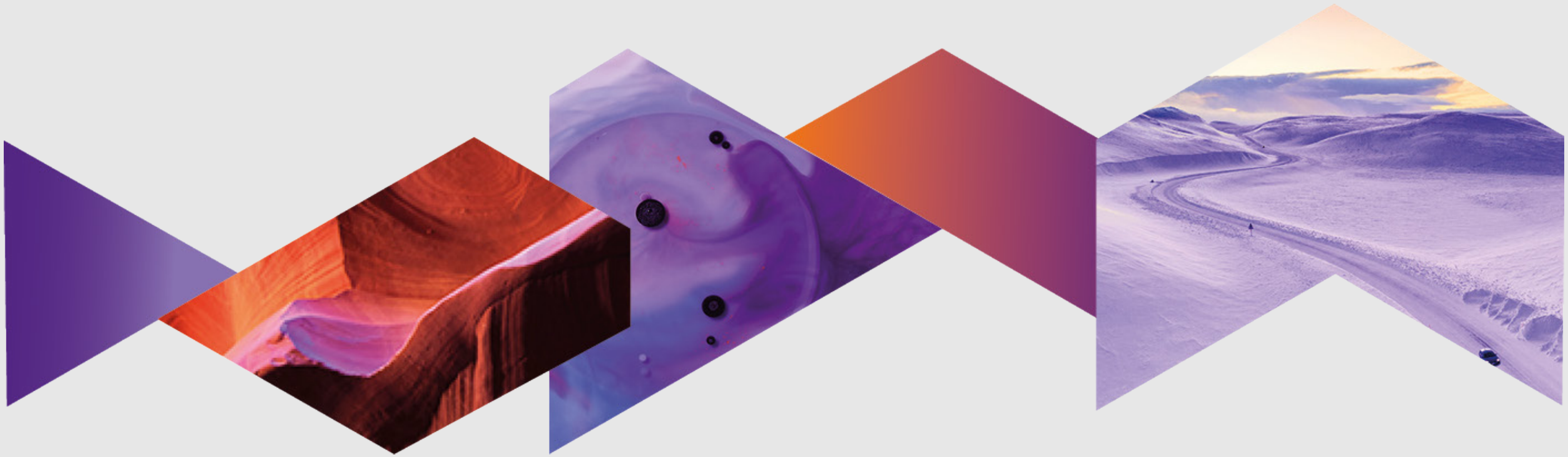
In the second half of 2024, Nykode conducted a comprehensive strategic review aimed at realigning its financial resources and cash runway with its organizational priorities. The Company is on track to transition into a leaner, research- and technology-driven organization, focusing on:

1. Asset generation: advancing its leadership in research to develop cutting-edge therapeutic solutions for immune tolerance, 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.

Nykode completed the main parts of the organizational restructuring in January 2025 and expect to finalize the remaining part during the first half of 2025.

Going forward Nykode's main priorities are executing on the VB-C-03 clinical trial, determining the optimal path for the VB10.NEO and VB10.16 programs, and optimizing the immune tolerance platform. The Company intends to give an update on the strategy latest in connection with the second quarter 2025 results.



FINANCIAL REVIEW

The financial statements of the Company for the year ended December 31, 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Numbers in brackets are for the corresponding period the previous year unless otherwise specified.

Income statement

The net result for 2024 was a net loss of USD 38.8 million compared to a net loss of USD 35.2 million in 2023.

Operating income
Total revenue and other income amounted to USD 9.2 million compared to USD 13.3 million for the same period in 2023.Revenue from contracts with customers was USD 8.7 million (USD 12.9million), of which USD 8.5 million (USD 12.1 million) relates to the Genentech agreement, which was terminated in November 2024. Other income was USD 0.5 million (USD 0.4 million) and relates to government grants.

Operating expenses
Total operating expenses amounted to USD 57.5 million compared to USD 71.4 million for the same period in 2023. Employee benefit expenses were USD 31.0 million (USD 27.5 million). The increase in employee benefit expenses is mainly due to the increased number of employees as well as an accrual for the organizational restructurings performed in 2024 of USD 2.3 million. Other operating expenses decreased from USD 41.8 million in the year ended December 31, 2023 to USD 24.2 million in the year ended December 31, 2024. The decrease mainly reflects the decrease in R&D services provided under the agreement with Genentech as well as reduced clinical activities.

Net financial income and costs
Net financial income and costs were positive USD 2.8 million in the year ended December 31, 2024 (USD 14.0 million positive). The decrease is mainly due to currency movements. Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities.

Income tax expenses
The Group recognized tax income of USD 6.7 million compared to USD 8.9 million in the same period of 2023. The income tax expense is primarily related to movement in deferred tax.

Statement of financial position

Cash
Cash and cash equivalents amounted to USD 115.4 million at December 31, 2024 compared to USD 162.6 million at December 31, 2023.

Other non-current receivables
Other non-current receivables were USD 28.6million (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). The decrease is due to movements in exchange rates.

Equity
Total equity amounted to USD 136.2 million at December 31, 2024, compared to USD 171.3 million at December 31, 2023. The decrease is mainly due to the net loss of the period of USD 38.8 million.

Trade and other payables
Trade and other payables amounted to USD 3.7million at December 31, 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.

Contract liabilities
At December 31, 2024 total contract liability amounted to USD 0.0 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. Due to the termination of the agreement with Genentech, the remaining contract liability was recognized in 2024.

Cash flow

Net change in cash and cash equivalents was negative USD 45.7 million in the year ended December 31, 2024, compared to USD 45.0 million negative for the same period in 2023.

Cash flow from operating activities
Net cash flow from operating activities was negative USD 51.2 million in the year ended December 31, 2024, compared to USD 96.6 million negative for the same period in 2023. The decrease is mainly due to the payment to the Norwegian Tax Authorities in the fourth quarter of 2023 as described above.

Cash flow from investing activities
Cash flow from investing activities was positive USD 6.9 million in the year ended December 31, 2024 (USD 7.0 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
Cash flow from financing activities was negative USD 1.4 million in the year ended December 31, 2024 (USD 44.6 million positive). The decrease mainly reflects the private placement in October 2023.

Allocation of the Parent Company's net result

The Board of Directors proposed that the loss of USD 38.8 million in Nykode Therapeutics ASA is transferred to retained earnings.

WORKING ENVIRONMENT

People & Organization

Nykode is a Company driven by the goal to pioneer and unlock the future of medicine. Being aware of the impact diversity has on financial performance and innovation levels, diversity naturally forms a part of our strategic focus and is deeply rooted in our values. Our core values - courage, integrity, collaboration, respect and flexibility - serve as guiding principles in our efforts to promote equality within our Company.

Nykode embraces diversity and strives to foster an environment of mutual respect that builds trust, safety and wellbeing. We value everyone's perspective, accept each person without judgment, and acknowledge the importance of each other's roles. This commitment is evident in our project-driven organization, where team members from diverse backgrounds and areas of expertise join forces to deliver the best possible outcomes.

Nykode's employees remain central to the Company's ability to execute its strategic priorities. As a knowledge-based organization, our success is built on the expertise and dedication of our people. However, during 2024 we recognized that we needed to align our financial resources and cash runway with our organizational priorities, including a streamlining of our organization. The main part of the organizational restructuring was executed in January 2025, and is expected to be finalized during the first half of 2025. During 2024 the Company's workforce was reduced from 167 employees at the beginning of the year, to 139 employees at the end of the year as part of the restructuring.

Despite these challenges, Nykode continues to foster a collaborative and dynamic working environment, retaining critical expertise in biotechnology, immunology, and business development. The Company remains committed to supporting its employees through this transition while maintaining an agile and focused organization capable of delivering on its long-term objectives.

The Company adheres to a set of guidelines in its code of conduct regarding employee health and safety, and conduct towards healthcare professionals, vendors and competitors. The Company has a focus on promoting an overall healthy working environment. For 2024, there were no work-related injuries reported which resulted in sick-leave, compared to one in 2023, The sick-leave ratio of absence for 2024 was 2.5%, compared to 2.3% in 2023.

Equality and anti-discrimination

Nykode is committed to ensure that all our employees experience inclusion and equality in their daily work life. We work proactively and systematically to promote equality, prevent discrimination based on gender, pregnancy, leave related to childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression or combination of these grounds, and aim to prevent harassment, sexual harassment, and gender-based violence.

The Norwegian Equality and Anti-Discrimination Act Section 26, mandates that employers have a duty to promote equality and prevent discrimination. In accordance with these regulations, Nykode is required to report on the current state of gender equality within the Company and outline the measures it is taking to fulfil the obligations under Section 26. Nykode is obliged to carry out a a gender pay gap review every second year. Additionally, it is mandatory to map potential involuntary part-time work. The latest review was published in the 2023 annual report, and a new review will be conducted for the 2025 annual report. Nykode had no involuntary part-time work in 2024.

The table below presents statistics on the status of gender equality in Nykode as per December 31, 2024.

31.12.2024	Norway			Denmark			Group total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees working full time	71	33	104	18	13	31	89	46	135
Employees working part time	0	0	0	1	0	0	1	0	1
Employees on temporary engagements	3	0	3	0	0	0	3	0	3
Total	74	33	107	19	13	32	93	46	139
	74%	33%	100%	59%	41%	100%	67%	33%	100%

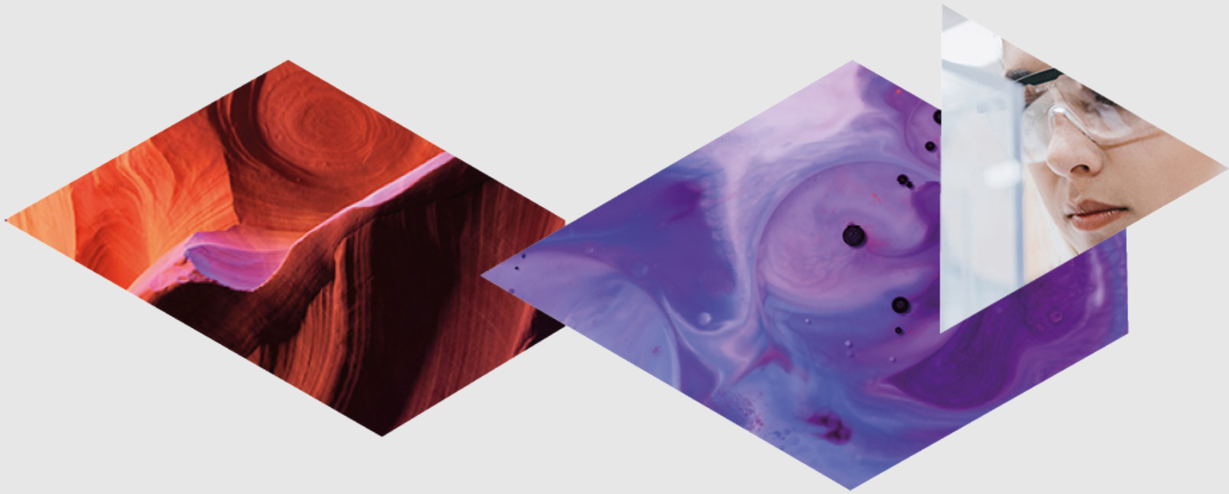
The average number of weeks of parental leave in 2024 was 24 weeks for women, and 7 weeks for men.

The work related to the duty of activity
Nykode adheres to a global code of conduct that prioritizes the health and safety of its employees. We have established safe whistleblowing procedures, as mandated by Norwegian law, enabling employees to report incidents related to e.g., discrimination, sexual harassment, or other forms of harassment. All employees are informed about their ability to report incidents, with details provided in the employee handbook. This handbook also includes various routines, guidelines and policies related to equality and diversity. The employee handbook is digital and easily accessible by all employees. We continuously update our employee handbooks for Norway and Denmark, incorporating measures that contribute to a work environment fostering diversity and inclusion.

Companies in Norway are required to implement the four-step model outlined in Section 26, second paragraph, or the Equality and Anti-Discrimination Act. During 2024, Nykode has persisted in its efforts to integrate equality and prevent discrimination within the organization across all grounds of discrimination mentioned in Section 26. This includes HR-processes on recruitment, salary and working condition, development opportunities, accommodation and the ability to balance work and family life. The board will regularly review efforts related to gender equality and inclusion. Diversity and inclusion continue to be integral to our culture.

Global statistics on other Key HR indicators per 31.12.2024

	2024	2023
Employees	139	173
Gender Diversity, M/F	33% / 67%	32% / 68%
Employee turn over	31%	13%
Gender diversity Board of Directors, M/F	60% / 40%	62% / 38%



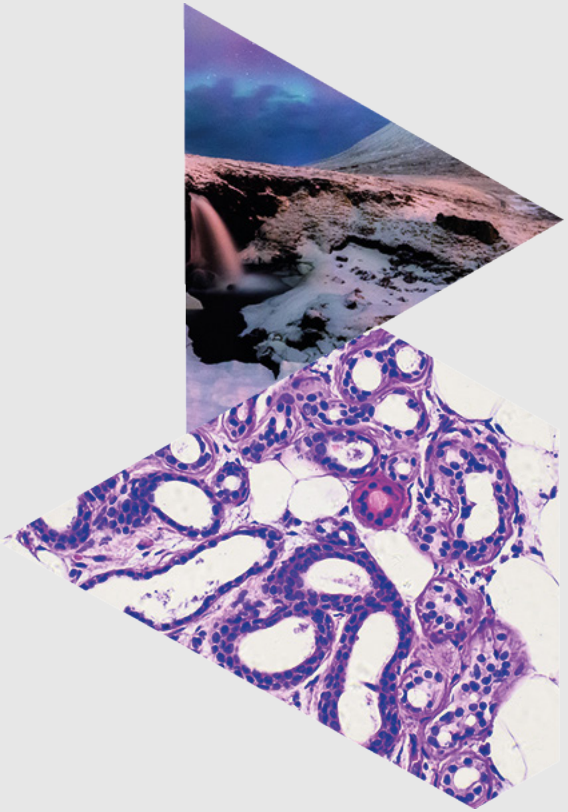
CORPORATE SOCIAL RESPONSIBILITY

External environment
As a biotechnology innovator, Nykode is mindful of its environmental and social impacts. While the Company's direct impact is inherently minimal due to the relatively small scale of its operations, Nykode is committed to adopting best practices in environmental stewardship. The focus remains on maintaining compliance with regulatory requirements and identifying opportunities to reduce its impact.

No significant environmental events or related non-compliance issues were reported in 2024.

As a biotechnology Company, Nykode acknowledges that many of its waste streams require specialized disposal methods due to their nature, limiting opportunities for recycling or alternative waste diversion.

