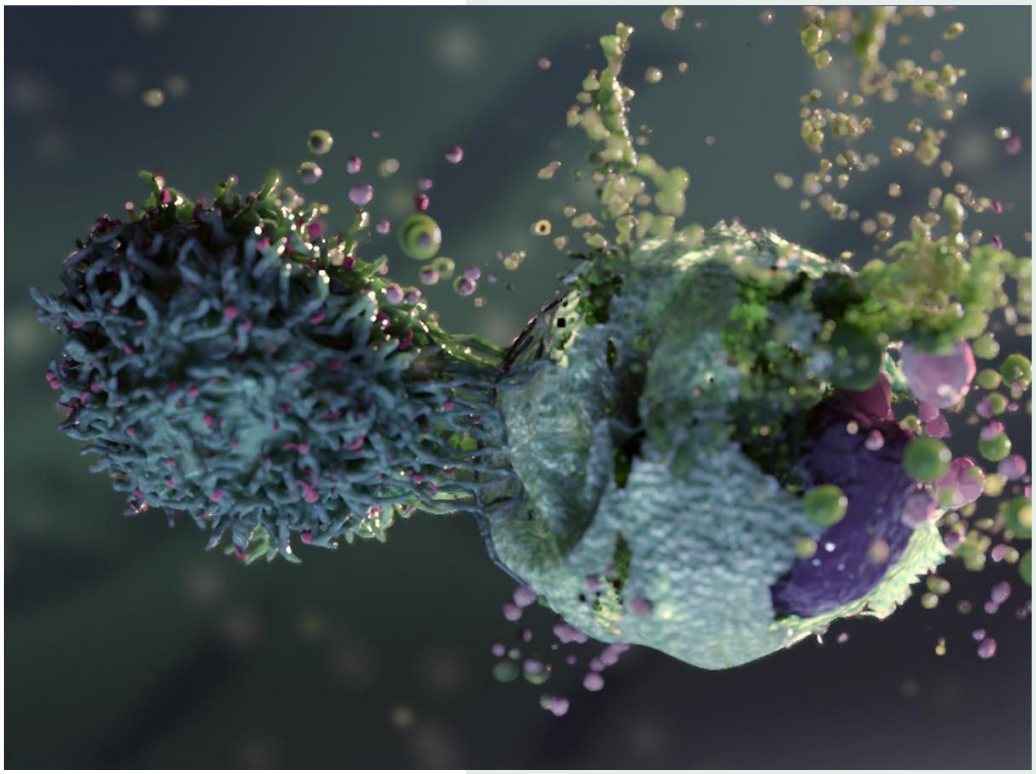
2021

Third quarter report

Ultimovacs ASA



Third Quarter 2021

Development of Ultimovacs' universal cancer vaccine UV1 is progressing, with one Phase I trial ongoing and five Phase II trials started or planned. The Company has shared new and promising early safety and efficacy data of UV1 vaccination of patients with advanced melanoma with scientists, clinicians, potential partners, and investors. Ultimovacs' Phase I trial with its second technology approach, based on the Tetanus-Epitope Targeting (TET)-platform, is also advancing as planned.

Operational

- On 26 October 2021, Ultimovacs announced that UV1, will be investigated in a Phase II clinical trial in combination with pembrolizumab in non-small cell lung cancer (NSCLC). The LUNGVAC trial will be a multi-center, randomized, open-label trial which will be sponsored by Drammen Hospital, a leading oncology research center in Norway. The trial will enroll approximately 138 patients and will be conducted at 8-10 clinical centers in Norway. *(post quarter event)*
- On 13 October, Ultimovacs announced that the overall survival rate after two years of follow-up in the Phase I clinical trial of UV1 combined with pembrolizumab was 80% in this first cohort of 20 patients. As previously announced, median progression free survival for these patients was 18.9 months. *(post quarter event)*
- Results from the 10 patients in cohort 2 of the same trial released on 12 August also showed strong safety and efficacy data after one year (60% objective response, 30% complete response, 90% overall survival and median progression-free survival not reached), reinforcing the cohort 1 data presented at ASCO. (*also presented in the Q2-report*)
- On 20 October 2021, Ultimovacs ASA announced that UV1, in combination with checkpoint inhibitors has received Fast Track designation from the U.S. FDA in the treatment of unresectable or metastatic melanoma – either as add-on therapy to pembrolizumab or as add-on therapy to ipilimumab. *(post quarter event)*
- INITIUM trial: 91 patients enrolled to date compared to 68 patients in the previous quarterly report.
- NIPU trial: 45 patients enrolled to date compared to 38 patients in the previous quarterly report.
- FOCUS trial: The first patient was enrolled on 4 August 2021, and 5 patients have been enrolled to date.
- DOVACC trial: Regulatory approval is in place and the first patient is expected to be enrolled during Q4 2021.
- TENDU trial: The Drug Safety Monitoring Board found no safety concerns related to the first cohort of three patients at the 40 µg dose, enabling the trial to advance with

enrollment of patients in the second cohort at the 400 µg dose. In total, 4 patients have been enrolled to date.

- COVID-19: The effect of the pandemic on the biotech industry and the general ability to conduct clinical trials is still uncertain and dependent on the speed of return to a more normal situation. Ultimovacs continues to monitor the impact from COVID-19 on its clinical trials and will update the guidance for INITIUM and our investigator-initiated Phase II trials in our Q4 2021 report. Enrollment updates will continue to be provided in each quarterly report.

Financial

- A private placement was successfully completed on 26 October 2021, raising gross proceeds of **MNOK 270**. *(post quarter event)*
- Total operating expenses amounted to **MNOK 42.5** in Q3-21, and **MNOK 112.9** YTD.
- Cash flow from operations was **MNOK -32.7** in Q3-21, and **MNOK -92.0** YTD. Total cash and cash equivalents were reduced by **MNOK 32.9** during Q3-21 and amounted to **MNOK 347.8** as per 30 September 2021.
- On 12 October 2021, 58,500 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share for 45,000 shares, and a strike price of NOK 39.15 for 13,500 shares. Subsequently, the Company's share capital was increased by NOK 5,850 on 15 October by issuing 58,500 new shares, each share of par value NOK 0.10. *(post quarter event)*

Key financials

NOK (000) Unaudited	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Total revenues	**-**	**-**	**-**	**-**	**-**
Total operating expenses	42 517	31 116	112 903	98 558	124 146
Operating profit (loss)	**(42 517)**	**(31 116)**	**(112 903)**	**(98 558)**	**(124 146)**
Profit (loss) for the period	**(43 308)**	**(30 725)**	**(113 570)**	**(95 971)**	**(120 552)**
Diluted and undiluted earnings / (loss) per share (NOK)	(1.4)	(1.0)	(3.5)	(3.2)	(4.0)
Net increase / (decrease) in cash and cash equivalents	(32 880)	(29 186)	(90 751)	54 582	42 058
Cash and cash equivalents at end of period	**347 804**	**453 523**	**347 804**	**453 523**	**440 925**
	NOK/EUR - 10.17				
Cash and cash equivalents at end of period - EUR (000)	***34 216***				

CEO's Statement

Ultimovacs' highly productive year continues into the third quarter and beyond. More data on the long-term success of our universal cancer vaccine UV1 in malignant melanoma has been followed by the award of a US FDA Fast Track designation and a heavily over-subscribed financing round. We also announced plans for a new Phase II trial of UV1 in lung cancer and made key appointments to our management team.

At the end of October, the company raised NOK 270 million (appr. USD 31.6 million) through a private placement to new and existing shareholders. The net proceeds from the fundraising will help fund the lung cancer trial, advance the UV1 platform towards Phase III readiness, and further develop our second technology platform, Tetanus-Epitope-Targeting (TET).

The clinical data from our UV1 cancer vaccine continues to support development, with data from a Phase I trial in malignant melanoma strongly suggesting that UV1 in combination with pembrolizumab (KEYTRUDA®) may boost the immune response while maintaining a balanced safety and tolerability profile. Positive 1 year data from 10 patients, released during the quarter, saw tumor shrinkage in six of the 10 patients. In October, we followed up with 2-year data from the same trial from an earlier cohort of 20 patients, which showed an overall survival rate for treated patients of 80%. This compares favorably with an earlier large-scale study of pembrolizumab alone where overall survival rate was 58% after 24 months.

Also in October, our clinical plans in malignant melanoma were further supported by U.S. FDA Fast Track designations for UV1 as add-on therapy to pembrolizumab and UV1 as add-on therapy to ipilimumab. This is a recognition that the combinations may meet urgent needs in a serious condition. We also launched plans for a new Phase II trial of one of those combinations - UV1 plus pembrolizumab - in non-small cell lung cancer, one of the world's most common cancers. The new trial – LUNGVAC – will be the fifth Phase II trial testing the ability of UV1 to improve the performance of checkpoint inhibitors, the current drugs of choice in an increasingly large number of cancers.

We are pleased that an additional 23 patients have been enrolled in Ultimovacs' Phase II INITIUM trial (metastatic melanoma) since our last quarterly update, with 38 clinical sites now open and actively recruiting.

Despite the ongoing challenges of COVID-19 we have also seen progress in the investigator-initiated trials (NIPU, FOCUS and DOVACC). During the quarter, the first patient was enrolled in the FOCUS trial in head-and-neck cancer. In the NIPU trial (mesothelioma), the recruitment has been somewhat lower than the previous quarters. The enrollment of the first patient in DOVACC (ovarian cancer) has been slightly delayed but is expected in Q4. We work closely with the investigators and the hospitals to support execution and patient enrollment in these trials and generally expect good effect of new site openings.

We will continue to communicate to our stakeholders on the progress of recruitment in our expanding portfolio of clinical studies even as the impact of COVID-19 remains uncertain, providing enrollment updates in each quarterly report. We will update the guidance for INITIUM and our ongoing investigator-initiated Phase II trials involving UV1 in our Q4 report.

The TET vaccine platform also progressed during the quarter. We completed dosing of the first cohort in the dose-escalation phase of the TENDU trial investigating our prostate cancer-specific therapeutic TET-based vaccine and have initiated dosing at a higher dose level.

As the company's operations advance, we have extended the substantial expertise of our management team with two senior appointments: Orla Mc Callion joins as Ultimovacs' Head of Regulatory Affairs & QA and Anne Worsøe is our new Head of Investor Relations & Communication.

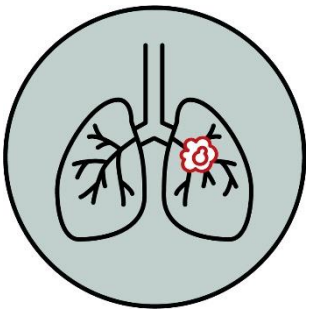
We are pleased with the expansion of the UV1 clinical development program, which will now encompass five Phase II trials with more than 650 patients, and the promising results observed in the Phase I trials of the universal cancer vaccine. Together with the development of our adaptable TET vaccine platform, Ultimovacs' proprietary pipeline is strengthened, positioning the company as a collaborative innovator and leader in therapeutic cancer vaccines. We thank our existing and new investors for their support, and our employees for their continued endeavors in advancing our mission of bringing innovative treatments to help improve patient lives.

Carlos de Sousa, Chief Executive Officer

Key Operational Highlights Q3 2021

Clinical trial update (as per reporting date, unless otherwise specified)

The LUNGVAC trial



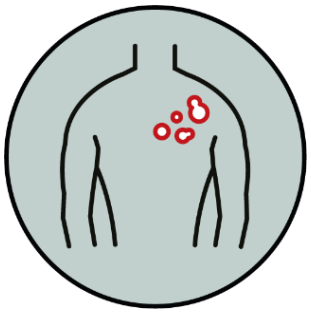
On 26 October 2021, Ultimovacs announced that the company's universal cancer vaccine, UV1, will be investigated in a new Phase II clinical trial in combination with pembrolizumab in non-small cell lung cancer (NSCLC). The first patient is expected to be treated in H1 2022, with data read-out from the trial, LUNGVAC, anticipated by the end of 2024.

The LUNGVAC trial will be a multi-center, randomized, open-label trial assessing the safety and efficacy of UV1 in combination with pembrolizumab versus pembrolizumab alone in NSCLC patients with advanced or metastatic disease. The trial will treat patients with tumors classified within the adenocarcinoma or squamous subgroups of NSCLC, where at least half of their tumor cells express the PD-L1 antigen and who have not previously received pembrolizumab treatment. These subgroups represent approximately 30% of all advanced and metastatic NSCLC patients. The primary endpoint of the trial will be progression-free survival. Secondary endpoints will include response rate and overall survival.

Professor Odd Terje Brustugun will be the principal investigator for the trial, which will be sponsored by Drammen Hospital, a leading oncology research center in Norway. The trial will enroll 138 patients and will be conducted at 8-10 clinical centers in Norway.

Lung cancer is currently one of the most common cancers globally, and by far the biggest cause of cancer deaths in both men and women. NSCLC accounts for approximately 85% of all lung cancers. An estimated 850,000 new cases (in the US, EU5, Japan, China) of NSCLC are diagnosed each year. Most of these cases are metastatic patients, for whom the 5-year survival rate is around 7%.

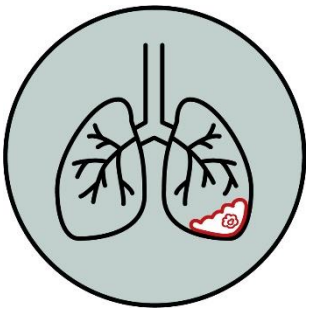
The INITIUM trial



The first INITIUM patient was treated at the Oslo University Hospital (OUS) in June 2020. A total of 91 patients have been enrolled, compared to 68 patients in the previous quarterly report.

INITIUM is an Ultimovacs-sponsored randomized Phase II trial for first-line treatment of patients with metastatic malignant melanoma. Patients will be administered UV1 in combination with ipilimumab (CTLA-4 checkpoint inhibitor) and nivolumab (PD-1 checkpoint inhibitor). A total of 38 sites/hospitals are participating in this trial being run in the US and Europe, including Norway. In total, 154 patients will be enrolled, half receiving nivolumab and ipilimumab and the other half receiving nivolumab, ipilimumab and UV1. Planned readout of the primary endpoint of progression-free survival is H2-2022. Dr. Karl Lewis, University of Colorado Hospital, has been appointed as International Coordinating Investigator of the INITIUM trial.

The NIPU trial

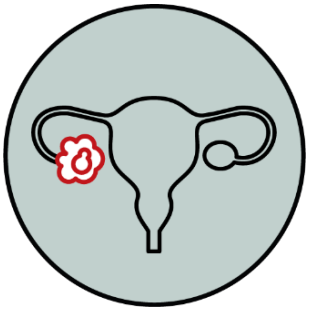


The first patient in the NIPU trial was treated at the Oslo University Hospital (OUS) in June 2020 and a total of 45 patients have been enrolled compared to 38 patients in the previous quarterly report. The study is being conducted in five countries (Norway, Sweden, Denmark, Spain, and Australia). The patient enrollment has been somewhat lower than in the previous quarters. We expect additional sites to be opened during Q4 and continue to work closely with the investigators and the hospitals to support execution and patient enrollment.

NIPU is a randomized, multi-center Phase II trial in which the universal cancer vaccine, UV1, will be evaluated in combination with the checkpoint inhibitors ipilimumab and nivolumab as second-line treatment in mesothelioma. Oslo University Hospital is the sponsor of the NIPU study. Bristol-Myers Squibb and Ultimovacs have entered into agreements with OUS to support the preparations and execution of the trial. NIPU will include 118 patients; half will be treated with the combination of UV1, ipilimumab and nivolumab and half will receive nivolumab and ipilimumab only.

The objective of the study is to achieve a clinically meaningful progression-free survival (PFS) benefit in patients with malignant pleural mesothelioma (MPM) after progression on first-line standard platinum doublet chemotherapy. The PFS readout is planned for H2-2022.