Business ethics
Nykode, in collaboration with its partners, conducts preclinical experiments in animals as well as clinical trials. The experiments are approved by the Animal Welfare Committee in Nykode and obtains licenses from the Norwegian Food Safety Authority (Mattilsynet) to conduct trials on animals. Nykode only uses R&D vendors and laboratories that are approved and have documented high standards and expertise in animal research. The clinical trials are performed in accordance with the ethical and scientific principles governing clinical research on human subjects, as set out in the Declaration of Helsinki and the International Conference on Harmonization (ICH) guidelines on Good Clinical Practice. Nykode collaborates with international, competent service providers that specialize in these types of studies and consults with leading experts on trial design to optimize trial conduct. The Company has a continuous focus and monitoring of its internal routines and the Company's compliance with relevant legislation. Nykode is subject to the GDPR, incorporated in the Norwegian Personal Data Act (2018). The GDPR requires the Company to have e.g. records of processing activities, privacy statements, data protection policies, risk assessments and data processing agreements.
The Company conducts regular assessments of its GDPR compliance level. The Company has no reported personal data breaches, no pending cases with data protection authorities and no claims from third parties regarding GDPR non-compliance. Nykode is committed to maintaining the highest standards of ethical conduct and will not tolerate the use of bribery or corruption to achieve its business objectives. The Company has established anti-corruption policies according to which all employees must decline any expensive gifts, money, trips or other such offerings from business contacts. Nykode also meets the requirements of the Norwegian Transparency Act and the most recent Transparency Act statement can be found at Nykodes web-page (www.nykode.com).



RISK AND UNCERTAINTY

Research and development

Engaging in the development of innovative pharmaceutical products inherently involves substantial risks, encompassing factors such as patent protection, clinical trials, and regulatory approvals within the realm of research and development. Nykode seeks to mitigate these risks through appropriate measures. The Company focuses on securing sufficient patent protection by collaborating closely with external patent advisors to minimize the risk of patent infringement claims as well as to prepare any patent defense should this be necessary. Nykode's clinical operations department works closely with external regulatory consultants and regulatory agents to develop regulatory strategies and frequently interacts with regulatory agencies to navigate complex approval processes. The design of clinical trials strictly adheres to best practices and international regulations to minimize risk, with specialized Clinical Research Organizations (CROs) engaged to support these efforts. The clinical trials are carried out in collaboration with esteemed international partners with solid experience in conducting such trials and are conducted according to all applicable quality standards.

Commercial risk

The Group faces commercial risks associated with various aspects of its operations, including research and development, manufacturing, and commercialization of products, within a competitive landscape. These risks include:

- Competition from other companies developing alternative or similar therapies, which may impact the Company's ability to conduct clinical trials, seek regulatory approval, and achieve future sales.
- Partnerships and collaborations with key entities such as Regeneron and MSD, which may be impacted by factors such as their ability to provide R&D support and willingness to develop and promote products, as well as overall market conditions.
- Adverse events affecting the Company's products, such as safety concerns or negative publicity, potentially leading to significant impacts on the Company's results and cash flows.
- The expiration or loss of patent protection, along with challenges or invalidation of patents or patent applications, which could adversely affect the Company's future results and cash flows.

Despite these risks, proactive measures are being taken to address them. This includes ongoing risk assessments, strategic planning, and close collaboration with partners to capitalize on their expertise and minimize potential negative impacts.

Market risk

The long-term financial success of the the Company requires obtaining marketing authorizations and securing acceptable reimbursement for its drugs. There can be no assurance that the Company's drugs will attain cost-effective selling prices or reimbursement rates. The Company's products are subject to approvals from regulatory authorities, such as the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA), to market its products in their respective regions, as well as equivalent regulatory authorities in other jurisdictions worldwide to commercialize products in those regions.

Successful launches and sales for pipeline products may not be achieved due to changes in market dynamics or competition, unsuccessful marketing, and/or pricing pressure due to limitations on healthcare budgets. Any such adverse events could have a material impact on the Company's financial results and cash flows.

As with any drug intended for diagnostic or therapeutic use, adverse clinical reactions are always a possibility. This could have a significant impact on the Company's reputation and financial position.

Financial risk
Nykode is exposed to financial risk factors, including risks associated with cash management, the short-term liquidity profile of development programs, liquidity from partnerships and the ability to attract capital from financial markets. The Company has not entered into any hedging agreements to reduce financial risk as of December 31, 2024.

The expected main sources of capital to secure future funding are the capital market and potential new collaboration agreements with partners and potential funding from grant applications.

The Company is exposed to currency risk as employee expenses are primarily in Norwegian Kroner (NOK) and Danish Kroner (DKK), and much of its operating expenses for the clinical trials are paid in foreign currency, primarily in Euro (EUR). The Company keeps bank deposits in NOK, DKK, GBP, EUR and USD for operational purposes, and to reduce its currency risk. The Company regularly considers its current risk management of foreign exchange rates and will adjust it if deemed appropriate.

Nykode has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and the CEO. The insurance also covers any employee acting in a managerial capacity and includes controlled subsidiaries. The insurance policy is issued by reputable insurers with an appropriate rating.

IT-related risk
Nykode uses external assistance from qualified vendors to provide advice on cybersecurity and systems security where relevant. Its IT systems use authentication systems to reduce the risk of unauthorized access into its systems. The Company has appropriate protection from viruses and malware. Nykode has implemented procedures for IT security and data management via its IT vendors. Server back-ups are run automatically at regular intervals.

Dividend

The Board will propose a total dividend of NOK 1.00 per share 2024 to the AGM on 26 May 2025.

Going Concern

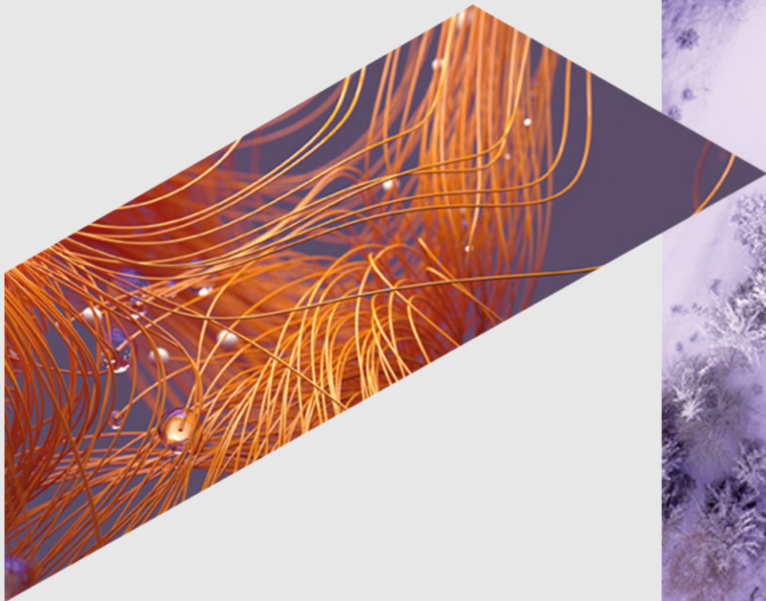
Pursuant to § 3.3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Group is a going concern are present, and that the financial statements have been prepared on the basis of this assumption. No events have occurred since the end of 2024, except those which are stated in this report that are of major significance for the assessment of the Company's financial position and results.

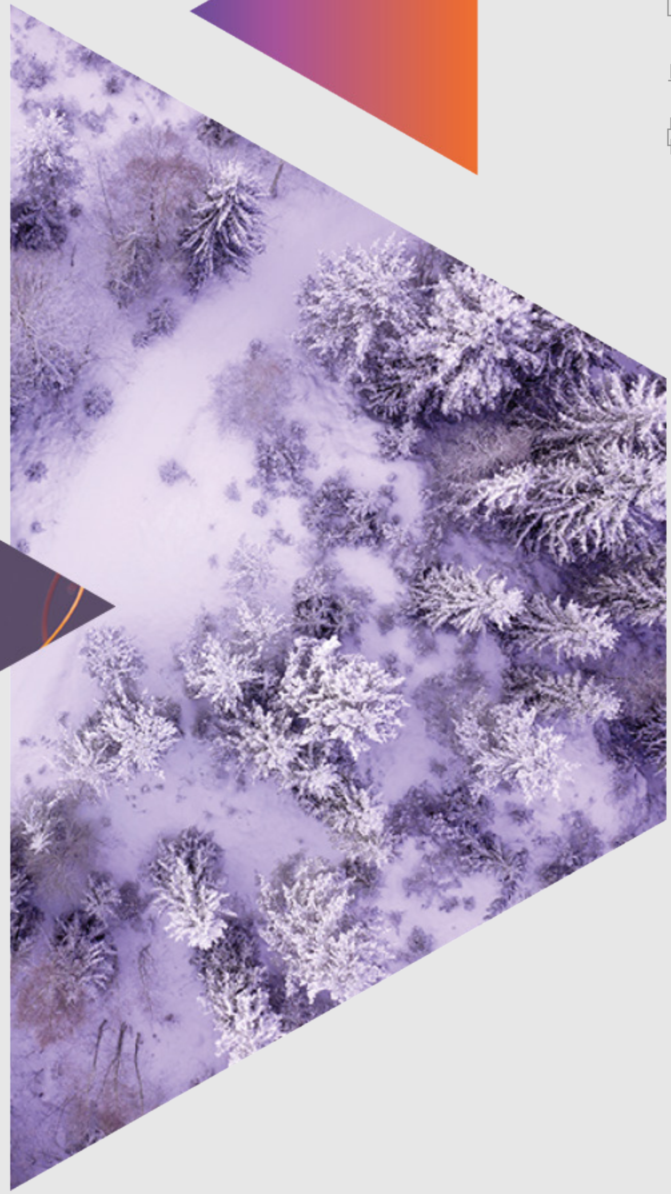
Events after the reporting period

Non-adjusting events
In March, Nykode announced that it had received resignations from the Chair of the Board, Martin Nicklasson, and Board members Elaine Sullivan and Anne Whitaker.

It was also announced that Michael Engsig (CEO), Agnete Fredriksen (CSO and Co-founder), and Harald Gurvin (CFO) had submitted their resignations. In April 2025, the Company announced that the aforementioned members of senior management had withdrawn their resignations and would continue in their respective roles.

At an extraordinary general meeting held on April 23, 2025, Susanne Stuffers was elected Chair of the Board. In addition, Trygve Lauvdal was elected as a member of the Board, replacing Harald Arnet, who had decided to step down. Christian Åbyholm continued as a member of the Board.





RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, that the financial statements for the period from January 1 to December 31, 2024 have been prepared in accordance with IFRS adopted by EU and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, April 28, 2025

Board of Directors, Nykode Therapeutics ASA

Susanne Stuffers Chair of the Board	**Christian Åbyholm** Board Member	**Trygve Lauvdal** Board Member
Michael Thyrring Engsig CEO		

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

1. Implementation and reporting on corporate governance
Nykode will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Code"). The Board shall include a report on the Company's corporate governance in its annual report, including an explanation of any deviations from the Code.

Deviations from the Code: None

2. Business
Nykode's business is clearly defined in the Company's Articles of Association as follows: "to develop biomedical products and services". The business of the Company's and subsidiaries is conducted in compliance with the objective set forth in the Company's articles of association.

The Board defines clear objectives, strategies and risk profiles for the Company's business activities such that the Company creates value for shareholders in a sustainable manner. When carrying out this work, the Board takes into account financial, social and environmental considerations. The Board evaluates the objectives, strategies and risk profiles at least once a year.

Deviations from the Code: None

3. Equity and dividends
The Board will ensure that the Company has a capital structure that is appropriate to the Company's objective, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board will continuously assess the Company's capital requirements related to the Company's objective, strategy and risk profile.

The Company is committed to create long-term value for its shareholders. The Board may resolve to establish and disclose a clear and predictable dividend policy, or alternatively, if the Board considers the Company to be in a phase of growth, the Board may decide not to establish and disclose a dividend policy or to pay dividends. The background for any proposal to grant the Board an authorization to approve distribution of dividends will be explained.

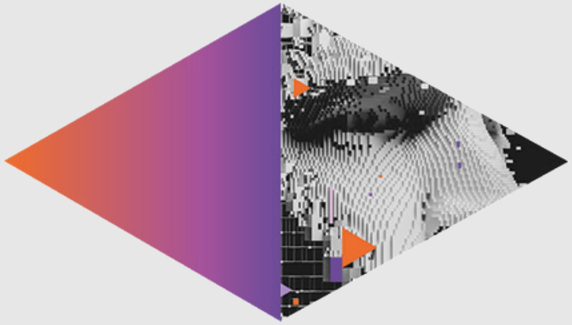
General authorizations for the Board to increase the share capital and buy own shares will normally be restricted to defined purposes and will, in general, be limited in time to no later than the date of the next annual general meeting of the Company.

At the Company's annual general meeting on May 16, 2024, the Board was granted authorization to increase the share capital by a maximum amount of NOK 326,546, equal to 10% increase in outstanding shares at the time of the general meeting. The authorization is valid until the annual general meeting in 2025, however no longer than June 30, 2025. Existing shareholders' pre-emptive rights to subscribe for and to be allocated shares may be derogated from. The authorization may be used in connection with (i) capital raisings for the financing of the company's business; (ii) in connection with acquisitions and mergers, or (iii) to increase the spread of ownership in the shares.

The Board was also granted authorization to increase the share capital by a maximum amount of NOK 80,000 in one or more share capital increases through issuance of new shares in connection with incentive programs. The Company did not utilize these authorizations in 2024.

The Company has historically not distributed dividends.

Deviations from the Code: None



4. Equal treatment of shareholders
There is only one class of shares in the Company and all of the Company's shares carry equal rights.

All shareholders will be treated on an equal basis, unless there is a just cause for treating them differently in accordance with applicable laws and regulations. In the event of an increase in share capital of the Company through issuance of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares will be justified. If the Board resolves to issue new shares and waive the pre-emptive rights of existing shareholders pursuant to a Board authorization granted by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issue. The reasons for any deviation from equal treatment of all shareholders in capital transactions will be included in the stock exchange announcement made in connection with the transaction.

Any transactions carried out by the Company in the Company's own shares will be carried out through Oslo Stock Exchange and in any case at prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders. Any transactions in own shares will be evaluated in relation to the rules on the duty of disclosure, as well as in relation to the prohibition against illegal insider trading and market manipulation, the requirement for equal treatment of all shareholders, and the prohibition of unreasonable business methods.

Deviations from the Code: None

5. Shares and negotiability
The shares of the Company are freely negotiable. The Company will not limit any party's ability to own, trade or vote for shares in the Company. The Company will provide an account of any restrictions on owning, trading or voting for shares in the Company.

Deviations from the Code: None

6. General meetings
All shareholders have the right to participate in the general meetings of the Company, which exercise the highest authority of the Company. The annual general meeting will normally be held before June 30 each year.

The Board will ensure that:

I. the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting;

II. any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible;

III. members of the Board and the chair of the nomination committee have the possibility to attend the general meeting. The Company will, however, normally not have the entire Board attend the general meeting as this is considered unnecessary; and

IV. the general meeting will normally be chaired by the Chair of the Board or an individual appointed by the Chair of the Board. Having the Chair of the Board or a person appointed by him/her chairing the general meetings simplifies the preparations for the general meetings significantly. In the Company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory.