The DOVACC trial



DOVACC (**D**urvalumab **O**laparib **VACC**ine) is a multi-center, multinational, randomized Phase II clinical collaboration trial with the Nordic Society of Gynaecological Oncology – Clinical Trial Unit (NSGO-CTU), the European Network of Gynaecological Oncological Trial Groups (ENGOT), AstraZeneca and Ultimovacs. The trial is sponsored by the NSGO, the leading gynecological oncology research society in the Nordic and Baltic regions. Ultimovacs will provide the UV1 vaccine and AstraZeneca will provide durvalumab and olaparib for the study.

The trial is designed to evaluate UV1 in combination with AstraZeneca's durvalumab, a PD-L1 checkpoint inhibitor and its PARP inhibitor, olaparib, the maintenance therapy for BRCA-mutated, advanced ovarian cancer. The trial will be conducted at more than 40 hospitals in as many as 10 European countries. In Denmark, where regulatory approval is in place, the first patient is expected to be enrolled during Q4 2021. Top line data on the primary endpoint is expected in 2023.

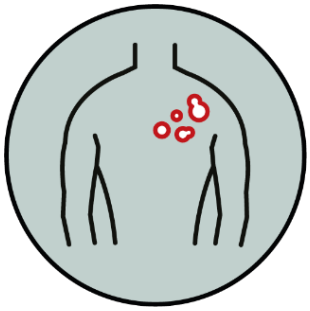
The second-line maintenance study will enroll patients with high-grade BRCA-negative ovarian cancer after partial or complete response following the second round of chemotherapy. The study is enrolling a total of 184 patients divided (randomized) into three treatment groups: 46 patients will receive olaparib; another 46 will receive olaparib and durvalumab; 92 patients will receive Ultimovacs' UV1 vaccine in combination with both AstraZeneca drugs. The primary endpoint is to compare the preliminary efficacy of maintenance treatment (progression-free survival) with olaparib to that of the triple combination treatment arm (olaparib plus durvalumab and UV1).

The FOCUS trial

The first patient in the FOCUS trial was treated in August 2021 and 5 patients have been enrolled to date. The FOCUS trial (**F**irst-line metastatic **O**r recurrent HNSCC/**C**heckpoint inhibitor **U**V1 **S**tudy) is an investigator-sponsored, randomized Phase II clinical trial. It will enroll patients with recurrent or metastatic PD-L1 positive head and neck squamous cell carcinoma at 10 sites across Germany. FOCUS is led by principal investigator Prof. Mascha Binder, Medical Director and Head of the Immunological Tumor Group at University Medicine Halle, Germany, a renowned oncology clinician and researcher specializing in the analysis of immuno-oncology treatments and their interaction with tumor tissues.

The trial will evaluate the addition of UV1 to a standard of care treatment with PD-1 checkpoint inhibitor pembrolizumab as compared to pembrolizumab monotherapy. A total of 75 patients indicated for treatment with pembrolizumab will be enrolled in FOCUS, randomized 2-to-1 so that 50 patients will receive UV1 and pembrolizumab and 25 patients will receive pembrolizumab alone. The primary endpoint of the study is the progression-free survival rate at 6 months. Top line data on the primary endpoint is expected in 2023.

Ongoing Phase I trial in malignant melanoma



This US-based Phase I clinical trial is evaluating the Company's lead candidate, UV1, in combination with the PD-1 checkpoint inhibitor, pembrolizumab, as a first-line treatment in patients with metastatic malignant melanoma. 20 patients (first cohort) were enrolled by September 2019. Ten additional patients (second cohort) were enrolled by August 2020 to investigate an increased dosage of the adjuvant GM-CSF.

In May 2021, Ultimovacs announced clinical data from the trial as a poster presentation at the American Society of Clinical Oncology (ASCO) 2021 Annual Meeting. The data showed a 60% overall response rate (6 complete responses and 6 partial responses from a 20-patient cohort) with a 30% complete response. The median progression-free survival for the UV1/pembrolizumab combination in the study was 18.9 months and the overall survival was 80%, with the median overall survival yet to be reached after 21-months of follow-up.

In August 2021, the Company announced 12-month data from the second cohort. Tumor shrinkage was evident in six of the 10 patients, a 60% objective response rate. In three of the patients, the tumors were reduced to undetectable levels, a 30% complete response rate. The overall survival (OS) rate after one year was 90%. Median progression-free survival (mPFS) was not reached, a positive outcome indicating that the disease had either improved or was stable in at least half of the participating patients in both parts of the study.

In October 2021, it was announced that the overall survival rate after two years in this first cohort of 20 patients was 80%. As previously announced, median progression free survival for these patients was 18.9 months.

In August 2021, prior to the Q2-reporting, the response for one patient in cohort 1 was reclassified from partial response to stable disease. The combined results for the 30 patients in cohort 1 and cohort 2 are:

- Overall survival (OS) at 12 months: 87%
- Objective response rate (ORR): 57%
- Complete response rate (CR): 30%
- Median progression-free survival (mPFS) at 12 months is not reached

UV1 has demonstrated a good safety profile. No unexpected safety issues related to UV1 have been observed in this trial.

Follow-up trials

The three completed Phase I trials have been reviewed by the US Food and Drug Administration (FDA) and served as the basis for the opening of an IND (Investigational New Drug) application supporting the start of clinical research activity in the U.S. in malignant melanoma. Ultimovacs considers these trials a strong basis for the further development of UV1.

Completed Phase I trials in follow-up

Clinical trial[4]	Overall Survival (OS)[1] Year 1	Year 2	Year 3	Year 4	Year 5	Median OS (months)	mPFS[2] (months)
Prostate (n=22)	95 %	86 %	73 %	55 %	50 %	61.8	n.a.[3]
NSCLC (n=18)	72 %	50 %	44 %	39 %	33 %	28.2	10.7
Malignant Melanoma (n=12)	75 %	75 %	67 %	50 %	50 %	Will be >60 months	6.7

1. Note that some patients have received other treatment upon progression and this is likely to affect survival
2. Median Progression-Free Survival
3. PFS (Progression-Free Survival) not possible to measure in the prostate cancer trial.
4. Prostate: (EudraCT No. 2012-002411-26) NSCLC: (EudraCT No. 2012-001852-20) MM: (EudraCT No. 2013-005582-39)

The TET-platform and the TENDU clinical trial

In addition to its universal vaccine, UV1, Ultimovacs is planning to develop novel vaccine products based on the patent-protected Tetanus-Epitope Targeting (TET)-platform. The TET-platform combines antigens and the vaccine adjuvant in the same molecule. This allows a beneficial safety profile and simplifies administration, offering a promising approach to strengthen and increase T cell responses against cancer-specific peptides. The platform generates new, first-in-class cancer vaccine candidates that harness pre-existing antibody responses against tetanus induced by standard tetanus vaccination. TET vaccine candidates can be tailored to many types of cancer, and to infectious diseases.

Ultimovacs has started TENDU, its first Phase I trial to test the TET technology in patients with the main objective to assess the safety of the TET technology. In **TENDU**, the TET technology incorporates prostate-cancer-specific antigens. The first patient was treated in February 2021. Enrollment of the first cohort of three patients was completed during the second quarter. In June, having found no safety concerns in the first cohort, the Drug Safety Monitoring Board allowed the trial to proceed to the second cohort of patients who will be dosed with 400 µg of TET vaccine. The first patient in the second cohort was dosed by the end of September 2021.

The TENDU trial is being conducted at Oslo University Hospital, and in total 9 patients will be enrolled. This Phase I trial will provide valuable safety and immune activation data that will support the further development of new vaccine solutions based on the TET technology.

Fast Track Designation

On 21 October 2021, Ultimovacs announced that its universal cancer vaccine, UV1, in combination with checkpoint inhibitors received Fast Track designation from the U.S. FDA in the treatment of unresectable or metastatic melanoma – either as add-on therapy to pembrolizumab or as add-on therapy to ipilimumab. Ultimovacs is currently evaluating UV1 as add-on therapy to ipilimumab and nivolumab as first-line treatment for unresectable or metastatic melanoma in the INITIUM trial.

The FDA Fast Track process is designed to facilitate the development and expedite the review of drugs that meet urgent needs in serious medical conditions. Fast Track designation enables early and frequent communication with the FDA to support the drug's development, as well as entitlement to a Rolling Review of the Biologic License Application. Drugs with Fast Track designation may also be considered for Accelerated Approval and Priority Review provided certain criteria are met.

Publications and presentations

On 5 July 2021, Ultimovacs announced the publication of a review of telomerase-based therapeutic cancer vaccines including the Company's universal cancer vaccine, UV1. The article in "Frontiers in Immunology" examines the broad relevance of telomerase as an attractive cancer target and examines opportunities for optimizing anti-telomerase vaccine performance both by selecting appropriate cancer types and by analyzing the underlying limitations of current standard treatments. The article focusses on the synergy between telomerase-based cancer vaccines and checkpoint inhibitors. In particular, it highlights areas within cancer treatment where clinical trials have shown that specific combinations of the two components are more effective than either component used alone. (*also reported in the Q2-report*)

Organization and board

Ultimovacs has appointed two additional members to the management team: Orla Mc Callion as Head of Regulatory Affairs & QA and Anne Worsøe as Head of Investor Relations & Communication, both effective October 1, 2021.

As Head of Regulatory Affairs & QA, Orla Mc Callion will manage the strategic planning and implementation of regulatory procedures across all Ultimovacs' development products. Orla has more than 20 years of experience in the pharmaceutical industry. Orla has regularly interacted with EMA, FDA and other national regulatory authorities for scientific advice procedures, submissions for serious conditions, orphan designations and pediatric-related activities and to secure clinical trial approvals. Previously, Orla was Director of Regulatory Affairs at OxThera AB. Orla holds a Ph.D. in Pharmacy from Queen's University in Belfast.

As Head of Investor Relations & Communication Anne Worsøe will oversee the communication between Ultimovacs' management, investors and the broader public. With 20 years of experience within the investment industry, she has extensive knowledge in strategy and business development, internationalization, PR, branding & communication. Anne was the first CEO of the Norwegian Venture Capital & Private Equity Association and Venture Partner at Antler, a global venture capital firm. She spent four years in the USA as Director of Innovation Norway in San Francisco. Anne has served on the Boards of several early-stage companies, venture capital funds, private and public limited companies, and served as an expert jury member at the European Commission's EIC Accelerator program. Anne holds a Master of Business and Economics from Norwegian Business School.

Background

Ultimovacs (the 'Company') is a pharmaceutical company developing novel immunotherapies against cancer. The Company was established in 2011 and is listed on the Oslo Stock Exchange. The Company's proprietary technology is based on preclinical and clinical research on immunotherapies conducted at the Oslo University Hospital. Ultimovacs is advancing a broad clinical development program with clinical trials in Europe, Australia and the U.S.

The Company's lead product candidate is UV1, a next generation peptide-based vaccine inducing a specific T cell response against the universal cancer antigen telomerase (hTERT), expressed at a high level in over 80% of human tumors. The vaccine's mode of action is to make the immune system produce CD4 T cells (i.e., T helper cells) that recognize cancer cells expressing telomerase. UV1 may potentially be applied universally across cancer types, in different stages of disease and in combination with different cancer treatments. The vaccine is easy to use and does not require sophisticated infrastructure in hospitals. UV1 is manufactured as an off-the-shelf product with a long shelf life. UV1 is being developed as a therapeutic cancer vaccine and a platform for other immuno-oncology drugs which require an ongoing T cell response for their mode of action. Longer-term, it would be attractive to investigate the use of a vaccine like UV1 in early-stage tumors.

Treatment with UV1 has been assessed in three Phase I studies (metastatic prostate cancer, metastatic non-small cell lung cancer and metastatic malignant melanoma) in 52 patients at the Oslo University Hospital. The observed clinical outcomes from the three completed trials served as a strong basis for the further clinical development of UV1, both with respect to safety, immune response and signals of clinical effect. In addition, Ultimovacs is the sponsor of the fully enrolled and ongoing Phase I clinical study in the U.S. evaluating the safety and tolerability of treatment with UV1 and pembrolizumab (PD-1 checkpoint inhibitor) in 30 patients with metastatic malignant melanoma.

Ultimovacs has an extensive development program with five phase II studies in five different indications that are expected to include more than 650 patients:

- **INITIUM (154 patients)**: Ultimovacs sponsored trial in malignant melanoma in which UV1 is combined with nivolumab and ipilimumab.
- **NIPU (118 patients)**: trial in mesothelioma, UV1 in combination with nivolumab and ipilimumab. Oslo University Hospital is the sponsor of the NIPU study. Bristol-Myers Squibb and Ultimovacs have entered into agreements with Oslo University Hospital to support the execution of the trial.
- **DOVACC (184 patients)**: trial in collaboration with the Nordic Society of Gynaecological Oncology Clinical Trial Unit, the European Network of Gynaecological Oncological Trial Groups and AstraZeneca. UV1 is tested in combination with AstraZeneca's durvalumab and olaparib (PARP inhibitor) in patients with relapsed ovarian cancer.
- **FOCUS (75 patients)**: trial in collaboration with the Immunological Tumor Group at University Medicine Halle, Germany, where UV1 will be given in combination with pembrolizumab in head and neck cancer patients.
- **LUNGVAC (138 patients)**: trial in non-small cell lung cancer where UV1 will be investigated in combination with pembrolizumab. Drammen Hospital is the sponsor of the study.

In addition, the Company is expanding its pipeline using its novel TET technology platform that can generate multiple vaccine candidates designed to achieve increased T cell responses to a broad range of target antigens.

Outlook

Ultimovacs' UV1 vaccine technology is universal in the sense that it may have an effect across most types of cancer and could be used in combination with different types of cancer treatment. The cancer vaccine is expected to generate immune responses across the general population (i.e., independent of HLA type). The vaccine is easy to manufacture and does not require a sophisticated hospital infrastructure to be administered. If the ongoing clinical development and testing of Ultimovacs' cancer vaccine demonstrates that the vaccine gives clinical benefit to cancer patients, the potential clinical use of UV1 and related financial benefits could be highly attractive.

As of 2021, UV1 will be investigated in five randomized Phase II trials in five different cancer types, with Ultimovacs sponsoring one of the trials. The five Phase II clinical trials will enroll more than 650 patients in total, representing a strong potential platform for Ultimovacs to move toward a possible registration of the universal cancer vaccine, UV1. The main study objectives are efficacy and safety data on the combination therapies. The INITIUM and NIPU trials have expected readouts for their primary endpoints during the second half of 2022. The DOVACC and FOCUS trials have expected readouts of the primary endpoints during 2023, and the LUNGVAC trial by the end of 2024. The Company is actively monitoring the COVID-19 pandemic regarding patient enrollment in its Phase II clinical trials and continues to implement activities to minimize the impact. We will update the guidance for INITIUM and the ongoing investigator-initiated Phase II trials involving UV1 in our Q4 report.

Ultimovacs is continuously in discussions and pursuing discussions to establish strategic collaborations with cancer institutions and pharmaceutical companies supporting the documentation of the effect and safety of UV1 in other cancer types and in combination with different cancer treatments. Ultimovacs is making clinical development choices based on the knowledge that UV1 is a universal vaccine on several dimensions; the vaccine can potentially play a role across most cancer types, in most patients, in different stages of cancer and in combination with other cancer treatments. With positive results from the ongoing randomized clinical trials, the development potential is significant.

Ultimovacs also seeks to broaden its pipeline of drug candidates. The R&D activities are currently focused on the development of new first-in-class cancer vaccine solutions building on Ultimovacs' base technology, the acquired TET-platform, and on the development of new molecules and technologies based on biobank material from the ongoing and planned clinical studies conducted with UV1. Pending confirmation of the safety of the TET technology through the Phase I TENDU trial and further preclinical development, the ambition is to apply the TET technology and identify new cancer vaccine program candidates to move into clinical development.