Shareholders in the Company will be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting will be given the opportunity to vote. The Company will design the form for the appointment of a proxy to make voting on each individual matter possible and will nominate a person who can act as a proxy for shareholders. At the annual general meeting held on May 16, 2024, six board members were re-elected, including the Chair of the Board. In addition, the deputy board member, Einar J. Greve, was elected as a member of the Board to replace Anders Tuv, who did not seek re-election. Harald Arnet was elected at the annual general in 2023, and was not up for re-election. Trygve Lauvdal was re-elected as observer to the Board. As the proposed candidates were all members or deputy members of the Board, the Company chose to deviate from the recommendation that shareholders should be able to vote for individual candidates nominated for election.

Deviations from the Code: Shareholders were not able to vote for individual candidates nominated for election.

7. Nomination committee

Nykode has established a nomination committee as laid down in the Company's articles of association. The general meeting has stipulated guidelines for the duties of the nomination committee. The guidelines were latest amended at the Company's annual general meeting on May 12, 2022.

The nomination committee shall consist of two or three members. The Company's general meeting elects the members of the nomination committee and determines their remuneration. Members are elected for two years at a time, unless otherwise resolved by the general meeting.

The nomination committee shall have contact with shareholders, the Board and the Company's executive personnel as part of its work on proposing candidates for election to the Board.

The members of the nomination committee shall be selected to take into account the interests of share-holders in general. The majority of the committee will be independent of the Company's Board and the executive personnel. The nomination committee shall not include any of the Company's executive personnel or any member of the Board.

The nomination committee's duties will be to propose candidates for election to the Board and nomination committee and to propose the fees to be paid to members of these bodies.

The nomination committee has guidelines to address the Company's need for competence and diversity, as outlined in the corporate governance charter as well as the nomination committee charter. The purpose is to ensure a reasonable representation in terms of gender and background.

At the Company's annual general meeting held on May 16, 2024, Lars Erik Larsson and Jan Fikkan, were re-elected as members of the nomination committee. The chair of the nomination committee, Lars Lund-Roland, was elected at the annual general meeting held on May 11, 2023, and was not up for re-election. Lars Lund-Roland resigned from the nomination committee in April 2025.

Deviations from the Code: None

8. Board of Directors, composition and independence

The Company's articles of association stipulate that the Board shall consist of two to eight members elected by the shareholders. The Chair of the Board is elected by the general meeting.

The composition of the Board shall ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity.

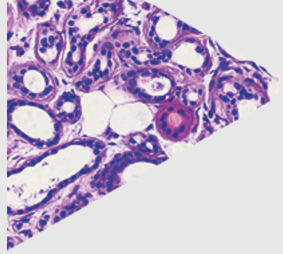
The composition of the Board shall ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board shall be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders shall be independent of the Company's main share-holder(s).

The Board shall not include members of the Company's executive personnel. If the Board does include executive personnel, the Company will provide an explanation for this and implement consequential adjustments to the organization of the work of the Board, including the use of board committees to help ensure more independent preparation of matters for discussion by the Board, cf. Section 9 of the Code.

At the annual general meeting held on May 16, 2024, six board members were re-elected, including the Chair of the Board. In addition, the deputy board member, Einar J. Greve, was elected as a member of the Board to replace Anders Tuv, who did not seek re-election. Harald Arnet was elected at the annual general in 2023, and was not up for re-election. Trygve Lauvdal was re-elected as observer to the Board. On December 30, 2024, it was announced that three of the members of the Board had resigned. Following the resignation, the board consisted of Martin Nicklasson (Chair of the Board), Harald Arnet, Elaine Sullivan, Anne Whitaker and Christian Åbyholm. Harald Arnet and Christian Åbyholm are not considered independent of the Company's major shareholders.
At December 31, 2024, the composition of the Board satisfied the independence requirements set forth in the Code. On March 27, 2025, Martin Nicklasson, Elaine Sullivan and Anne Whitaker resigned from the the Board. At the extraordinary general meeting held on April 23, 2025, Susanne Stuffers was elected as Chair of the Board. In addition, Trygve Lauvdal, was elected as member of the Board, to replace Harald Arnet who had decided to step down. Christian Åbyholm continued as a member of the Board.

An overview of the number of shares in the Company owned by board members as of December 31, 2024 is included in the notes to the financial statements (Note 6.1 Remuneration to Executive Management and the Board of Directors).

Deviations from the Code: None



9. The work of the Board of Directors

The Board has issued instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

The Board will present any agreements with related parties, either of the Board or the executive management, in their annual directors' report. The Board will also ensure that members of the Board and the Company's executive personnel make the Company aware of any material interests that they may have in items to be considered by the board of directors.

In order to ensure a more independent consideration of matters of a material character in which the Chair of the Board is, or has been, personally involved, the Board's consideration of such matters will be chaired by some other member of the Board.

The Board will provide details in the annual report of any board committees appointed.

The Board will evaluate its performance and expertise annually.

Committees

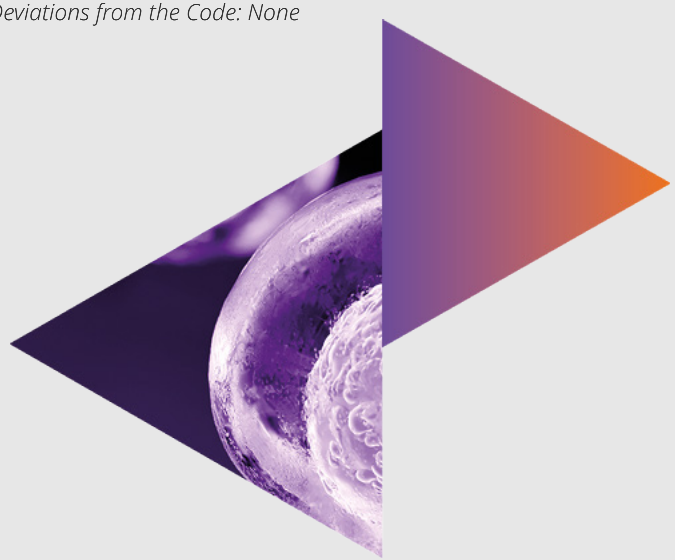
During 2024, the Board had established three sub-committees in the form of the Audit Committee, Remuneration Committee and Research and Development Committee. The committees are preparatory and advisory working committees and assist the Board with the preparation of items for consideration. Decisions are made, however, by the full Board.

The Audit Committee is a preparatory and advisory select committee for the board of directors of the Company. The committee shall prepare the Board's supervision of the Company's financial reporting process and monitor the systems for internal control and risk management. The committee shall have continuous contact with the Company's auditor regarding the audit of the annual accounts and review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The Remuneration Committee shall recommend the Company's remuneration policy for the executive management for final approval by the Board prior to approval by the general meeting. The committee will make proposals to the Board on remuneration of the executive management and to the Nomination Committee on remuneration for Board members. This is to ensure that the remuneration for the above-mentioned stakeholders is following the Company's remuneration guidelines. The committee will review the executive managements' annual business performance achievements against predefined annual corporate goals. The Remuneration Committee was dissolved during the first quarter of 2025, and the full Board has taken on the responsibilities previously assigned to the Remuneration Committee.

The Research and Development Committee shall oversee matters relating to the Company's scientific and technological capabilities and development programs and report to the Board regarding such matters to help facilitate Board oversight of (1) the Company's investment in research and development, product improvements and technology and (2) the Company's strategy and processes regarding engagement of the scientific community, support of research and clinical studies and development of scientific data generated by the Company's products. The committee will also monitor and evaluate significant emerging trends and issues in science and technology relevant to the Company and assist the Board and management in implementing appropriate advisory and thought-leader interactions. Following the resignation of three members of the Board in March 2025, there are currently no members of the Research and Development Committee.

Deviations from the Code: None



10. Risk management and internal control
As a listed company, the Company is committed to maintaining a sound system of risk management and internal control that is appropriate for the size, complexity, and risk profile of our business. The Board will carry out an annual review of the Company's most important areas of exposure to risk and internal control arrangements.

The Company has established clear procedures for identifying, assessing, and managing risks, and regularly evaluates and updates these practices to ensure their effectiveness. Significant risks, including strategic, financial, liquidity, and operational risks, are assessed on an ongoing basis and at least once a year by the Board.

The finance function is responsible for the preparation of the Company's financial statements and reports, ensuring compliance with IFRS and other applicable laws and regulations. The annual financial statements are reviewed by the Company's auditor, and the main features of our internal control and risk management systems as they relate to financial reporting are provided in the annual report.

The Company has also established mechanisms to prevent and address corruption, fraud, bribery, and other irregularities, including internal channels for reporting that protect the identity of the reporter if required.

Deviations from the Code: None

11. Remuneration of the Board of Directors
The annual general meeting determines the Board's remuneration annually on the basis of the recommendations of the Nomination Committee. The remuneration of the Board shall reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. Work in sub-committees may be compensated in addition to the remuneration received for Board membership. Members of the Board, and/or companies with which they are associated with, shall not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments, this shall be disclosed to the full Board. The remuneration for such additional duties shall be approved by the Board.

In line with the internationalization of the Company and its board composition over the last years, the Company has chosen to deviate from the recommendation that the Board should not receive share options. The remuneration of the Board approved at the general meeting in 2024 consists both of cash and share options, as is common in the international market.

Deviations from the Code: The Company has granted share options to members of the Board

12. Salary and other remuneration for executive personnel
The guidelines for remuneration of executive management are prepared by the Board for consideration of the annual general meeting. The current guidelines were approved at the annual general meeting held on May 16, 2024 and are available on the Company's website. The main principles of the remuneration policy are; i) remuneration shall be market competitive, but not leading; ii) remuneration shall be motivational and drive value creation for shareholders; iii) remuneration shall be transparent and acceptable both internally and externally; and iv) remuneration shall be flexible, allowing adjustments over time. The remuneration scheme is based on the following; i) base salary; ii) short term incentive plan; iii) long term incentive plan; iv) pension benefits; v) other terms of employment.

More detailed information about the remuneration of executive management may be found in the report on remuneration to executive management, which is available on the Company's website.

Deviations from the Code: None

13. Information and communications
The Board has established guidelines for the Company's reporting of financial and other information and for contact with shareholders other than through general meetings. The Company ensures that relevant, accurate and timely information is made available to the market as a basis for fair pricing and regular trading of the Company's shares, and that the Company is perceived as a visible, accessible, reliable and professional company by the capital market, while at the same time always observing the rules and legislation for listed companies on the Oslo Stock Exchange. The guidelines include policy on who is entitled to speak on behalf of the company on various subjects.

Deviations from the Code: None

14. Take-overs
The Board has prepared guidelines for how to act in the event of a possible takeover bid for the Company. The purpose of the guidelines is to safeguard the interests of the shareholders in respect to a possible rumored or actual offer for the outstanding shares in the Company. The Board shall not seek to hinder or obstruct any takeover bid unless there are justifiable grounds for doing so based on the Company's and the shareholder's collective interests. The Board will ensure that all shareholders are treated equally in a takeover process and shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders. The Board will generally seek to ensure that the values and interests of the shareholders are protected and that shareholder value is maximized. The Board will evaluate any bid and issue a statement on the Board's opinion of the bid, and if required obtain a valuation from an independent expert.

Deviations from the Code: None

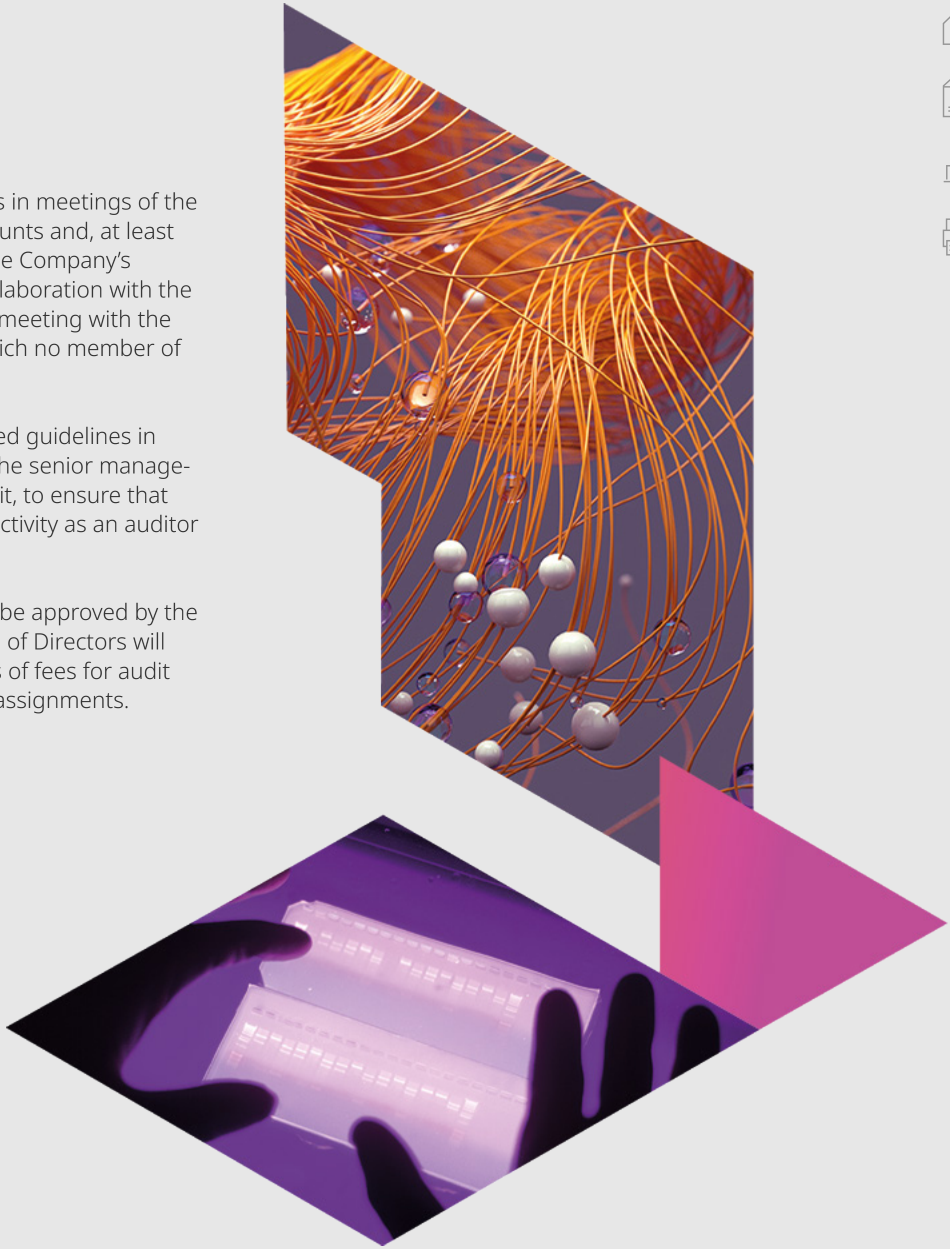
15. Auditors
The Company's external auditor is Deloitte AS. On an annual basis, the Board reviews with the auditor the Company's internal control procedures, including identified risk areas and proposals for improvement, as well as the main features of the plan for the audit of the Company. The auditor must annually present to the Board a plan of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

Furthermore, the auditor participates in meetings of the Board that deal with the annual accounts and, at least once a year, carries out a review of the Company's procedures for internal control in collaboration with the audit committee. At least one Board meeting with the auditor shall be held each year in which no member of the senior management is present.