Risks and uncertainties

Ultimovacs is a research and development company. The Company has not generated revenues historically and is not expected to do so in the near term. Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. The Company's candidates for cancer vaccines and technology platforms are dependent on research and development and may be delayed and/or incur higher costs than currently expected. Competing pharmaceuticals can capture market shares or reach the market faster than Ultimovacs. If competing projects have a better product profile (e.g., better efficacy and/or less side effects), the future value of Ultimovacs' product offerings may be lower than expected. The operations may also be impacted negatively by changes or decisions regarding laws and regulations. In addition, the Company is also dependent upon intellectual property rights.

The primary financial risks are foreign exchange risks and financing risks. The Company is affected by foreign exchange risk as the research and development costs for UV1 are mainly paid in USD and EUR. In addition, the Company has invested in foreign operations, the net assets of which are exposed to currency translation risk. Adequate sources of funding may not be available when needed or may not be available on favorable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. The Board of Directors works continuously to secure the business operation's need for financing.

The coronavirus pandemic has a profound impact on the global economy and no industry is protected from operational and financial consequences. The ultimate impact of the pandemic is currently difficult to assess. For a biotech company like Ultimovacs, some of the possible implications of the COVID-19 pandemic may affect:

- The initiation, patient inclusion and conduct of clinical trials
- Disruption of the supply chain (manufacturing and/or logistics) for the investigational products
- Fluctuations in currency exchange rates, (NOK/EUR and NOK/USD), which may increase R&D costs

The effects of the pandemic on the biotech industry and the general ability to conduct clinical trials, and the specific potential effect on Ultimovacs, are still uncertain. Given the inherent uncertainties, it is difficult to ascertain the exact impact of COVID-19 on the Company's operations, or to provide a quantitative estimate of this impact. Further implications will be assessed and reported on in the next reporting periods.

Ultimovacs' financial risk exposures are described in more detail in the Annual Report 2020. No significant changes have occurred that affect these reported risks.

Financial review

Financial results

On October 26, Ultimovacs successfully carried out a private placement of 2,160,000 new shares at a subscription price of NOK 125 per share, raising gross proceeds of NOK 270 million. The net proceeds of the private placement will be used for (i) financing of the LUNGVAC Phase II trial evaluating UV1 in non-small cell lung cancer, (ii) bringing the UV1 platform into Phase III readiness, (iii) further development of the Tetanus-Epitope-Targeting ("TET") technology platform, and (iv) general corporate purposes. Following registration of the new share capital pertaining to the Private Placement, the Company will have a share capital of NOK 3,422,176.10 divided into 34,221,761 shares, each with a par value of NOK 0.10. *(post quarter event)*

Ultimovacs does not yet generate revenues, as the Company is in a research and development phase.

Payroll and payroll related expenses increased in Q3-21 (**MNOK 23.3**) compared to the same period in FY20 (MNOK 13.1), mainly due to higher share-option costs this quarter and two additional full-time employees in this period compared to Q3-20. Total personnel expenses YTD-21 was **MNOK 50.0** compared to MNOK 36.3 in YTD-20.

Other operating expenses (**MNOK 18.6** in Q3-21 and MNOK 17.2 in Q3-20) primarily comprise R&D related expenses. These expenses, including IP and external R&D expenses, offset by government grants, amounted to **MNOK 16.0** in Q3-21, and MNOK 15.3 in Q3-20. With the initiation of two Phase II trials in FY21, the R&D costs are expected to be at a higher level going forward than in prior periods, however total R&D expenditure may vary significantly from quarter to quarter. Total other operating expenses YTD-21 **(MNOK 60.8)** were slightly higher compared to YTD-20 (MNOK 60.3)

Net financial items amounted to negative **MNOK 0.8** in Q3-21, compared to MNOK 0.4 in Q3-20. As of Q1-21, financial items primarily comprise currency fluctuations from EUR at bank and the value of EUR currency future contracts swapped on a monthly basis.

Total loss for the Q3-21 period amounted to **MNOK 43.3**, compared to MNOK 30.7 in Q3-20. Total loss YTD-21 amounted to **MNOK 113.6** compared to a loss of MNOK 96.0 YTD-20.

Financial position

Total assets per 30 September 2021 were **MNOK 426.5**, a decrease of MNOK 103.2 from 31 December 2020 primarily as a result of negative operational cashflow.

Total liabilities as of 30 September 2021 amounted to **MNOK 44.7**, of which MNOK 12.2 non-current. MNOK 1.6 in 'other current liabilities' are related to the fair value of EUR future contracts.

Total equity equaled **MNOK 381.8** as of 30 September 2021. A capital increase in March related to the exercise of stock options resulted in gross proceeds of **MNOK 0.9**. Further, total equity has since year-end 2020 been decreased by the period's operating loss and currency translation amounting to **MNOK 116.1**, and in addition been increased by the recognition of share-based payments/stock options of **MNOK 8.6**.

On 12 October 2021, 58,500 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share for 45,000 shares, and a strike price of NOK 39.15 for 13,500 shares. Subsequently, the Company's share capital was increased by NOK 5,850 on 15 October by issuing 58,500 new shares, each share of par value NOK 0.10. *(post quarter event)*

Cash flow

The total net decrease in cash and cash equivalents in Q3-21 was **MNOK 32.9**, which is primarily related to net negative cash-flow from operations amounting to **MNOK 32.7**. Total cash and cash equivalents was **MNOK 347.8** per 30 September 2021.

Key financials

NOK (000) Unaudited	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Total revenues	**-**	**-**	**-**	**-**	**-**
Total operating expenses	42 517	31 116	112 903	98 558	124 146
Operating profit (loss)	**(42 517)**	**(31 116)**	**(112 903)**	**(98 558)**	**(124 146)**
Profit (loss) for the period	**(43 308)**	**(30 725)**	**(113 570)**	**(95 971)**	**(120 552)**
Diluted and undiluted earnings / (loss) per share (NOK)	(1.4)	(1.0)	(3.5)	(3.2)	(4.0)
Net increase / (decrease) in cash and cash equivalents	(32 880)	(29 186)	(90 751)	54 582	42 058
Cash and cash equivalents at end of period	**347 804**	**453 523**	**347 804**	**453 523**	**440 925**
	NOK/EUR - 10.17				
Cash and cash equivalents at end of period - EUR (000)	***34 216***				

The Board of Directors and CEO of Ultimovacs ASA

Oslo, 10 November 2021

Jónas Einarsson
Chairman of the Board

(Sign.)

Kari Grønås
Board member

(Sign.)

Eva S. Dugstad
Board member

(Sign.)

Henrik Schüssler
Board member

(Sign.)

Ketil Fjerdingen
Board member

(Sign.)

Leiv Askvig
Board member

(Sign.)

Aitana Peire
Board member

(Sign.)

Haakon Stenrød
Board member

(Sign.)

Carlos de Sousa
CEO

(Sign.)

Interim condensed consolidated statement of comprehensive income

NOK (000) Unaudited	Note	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Other operating income		-	-	-	-	-
Total revenues		-	-	-	-	-
Payroll and payroll related expenses	3, 5	23 314	13 115	50 031	36 327	50 989
Depreciation and amortization		634	758	2 080	1 977	2 720
Other operating expenses	4, 5	18 568	17 243	60 792	60 254	70 438
Total operating expenses		**42 517**	**31 116**	**112 903**	**98 558**	**124 146**
Operating profit (loss)		**(42 517)**	**(31 116)**	**(112 903)**	**(98 558)**	**(124 146)**
Financial income		3 644	1 026	8 195	3 966	5 209
Financial expenses		4 435	636	8 863	1 379	1 616
Net financial items		**(791)**	**391**	**(668)**	**2 587**	**3 594**
Profit (loss) before tax		**(43 308)**	**(30 725)**	**(113 570)**	**(95 971)**	**(120 552)**
Income tax		-	-	-	-	-
Profit (loss) for the period		**(43 308)**	**(30 725)**	**(113 570)**	**(95 971)**	**(120 552)**
Other comprehensive income (loss) - Currency translation		(458)	609	(2 527)	4 099	4 590
Total comprehensive income (loss) for the period		**(43 766)**	**(30 116)**	**(116 098)**	**(91 872)**	**(115 962)**
Diluted and undiluted earnings/(loss) pr share (NOK)	6	(1.4)	(1.0)	(3.5)	(3.2)	(4.0)