The Board of Directors has established guidelines in respect of the use of the auditor by the senior management for services other than the audit, to ensure that the auditor's independence and objectivity as an auditor is not compromised.

The remuneration to the auditor will be approved by the ordinary general meeting. The Board of Directors will report to the general meeting details of fees for audit work and any fees for other specific assignments.

Deviations from the Code: None



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group			For the years ended December 31		Parent	
2024	**2023**	**Notes**	**Amounts in USD '000**	**Notes**	**2024**	**2023**
8,679	12,902	2.2	Revenue from contracts with customers	2.2	8,679	12,902
479	421		Other income		479	460
9,158	**13,323**		**Total revenue and other income**		**9,158**	**13,362**
31,037	27,482	2.3	Employee benefit expenses	2.3	19,741	18,331
24,201	41,801	2.4	Other operating expenses	2.4	33,126	49,564
2,251	2,122	3.1, 3.2	Depreciation	3.1, 3.2	2,039	1,947
(48,331)	**(58,082)**		**Operating profit or loss**		**(45,748)**	**(56,480)**
9,000	18,674	4.6	Finance income	4.6	8,352	18,686
6,182	4,678	4.6	Finance costs	4.6	7,805	4,635
(45,513)	**(44,086)**		**Profit or loss before tax**		**(45,201)**	**(42,429)**
(6,692)	(8,932)	5.1	Income tax expense	5.1	(6,722)	(9,037)
(38,821)	**(35,154)**		**Profit or loss for the year**		**(38,479)**	**(33,392)**
			Other comprehensive income:			
			Items that subsequently may be reclassified to profit or loss:			
(12)	(4)		Foreign currency translation effects		—	—
(12)	(4)		Total items that may be reclassified to profit or loss		—	—
(12)	**(4)**		**Total other comprehensive income for the year**		**—**	**—**
(38,833)	**(35,158)**		**Total comprehensive income for the year**		**(38,479)**	**(33,392)**
			Earnings per share ("EPS"):			
(0.12)	(0.12)	4.8	Basic EPS - profit or loss attributable to equity holders	4.8	(0.12)	(0.11)
(0.12)	(0.12)	4.8	Diluted EPS - profit or loss attributable to equity holders	4.8	(0.12)	(0.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group 31.12.2024	Group 31.12.2023	Notes	Amounts in USD '000	Notes	Parent 31.12.2024	Parent 31.12.2023
			ASSETS			
			Non-current assets			
3,741	4,413	3.1	Property, plant and equipment	3.1	3,667	4,309
4,001	6,104	3.2	Right-of-use assets	3.2	3,388	5,290
72	70		Intangible assets		72	70
28,601	31,923	2.9	Other non-current receivables	2.9	28,600	31,923
36,415	**42,510**		**Total non-current assets**		**35,727**	**41,592**
—	—	4.9	Investments in subsidiaries	4.9	4,767	4,318
—	**—**		**Total financial non-current assets**		**4,767**	**4,318**
			Current assets			
1,668	3,073	2.5	Other receivables	2.5	1,568	2,901
115,398	162,602	4.5	Cash and cash equivalents	4.5	114,020	161,542
117,066	**165,675**		**Total current assets**		115,588	164,443
153,481	**208,185**		**TOTAL ASSETS**		**156,082**	**210,353**
			EQUITY AND LIABILITIES			
			Equity			
367	367	4.4	Share capital	4.4	367	367
128,986	128,986		Share premium		128,986	128,986
18,683	15,395		Other capital reserves		18,682	15,393
(3,060)	(3,048)		Other components of equity		(3,113)	(3,113)
(8,762)	29,559		Retained earnings		(4,780)	33,199
136,214	**171,259**		**Total equity**		**140,142**	**174,832**
			Non-current liabilities			
2,145	4,269	3.2	Non-current lease liabilities	3.2	1,715	3,624
—	2	2.7	Non-current provisions	2.7	—	2
822	—	2.8	Other non-current liabilities	2.8	822	—
5,201	12,047	5.1	Deferred tax liabilities	5.1	5,320	12,040
8,168	**16,318**		**Total non-current liabilities**		**7,857**	**15,666**
			Current liabilities			
—	104		Government grants		—	104
1,293	1,457	3.2	Current lease liabilities	3.2	1,091	1,242
3,679	7,064	2.6	Trade and other payables	2.6	3,762	6,911
4,103	3,750	2.7	Current provisions	2.7	3,230	3,365
—	8,233	2.8	Current contract liabilities	2.8	—	8,233
24	—	5.1	Income tax payable	5.1	—	—
9,099	**20,608**		**Total current liabilities**		**8,083**	**19,855**
17,267	**36,926**		**Total liabilities**		**15,940**	**35,521**
153,481	**208,185**		**TOTAL EQUITY AND LIABILITIES**		**156,082**	**210,353**

Oslo, April 28, 2025

Board of Directors, Nykode Therapeutics ASA

Susanne Stuffers
Chair of the Board

Christian Åbyholm
Board Member

Trygve Lauvdal
Board Member

Michael Thyrring Engsig
CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

Group 2024	Group 2023	Notes	For the years ended December 31	Notes	Parent 2024	Parent 2023
			Cash flows from operating activities (USD '000)			
(45,513)	**(44,086)**		**Profit or loss before tax**		**(45,201)**	**(42,429)**
			Adjustments to reconcile profit before tax to net cash flows:			
(137)	(180)		Income tax expense		—	—
(2,459)	(13,299)	4.6	Net financial income/expense	4.6	(178)	(13,307)
743	629	3.1	Depreciation of property, plant and equipment	3.1	720	616
1,508	1,493	3.2	Depreciation of Right-of-use assets	3.2	1,319	1,330
3,787	3,701	4.7	Share-based payment expense	4.7	1,063	1,582
			Working capital adjustments:			
1,405	2,414	2.5	Changes in trade receivables and other receivables	2.5	1,333	2,890
—	(29,000)	2.9	Changes in other non-current receivables	2.9	—	(29,038)
(2,563)	(2,772)	2.6	Changes in trade and other payables	2.6	(2,328)	(4,406)
(7,989)	(15,496)	2.7, 2.8	Changes in contract liabilities, current provisions and government grants	2.7,2.8	(8,472)	(15,333)
—	—		Changes in contract liabilities		—	—
(2)	(28)	2.7	Changes in non-current provisions	2.7	(2)	(28)
(51,220)	**(96,624)**		**Net cash flows from/(used in) operating activities**		**(51,746)**	**(98,123)**
			Cash flows from investing activities (USD '000)			
(71)	(1,902)	3.1	Purchase of property, plant and equipment*	3.1	(77)	(1,785)
—	—	4.1	Proceeds from sale of Money Market Funds	4.1	—	—
7,002	8,942	4.6	Interest received	4.6	7,002	8,938
—	—		Payment of loan to subsidiaries		—	-
—	—		Receipt from loan to subsidiaries		—	884
6,931	**7,040**		**Net cash flows from investing activities**		**6,925**	**8,037**
			Cash flows from financing activities (USD '000)			
—	45,697	4.4	Proceeds from issuance of equity	4.4	—	45,697
(1,221)	(893)	3.2	Payments for the principal portion of the lease liability	3.2	(1,050)	(801)
(179)	(215)	3.2	Payments for the interest portion of the lease liability	3.2	(136)	(175)
—	—	4.6	Interest paid	4.6	—	—
(1,400)	**44,589**		**Net cash flows from financing activities**		**(1,186)**	**44,721**
(45,689)	(44,995)		**Net increase/(decrease) in cash and cash equivalents**		(46,007)	(45,365)
162,602	206,386	4.5	Cash and cash equivalents at beginning of the year/period	4.5	161,542	205,696
(1,515)	1,211		Net foreign exchange difference		(1,515)	1,211
115,398	**162,602**		**Cash and cash equivalents, end of year**		**114,020**	**161,542**

* Purchase of PPE is adjusted for non-cash items due to timing of payment.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at January 1, 2023	**338**	**83,318**	**11,694**	**(3,044)**	**64,713**	**157,018**
Profit or (loss) for the year	—	—	—	—	(35,154)	(35,154)
Other comprehensive income	—	—	—	(4)	—	(4)
Issue of share capital (Note 4.4)	29	45,668	—	—	—	45,697
Share-based payments (Note 4.7)	—	—	3,701	—	—	3,701
Balance at December 31, 2023	**367**	**128,986**	**15,395**	**(3,048)**	**29,559**	**171,259**
Profit or (loss) for the year	—	—	—	—	(38,821)	(38,821)
Other comprehensive income	—	—	—	(12)	—	(12)
Issue of share capital (Note 4.4)	—	—	—	—	—	—
Share-based payments (Note 4.7)	—	—	3,288	—	500	3,788
Balance at December 31, 2024	**367**	**128,986**	**18,683**	**(3,060)**	**(8,762)**	**136,214**

Parent

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at January 1, 2023	**338**	**83,318**	**11,692**	**(3,113)**	**66,591**	**158,826**
Profit or (loss) for the year	—	—	—	—	(33,392)	(33,392)
Issue of share capital (Note 4.5)	29	45,668	—	—	—	45,697
Share-based payments (Note 4.8)	—	—	3,701	—	—	3,701
Balance at December 31, 2023	**367**	**128,986**	**15,393**	**(3,113)**	**33,199**	**174,832**
Profit or (loss) for the year	—	—	—	—	(38,479)	(38,479)
Issue of share capital (Note 4.4)	—	—	—	—	—	—
Share-based payments (Note 4.7)	—	—	3,289	—	500	3,789
Balance at December 31, 2024	**367**	**128,986**	**18,682**	**(3,113)**	**(4,780)**	**140,142**

1.1 General information

Corporate information
The financial statements of Nykode Therapeutics ASA and its subsidiaries ("Nykode" or "the Group") for the year ended December 31, 2024 were authorized for issue in accordance with a Board resolution on April 28, 2025. Nykode Therapeutics ASA ("Parent Company" or "Parent") has shares 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, has been investigated in two trials 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.

1.2 Basis of preparation

The financial statements of the Group and Parent Company comprise statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and related notes. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS®").

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. The financial statements are prepared based on the going concern assumption.

Comparative financial information is provided for the preceding period in the statement of comprehensive income, statement of financial position, statement of equity and statement of cash flows.

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Presentation currency and functional currency
The financial statements are presented in US dollars ("USD"), which is the functional currency of the Parent Company. All USD amounts are rounded to the nearest thousand, unless otherwise noted. The financial statements of consolidated foreign subsidiaries whose functional currency is not USD are translated into USD for statement of financial position items at the closing exchange rate at the date of the statement of financial position and for the statement of total comprehensive income at the average rate for the period presented.

1.3 Material accounting policies

Nykode's material accounting policies are described in each of the individual notes to the consolidated financial statements. Accounting policies listed below are regarded as the principal accounting policies applied by Management:

- Revenue from contracts with customers (note 2.2)
- Right-of-use assets and lease liabilities (note 3.2)
- Taxes (note 5.1)

1.4 Material accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognized in the financial statements, are summarized below:

Accounting judgements:
- Determining the performance obligations under the Regeneron Agreement (note 2.2)
- Determining whether deferred tax assets should be recognized (note 5.1)

A detailed description of the significant accounting judgements is included in the individual note where applicable.

Estimates and assumptions:
- Identification of performance obligations (note 2.2)
- Measurement of deferred tax liability (note 5.1)

Nykode based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A detailed description of the significant estimates and assumptions are included in the individual note where applicable.

2.1 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") for segment performance and resource allocation. This is reported as one segment as the nature of the activities are similar across the Group. Nykode has identified the Board of Directors as the CODM

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

Group			Parent	
31.12.2024	**31.12.2023**	**Non-current assets**	**31.12.2024**	**31.12.2023**
35,726	41,593	Norway	35,727	41,593
689	917	Denmark	–	–
36,415	**42,510**	**Total non-current assets**	**35,727**	**41,593**

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, right-of-use assets and other non-current receivables.

Revenue from contracts with customers that amounted to more than 10% of the Groups revenue in 2024 and 2023 is as follows:

Group			Parent	
2024	**2023**	**Revenue from contracts with customers**	**2024**	**2023**
8,453	12,045	Revenue from Customer 1	8,453	12,045
226	857	Revenue from Customer 2	226	857
8,679	**12,902**	**Total revenue from contracts with customers**	**8,679**	**12,902**

2.2 Revenue from contracts with customers

ACCOUNTING POLICIES

Revenue from sale of licenses

Revenue from sale of licenses relates to the sale of intellectual property ("IP"). For licenses of intellectual property that are distinct (or represent the predominant item of a combined performance obligation), the Group assesses whether the license provides the customer with a right to access the Nykode IP as it exists throughout the license period ("a right to access") or a right to use the Nykode IP as it exists at the point in time in which the license is granted ("a right to use"). Revenue from licenses that provide the customer with "a right to access" is accounted for over time as the performance occurs. Revenue from licenses with "a right to use" is recognized at the time when the license is granted to the customer and when the customer is able to use and benefit from the license.

Revenue from R&D services

Revenue from conduction of R&D services relates to Nykode's delivery of R&D activities. Revenue is recognized over time or point in time based on the type of R&D activities. R&D activities that are delivered based on specific instructions and Nykode has an unconditional right to consideration once performed. Nykode also delivers R&D activities on specific projects where it conducts research and provides the customer with the clinical outcome. Such services are recognized as performance obligations satisfied over time. Revenue is recognized based on the stage of completion of the contract, this is based on the actual incurred cost relative to the total expected cost for these services.

Variable consideration

If the consideration in a contract includes a variable amount, Nykode estimates the amount of consideration to which it will be entitled in exchange for transferring the goods and services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Amounts of variable consideration of sale-based royalties promised in the exchange for a license of intellectual property are not included in the transaction price or recognized as revenue until the subsequent sale occurs.

Transaction price

Nykode allocates the total transaction price in proportion to the stand-alone selling price of each promised good or service in a contract. If a stand-alone selling price is not directly observable, Nykode estimates the stand-alone selling price that best depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods or services to the customer.

Following the termination of the agreement with Genentech in November 2024, Nykode has recognized the remaining contract liability as revenue per 31.12 2024.