Interim condensed consolidated statement of financial position

NOK (000) Unaudited	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Goodwill		11 316	11 698	11 795
Licenses		54 934	56 786	57 258
Patents		6 727	7 482	7 293
Property, plant and equipment		174	428	377
Right to use asset	11	2 338	3 612	3 630
Total non-current assets		**75 489**	**80 005**	**80 354**
Receivables and prepayments	7	3 237	9 799	8 438
Bank deposits		347 804	453 523	440 925
Current assets		**351 042**	**463 323**	**449 363**
TOTAL ASSETS		**426 531**	**543 328**	**529 717**
EQUITY				
Share capital		3 200	3 197	3 197
Share premium		810 140	809 214	809 214
Total paid-in equity		**813 341**	**812 411**	**812 411**
Accumulated losses		(453 169)	(315 017)	(339 599)
Other equity		17 344	6 593	8 762
Translation differences		4 279	6 315	6 806
TOTAL EQUITY	6, 9	**381 794**	**510 301**	**488 380**
LIABILITIES				
Lease liability	11	873	2 100	2 075
Other non-current liabilities		-	3 982	-
Deferred tax		11 316	11 698	11 795
Non-current liabilities		**12 189**	**17 781**	**13 870**
Accounts payable		4 853	5 401	8 611
Lease liability	11	1 610	1 656	1 707
Other current liabilities		26 084	8 189	17 149
Current liabilities	8	**32 548**	**15 246**	**27 467**
TOTAL LIABILITIES		**44 737**	**33 027**	**41 337**
TOTAL EQUITY AND LIABILITIES		**426 531**	**543 328**	**529 717**

Interim condensed consolidated statement of changes in equity

NOK (000) Unaudited	Share Capital	Share Premium	Accum. losses	Other equity	Transl. differenc.	Total equity
Balance at 1 Jan 2020	**2 786**	**656 692**	**(219 047)**	**1 985**	**2 216**	**444 633**
Loss for the period	-	-	(95 971)	-	-	(95 971)
Issue of ordinary shares	411	159 589	-	-	-	160 000
Share issue costs	-	(7 067)	-	-	-	(7 067)
Recognition of share-based payments	-	-	-	4 608	-	4 608
Translation differences	-	-	-	-	4 099	4 099
Balance at 30 Sep 2020	**3 197**	**809 214**	**(315 017)**	**6 593**	**6 315**	**510 301**
Balance at 1 Jan 2021	**3 197**	**809 214**	**(339 599)**	**8 762**	**6 806**	**488 380**
Loss for the period	-	-	(113 570)	-	-	(113 570)
Issue of ordinary shares	3	927	-	-	-	930
Share issue costs	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	8 582	-	8 582
Translation differences	-	-	-	-	(2 527)	(2 527)
Balance at 30 Sep 2021	**3 200**	**810 140**	**(453 169)**	**17 344**	**4 279**	**381 794**

Interim condensed consolidated statement of cash flow

NOK (000) Unaudited	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Loss before tax	**(43 308)**	**(30 725)**	**(113 570)**	**(95 971)**	**(120 552)**
Non-cash adjustments					
Depreciation and amortization	634	758	2 080	1 977	2 720
Interest received incl. investing activities	(300)	(931)	(1 750)	(3 425)	(4 545)
Net foreign exchange differences	1 002	476	2 168	654	747
Other finance expense	41	61	144	180	236
Share option expenses	3 014	2 421	8 582	4 608	6 777
Working capital adjustments:					
Changes in prepayments and other receivables	4 348	941	5 200	(1 795)	(433)
Changes in payables and other current liabilities	1 835	(2 596)	5 177	(1 359)	6 828
Net cash flow from operating activities	**(32 733)**	**(29 596)**	**(91 969)**	**(95 131)**	**(108 223)**
Purchase of property, plant and equipment	-	(14)	-	(217)	(282)
Patent milestone payment	-	-	-	(5 000)	(5 000)
Interest received	300	931	1 750	3 425	4 545
Net cash flow used in investing activities	**300**	**916**	**1 750**	**(1 792)**	**(736)**
Proceeds from issuance of equity	-	-	930	160 000	160 000
Share issue cost	-	-	-	(7 067)	(7 067)
Interest paid	-	-	-	-	-
Payment of lease liability	(447)	(507)	(1 461)	(1 428)	(1 916)
Net cash flow from financing activities	**(447)**	**(507)**	**(532)**	**151 504**	**151 017**
Net change in cash and cash equivalents	(32 880)	(29 186)	(90 751)	54 582	42 058
Effect of change in exchange rate	(1 114)	(450)	(2 371)	(666)	(739)
Cash and cash equivalents at beginning of period	**381 799**	**483 159**	**440 925**	**399 607**	**399 607**
Cash and cash equivalents at end of period	**347 804**	**453 523**	**347 804**	**453 523**	**440 925**

Notes

1. General information

Ultimovacs ASA (the Company or Ultimovacs) and its subsidiary (together the Group) is a pharmaceutical Group developing novel immunotherapies against cancer. The Company is a public limited liability company listed on the Oslo Stock Exchange in Norway.

Ultimovacs is headquartered at the Oslo Cancer Cluster Innovation Park in Oslo, Norway, and is an active member of Oslo Cancer Cluster.

2. Basis for preparations and accounting principles

The Group's presentation currency is NOK (Norwegian kroner).

These interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of these financial statements are consistent with those followed in connection with the Company's 2020 financial statements. These condensed interim financial statements should therefore be read in conjunction with the 2020 financial statements.

The Group uses derivative financial instruments to hedge its risks associated with foreign exchange rates. Derivatives are initially and subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The gain/(loss) arising from changes in fair value of currency derivatives is presented as part of "Financial income/expenses" in the consolidated statement of comprehensive income.

The Group does not have any derivatives that are used for hedge accounting.

The consolidated financial statements comprise the financial statements of the Ultimovacs ASA and its 100% owned subsidiary Ultimovacs AB as at the reporting date.

These interim financial statements were approved for issue by the Board of Directors on 10 November 2021. The figures in the statements have not been audited.

3. Personnel expenses

Personnel expenses

NOK (000)	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Salaries and bonuses	6 761	8 800	24 446	26 414	34 612
Social security tax	14 065	2 131	17 931	4 758	9 299
Pension expenses	593	517	1 870	1 591	2 020
Share-based compensation	3 014	2 421	8 582	4 608	6 777
Other personnel expenses	(59)	109	121	300	430
Government grants	(1 060)	(863)	(2 919)	(1 344)	(2 150)
Total personnel expenses	**23 314**	**13 115**	**50 031**	**36 327**	**50 989**
Number of FTEs at end of period	21	19	21	19	19

Please refer to note 10 for additional information regarding the share-based payments.

4. Operating expenses

The Group is in a development phase, and the majority of the Group's costs are related to R&D. These costs are expensed in the statement of comprehensive income.

Operating expenses

NOK (000)	Q3-21	Q3-20	YTD-21	YTD-20	FY20
External R&D expenses	17 151	14 981	56 201	52 348	64 660
Clinical studies	7 018	11624	28 215	39 070	47 680
Manufacturing costs	2 235	2 084	12 795	5 936	5 710
Other R&D expenses	7 899	1273	15 192	7 342	11270
IP expenses	822	628	2 513	1 590	2 949
Rent, office and infrastructure	797	564	2 742	1 949	2 786
Accounting, audit, legal, consulting	1 224	991	3 755	2 548	3 978
Other operating expenses	515	382	1 663	2 423	2 802
Government grants	(1 942)	(302)	(6 083)	(604)	(6 738)
Total other operating expenses	**18 568**	**17 243**	**60 792**	**60 254**	**70 438**

5. Government grants

The following government grants have been received and recognized in the statement of profit and loss as a reduction of operating expenses and personnel costs.