Group			Parent	
2024	**2023**	**Revenue from contracts with customers**	**2024**	**2023**
8,679	12,902	R&D services	8,679	12,902
8,679	**12,902**	**Total revenue**	**8,679**	**12,902**

Group			Parent	
2024	**2023**	**Geographical distribution**	**2024**	**2023**
8,679	12,902	United States of America	8,679	12,902
8,679	**12,902**	**Total revenue**	**8,679**	**12,902**

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

Group			Parent	
2024	**2023**	**Timing of revenue recognition**	**2024**	**2023**
226	857	Goods/services transferred at a point in time	226	857
8,453	12,045	Services transferred over time	8,453	12,045
8,679	**12,902**	**Total revenue**	**8,679**	**12,902**

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

Group			Parent	
2024	**2023**		**2024**	**2023**
–	5,904	Within one year	–	5,904
–	2,556	More than one year	–	2,556
–	**8,460**	**Total**	**–**	**8,460**

Following the termination of the agreement with Genetech, Nykode no longer has any performance obligations as per December 31, 2024

MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant accounting judgements and estimates related to the Regeneron Agreement and the Genentech Agreement are listed below.

Determining the performance obligations

Regeneron Agreement

Based on an overall assessment of the agreement and the nature of the deliverables it has been determined that the license of intellectual property, the R&D activities and the manufacturing services do not significantly modify each other and are three distinct performance obligations. It has further been assessed that Nykode is not providing a significant service of integrating these deliverables into one combined output. Also, the use of the license is not highly dependent on, or highly interrelated with, the R&D activities or the manufacturing services. In making these assessments, emphasis has been put on the standardized nature of the R&D services and the manufacturing services and the fact that a third-party Clinical Research Organization or Contract Manufacturing Organization could have provided these services to Regeneron under their supervision.

Estimates of variable consideration

The assessment of amounts included in the transaction price upon inception of the contract is subject to judgement as there may be significant uncertainty related to the total consideration to be paid under the agreement

Contract balances

Contract assets and contract liabilities relate to revenue earned from ongoing services. As such, the balances of these accounts vary and depend on the number of ongoing projects at the end of the year. The Group presents its trade receivables arising from contracts with customers separately from contract assets and contract liabilities. Accounting policies and balances for trade receivables are presented in note 2.5 and contract assets and contract liabilities are presented in note 2.8.

2.3 Employee benefit expenses

Group			Parent	
2024	**2023**	**Employee benefit expenses**	**2024**	**2023**
19,660	18,847	Salaries	13,036	12,898
2,173	2,699	Social security costs	2,173	2,699
2,407	2,057	Pension costs	1,086	1,057
3,789	3,700	Share-based payment expense	1,141	1,581
(2)	(826)	Social security cost on share-based payments	(2)	(826)
2,349	—	Termination benefits	1,749	—
661	1,005	Other employee expenses	558	922
31,037	**27,482**	**Total employee benefit expenses**	**19,741**	**18,331**
167	159	Average number of full-time employees (FTEs)	132	129

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements under the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). For the Group's employees in Denmark, the Group has established a pension scheme which satisfies the requirements under Danish law.

The schemes are defined contribution plans. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

At the end of the reporting period, members of the Board of Directors and Executive Management held shares and warrants/options in Nykode Therapeutics ASA. For information on remuneration to Executive Management and the Board of Directors, see note 6.1.

2.4 Other operating expenses

Group 2024	Group 2023	Other operating expenses	Parent 2024	Parent 2023
14,734	29,358	Research and development expenses	14,731	29,355
2,118	3,142	Consulting fees	2,068	3,107
1,200	1,723	Legal expenses	1,084	1,633
2,536	2,723	Operating materials	2,536	2,723
1,027	1,413	Audit and accounting fees	875	1,278
515	933	Lease expenses	378	707
109	503	Duty and handling costs	108	500
876	1,014	Travel expenses	548	709
–	–	Purchase of services from subsidiaries	–	8,796
1,088	992	Other operating expenses	878	756
24,201	**41,801**	**Total other operating expenses**	**23,206**	**49,564**

Total research and development expenses for 2024 were USD 39.7 million (USD 51.2 million for 2023), of which USD 14.7 million (USD 29.4 million) was recognized as other operating expense, with the remainder recognized as employee benefit expenses in the statement of comprehensive income.

Group 2024	Group 2023	Auditor fees	Parent 2024	Parent 2023
779	1,100	Audit fee	761	1,088
–	6	Assurance services	–	6
18	20	Tax services	–	20
16	–	Other services	1	–
813	**1,126**	**Total remuneration to the auditor**	**762**	**1,114**

Audit fee:
The amounts above are excluding VAT.

2.5 Trade and other receivables

Group			Parent	
31.12.2024	**31.12.2023**	**Trade receivables**	**31.12.2024**	**31.12.2023**
–	–	Trade receivables from customers at nominal value	–	–
–	**–**	**Total trade receivables**	**–**	**–**

Group			Parent	
31.12.2024	**31.12.2023**	**Other receivables**	**31.12.2024**	**31.12.2023**
522	750	VAT receivable	497	680
386	115	Government grants receivables	386	115
760	2,007	Prepaid expenses	666	1,906
–	201	Other receivables	–	200
–	–	Receivables from group companies	19	–
1,668	**3,073**	**Total other receivables**	**1,568**	**2,901**

The credit risk of financial assets has not increased significantly from initial recognition.
For details regarding the Group's procedures on managing credit risk, reference is made to note 4.3.

No credit losses allowance are recognized at year end 2024 or 2023.

2.6 Trade and other payables

Group			Parent	
31.12.2024	**31.12.2023**	**Trade and other payables**	**31.12.2024**	**31.12.2023**
864	1,327	Trade payables	732	1,203
918	1,529	Withholding payroll taxes and social security	918	1,303
415	1,215	Accruals for payroll, bonus and board remuneration	367	606
1,482	2,993	Other accrued expenses	1,441	2,960
–	–	Payables to group companies	304	839
3,679	**7,064**	**Total trade and other payables**	**3,762**	**6,911**

For trade and other payables aging analysis, see note 4.2.

2.7 Provisions

The Group classifies provisions in the following categories:

- Salary related costs: Contains a provision for accrued holiday pay.
- Restructuring provision: Contains redundancy costs incurred in 2024 due to workforce reductions. The provisions includes personnel-related expenses such as salaries, severance packages and costs for consultants supporting the restructuring process.
- Social security for share-based payments: Contains a provision for the accrued social security on share options and restrictive share units which will be paid when the options are exercised/fully vested.
- Onerous contract: Contains the recognition of an onerous contract for R&D services to a customer.

A provision is made and calculated based on management assumptions at the time the provision is made and is updated as and when new information becomes available. All provisions are reviewed at the end of the financial year.

Other commitments and contingencies

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognized in the annual accounts but are disclosed when an inflow of economic benefits is considered probable.

The Group has no contingent assets or liabilities that meet the criteria for disclosure.

Other commitments

The Group did not provide guarantees to or on behalf of third parties or related parties. The Group has no other significant commitments to disclose.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Reconciliation of provisions:

Group

Amounts in USD '000	**Salary related costs**	**Restructuring provision**	**Social security for share based payments**	**Onerous contract**	**Total**
At January 1, 2023	**1,653**		**861**	**5,230**	**7,744**
Additional provisions made	1,874	—	—		**1,876**
Amounts used	(1,147)	—	(588)	(3,354)	**(5,089)**
Unused amounts reversed	(506)	—	(273)	—	**(779)**
At December 31, 2023	**1,874**	**0**	**2**	**1,876**	**3,752**
Current provisions	*1,874*	—		*1,876*	*3,750*
Non-current provisions	—	—	*2*	—	*2*
At January 1, 2024	**1,874**	**—**	**2**	**1,876**	**3,752**
Additional provisions made	**1,723**	3,114		**—**	**4,837**
Amounts used	**(1,438)**	**(734)**		**(291)**	**(2,463)**
Unused amounts reversed	**(436)**		**(2)**	**(1,585)**	**(2,023)**
At December 31, 2024	**1,723**	**2,380**	**—**	**—**	**4,103**
Current provisions	*1,723*	*2,380*	—	—	*4,103*
Non-current provisions	—			—	—

Parent

Amounts in USD '000	**Salary related costs**	**Restructuring provision**	**Social security for share based payments**	**Onerous contract**	**Total**
At January 1, 2023	**1,444**	**—**	**861**	**5,230**	**7,534**
Additional provisions made	1,489	—	—		**1,491**
Amounts used	(1,144)	—	(588)	(3,354)	**(5,086)**
Unused amounts reversed	(300)	—	(273)	—	**(573)**
At December 31, 2023	**1,489**	**—**	**2**	**1,875**	**3,366**
Current provisions	*1,489*	—		*1,875*	*3,364*
Non-current provisions	—	—	*2*	—	*2*
At January 1, 2024	**1,489**	**—**	**2**	**1,875**	**3,366**
Additional provisions made	1,431	**2,386**			**3,817**
Amounts used	(1,406)	**(587)**		(291)	**(2,284)**
Unused amounts reversed	(83)		(2)	(1,584)	**(1,669)**
At December 31, 2024	**1,431**	**1,799**	**—**	**—**	**3,231**
Current provisions	*1,431*	*1,799*	—	—	*3,230*
Non-current provisions	—			—	—

2.8 Contract liabilities

ACCOUNTING POLICIES

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). Contract asset or contract liability positions are presented on a net basis for each contract.

Group			Parent	
2024	**2023**	**Contract assets/liabilities (-)**	**2024**	**2023**
(8,233)	**(19,736)**	**At January 1**	**(8,233)**	**(19,736)**
—	—	Additions	—	—
(220)	(542)	Reclassified to trade receivables	(220)	(542)
8,453	12,045	Rendering of service in the period	8,453	12,045
—	**(8,233)**	**Total contract assets/liabilities (-) at December 31**	**—**	**(8,233)**

Contract liabilities are recognized when fulfilling performance obligations, mainly from the recognition of the service component under the Genentech Agreement where progress is measured over time (See note 2.2). When the consideration becomes unconditional, the contract assets will be reclassified to trade receivables. The main part of the changes to contract assets/liabilities in the period are related to milestone payments received, and reclassification to trade receivables.

The contract liability is classified as a current liability as it will be realized in the entity's normal operating cycle.

Following the termination of the agreement with Genentech in November 2024, Nykode has recognized the remaining contract liability as revenue per 31.12 2024.

2.9 Other non-current receivables

Group			Parent	
31.12.2024	**31.12.2023**	**Other non-current receivables**	**31.12.2024**	**31.12.2023**
6	8	Deposits	5	8
28,595	31,915	Tax receivable	28,595	31,915
28,601	**31,923**	**Total other non-current receivables**	**28,600**	**31,923**

A significant component of the other non-current receivable per December 31, 2024 and December 31, 2023 is the payment to the Norwegian Tax Authorities (NTA) 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 account whereby part of the taxable income would be deffered to subsequent years.

Nykode appealed the decision to the Norwegian Tax Administration (Norw: Skatteklagenemda) in 2023.

3.1 Property, plant and equipment

Group					Parent			
Machinery and plant	**Fixtures, office machinery etc.**	**Lab facility**	**Total**		**Machinery and plant**	**Fixtures, office machinery etc.**	**Lab facility**	**Total**
2,712	**731**	**599**	**4,042**	**Cost as at January 1, 2023**	**2,712**	**731**	**599**	**4,042**
1,374	152	—	1,526	Additions	1,374	35	—	1,409
(107)	107	—	—	Reclassifications	(107)	107	—	—
(158)	(57)	—	(215)	Disposals and write-offs	(158)	-57	—	(215)
4,086	**883**	**599**	**5,568**	**Cost as at December 31, 2023**	**4,086**	**766**	**599**	**5,451**
57	20	—	77	Additions	57	20	—	77
—	(15)	—	(15)	Disposals and write-offs	—	(15)	—	(15)
—	(7)	—	(7)	Effect of movements in exchange rates	—	—	—	—
4,143	**881**	**599**	**5,623**	**Cost as at December 31, 2024**	**4,143**	**771**	**599**	**5,513**
208	**203**	**114**	**525**	**Depreciation as at January 1, 2023**	**208**	**203**	**114**	**525**
354	176	100	630	Depreciation	**354**	**163**	**100**	**617**
562	**379**	**214**	**1,155**	**Depreciation as at December 31, 2023**	**562**	**366**	**214**	**1,142**
463	164	100	727	Depreciation	463	141	100	704
—	(2)	—	(2)	Effect of movements in exchange rates	—	—	—	—
1,025	**541**	**314**	**1,880**	**Depreciation as at December 31, 2024**	**1,025**	**507**	**314**	**1,846**
				Net book value:				
2,504	528	485	3,517	At January 1, 2023	2,504	528	485	3,517
3,523	505	385	4,413	At December 31, 2023	3,523	401	385	4,309
3,118	339	285	3,741	At December 31, 2024	3,118	264	285	3,667
6-10	3-5	6		Economic life (years)	6-10	3-5	6	
Straight-line method				Depreciation plan	Straight-line method			

No indicators for impairment of property, plant and equipment were identified in the current or prior period.

At December 31, 2024, fixed assets are located across the entire Group.

3.2 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- The supplier does not have a substantive right to substitute the asset throughout the period of use
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the contract period

The Group as a lessee

At the commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as operating expenses in the statement of comprehensive income.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group presents its lease liabilities as separate line items in the statement of financial position. Cash flows related to payments for the principal portion of the lease liability are classified within financing activities.

3.2 Right-of-use assets and lease liabilities (Continued)

The Group's leased assets
Nykode leases several assets, mainly office facilities and laboratories at Forskningsparken in Oslo, Norway. Nykode also leases office space in Denmark and office equipment. Leases of office space generally have lease terms up to six years. The Group also leases parking lots and office equipment that are expensed as incurred as they are either considered short term or of low value.

The Group's right-of-use assets recognized in the statement of financial position are presented in the table below:

	Group		Right-of-use assets		Parent	
Fixtures, Office machinery etc.	**Office buildings**	**Total**		**Fixtures, Office machinery etc.**	**Office buildings**	**Total**
28	**8,469**	**8,497**	**Acquisition cost at January 1, 2023**	**28**	**8,286**	**8,314**
—	993	993	Additions of right-of-use assets	—	27	27
—	595	595	Adjustment of right-of-use assets	—	595	595
28	**10,057**	**10,085**	**Acquisition cost at December 31, 2023**	**28**	**8,908**	**8,936**
—		—	Additions of right-of-use assets	—	—	—
—	(593)	(593)	Adjustment of right-of-use assets	—	(582)	(582)
28	**9,464**	**9,492**	**Acquisition cost at December 31, 2024**	**28**	**8,326**	**8,354**
13	**2,453**	**2,466**	**Depreciation and impairment at January 1, 2023**	**13**	**2,281**	**2,294**
7	1,486	1,493	Depreciation of right-of-use assets	7	1,323	1,330
20	**3,939**	**3,959**	**Depreciation and impairment at December 31, 2023**	**20**	**3,604**	**3,624**
7	1,503	1,510	Depreciation of right-of-use assets	7	1,313	1,320
27	**5,442**	**5,469**	**Depreciation and impairment at December 31, 2024**	**27**	**4,917**	**4,944**
—	**22**	**22**	**Terminations of right-of use assets at December 31, 2023**	**—**	**22**	**22**
—	—	—	Terminations of right-of use assets	—	—	—
—	**22**	**22**	**Terminations of right-of use assets at December 31, 2024**	**—**	**22**	**22**
8	**6,096**	**6,104**	**Carrying amount at December 31, 2023**	**8**	**5,282**	**5,290**
1	**4,000**	**4,001**	**Carrying amount at December 31, 2024**	**1**	**3,387**	**3,388**
1	1-6		Remaining lease term or remaining useful life	1	1-6	
Straight-line method			Depreciation plan	Straight-line method		

2024	**2023**	**Expenses in the period related to practical expedients and variable payments**	**2024**	**2023**
—	70	Short-term lease expenses	—	
21	16	Low-value assets lease expenses	19	15
21	**86**	**Total lease expenses in the period**	**19**	**15**

The lease expenses in the period related to short-term leases, low-value assets and variable lease payments are included in other operating expenses in the statement of comprehensive income, and the payments are presented in the Group's operating activities in the statement of cash flows.

3.2 Right-of-use assets and lease liabilities (Continued)

Group			Parent	
2024	**2023**	**Changes in the lease liabilities**	**2024**	**2023**
5,726	**5,511**	**At January 1**	**4,866**	**5,501**
—	1,028	New leases recognized during the period	—	27
(1,221)	(1,108)	Cash payments for the principal portion of the lease liability	(1,050)	(976)
(179)	(215)	Cash payments for the interest portion of the lease liability	(136)	(175)
179	215	Interest expense on lease liabilities	136	175
(594)	561	Adjustment of lease liabilities	(582)	595
—	—	Terminations	—	—
(473)	(266)	Currency translation effects	(428)	(281)
3,438	**5,726**	**Total lease liabilities at December 31**	**2,806**	**4,866**
1,293	1,147	Current lease liabilities in the statement of financial position	1,091	1,242
2,145	4,269	Non-current lease liabilities in the statement of financial position	1,715	3,624

3.2 Right-of-use assets and lease liabilities (Continued)

Lease commitments not included in the lease liabilities

Inflation adjustments
In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office space, mainly related to future inflation adjustments which is estimated in the initial calculation of lease liabilities. The lease liability and right-of-use asset will be adjusted when the inflation adjustment has a cash flow effect.

Extension and termination options
The Group has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the Groups business needs. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Other matters
The Group's leases do not contain provisions or restrictions that impacts the Group's dividend policies or financing possibilities. Further, the Group does not have significant residual value guarantees related to its leases.

4.1 Financial instruments

ACCOUNTING POLICIES
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments
The Group's financial instruments are grouped in the following categories:

Financial Assets
- Financial assets measured subsequently at amortized cost: Includes mainly trade and other receivables, contract assets, contract cost assets and cash and cash equivalents
- Financial assets measured subsequently at fair value through profit or loss: Includes other current financial assets (money market funds) and includes currency derivatives when the fair value is positive.

With the exception of other current financial assets, the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortized cost.

Financial Liabilities
- Financial liabilities measured subsequently at amortized cost: Represent the Group's non-interest bearing liabilities such as trade payables, contract liabilities and government grants.
- Financial liabilities measured at fair value through profit or loss: Includes currency derivatives when the fair value is negative.

Initial recognition and subsequent measurement
Financial assets and liabilities at amortized cost
The Group's financial assets and liabilities are initially recognized at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortized cost using the effective interest method (EIR). Gains and losses are recognized in profit or loss upon impairment, when the instruments are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortization is included as finance costs in the statement of comprehensive income.

Financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities at fair value through profit or loss are recognized at fair value are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Group did not hold any derivative financial instruments at December 31, 2024 or December 31, 2023. The Group does no to apply hedge accounting.

Impairment of financial assets
Financial assets measured at amortized cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group applies a simplified approach in calculating ECLs, where the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors and the economic environment. See note 4.3 for further information related to management of credit risk.

The Group considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.1 Financial instruments (Continued)

ACCOUNTING POLICIES (Continued)

Derecognition of financial instruments

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or the Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The Group's financial instruments are presented in the tables below:

Group

As at December 31, 2024	Notes	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
Assets				
Other non-current receivables	2.9	28,601	–	**28,601**
Trade receivables	2.5	–	–	**–**
Other receivables	2.5	1,668	–	**1,668**
Other current financial assets				
Cash and cash equivalents	4.5	115,398	–	**115,398**
Total financial assets		**145,667**	**–**	**145,667**
Liabilities				
Trade and other payables	2.6	3,679	—	**3,679**
Non-current lease liabilities	3.2	2,145	—	**2,145**
Current lease liabilities	3.2	1,293	—	**1,293**
Total financial liabilities		**7,117**	**—**	**7,117**

4.1 Financial instruments (Continued)

Parent

As at December 31, 2024	Notes	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
Assets				
Other non-current receivables	2.9	28,600	–	**28,600**
Trade receivables	2.5	–	–	**–**
Other receivables	2.5	1,568	–	**1,568**
Other current financial assets		–		
Cash and cash equivalents	4.5	114,020	–	**114,020**
Total financial assets		**144,188**	–	**144,188**
Liabilities				
Trade and other payables	2.6	3,762	—	**3,762**
Non-current lease liabilities	3.2	1,715	—	**1,715**
Current lease liabilities	3.2	1,091	—	**1,091**
Total financial liabilities		**6,568**	—	**6,568**

Group

As at December 31, 2023	Notes	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
Assets				
Other non-current receivables	2.9	31,923	–	**31,923**
Trade receivables	2.5	–	–	**–**
Other receivables	2.5	3,073	–	**3,073**
Other current financial assets				
Cash and cash equivalents	4.5	162,602	–	**162,602**
Total financial assets		**197,598**	–	**197,598**
Liabilities				
Trade and other payables	2.6	7,064	—	**7,064**
Non-current lease liabilities	3.2	4,269	—	**4,269**
Current lease liabilities	3.2	1,457	—	**1,457**
Total financial liabilities		**12,790**	—	**12,790**

4.1 Financial instruments (Continued)

Parent

As at December 31, 2023	Notes	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
Assets				
Other non-current receivables	2.9	31,923	–	**31,923**
Trade receivables	2.5	–	–	**–**
Other receivables	2.5	2,901	–	**2,901**
Other current financial assets				
Cash and cash equivalents	4.5	161,542	–	**161,542**
Total financial assets		**196,366**	–	**196,366**
Liabilities				
Trade and other payables	2.6	6,911	–	**6,911**
Non-current lease liabilities	3.2	3,624	–	**3,624**
Current lease liabilities	3.2	1,242	–	**1,242**
Total financial liabilities		**11,777**	–	**11,777**

There are no changes in classification and measurement for the Group's financial assets and liabilities.
Finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 4.6.

4.2 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below:

Group

As at December 31, 2024	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Trade and other payables	3,679	—	—	—	—	—	**3,679**
Non-current lease liabilities	—	1,130	1,166	55	—	—	**2,351**
Current lease liabilities	1,332	—	—	—	—	—	**1,332**
Total financial liabilities	**5,011**	**1,130**	**1,166**	**55**	**—**	**—**	**7,362**

Parent

As at December 31, 2024	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Trade and other payables	3,762	—	—	—	—	—	**3,762**
Non-current lease liabilities	—	918	949	—	—	—	**1,867**
Current lease liabilities	1,124	—	—	—	—	—	**1,124**
Total financial liabilities	**4,886**	**918**	**949**	**—**	**—**	**—**	**6,753**

Group

As at December 31, 2023	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Trade and other payables	7,064	—	—	—	—	—	**7,064**
Non-current lease liabilities	—	1,480	1,518	1,567	58	—	**4,623**
Current lease liabilities	1,468	—	—	—	—	—	**1,468**
Total financial liabilities	**8,532**	**1,480**	**1,518**	**1,567**	**58**	**—**	**13,155**

Parent

As at December 31, 2023	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Trade and other payables	6,911	—	—	—	—	—	**6,911**
Non-current lease liabilities	—	1,259	1,293	1,337	—	—	**3,889**
Current lease liabilities	1,251	—	—	—	—	—	**1,251**
Total financial liabilities	**8,162**	**1,259**	**1,293**	**1,337**	**—**	**—**	**12,051**

4.2 Ageing of financial liabilities (Continued)

Reconciliation of changes in liabilities incurred as a result of financing activities:

Group			Non-cash changes			
2024	January 1	Cash flow effect	New leases	Foreign exchange movement	Other changes	December 31
Non-current lease liabilities	4,269	—	—	(292)	(1,832)	**2,145**
Current lease liabilities	1,457	(1,221)	—	(181)	1,238	**1,293**
Total liabilities from financing	**5,726**	**(1,221)**	**—**	**(473)**	**(594)**	**5,726**

Parent			Non-cash changes			
2024	January 1	Cash flow effect	New leases	Foreign exchange movement	Other changes	December 31
Non-current lease liabilities	3,624	—	—	(262)	(1,647)	**1,715**
Current lease liabilities	1,242	(1,050)	—	(167)	1,066	**1,091**
Total liabilities from financing	**4,866**	**(1,050)**	**—**	**(429)**	**(581)**	**2,806**

Group			Non-cash changes			
2023	January 1	Cash flow effect	New leases	Foreign exchange movement	Other changes	December 31
Non-current lease liabilities	4,365	—	764	(196)	(664)	**4,269**
Current lease liabilities	1,147	(1,108)	263	(70)	1,225	**1,457**
Total liabilities from financing	**5,512**	**(1,108)**	**1,027**	**(266)**	**561**	**5,726**

Parent			Non-cash changes			
2023	January 1	Cash flow effect	New leases	Foreign exchange movement	Other changes	December 31
Non-current lease liabilities	4,365	—	13	(208)	(546)	**3,624**
Current lease liabilities	1,136	(976)	14	(73)	1,141	**1,242**
Total liabilities from financing	**5,501**	**(976)**	**27**	**(281)**	**595**	**4,866**

4.3 Financial risk management

Overview
The Group's principal financial liabilities, comprise lease liabilities, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimise potential adverse effects of such risks through sound business practice, risk management and hedging.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include cash and cash and cash equivalents, lease liabilities and trade and other payables.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has a limited exposure to the risk of changes in market interest rates for its financial liabilities as it has no interest bearing debt.

Interest rate sensitivity
The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

Interest rate sensitivity	Increase / decrease in basis points	Effect on loss before tax	Effect on equity
December 31, 2024	+/- 50	577	577
December 31, 2023	+/- 50	813	813

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (income and expenses denominated in a foreign currency). The Group's income is denominated in USD while operating expenses are mainly denominated in USD, EUR, NOK and DKK. The Group's assets and liabilities at the end of the reporting period are mainly denominated in USD with some exposure to NOK (cash and cash equivalents and other receivables) as well as EUR, GBP and DKK (cash and cash equivalents).

The Group does not hedge currency exposure with the use of financial instruments at the current time, but monitors the net exposure over time.

Foreign currency sensitivity
The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant:

Foreign currency sensitivity	Date	Change in FX rate	Effect on loss before tax	Effect on equity
Increase / decrease in NOK/USD	31/12/2024	+/- 10%	7,252	4,657
Increase / decrease in EUR/USD	31/12/2024	+/- 10%	848	848
Increase / decrease in DKK/USD	31/12/2024	+/- 10%	1,310	2,211
Increase / decrease in NOK/USD	31/12/2023	+/- 10%	8,200	5,221
Increase / decrease in EUR/USD	31/12/2023	+/- 10%	2,128	2,128
Increase / decrease in DKK/USD	31/12/2023	+/- 10%	1,534	2,451

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss.

The Group is exposed to credit risk related to trade and other receivables, other long-term receivables, contract assets and cash and cash equivalents. However, the credit risk is assessed to be low as the counterparty to these assets are mainly Regeneron, Nordea and DNB Bank ASA whose credit risks are low.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk to a shortage of funds by monitoring its working capital and securing sufficient funding.

The Group's objective is to secure funding for its working capital, including mainly the research and development of vaccines. The Group has a significant balance of cash and cash equivalents and the liquidity risk is assessed as low. An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 4.2.

4.4 Equity and shareholders

Capital management
The Group's goal is to secure its shareholders a best possible long-term return on capital employed, measured as the aggregate of dividends and appreciation of the share value.

Nykode manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment, if any, to shareholders, return capital to shareholders, issue new shares or issue debt. Nykode monitors its capital using an equity ratio, which is 'total equity' divided by 'total assets'.

	31.12.2024	31.12.2023
Equity	136,214	171,259
Total assets	153,481	208,185
Equity ratio	**89%**	**82%**

ACCOUNTING POLICIES
Costs related to equity transactions
Transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders
Nykode recognizes a liability to make distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of Nykode. As per the corporate laws of Norway, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

No distributions were made to shareholders in the current or prior period.

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 December 31, 2024	**326,546,444**	**0.01**	**367**

4.4 Equity and shareholders (Continued)

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, see additional information in note 4.7.

At October 31, 2023 the Company issued 29,549,400 common shares at NOK 17.10 per share for a gross proceed of USD 45,003,230. In connection with this private placement the Company paid a fee of USD 1,745,389.

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

Reconciliation of the Group's equity is presented in the statement of changes in equity.

Nykode Therapeutics' shareholders:

At December 31, 2024	Total shares	Ownership/ Voting rights
RASMUSSENGRUPPEN AS	30,180,750	9.2%
Datum Opportunity AS	26,000,000	8.0%
Victoria India Fund AS	17,705,175	7.4%
State Street Bank And Trust Comp	15,059,261	5.4%
Norda ASA	12,996,755	3.9%
Datum AS	12,560,250	3.8%
Joh Johannson Eeiendom AS	10,561,631	3.2%
Radforsk Investeringsstiftelse	10,315,311	2.4%
OM Holding AS	6,519,525	2.3%
Portia AS	4,500,000	2.0%
Krag Invest AS	4,470,100	1.6%
Clearstream Banking S.A.	3,749,467	1.4%
Alden AS	3,498,445	1.4%
Danske Invest Norge Vekst	2,828,203	1.3%
Verdipapirfondet First Generator	2,753,846	1.1%
Danske Invest Norske Instit. Ii.	2,682,839	1.0%
Datum Finans AS	2,395,500	1.0%
The Northern Trust Comp, London Br	2,255,034	0.9%
Caaby AS	2,155,295	0.9%
Fougner Invest AS	2,004,477	0.8%
Other Shareholders	151,354,580	41.0%
Total	**326,546,444**	**100.0%**

At December 31, 2023	Total shares	Ownership/ Voting rights
RASMUSSENGRUPPEN AS	30,180,750	10.2%
Datum Opportunity AS	26,000,000	8.8%
Radforsk Investeringsstiftelse	24,057,000	8.2%
Victoria India Fund AS	17,705,175	5.9%
State Street Bank And Trust Comp	12,735,824	4.1%
Datum AS	12,560,250	2.7%
Joh Johannson Eiendom AS	10,561,631	2.5%
Norda ASA	7,996,755	2.4%
Vatne Equity AS	7,485,857	2.2%
Om Holding AS	6,519,525	1.9%
Hortulan AS	5,184,808	1.8%
Portia AS	4,500,000	1.5%
Krag Invest AS	4,470,100	1.5%
Alden AS	4,202,500	1.2%
J.P. Morgan SE	3,471,645	1.0%
Skips AS Tudor	3,365,000	1.0%
Danske Invest Norge Vekst	3,137,203	0.9%
Borgano AS	3,000,000	0.8%
Skøien AS	2,850,000	0.8%
Danske Invest Norske Instit. Ii.	2,713,200	0.7%
Other Shareholders	133,849,221	39.9%
Total	**326,546,444**	**100.0%**

Shares held by the Board of Directors at the end of the reporting periods are summarized in note 6.1.