Government grants

NOK (000)	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Skattefunn from the Research Council of Norway (RCN)	-	-	-	-	4 750
Eurostars	262	784	524	1 566	2 015
Innovation Norway	-	-	3 000	-	-
Innovation Project grant from the RCN	2 472	-	4 944	-	1 383
Other grants	267	382	534	382	739
Total government grants	**3 001**	**1 165**	**9 002**	**1 947**	**8 888**

Please refer to note 3 and 4 for information on how the government grants have been attributed to (i.e., deducted from) personnel expenses and other operating expenses.

6. Earnings per share

The basic earnings per share are calculated as the ratio of the profit for the year divided by the weighted average number of ordinary shares outstanding.

Earnings per share

NOK (000)	Q3-21	Q3-20	YTD-21	YTD-20	FY20
Loss for the period	(43 308)	(30 725)	(113 570)	(95 971)	(120 552)
Average number of shares during the period ('000)	32 003	31 974	31 997	29 688	30 260
Earnings/loss per share (NOK)	**(1.4)**	**(1.0)**	**(3.5)**	**(3.2)**	**(4.0)**

The share options issued to employees as a part of the employee incentive program have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. Diluted and basic (undiluted) earnings per share is therefore the same.

Please see note 10 for more information regarding the option program.

7. Current assets

Receivables and prepayments

NOK (000)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Government grants	-	5 277	6 941
Prepayments	981	1 421	748
Other receivables	2 256	3 102	749
Total receivables and prepayments	**3 237**	**9 799**	**8 438**

8. Current liabilities

Current liabilities

NOK (000)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Accounts payable	4 853	5 401	8 611
Public duties payable	18 027	2 953	7 253
Lease liability	1 610	1 656	1 707
Financial instruments	1 649	-	-
Other current liabilities	6 408	5 237	9 896
Total current liabilities	**32 548**	**15 246**	**27 467**

9. Shareholder information

The share capital as of 30 September 2021 was NOK 3,200,326.1, with 32,003,261 ordinary shares, all with equal voting rights and a nominal value of NOK 0.10 per share. Ultimovacs ASA has approximately 4,400 shareholders as of 30 September 2021 and the 20 largest shareholders as of this date are listed below:

Share register as per 30 Sep 2021

Shareholder	# of shares	Share-%
Gjelsten Holding AS	6 171 866	19.3 %
Canica AS	2 535 163	7.9 %
Watrium AS	1 740 575	5.4 %
Inven2 AS	1 615 492	5.0 %
Radiumhospitalets Forskningsstiftelse	1 498 913	4.7 %
Langøya Invest AS	1 349 006	4.2 %
Folketrygdfondet	1 230 000	3.8 %
Helene Sundt AS	882 132	2.8 %
CGS Holding AS	882 132	2.8 %
Sundt AS	719 650	2.2 %
Danske Invest Norge Vekst	690 000	2.2 %
Stavanger Forvaltning AS	640 355	2.0 %
Prieta AS	523 988	1.6 %
Verdipapirfondet Nordea Avkastning	523 109	1.6 %
JPMorgan Chase Bank, N.A., London	439 137	1.4 %
Verdipapirfondet KLP Aksjenorge	313 416	1.0 %
SEB Prime Solutions Sissener Canopus	306 294	1.0 %
Verdipapirfondet Nordea Kapital	282 549	0.9 %
Swedbank AB	261 612	0.8 %
Wiarom AS	250 000	0.8 %
20 Largest shareholders	**22 855 389**	***71.4%***
Other shareholders	9 147 872	*28.6%*
Total	**32 003 261**	***100.0%***

Note that the overview above is prior to the share issue in October 2021.

10. Share-based payments

Share option program

A share option program was introduced in June 2019 and the Board was at the ordinary General Assembly held on 15 April 2021 authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 320,032.60 until the next ordinary General Assembly in 2022.

The share option program is groupwide and includes all employees in the Group. After the distribution of 600,000 new options in 2021, a total of 1,892,085 share options are outstanding as per 30 September 2021 (net of exercised and lapsed options), corresponding to 5.91% of the outstanding number of shares in the Company.

Each option gives the right to acquire one share in the Company and is granted without consideration. Pursuant to the vesting schedule, 25% of the options will vest one year after the day of grant, 25% of the options will vest two years after the day of grant and the remaining 50% will vest three years after the day of grant. The options granted in 2020 to the CEO, Carlos de Sousa, will vest with 33.33% one year following the grant date, 33.33% after two years, and the remaining 33.34% on the third anniversary following the grant date. Vesting is dependent on the option holder still being employed in the Company.

The exercise price for all options granted in 2019 was NOK 31.25, NOK 39.15 for the options granted in 2020 and NOK 61.99 for the options granted in 2021.

Options that are not exercised within 5 years from the date of grant will lapse and become void.

Number of options outstanding to Management Team

Name	Position	Number of options
Carlos de Sousa	Chief Executive Officer	416 035
Hans Vassgård Eid	Chief Financial Officer	177 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	168 000
Audun Tornes	Chief Technology Officer	107 500
Gudrun Trøite	Director Regulatory Affairs and QA	107 500
Ingunn Hagen Westgaard	Head of Research	107 500
Øivind Foss	Head of Clinical Operations	107 500
Ton Berkien	Chief Business Officer	59 000

The Ultimovacs Employee Share Options' fair value is calculated according to the IFRS-2 regulations. As stated in IFRS-2 Appendix B §B5, the Black-Scholes-Merton Option Pricing Model ("B&S Model") may be used to estimate the fair value of employee share options, which is therefore used to estimate the fair value of the Ultimovacs Employee Share Options. The model uses the following parameters: the exercise price, the current price of the underlying shares, the life of the option, the expected volatility of the share price, the dividends expected on the shares, and the risk-free interest rate for the life of the option.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. For equity-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the profit or loss with a corresponding adjustment to equity. This requires a reassessment of the estimates used at the end of each reporting period.

Movement of share options

	Number of share options	Weighted average strike
Outstanding at closing balance 31 Dec 2020	**1 330 435**	**36.28**
Granted	600 000	61.99
Exercised	29 750	31.25
Forfeited	8 600	39.15
Outstanding at closing balance 30 Sep 2021	**1 892 085**	**44.41**
Vested at closing balance	477 828	35.13

On 5 March 2021, 29,750 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share, and 8,600 options were forfeited in May 2021. On the basis of the approval by the General Meeting on 15 April 2021, the Board of Directors resolved to issue a total of 600,000 options distributed amongst the employees. The number of options granted corresponded to 1.87% of the outstanding number of shares in the Company.

The total IFRS cost recognized for the option program in Q3-21 is MNOK 3.0, and the social security accruals related to the options is MNOK 12.4. Total IFRS costs in YTD-21 is MNOK 8.6, and MNOK 13.0 in social security accruals.

On 12 October 2021, 58,500 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share for 45,000 shares, and a strike price of NOK 39.15 for 13,500 shares. Subsequently, the Company's share capital was increased by NOK 5,850 on 15 October by issuing 58,500 new shares, each share of par value NOK 0.10. Following this option exercise, the total number of outstanding options is 1,833,585. *(post quarter event)*

11. IFRS 16 – rental contracts

The Group implemented IFRS 16 in 2019 with the modified retrospective approach. The most significant agreement classified as operating lease is the rental agreement for office premises in Oslo with 3 years left in the rental contract as of 1 January 2020. In addition, there are five car-leasing contracts also classified as operating leases. With the transition to IFRS 16, the Group has recognized these contracts as a right-of-use assets of MNOK 4.6, and lease liabilities of MNOK 4.6 as of 1 January 2019. The weighted average discount applied on 1 January 2019 was 6.0%. Please see the 2020 Annual report for more information.

12. Events after the balance sheet date

On 12 October 2021, 58,500 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share for 45,000 shares, and a strike price of NOK 39.15 for 13,500 shares. Subsequently, the Company's share capital was increased by NOK 5,850 on 15 October by issuing 58,500 new shares, each share of par value NOK 0.10. Following this option exercise, the total number of outstanding options is 1,833,585.