4.5 Cash and cash equivalents

Group			Parent	
31.12.2024	**31.12.2023**	**Cash and cash equivalents**	**31.12.2024**	**31.12.2023**
114,818	161,954	Bank deposits, unrestricted	113,439	160,894
580	648	Bank deposits, restricted*	580	648
115,398	**162,602**	**Total cash and cash equivalents**	**114,020**	**161,542**

* Bank deposits restricted for employee tax witholdings

4.6 Financial income and costs

ACCOUNTING POLICIES

Interest income and interest expenses are calculated using the effective interest method.

Foreign currency gains or losses are reported as gain or loss on foreign exchange within in finance income or finance costs, except for translation effects from functional currency to presentation currency which are presented within OCI. For other accounting policies related to the underlying financial instruments, reference is made to note 4.1.

Interest expense on lease liabilities represents the interest rate implicit in the lease, or the incremental borrowing rate used to measure the lease liabilities recognized in the statement of financial position, for further disclosures see note 3.2.

Group			Parent	
2024	**2023**	Finance income	**2024**	**2023**
1,998	9,728	Gain on foreign exchange	1,350	9,743
7,002	8,946	Interest income	7,002	8,943
9,000	**18,674**	Total finance income	**8,352**	**18,686**

Group			Parent	
2024	**2023**	Finance costs	**2024**	**2023**
5,994	4,454	Loss on foreign exchange	5,386	4,454
9	8	Interest expenses	5	7
179	216	Interest expense on lease liabilities	136	174
—		Realized loss on sales of money market fund	—	—
—		Impairment investment in subsidiary	2,277	—
6,182	**4,678**	Total finance costs	**7,804**	**4,635**

In 2024, the Parent Company recognized an impairment of USD 2.3 million related to investments in subsidiaries. The impairment assessment was conducted in line with the principles of IAS 36. This amount is presented as Impairment investment in subsidiary.

4.7 Share based payments

ACCOUNTING POLICIES
Employees (including members of the Board of Directors and management) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (the Black-Scholes-Merton Model).

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in note 4.9).

Cash-settled transactions
A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using an appropriate valuation model (the Black-Scholes-Merton Model). The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Transactions where the Group has a choice of settlement in equity or in cash
Where the Group has choice of settlement, the accounting treatment is binary – in other words the whole transaction is treated either as cash-settled or as equity-settled, depending on whether or not the entity has a present obligation to settle in cash.

IFRS 2 requires a transaction to be treated as a liability (and accounted for using the rules for cash-settled transactions) if:

- the choice of settlement has no commercial substance (for example, because the entity is legally prohibited from issuing shares);
- the entity has a past practice or stated policy of settling in cash; or
- the entity generally settles in cash whenever the counterparty asks for cash settlement.

4.7 Share based payments (Continued)

Warrant and share option plan - Description
Nykode Therapeutics ASA has historically issued both warrants and options (hereafter referred to as "options") to the Board of Directors, executive management and key employees of the Group under option agreements. In December 2020, the Board of Directors approved the 2020 share option rules (the "2020 Rules") for employees of the Group. The options give the holder the right to purchase Nykode Therapeutics ASA` stock at a specific price. The options have generally been granted in tranches that vest over 0-3 years, with grants under the 2020 Rules vesting over 4 years, subject to employment in the Group.

The options can be exercised on average 4-5 years after the grant date. The Group accounts for the options as equity-settled transactions, measured by applying the Black-Scholes-Merton option-pricing model for European options ("BSM"). Options held by members of the Board of Directors and management at the end of the reporting period are summarized in note 6.1.

The fair value of the options was determined at the grant dates and expensed over the vesting period. For the Group, USD 3.8 million was expensed as employee benefit expenses in the period (USD 3.7 million in 2023). USD 1.1 million was expensed as employment benefit expenses in the period for the Parent Company (USD 1.6 million in 2023). The expected future social security tax on share-based payments are recorded as a liability and disclosed in note 2.7.

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

	2024 WAEP (NOK)	2024 Number	2023 WAEP (NOK)	2023 Number
Outstanding options January 1	32.13	10,951,751	28.52	10,511,058
Options granted*	15.53	3,457,491	28.19	3,060,287
Options forfeited	32.63	(2,054,811)	30.26	(316,859)
Options exercised	–	—	9.77	(2,302,735)
Options expired	–	—	–	—
Outstanding options December 31	27.40	12,354,431	32.13	10,951,751
Exercisable at December 31	**28.72**	**6,855,335**	**25.80**	**5,451,524**

* 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 with the same strike price held by the CEO not being exercised.

Overview of outstanding options at December 31, 2024:

Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
8.80	2,910,000	1.00	2,910,000
15.35	2,652,241	4.50	—
16.14	65,000	2.39	—
18.91	160,000	4.67	—
25.14	38,853	3.34	9,713
25.20	478,333	0.42	478,333
25.72	48,329	3.22	12,082
25.77	30,754	2.82	30,754
26.42	26,832	3.42	26,832
26.64	153,482	3.75	38,370
27.87	75,000	1.34	58,333
28.20	126,406	3.67	31,601
28.47	1,797,514	3.52	526,478
29.44	139,086	2.59	69,542
30.50	478,333	0.59	478,333
31.11	302,251	2.50	151,125
31.90	425,000	0.47	358,334
34.99	961,301	2.38	554,789
36.72	22,328	2.67	22,328
39.75	42,192	2.34	42,192
61.10	40,000	2.10	20,000
69.58	157,750	1.09	132,750
72.82	80,000	1.67	60,000
75.05	23,772	1.75	23,772
76.77	800,000	1.34	600,000
78.10	15,000	2.00	15,000
0.01	4,674	0.35	4,674
100.00	300,000	0.25	200,000
Total outstanding options	**12,354,431**		**6,855,335**

Overview of outstanding options at December 31, 2023:

Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
0.01	4,674	1.35	4,674
8.80	2,910,000	1.00	2,910,000
25.14	38,853	4.34	—
25.20	478,333	1.42	478,333
25.72	48,329	4.22	—
25.77	123,018	3.81	30,754
26.42	107,328	4.42	—
26.64	153,482	4.75	—
27.87	75,000	2.34	—
28.20	126,406	4.67	—
28.47	2,447,936	4.52	—
29.44	139,086	3.59	34,771
30.50	478,333	1.59	478,333
31.11	302,251	3.50	75,562
31.90	425,000	1.47	291,667
34.99	1,272,794	3.38	328,053
36.72	44,656	3.67	11,164
39.75	84,385	3.34	21,096
61.10	40,000	3.10	10,000
64.70	6,095	2.59	6,095
69.58	177,000	2.09	88,500
70.78	11,250	2.78	11,250
72.82	80,000	2.67	40,000
75.05	47,542	2.75	23,772
76.77	800,000	2.34	400,000
78.10	30,000	3.00	7,500
81.14	200,000	2.43	100,000
100.00	300,000	1.25	100,000
Total outstanding options	**10,951,751**		**5,451,524**

4.7 Share based payments (Continued)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the options, volatility and dividend yield and making assumptions about them. Due to limited historical data and liquidity these assumptions include significant estimates by management.

Assumptions used to determine fair value of option grants:

The following table lists the inputs to the model used for the plans for the years ended December 31, 2024 and 2023, respectively:

	2024	2023
Weighted average fair values at the measurement date (NOK)	6.71	11.36
Dividend yield (%)	0%	0%
Expected volatility (%)	59.50%	60.55%
Risk–free interest rate (%)	3.75%	3.99%
Expected life of share options (years)	3.48	2.49
Weighted average share price (NOK)	15.11	22.63
Weighted average exercise price (NOK)	15.53	18.74
Model used	**BSM**	**BSM**

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

4.8 Earnings per share

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

Group	2024	2023
Profit or loss attributable to ordinary equity holders - for basic EPS	(38,821)	(35,154)
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	(38,821)	(35,154)
Weighted average number of ordinary shares - for basic EPS	326,546,444	300,520,364
Weighted average number of ordinary shares adjusted for the effect of dilution	326,546,444	300,520,364
Basic EPS - profit or loss attributable to equity holders of the Group	**(0.12)**	**(0.12)**
Diluted EPS - profit or loss attributable to equity holders of the Group*	**(0.12)**	**(0.12)**

Parent	2024	2023
Profit or loss attributable to ordinary equity holders - for basic EPS	(38,479)	(33,392)
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	(38,479)	(33,392)
Weighted average number of ordinary shares - for basic EPS	326,546,444	300,520,364
Weighted average number of ordinary shares adjusted for the effect of dilution	326,546,444	300,520,364
Basic EPS - profit or loss attributable to equity holders of the Parent Company	**(0.12)**	**(0.11)**
Diluted EPS - profit or loss attributable to equity holders of the Parent Company*	**(0.12)**	**(0.11)**

*The ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

Since the Company was in a net loss position for the years ended December 31, 2024 and 2023 there is no difference between the number of shares used to calculate basic and diluted earnings per share. The potential shares of common stock were excluded from the computation of diluted net loss per share attributable to equity holders of the Parent Company for the period presented because including them would have been anti-dilutive are as follows:

	2024	2023
Options and warrants	—	4,340,144

4.9 Investments in subsidiaries

The following subsidiaries have been included in the financial statements:

Subsidiaries as of December 31, 2024	Established year	Location	Share ownership	Voting Rights
Nykode Therapeutics Denmark A/S	2021	Denmark	100%	100%
Nykode Tolerance A/S	2024	Denmark	100%	100%
Nykode Tolerance Norway AS	2024	Norway	100%	100%

All intellectual property (IP) is owned Nykode Therapeutics ASA. Nykode Therapeutics ASA is the ultimate parent company of the Group. Subsidiaries invoice Nykode Therapeutics ASA according to the Group's transfer pricing policy.

Investments in subsidiaries are accounted for at cost.

In 2024, the Parent Company recognized an impairment loss of USD 2.3 million related to investments in the subsidiary, Nykode Therapeutics Denmark A/S. The impairment assessment was conducted in accordance with IAS 36 – Impairment of Assets.

The impairment loss of USD 2.3 million is presented in note 4.6 Finance income and cost.

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity (OCI) and not in the statement of profit or loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has USD 49.4 million as at December 31, 2024 (USD 42.9 million as at December 31, 2023) of tax losses carried forward. Tax losses carried forward for the Parent Company are USD 49.4 million as at December 31, 2024 (USD 42.9 million as at December 31, 2023). These losses relate to historical losses in the Parent Company. The tax loss carried forward from Norwegian entities may be offset against future taxable income and will not expire.

5.1 Taxes (Continued)

Group

Current income tax expense:	2024	2023
Income tax payable	149	103
Change deferred tax/deferred tax assets (ex. OCI effects)	(6,841)	(9,035)
Adjustments for current tax of prior periods	—	—
Total income tax expense	**(6,692)**	**(8,932)**

Deferred tax relates to the following:	12/31/2024	12/31/2023
Property, plant and equipment	544	651
Other current assets	75,367	105,146
Other liabilities	(2,827)	(8,156)
Losses carried forward	(49,443)	(42,888)
Basis for deferred tax	**23,641**	**54,753**
Deferred tax liabilities in the statement of financial position	**5,201**	**12,046**

Reconciliation of income tax expense	2024	2023
Profit or loss before tax	**(45,513)**	**(44,086)**
Tax expense 22%	(10,013)	(9,699)
Permanent differences	(43)	457
Currency effects	3,364	310
Recognized income tax expense	**(6,692)**	**(8,932)**

Parent

Current income tax expense:	2024	2023
Income tax payable	—	—
Change deferred tax/deferred tax assets (ex. OCI effects)	(6,722)	(9,037)
Total income tax expense	**(6,722)**	**(9,037)**

Deferred tax relates to the following:	12/31/2024	12/31/2023
Property, plant and equipment	531	621
Other current assets	75,367	105,146
Other liabilities	(2,274)	(8,150)
Losses carried forward	(49,443)	(42,888)
Basis for deferred tax	**24,181**	**54,729**
Deferred tax liabilities in the statement of financial position	**5,320**	**12,040**

The Parent Company's operations are subject to income tax in Norway. The statutory income tax rate is 22% for both periods.

A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense	2024	2023
Profit or loss before tax	**(45,201)**	**(42,429)**
Tax expense 22% (Norwegian tax rate)	(9,944)	(9,334)
Permanent differences	457	456
Currency effects	2,765	(159)
Recognized income tax expense	**(6,722)**	**(9,037)**

6.1 Remuneration to Executive Management and the Board of Directors

Remuneration to the Board of Directors
Remuneration for the members of the Board of Directors is determined by the Annual General Meeting ("AGM"). The remuneration is not linked to the Group's performance but reflects the Board of Director's responsibilities, expertise, time and commitment.

The Board members also receive compensation for their services through options. The conditions for these grants and the terms are determined by the AGM. The Board members holdings of options are summarized further below.

Remuneration to Executive Management
The AGM of Nykode Therapeutics ASA determines the principles applicable to the Group's policy for compensation to the Executive Management team.

Loans and guarantees
No loans have been granted and no guarantees have been issued to the Executive Management or any member of the Board of Directors.

Remuneration to Executive Management for the year ended December 31, 2024:

Name	Salary	Bonus	Pension	Other compensation	Total remuneration
Executive Management	2,331	436	194	5	2,966

Remuneration to Executive Management for the year ended December 31, 2023:

Name	Salary	Bonus	Pension	Other compensation	Total remuneration
Executive Management	**1,829**	**580**	**161**	**4**	**2,574**

Remuneration to the Board of Directors:

Name	Title	2024	2023
Martin Nicklasson	Chair of the Board	95	95
Christian Åbyholm	Board member	55	50
Harald Arnet	Board member	50	50
Anne Clem Whitaker	Board member	57	50
Elaine Sullivan	Board member	60	60
Bernd Robert Seizinger*	Former Board Member	52	53
Birgitte Volck*	Former Board Member	52	53
Einar Jørgen Greve*	Former Board Member	48	45
Anders Tuv*	Former Board Member	30	60
Total compensation to Board of Directors		**499**	**516**

* Einar J. Greve was elected as board member in place of Anders Tuv in the AGM 2024, held on May 16, 2024.
* Bernd Robert Seizinger, Birgitte Volck and Einar J. Greve resigned from their positions on the Board of Directors on December 30, 2024.