On 26 October, Ultimovacs successfully carried out a private placement of 2,160,000 new shares at a subscription price of NOK 125 per share, raising gross proceeds of NOK 270 million. Following registration of the new share capital pertaining to the Private Placement, the Company will have a share capital of NOK 3,422,176.10 divided into 34,221,761 shares, each with a par value of NOK 0.10.

No other events with significant accounting effect have occurred after the balance sheet date.

Glossary

Words/terms	Description
General/basic terms	
UV1	UV1 is Ultimovacs' synthetic peptide vaccine
Peptides	Peptides are short or long-chains of amino acids, and amino acids are the building blocks of protein.
Adjuvant	A medical substance used to enhance the effect of another medical substance.
GM-CSF	"Granulocyte-macrophage colony-stimulating factor". Ultimovacs uses GM-CSF as adjuvant together with UV1 to strengthen the ability of UV1 to stimulate the immune system.
Immune checkpoint inhibitors	Medicines that "takes the brakes off the immune system". The immune system has brakes necessary to balance a normal immune response. The downside to these brakes is that it makes it easier for a tumor to grow because the immune system becomes less able to fight the tumor. By "blocking the brakes", the immune system becomes more potent in killing tumor cells. PD-1 / PDL-1 inhibitors (e.g., pembrolizumab and nivolumab) and CTLA-4 inhibitors (e.g. ipilimumab). There are many others in development.
Immune response	The activity of the immune system against foreign substances (antigens).
Investigational New Drug (IND)	The United States Food and Drug Administration's Investigational New Drug (IND) program is the means by which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines (usually to clinical investigators) before a marketing application for the drug has been approved. Similar procedures are followed in the European Union, Japan, and Canada.
CTLA-4	A protein found on T cells (a type of immune cell) that helps balancing a normal immune response. The balance is needed to avoid collateral damage of normal cells. When CTLA-4 is bound to another protein called B7, it helps keep T cells from multiplying and killing other cells, including cancer cells. Ipilimumab works by making it difficult for the CTLA-4 to bind to B7. Ipilimumab was the first checkpoint inhibitor to reach the market.
PARP Inhibitor	PARP inhibitors are a group of pharmacological inhibitors of the enzyme poly ADP ribose polymerase. They are developed for multiple indications, including the treatment of heritable cancers. Several forms of cancer are more dependent on PARP than regular cells, making PARP an attractive target for cancer therapy.
PD-1 / PD-L1	A protein found on T cells (a type of immune cell) that helps balancing a normal immune response. The balance is needed to avoid collateral damage of normal cells. When PD-1 is bound to another protein called PD-L1, it helps keep T cells from killing other cells, including cancer cells. Some anticancer drugs, called immune checkpoint inhibitors, are used to block PD-1 or PD-L1. When this checkpoint is blocked, the "brakes" on the immune system are released and the ability of T cells to kill cancer cells is increased.
Telomere	To prevent the loss of genes as chromosome ends wear down, the tips of eukaryotic chromosomes have specialized DNA "caps" called telomeres.

Telomerase	Some cells have the ability to reverse telomere shortening by expressing telomerase (hTERT), an enzyme that extends the telomeres of chromosomes. Telomerase is expressed at a high level in over 80% of human tumors. UV1 uses telomerase (hTERT) as an immune therapy target.
Tetanus	Tetanus (Norwegian: "Stivkrampe") is a serious illness contracted through exposure to the spores of the bacterium, Clostridium tetani, which live in soil, saliva, dust, and manure. The bacteria can enter the body through deep cuts, wounds or burns affecting the nervous system. The infection leads to painful muscle contractions, particularly of the jaw and neck muscle, and is commonly known as "lockjaw". Tetanus vaccination protects against the disease.
Checkpoint and PARP inhibitors	
Ipilimumab	CTLA-4 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Nivolumab	PD-1 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Pembrolizumab	PD-1 checkpoint inhibitor from Merck
Durvalumab	PD-L1 checkpoint inhibitor from AstraZeneca
Olaparib	PARP inhibitor from AstraZeneca
Clinical trial terms	
CR	Complete response (The disappearance of all signs of cancer in response to treatment. Also called complete remission.)
PR	Partial response (A decrease in the size of a tumor, or in the extent of cancer in the body, in response to treatment. Also called partial remission.)
SD	Stable disease (Cancer that is neither decreasing nor increasing in extent or severity.)
PD	Progressive disease (Cancer that is growing, spreading, or getting worse.)
ORR	Objective response rate = CR + PR
DOR	Duration of response (The length of time that a tumor continues to respond to treatment without the cancer growing or spreading.)
OS	Overall survival (The length of time from either the date of diagnosis or the start of treatment for a disease, such as cancer, that patients diagnosed with the disease are still alive. In a clinical trial, measuring the overall survival is one way to see how well a new treatment works.)
PFS	Progression-free survival (The length of time during and after the treatment of a disease, such as cancer, that a patient lives with the disease but it does not get worse. In a clinical trial, measuring the progression-free survival is one way to see how well a new treatment works.)
mPFS	Median overall survival means (The length of time during and after the treatment of a disease, such as cancer, that half of the patients in a group of patients diagnosed with the disease are still alive.)
Medical terms	
Intradermal	In order to initiate an immune response, a vaccine must be taken up by antigen presenting cells (dendritic cells). UV1 is administered via the intradermal route, i.e., injection in the dermis, one of the layers of the skin. This layer, underneath the epidermis, is highly vascularized and contains a large number of immune cells, mainly dermal dendritic cells.
Biopsy	A piece of tissue, normal or pathological removed from the body for the purpose of examination.

IgE	Immunoglobulin E (IgE) are antibodies produced by the immune system. With an allergy, the individual's immune system overreacts to an allergen (what they are allergic to) by producing IgE. These antibodies travel to cells that release chemicals, causing an allergic reaction when an allergen enters the body.
Metastasis / Metastatic cancer	The development of malignant growths at a distance from a primary site of cancer / Metastatic cancer is cancer that spreads from its site of origin to another part of the body.
SAE	A serious adverse event (SAE) in human drug trials is defined as any untoward medical occurrence that at any dose 1. results in death, 2. is life-threatening 3. requires inpatient hospitalization or causes prolongation of existing hospitalization 4. results in persistent or significant disability/incapacity 5. is a congenital anomaly/birth defect, or 6. requires intervention to prevent permanent impairment or damage. The term "life-threatening" in the definition of "serious" refers to an event in which the patient was at risk of death at the time of the event; it does not refer to an event which hypothetically might have caused death if it were more severe. Adverse events are further defined as "Any untoward medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product and which does not necessarily have to have a causal relationship with this treatment."
PSA	Prostate-specific antigen (PSA) is an enzyme (protein) important for reproduction. PSA is present in small quantities in the serum of men with healthy prostates but is often elevated in the presence of prostate cancer or other prostate disorders.

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Contact us

Ultimovacs ASA
Ullernchausséen 64
0379 Oslo
Norway

mail@ultimovacs.com

+47 413 80 080

About Ultimovacs

Ultimovacs was established in 2011 and is a public limited liability company listed on the Oslo Stock Exchange in Norway. The Company and its proprietary technology is based on preclinical and clinical research on immunotherapies conducted at the Oslo University Hospital. Ultimovacs is headquartered at the Oslo Cancer Cluster Innovation Park in Oslo, Norway, and also has an office in Uppsala, Sweden. Ultimovacs is an active member of Oslo Cancer Cluster.

Ultimovacs seeks to become a leader in developing immune-stimulatory vaccines to treat a broad range of cancers. Ultimovacs' lead universal cancer vaccine candidate UV1 leverages the high prevalence of the human telomerase (hTERT) to be effective across the dynamic stages of the tumor's growth and its microenvironment. By directing the immune system to hTERT antigens that are present in over 80% of all cancers, UV1 drives CD4 helper T cells to the tumor with the goal of activating an immune system cascade to increase anti-tumor responses. Ultimovacs' strategy is to clinically demonstrate UV1's impact in many cancer types and in combination with other immunotherapies. The Company will expand its pipeline using its novel TET-platform, which is a next-generation vaccine technology that can generate multiple vaccine candidates designed to achieve increased T cell responses to a broad range of target antigens.

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