6.1 Remuneration to Executive Management and the Board of Directors (Continued)

Shares held by the Board of Directors:

Name	Title	31.12.2024	31.12.2023
Martin Nicklasson	Chair of the Board	142,000	52,000
Christian Åbyholm 1)	Board member	2,155,295	2,155,295
Harald Arnet 2)	Board member	168,000	168,000
Anne Clem Whitaker	Board member	–	–
Elaine Sullivan	Board member	–	–
Bernd Robert Seizinger	Former Board Member	650,000	600,000
Birgitte Volck	Former Board Member	20,311	–
Anders Tuv 3)	Former Board Member	325,000	325,000
Einar Jørgen Greve 4)	Former Board Member	1,775,000	1,775,000
Total		**5,235,606**	**5,075,295**

1) Shares are held through Caaby AS.
2) Shares are held through Hato Invest AS.
3) Shares are held through Tuv Capital AS.
4) Shares are held through Cipriano AS.

Warrants and options held by Executive Management:

Name	31.12.2024	31.12.2023
Warrants and options held by Executive Management	7,084,613	5,664,387
Total	**7,084,613**	**5,664,387**

Warrants and options held by the Board of Directors:

Name	Title	31.12.2024	31.12.2023
Martin Nicklasson	Chair of the Board	550,000	525,000
Christian Åbyholm	Board member	—	—
Harald Arnet	Board member	—	—
Elaine Sullivan	Board member	65,000	55,000
Anne Clem Whitaker	Board member	65,000	55,000
Bernd Robert Seizinger	Former Board member	55,000	55,000
Birgitte Volck	Former Board member	55,000	59,674
Anders Tuv	Former Board member	55,000	55,000
Einar Jørgen Greve	Former Board member	—	—
Total		**845,000**	**804,674**

6.2 Related party transactions

Related parties are major shareholders, members of the Board of Directors and Executive Management in the Group. Note 4.4 provides information on the major shareholders. Significant agreements and remuneration paid to Executive Management and the Board of Directors for the current and prior period is presented in note 6.1. All transactions with related parties are based on the principle of arm's length.

The payments to related parties consist of salary, bonus, pension, other compensation and board remuneration paid to Executive management and Board members. The Executive management and the Board members also held shares and options in the Parent Company at the end of the period as presented in note 6.1.

The Group had no related party balances at December 31, 2024 or December 31, 2023.

In 2024, the Parent Company has purchased services from subsidiaries for USD 9.9 million (2023: USD 8.8 million) and on December 31, 2024 the parent company had a net payable to its subsidiaries of USD 0.3 million
(2023: 0.8 million).

6.3 Events after the reporting period

Non-adjusting events
On March 27, 2025, Nykode announced that it had received resignations from the Chair of the Board, Martin Nicklasson, and Board members Elaine Sullivan and Anne Whitaker.

On March 27, 2025, Nykode announced that Michael Engsig (CEO), Agnete Fredriksen (CSO and Co-founder), and Harald Gurvin (CFO) had submitted their resignations. On April 15, 2025, the Company announced that the aforementioned members of senior management had withdrawn their resignations and would continue in their respective roles.

On April 23, 2025 an extraordinary general meeting was held where Susanne Stuffers was elected Chair of the Board. In addition, Trygve Lauvdal was elected as a member of the Board, replacing Harald Arnet, who had decided to step down. Christian Åbyholm continued as a member of the Board.

On April 28, 2025, the Board of Directors proposed an dividend of NOK 1.00 per share, to be declared by the Annual General Meeting (AGM) on 26 May 2025.

7.1 Changes in IFRS and new standards

New and amended IFRS Accounting Standards that are effective for the current year in the current year
The Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatory effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liability as current or non-current:
The amendments clarify the criteria for classifying liabilities as current or non-current and require disclosure when a liability classified as non-current is contingent on compliance with future covenants within twelve months. The amendments are applied retrospectively.

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendment did not have a material impact on the Group's financial statement.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
The amendments specify how a seller-lessee should measure lease liabilities in a sale and leaseback transaction to ensure that no gain or loss is recognized in relation to the retained right-of-use asset. The amendments apply retrospectively to sale and leaseback transactions entered into after the initial application of IFRS 16.

The amendment had no impact on the Group's consolidated financial statement.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements
The amendments introduce new disclosure requirements to enhance transparency regarding supplier finance arrangements, providing users of financial statements with a better understanding of their impact on an entity's liabilities, cash flows, and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

New and revised IFRS Accounting Standards in issue but not yet effective

Amendments to IAS 21 -The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
On August 15, 2023, the IASB issued amendments to IAS 21 *The Effects of changes in foreign exchange rates* following a submission on how to determine exchange rates when a currency is not exchangeable. The amendments address the lack of explicit guidance in the previous standard, requiring entities to assess when a currency is exchangeable and, if not, estimate the spot exchange rate. These changes aim to reduce diversity in practice. The amendments are mandatory effective from 1 January 2025.

These amendments are not expected to have an impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 following feedback from the IFRS Interpretations Committee and post-implementation reviews.

Key changes include:
- Derecognition of financial liabilities settled via electronic transfers.
- Classification of financial assets, including:
  - Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment –'SPPI test')
  - Contractual terms that change the timing or amount of contractual cash flows
  - Financial assets with non-recourse features
  - Investments in contractually linked instruments

Disclosures for equity instruments designated at fair value through other comprehensive income
Entities can early adopt amendments related to financial asset classification and disclosures, with the remaining amendments applicable later. This is particularly useful for financial instruments with ESG-linked features.

The amendments are not expected to have a material impact in the Group's financial statement.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing Nature dependent Electricity
In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 for better reporting of nature-dependent electricity contracts (e.g., power purchase agreements).

Key changes include:
- Clarification of the 'own-use' requirements
- Permitting hedge accounting for these contracts
- New disclosure requirements to improve transparency

These amendments apply to reporting periods starting 1 January 2026, with early application allowed.

The amendments are not expected to have a material impact on the Group's financial statement.

Amendments to IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements.
IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The amendments are expected to have an impact on the Group's financial statements.

FRS 19 Subsidiaries without Public Accountability:
On May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Group's financial statement.

INDEPENDENT AUDITOR'S REPORT

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To the General Meeting of Nykode Therapeutics ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Nykode Therapeutics ASA, which comprise:

- The financial statements of the parent company Nykode Therapeutics ASA (the Company), which comprise the balance sheet as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Nykode Therapeutics ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

The Company was listed in June 2022. We were the independent auditor of the Company prior to the listing. We have been the independent auditor of the Company for 3 years after the listing, including the year of listing.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is

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a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly to the statement on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material missta-tement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclo-sing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assuran-ce, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Nykode Therapeutics ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name nykode-2024-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 April, 2025
Deloitte AS

Reidar Ludvigsen
State Authorised Public Accountant

This document is signed electronically.

GLOSSARY

Antigen
An antigen is a molecule recognized by the immune system. "Non-self" antigens are identified as intruders and attacked by the immune system.

APC
Antigen Presenting Cells (APC) are part of the immune system and are cells that display antigens on their surfaces and present them to T cells.

B cell
Immune cells, also known as B lymphocytes, are responsible for mediating the production of antigen-specific antibodies.

CCL3L1
CCL3L1, C-C motif chemokine ligand 3 like 1, a chemokine that attracts APC and ensures binding to receptors on the surface and subsequent internalization into the APCs. It is used as a targeting module in many Vaccibody vaccines.

CD4+ T cells
Also known as helper T cells, CD4+ T cells are immune cells able to activate and help other immune cells by releasing signaling molecules, thereby orchestrating an optimal immune response. Together, CD4+T cells and CD8+T cells comprise the majority of T-lymphocytes.

CD8+ T cells
Immune cells (T lymphocytes) able to kill cancer or virus-infected cells, also known as cytotoxic or killer T cells. CD8+T cells together with CD4+T cells comprise the majority of T-lymphocytes.

Cervical Intraepithelial Neoplasia (CIN)
The abnormal pre-cancerous growth of cells in the uterine cervix usually caused by HPV infection.

Checkpoint inhibitor
Checkpoint inhibitors, also known as immune checkpoint inhibitors, is a type of drug that activates the immune system to fight cancer. The drug prevents the "off" signal, which then enables the immune system to become activated.

CMC
Chemistry, Manufacturing and Controls.

ctDNA
Circulating tumor DNA (ctDNA) is tumor-derived fragmented DNA in the bloodstream coming from dying cancer cells and tumors. Detection of reduced levels of ctDNA may be an early marker of response to cancer treatment.

DNA
Deoxyribonucleic acid (DNA) is the hereditary material found in every cell and is unique for each individual. DNA consists of genes that encode for proteins.

DNA vaccine
Vaccines are made to induce an immune response to an antigen, to boost the immune system. When the antigen is delivered as a DNA molecule (plasmid), it is called a DNA vaccine.

Epitope
An epitope is the part of an antigen that is recognized by the immune system, specifically by antibodies, B cells, or T cells. For example, the epitope is the specific piece of the antigen to which a T cell binds.

First-in-class vaccine
A vaccine that utilizes a new and unique mechanism of action to treat a medical condition.

Human Leukocyte Antigen (HLA) system
Human version of the Major Histocompatibility Complex (MHC) encoding for cell surface proteins responsible for the presentation of intracellular (MHC class I) and extracellular (MHC class II) proteins to the immune system.

HPV
Human papillomavirus. There are several strains, and HPV16 is the strain most associated with cancer.

HSIL
High-grade squamous intraepithelial lesions of the cervix. This corresponds to cervical intraepithelial neoplasia grade 2/3 (CIN 2/3).

Immuno-oncology
Cancer immunotherapy, also called immuno-oncology, is a type of cancer treatment that helps the immune system fight cancer.

Individualized vaccine
On-demand vaccine designed and manufactured specifically for each individual patient.

IP
Intellectual property such as patents and know-how.

mRNA
mRNA, or messenger RNA, is like a blueprint that cells use to build proteins based on instructions from your DNA. It's a crucial part of how your body reads and uses genetic information to function properly.

Mutation
A change or alteration that occurs in the DNA. Mutations may lead to cancer, and these mutations may be identified and recognized by the immune system.

Neoantigen
Novel tumor-specific antigens (TSAs) derived from somatic gene mutations in cancer cells that are solely expressed on a patient's tumor. These mutations may be regarded as truly foreign by the immune system.

Off-the-shelf vaccine
Vaccine that can be manufactured, stored and may be used to treat large patient groups.

Phase I/IIa
Early-phase clinical trials intended to evaluate safety/tolerability and initial clinical effect.

Plasmid
A small DNA molecule carrying genes that can be expressed as proteins within a host cell.

Prophylactic vaccines
Prophylactic vaccines are vaccines that may prevent disease before it occurs, whereas therapeutic vaccines are administered after an individual has already been affected by the disease or infection.

R&D
Research and development.

Regulatory T cell (Treg)
A subpopulation of immunosuppressive T cells maintaining tolerance to self-antigens and regulating the prevention of autoimmune diseases.

RNA
Ribonucleic acid (RNA) is a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes. All of the RNA in a natural cell is made by DNA transcription.

T cell
Immune cells of key importance to the immune system recognizing and fighting specific pathogens or cancer antigens. See also CD4+ T cells and CD8+ T cells.

Tumor-Associated Antigens (TAAs)
Self-antigens with elevated expression in tumor cells.

Vaccibody™ technology platform
A proprietary vaccine delivery platform intended to make more efficacious vaccines by targeting the antigen to APC.

VB10.16
Nykode Therapeutics' off-the-shelf drug candidate targeting HPV16-induced malignancies such as cervical cancer.

VB10.NEO
A Vaccibody individualized drug candidate where each vaccine is designed based on each patient's cancer-specific gene alterations (mutations).

CORPORATE INFORMATION

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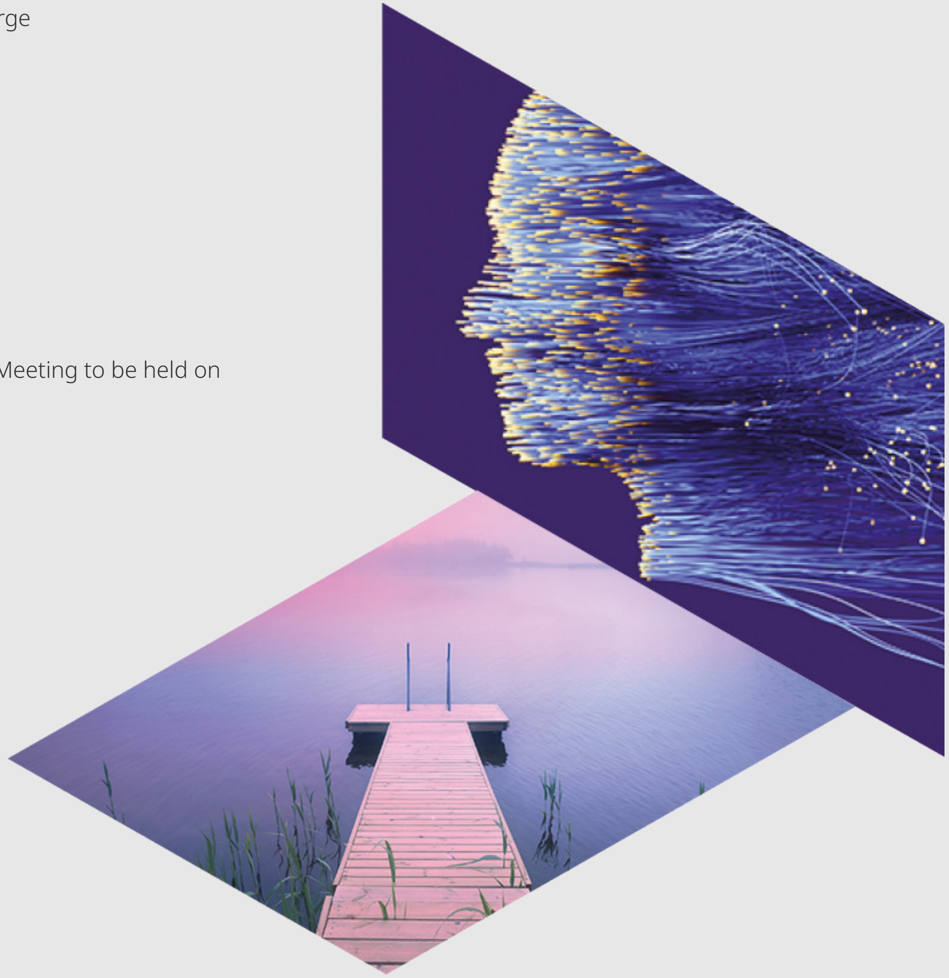
Annual General Meeting
This year's Annual General Meeting to be held on May 26, 2025.



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